Goldstein & Abrams
Koerpel
Green
Merck

September 26, 1960

Surgeon General
Public Health Service
National Institutes of Health
Bethesda 14, Maryland

Attention Mr. John B. Porterfield
Deputy Surgeon General

Gentlemen:

Re: Case S-32-58 (B59)
Coenzyme Q

Under date of December 16, 1959, the Surgeon General made a determination in this case. Among the provisions of the determination were the following that are pertinent to the subject of this letter:

"C. It is my determination that insofar as a new type quinone (Q-275) and processes of its preparation may be patentable, and in view of the need for large-scale production, the invention will be more adequately and quickly developed for widest use and will be satisfactorily safeguarded against unreasonable royalties and repressive practices if it is left to the Wisconsin Alumni Research Foundation for development and administration subject to acceptance of and adherence to the following conditions by the University and the Foundation.

1. . . . . .

2. The Foundation will issue non-exclusive, revocable, royalty-bearing licenses to all qualified manufacturers, except that it may, for the period of not more than five (5) years from the date of patent application, or three (3) years from the date of first public sale of product of the invention, whichever is earlier, issue an exclusive license to one interested, reliable manufacturer. The terms of any such exclusive license shall include a license revoking nonperformance clause to assure the rapid and sustained development of the invention.