## WISCONSIN ALUMNI RESEARCH FOUNDATION

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263-2831

Mr. Reagan Scurlock Committee on Governmental Relations National Association of College and University Business Officers One DuPont Circle, N.W., Suite 510 Washington, D.C. 20036

## Dear Reagan:

I have the copy of the letter you sent to Joe Allen suggesting revision of Section 204 of S. 414. In talking to Larry Gilbert about the language proposed we collectively had recollections that the language ultimately decided upon was not precisely what had been sent although I am sure that the language you did send came via Clark.

The language which we think was intended to be submitted reads as follows:

> Section 204 - RETURN OF GOVERNMENT INVESTMENT (a) if a nonprofit organization or small business firm receives \$150,000 net earned royalty income in any year from the licensing of the U.S. patents on any subject invention, until said invention is or becomes available for licensing on a nonexclusive basis, the United States shall be paid 50 per centum of all net earned royalty income above \$150,000 in any year during said period.

Section 201 - DEFINITIONS (add)

(i) the term "net earned royalty income" means gross income received by a contractor in the United States derived from the practice of subject inventions by licensees of the contractor, less expenses and other costs directly attributable to patenting, marketing and licensing the inventions including the distribution of royalties to the inventors.

I had occasion to talk to Joe Allen and mentioned the possibility of a change in this language to him and gave him our reasoning for the overall changes to 204 which are being suggested by COGR.

Very truly yours,

Howard W. Bremer Patent Counsel

HWB:rw

cc--COGR Subcommittee Members -- If you have any other commentary or disagree please let the other Subcommittee members know.