

**COMMITTEE ON GOVERNMENTAL RELATIONS**

National Association of College & University Business Officers

ONE DUPONT CIRCLE, N.W. • SUITE 510 • WASHINGTON, D.C. 20036 • (202) 296-2346

June 12, 1979

202  
224-9263

Mr. Joseph Allen  
Research Assistant  
Subcommittee on Constitution  
United States Senate  
Washington, D.C. 20510

Dear Mr. Allen:

On May 8, 1979, COGR sent Senator Birch Bayh a letter expressing support for S-414 and offering testimony. We still remain committed to the bill, however, reconsideration of Section 204 - Return of Government Investment shows there may be needless technical difficulty and differences when negotiating and calculating the dollar value return to the government. To simplify the payback calculation, the following language is recommended:

Section 204 - RETURN OF GOVERNMENT INVESTMENT

(a) if a nonprofit organization or small business firm receives \$150,000 net earned royalty income *the U.S. patent on* in any year from the licensing of any subject invention, until said invention is or becomes available for licensing on a non-exclusive 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)

(j) the term "net earned royalty income" means gross income received by a contractor in the United States derived from the practice of subject inventions *and other cases* by licensees of the contractor, less expenses directly attributable to patenting, marketing and licensing the invention, *inventors* royalty distribution and indirect expenses of licensing, *which indirect expenses shall not exceed 25 per centum of gross earned royalty income.* *the distribution of royalties to the inventor*

Thank you for considering these proposed language changes.

Sincerely,

Reagan Scurlock

**COMMITTEE CHAIRMAN**

GEORGE R. HOLCOMB  
University of North Carolina  
at Chapel Hill

**MEMBERS**

ROBERT C. BOWIE  
The Johns Hopkins University

LESTER H. BURYN  
University of Alabama  
in Birmingham

STUART H. COWEN  
Massachusetts Institute of Technology

HERBERT R. DUNHAM  
University of Colorado

W. CLYDE FREEMAN  
The Texas A&M University System

GENE A. FRICK  
Purdue University

ROBERT E. GENTRY  
Southern Illinois University  
at Carbondale

MARGERY E. HOPPIN  
The University of Iowa

DONALD N. LANGENBERG  
University of Pennsylvania

REUBEN H. LORENZ  
University of Wisconsin System

CLARK A. McCARTNEY  
University of Southern California

FRANKLIN G. RIDDLE  
Stanford University

KENNETH W. SLOAN  
The Ohio State University

THOMAS E. STELSON  
Georgia Institute of Technology

WALLACE C. TREIBEL  
University of Washington

JOSEPH S. WARNER  
Yale University

WILLIAM M. WILKINSON  
The University of Rochester

**EXECUTIVE DIRECTOR**

REAGAN SCURLOCK

**ASSISTANT EXECUTIVE DIRECTOR**

MILTON GOLDBERG