AMENDMENT TO A UNIVERSITY CONTRACT TO LICENSE TECHNOLOGY TO A COMPANY OWNED BY A SCHOOL OF MEDICINE FACULTY

RECOMMENDATION

The Administration recommends the Board of Governors authorize the President or his designee to amend an Option for an exclusive license with Mitovation, Inc. (Mitovation) for commercialization of intellectual property encompassing the technologies and methods for the treatment of ischemia–reperfusion injury.

BACKGROUND

Wayne State University (WSU) has optioned to Mitovation, Inc. certain rights in and to certain patents, technology and know-how currently known as “A Phototherapy Method and Device for Prevention and Treatment of Tissue Damage” (WSU Tech. ID 09-940) and “Light Therapy Treatment” (WSU Tech. ID 15-1298), together the “Original Optioned Technology,” pursuant to an Option Agreement with an effective date of December 18, 2017 and as previously presented to the Board of Governors.

WSU and Mitovation’s desire to amend the Option Agreement to, inter alia, (1) add new technology referenced internally by WSU as WSU Tech. ID 19-1521 and titled, “Infrared Light Technology to Limit Adhesion Formation and Scarring Post-Surgery,” (“New Technology” and, together with the Original Optioned Technology, “Technology”); and (2) set out a payment schedule for reimbursement of existing patent expenses.

Mitovation, Inc. was cofounded by Mr. Mark Morsfield (CEO), Dr. Maik Huettemann (Center for Molecular Medicine and Genetics) and Dr. Thomas Sanderson (formerly of WSU’s Department of Internal Medicine and currently at the University of Michigan). Mitovation was incorporated in Delaware in 2017. It is the intent of Mitovation to further develop the Technology for clinical applications including stroke, cardiac and neonatal applications.

Michigan Conflict of Interest law requires specific sunshine procedures in order for a University employee, or a company owned by a University employee, to contract directly or indirectly with the University:

(A) The employee must disclose any pecuniary interest in the contract to the Board and the disclosure must be made a matter of record in the Board’s proceedings.

(B) The contract must be approved by a vote of not less than two-thirds of the full membership of the Board in open session.
The Board’s minutes must report:

(i) The name of each party involved in the contract.

(ii) The terms of the contract, including duration, financial consideration between the parties, facilities or services of the public entity included in the contract, and the nature and degree of assignment of employees of the public entity for fulfillment of the contract.

(iii) The nature of any pecuniary interest.

If the Board approves this Recommendation, the minutes will report as follows:

The Board of Governors authorized the President, or his designee, to contract with Mitovation, Inc., of which Dr. Maik Huttemann holds an equity interest and to grant Mitovation, Inc. an Option to an exclusive license to the university Technology.

(i) The parties involved in the contract are Wayne State University and Mitovation, LLC.

(ii) The contract will provide:

(a) Scope: An amendment to the option to acquire an exclusive, worldwide royalty bearing license to include an additional technology, WSU Tech ID 19-1521, to expand the number of clinical indications for the application of the core technology.

(b) The Option shall be amended to extend the Option period for an additional twelve (12) months.

(c) Financial consideration of:

   (1) Option extension issue fee of $3,000.

   (2) Payment of all reimbursable patent expenses under the Option agreement during the Option extension period.

(d) No University employees are assigned in connection with the licensing contract.

(iii) Dr. Huttemann’s pecuniary interest consists of the OWNERSHIP INTEREST, holding 50% equity interest in Mitovation. Dr. Huttemann will therefore have the potential to financially benefit from the commercial success of the company, including the commercialization of the University Technology.