

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

**UNIVERSITY SUBCONTRACT TO LICENSE TECHNOLOGY
TO A COMPANY OWNED BY A
SCHOOL OF MEDICINE FACULTY**

RECOMMENDATION

The Administration recommends that the Board of Governors authorize the President or his designee to enter into an option with AleloPharma, Inc., a Michigan C-Corporation for an exclusive option for an exclusive license for commercialization of the intellectual property encompassing the development of an ultra-specific and ultra-sensitive SARS-CoV2 detection technology.

BACKGROUND

Rodrigo Fernandez-Valdivia, Ph.D., assistant professor of Pathology at Wayne State University, has developed a novel molecular detection system for ultra-specific and ultra-sensitive SARS-CoV-2 detection utilizing highly specific sets of primers and probes for one-step qTR-PCR. The technology has been disclosed to the university and is described in a disclosure entitled "Ultra-specific and Ultra-sensitive Platform for Highly-reliable and High-precision SARS-CoV-2 Detection," (Wayne State File #20-1603) and for which a patent application (US Ser. No. 63/106,106) has been filed by Wayne State University.

AleloPharma, Inc., incorporated in Michigan in 2020, and was founded to develop and commercialize an ultra-specific / sensitive diagnostic technology for SARS-CoV-2 and other related platforms. Dr. Fernandez-Valdivia is the cofounder and president of the company located at 6600 Cathedral Drive, Bloomfield Hills, Michigan, 48301.

Dr. Fernandez-Valdivia is the recipient of a recent Advance Grant Proof of Concept Fund sponsored by the Michigan Economic Development Corporation, AGR2021-00253, entitled "Ultra-Specific and Ultra-sensitive Platform for Highly-reliable and High-precision SAR-CoV2 Detection and Covid-19 Diagnostics." AleloPharma, Inc. is in the process of applying for Phase I Small Business Innovative Research (SBIR) grants.

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 enter into a contract with AleloPharma, Inc.

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

(ii) The contract will provide that:

(a) Scope: An option to acquire an exclusive, worldwide royalty bearing license.

(b) Duration: The term of the option shall be for twelve (12) months with the opportunity to extend for a further period of twelve (12) months upon payment of additional consideration.

(c) Financial Consideration: An initial option fee of \$2,000.

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

(iii) Dr. Rodrigo Fernandez-Valdivia's pecuniary interest consists of a current fifty percent (50%) ownership of AleloPharma, Inc, with Dr. Felipe Palacios holding the remaining 50% equity. Dr Fernandez-Valdivia will therefore have the potential to financially benefit from the commercial success of the company. Dr. Fernandez-Valdivia has filed a Financial Conflict of Interest with the Office of Research Integrity.