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March 21, 1979

263-2831

Mr. H. W. Trease
Executive Director
University of Iowa Research Foundation
Room 214 Jessup Hall
Iowa City, Iowa 52242

Dear Mr. Trease:

Mr. Ray Woodrow forwarded your letter of March 2 to me posing a question on whether to handle a submission by an outside inventor.

I note that you stated that WARF's charter forbids such activity. In fact, WARF's charter is broad enough to enable us to consider that sort of invention input but, because of the applicable tax situation, we feel constrained from considering outside inventions. I would think that the same considerations would apply to others who enjoy a tax exempt status under Section 501(c)(3) of the Internal Revenue Code.

Research Corporation can, of course, make arrangements to handle such inventions but, under the provisions of the Tax Reform Act of 1969, they are not considered to be in the same exempt status in which WARF and most university connected foundations now exist. The ultimate question then is a taxation question. You can inquire directly of Will Marcy at Research Corporation of their present status under the 1969 Tax Act.

Very truly yours,

Howard W. Bremer
Patent Counsel

HWB:rw

cc--Mr. Woodrow

bc--Pike-Woerpel-Hinkes