

SUBMISSION FORM

University System/Employee Intellectual Property Joint Participation MUSP

This form is to be submitted with any Board of Regents item whereby a campus seeks the approval of an agreement with or arrangement regarding an employee pursuant to 20-25-109 MCA and Regents Policy 407.

When the submission concerns matters of trade secrets or confidential business information, or any other matter entitled to privacy under state or federal law (e.g., the federal statute known as Bayh/Dole) the submitting campus may request consideration of the submission, in whole or in part, in executive session.

The submitting campus should also provide the Commissioner a copy of the contract(s) that form the basis for the cooperative arrangement for which approval is sought. Submission of the contract does not indicate a conclusion that all or part of the contract is a public document and the question of whether it is in whole or in part protected from public disclosure will be evaluated on a case by case basis.

1. Summarize the nature of the intellectual property that was developed by the employee seeking approval. Indicate the sources of funding for the research that resulted in this invention.

Dr. Philippe Diaz has developed in collaboration with Dr. Nina Isoherranen from the University of Washington, with federal grant funding (P30NS055022 and R01GM081569), a novel series of compounds selectively inhibiting retinoic metabolism that can be used for the treatment of skin diseases and neurodegenerative diseases. The University of Montana and the University of Washington are co-owners of this intellectual property and operate under an InterInstitutional Agreement addressing development, patenting, and commercialization of the intellectual property.

Dr. Fanny Astruc-Diaz founded Dermaxon LLC, a Missoula-based limited liability company, to develop and commercialize a new treatment of Alzheimer's disease or ichthyosis that contains, in part, this intellectual property protected by a patent co-owned by UM and UW. Dr. Fanny Astruc Diaz, recently received a STTR phase 1 NIH grant to develop these novel therapeutic strategies.

2. a. Name(s) of the university employee(s) involved.

Dr. Philippe Diaz, Research Associate Professor and Dr. Fanny Astruc-Diaz Post-Doc Research Scientist, are both employed by the Department of Biomedical and Pharmaceutical Sciences (1.0 and .30 FTE, respectively) within the UM Skaggs School of Pharmacy.

- b. Name(s) of business entity(ies) involved.

Dermaxon, LLC, a Montana limited liability company

3. The university and employee(s) are seeking approval for (check as many as appropriate):
- a. The employee to be awarded equity interest in the business entity.
 - b. The employee to serve as a member of the LLC or other governing board of the business entity.
 - c. The employee to accept employment from the business entity.
 - d. Other. Please explain.
4. a. Summarize the nature of the relationship between the university and the business entity (e.g., the entity is licensing the intellectual property from the university, the entity is co-owning the intellectual property with the university).

The benefits to U of M and the State of Montana arising from the proposed research and activities of DermaXon are:

The first relationship sought will be to allow DermaXon to license the series of compounds developed by Dr. Philippe Diaz in his position as Research Associate Professor of Medicinal Chemistry. The licensing agreement will allow DermaXon to utilize the series of compounds to identify a candidate that can be developed as a new treatment for neurodegenerative diseases or skin diseases. An option agreement is currently in discussion and will include royalties from revenue obtained through use of the patent and that will be paid to U of M and UW.

By allowing this University-private sector relationship to be established, intellectual property developed by University faculty can be used to grow a Montana-based company, will set an example for other entrepreneurs from the University looking for opportunities for commercialization of their innovations and creations, and will generate goodwill for University employees and the private sector. The University will incur no net cost by entering into the proposed licensing agreement.

DermaXon LLC, and Dr. Fanny Astruc Diaz, Principal Investigator were awarded a STTR phase 1 by NIH to develop these novel therapeutic strategies. DermaXon, LLC wishes to license this intellectual property. In addition, the STTR grant requires DermaXon, LLC to subcontract behavior experiments with these compounds to UM in the amount of \$28,000. The sub-contract will be performed by Dr. Josh Lawrence, an Assistant Professor in the Department of Biomedical and Pharmaceutical Sciences.

It is expected that at some future date additional research by Dr. Diaz and Dr. Astruc-Diaz will be useful to DermaXon LLC and that UM will desire additional licensing agreements and obtain additional royalties. While there exist no definitive revenue projections at this time, Dr. Diaz is engaged in research to optimize this class of compounds and Dr. Astruc-Diaz is designing a Drug Delivery System for these compounds supported by a grant from ITHS which, if successful, would be of great interest to DermaXon LLC.

The relationship with DermaXon brings a new collaboration and many possibilities for patents. This is also an opportunity to broaden the research landscape at UM and the region, while providing the potential for economic development.

DermaXon LLC anticipates leasing BMED laboratories and resources and using pharmacy or graduate students as summer employees and interns beginning in May 2014. Such employees may be critically important to Dermaxon LLC in establishing and growing as a cutting edge business.