

SUBMITTED BY: STEPHEN LANIER, VICE PRESIDENT FOR RESEARCH

**UNIVERSITY CONTRACT TO LICENSE TECHNOLOGY 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 Mitovation, Inc., to exclusively license for commercialization of the intellectual property encompassing the technologies collectively entitled, “Infrared Light for therapeutic intervention in ischemic reperfusion and inflammatory injury” (the “Technology”).

BACKGROUND

Maik Huetteman, PhD., professor in Wayne State University’s Center for Molecular Medicine and Genetics (CMMG) and Dr. Thomas Sanderson, formerly of the Department of Internal Medicine and the Department of Physiology, have developed novel technology, methods and devices for the treatment of ischemia reperfusion injury as described below (collectively, the “Technology”). The Technology has been disclosed in:

Tech ID 09-940: *“A Phototherapy Method and Device for Prevention and Treatment of Tissue Damage”* (Inventors: Maik Huettemann, Thomas Sanderson, Karin Przyklenk (Department of Physiology), Peter Whittaker (Department of Physiology), John Kamholz (Department of Neurology and CMMG), Larry Grossman (CMMG) and Jeffrey Doan (CMMG));

Tech ID 15-1298: *“Light Therapy Treatment”* (Inventors: Maik Huettemann, Thomas Sanderson, John Kamholz, Icksoo Lee (CMMG), Karin Przyklenk, Lawrence Grossman);
WSU Tech 15-1521: *“Infrared Light Technology to Limit Adhesion Formation and Scarring Post-surgery”* (Inventors: Maik Huettemann, Thomas Sanderson and Maurice Recanati (Department of Obstetrics and Gynecology) and

Tech ID 19-1551: *“Non – invasive Mitochondrial Modulation Therapy for Focal Stroke”* (Inventors: Maik Huetteman, Thomas Sanderson and Christos Strubaskos (formerly, Dept. Physiology).

The technology is also embodied in patents US 8,945,196, US 9610, 460, US 10,071,261 and pending applications: US Serial Nos 14/709,869 and 16/019,756; PCT /US19/59103; PCT US20/34052 and pending applications in Europe (20100718784) and Japan (2012508774).

The Technology was developed with WSU resources including financial support from the WSU Office of Technology Commercialization's TDI and MTRAC programs, and grants and awards from the Wilson Foundation and the National Institutes of Health.

Mitovation, Inc. was launched in 2017 to further develop and commercialize the Technology for clinical indications including stroke, cardiac and neonatal applications. Drs. Huetteman and Sanderson were founding members of the company, which is currently led by CEO, Bruce Barret, former CEO of Somanetics, Inc.

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 Mitovation, Inc., of which Dr. Maik Huetteman holds an equity interest and to grant Mitovation, Inc. an exclusive license to the University Technology.

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

(ii) The contract will provide:

(a) Scope: An exclusive, worldwide, sublicensable, royalty bearing license.

(b) Field: The use of Infrared light therapy for ischemic reperfusion and inflammatory injury.

(c) Term: 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.

(d) Financial consideration of:

(1) License issue fee: \$10,000.

(2) Royalty (2.0%) on Net Revenue of on sales of products.

(3) Sublicensing royalty on other consideration received (20% prior to filing FDA Investigational Device Exemption (IDE); 15% after filing IDE; 5% after First Commercial Sale).

(4) Payment of past patent expenses incurred by WSU and payment of expenses incurred during the license period for preparing, filing, prosecuting and maintaining any issued and pending patents.

(5) Milestone payments upon FDA approval and sales milestones.

(6) License Maintenance Fees (beginning in 2023, \$5,000; 2024-2026, \$10,000; 2027 and thereafter, (\$15,000)).

(7) Transaction Fee: 1% of aggregate consideration received upon a liquidation event.

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

(iii) Dr. Huetteman's pecuniary interest consists of an ownership interest in Mitovation, Inc. Dr. Huettemann currently holds 48% equity interest and will therefore have the potential to financially benefit from the commercial success of the company, including the commercialization of the University Technology.