

SUBMITTED BY: STEPHEN M. LANIER, PH.D., VICE PRESIDENT FOR RESEARCH

**UNIVERSITY CONTRACT FOR AN OPTION TO AN EXCLUSIVE LICENSE
To
A COMPANY OWNED BY SCHOOL OF MEDICINE FACULTY**

RECOMMENDATION

The Administration recommends the Board of Governors authorize the President or his designee to contract with Phase V Pharmaceuticals, Inc. to enter into an Option license the Intellectual Property encompassing the technology entitled “A Baclofen Solution for Low-Volume Therapeutic Delivery.”

BACKGROUND

Jay M. Meythaler, M.D, J.D., professor of physical medicine and rehabilitation, School of Medicine, in collaboration with Phase V Pharmaceuticals employees, developed certain technologies related to the delivery of low volume, high concentrations of therapeutic compounds baclofen as described in WSU Tech ID 06-822. The technology provides specifically for baclofen solutions for the treatment of brain and spinal injuries. Wayne State University is a co-owner of the right, title and interest in patents “A Baclofen Solution for Low-Volume Therapeutic Delivery” issued in the United States US 9,655,968, CA 2,721,134 and EP 2167071.

Phase V Pharmaceuticals, Inc., formed in 2003 by Dr. Meythaler and co-founders and based in Silver Spring, Maryland, is a specialty pharmaceutical company that develops new formulations for drugs used to treat central nervous system injury.

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.
- (C) 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 Phase V Pharmaceuticals, in which Professor Jay Meythaler holds an equity interest, to grant Phase V Pharmaceuticals an Option to License the University intellectual property known as "A Baclofen Solution for Low-Volume Therapeutic Delivery."

- (i) The parties involved in the contract are Wayne State University and Phase V Pharmaceuticals
- (ii) The contract will provide that:
 - (a) Scope: An Option to an exclusive license to worldwide rights to the patents
 - (b) Duration: The Option Period shall be for a period of eighteen (18) months with the ability to extend for an additional six (6) months upon payment of an extension fee
 - (c) Financial Consideration: WSU shall receive an Option Fee of \$5,000 upon execution of the agreement and a \$1,000 extension fee, if applicable
 - (d) No facilities or services of the University are included in the contract
 - (e) No University employees are assigned in connection with the contract
- (iii) Dr. Meythaler's pecuniary interest consists of thirty-one and eight-tenths percent (31.8%) ownership of the issued shares of Phase V Pharmaceuticals and he will therefore have the potential to financially benefit from the commercial success of the company, including the commercialization of the University's intellectual patents known as "A Baclofen Solution for Low-Volume Therapeutic Delivery."