

SUBMITTED BY:

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

RECOMMENDATION

The Administration recommends that the Board of Governors authorize the President or his designee to contract with REPELA TECH, LLC for an option to an exclusive license for the commercialization of the intellectual property encompassing “Antifouling Materials” in the field of Marine and Industrial Coatings.

BACKGROUND

REPELA TECH, LLC, (“Repela”) is a start-up company developing novel materials, including antifouling marine coatings. The company was founded in 2017 by Zhiqiang Cao, PhD., associate professor in the Department of Chemical Engineering to specifically commercialize technology described in WSU Tech ID 16-1370, “*Durable and Ultrarobust Antifouling Polymer*” (WSU Inventors: Zhiqiang Cao and Wei Wang), WSU Tech ID 17-1406 (*Carnitine Derived materials (monomers+polymers+hydrogel* (Inventors, Zhiqiang Cao and Wei Wang) and WSU Tech ID 20-1601, *Novel Two Step Coating Composition* (Inventors Zhiqiang Cao and Song Boyi), collectively, the “Technology”, and corresponding pending patents, US Serial No. 16/619,699 (Antifouling Zwitterionic Polymer Coating and Reverse Coating Method), US 16/619,806 (L-Carnitine Derived Zwitterionic Betaine Materials) and foreign counterparts in China (201880050170.7), Europe(18812890.4) and Japan(2019-567337) and Provisional US Application 63/068,114, Coating Compositions and Methods. The Technology and patents are collectively known as “Anti-fouling Materials”

Repela was the recipient of an award from the National Science Foundation, “STTR Phase I: Next Generation of Environmental Friendly Marine Coating With Superior Durability And Antifouling Performance,” which includes a sub-award to Wayne State University and has recently submitted the application for Phase II of the award. The Repela team was also the recipient of a national NSF I-Corps grant in 2018.

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 Repela Tech, LLC in which Zhiqiang Cao, PhD holds an equity interest, to grant Repela Tech, LLC, an Option to License the University intellectual property known as "Anti-Fouling Materials"

- (i) The parties involved in the contract are Wayne State University and REPELA TECH, LLC.
- (ii) The contract will provide:
 - (a) Scope: An Option to an exclusive license to the patents and the Technology in the field of marine and industrial coatings
 - (b) Duration: The contract will be for twelve months, extendable for an additional twelve months for payment of \$1,000.
 - (c) Financial Consideration: WSU will receive an Option Fee of \$1,000.00 upon execution of the agreement
 - (d) University Facilities/Services: No facilities or services are assigned in connection with the contract.
- (iii) Dr. Cao's pecuniary interest consists of a current interest of approximately 40% ownership in Repela. Dr. Cao will therefore have the potential to financially benefit from the commercial success of the company.