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National Association of College & University Business Officers

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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 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 by licensees of the contractor, less expenses directly attributable to patenting, marketing and licensing the invention, royalty distribution and indirect expenses of licensing, which indirect expenses shall not exceed 25 per centum of gross earned royalty income.

Thank you for considering these proposed language changes.

Sincerely,

Reagan Scurlock

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