

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

**UNIVERSITY CONTRACT TO LICENSE TECHNOLOGY TO
A COMPANY OWNED BY
COLLEGE OF ENGINEERING/SCHOOL OF MEDICINE FACULTY**

RECOMMENDATION

The Administration recommends the Board of Governors authorize the President or his designee to contract with Venica Fluid Sciences, Ltd. to enter into an exclusive license for commercialization of the intellectual property encompassing the technology entitled "Raman-based liquid chromatography cartridge detection and quantification of liquid analytes" (WSU Tech 19-1536).

BACKGROUND

Greg Auner, PhD, Strauss Endowed Chair, Department of Electrical and Computer Engineering; Biomedical Engineering and Materials Science in the College of Engineering and a Professor in the School of Medicine and Michelle Brusatori, PhD., associate professor of Surgery; and Ron Johnson, having no University affiliation (collectively, the "Inventors") have developed a portable, chromatography system for the detection of analytes in liquid solutions (the "Technology"). The system and device incorporate advanced, sensor technology, liquid chromatography and data analytics to deliver low cost portable testing with the accuracy of standard laboratory testing for biological fluids and environmental water samples. The Technology is described in a US patent. The inventors have assigned their rights to Wayne State University (Auner, Brussatori) and Venica Fluid Solutions (Johnson).

Venica Fluid Solution was founded in 2016 by Nigel Rushman, Don Morris Ron Johnson and Greg Auner to commercialize the portable chromatography device developed at Wayne State. Dr. Donald Weaver, Chair, Department of Surgery and Dr. Wael Sakr, chair, Department of Pathology, serve as advisors to the company.

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 Venica Fluid Science, Ltd of which Dr. Greg Auner, a University employee, holds an equity position, to grant Venica Fluid Science an exclusive license to the University's ownership interest in the intellectual property known as Raman-based liquid chromatography cartridge detection and quantification of liquid analytes.

- (i) The parties involved in the contract are Wayne State University and Seraph Biosciences, LLC.
- (ii) The contract will provide:
 - (a) Scope: Exclusive, worldwide license with the right to grant sublicenses;
 - (b) Field of Use: Detection of analytes in biological fluids and environmental water samples Duration for the life of any patents on the University's licensed intellectual property or ten years following the first commercial sale of products utilizing the University's licensed intellectual property, whichever is later;
 - (1) License issue fee of \$5,000;
 - (2) Liquidation event transaction fee;
 - (3) Licensee is responsible for all patent expenses;
 - (4) 2% Royalty on net revenue;
 - (5) 15% Sublicense fees;
 - (6) License Maintenance Fees and Milestone Fees;

- (c) No University facilities or services of the University are included in the contract; and
 - (d) No University employees are assigned in connection with the contract.
- (iii) Dr. Auner's pecuniary interest consists of 15% ownership of Venica Fluid Science and he will therefore have the potential to financially benefit from the commercial success of the company, including the commercialization of the University's co-owned intellectual property described above.