LES (USA) INC. PROPOSAL

TO ENCOURAGE TECHNOLOGY TRANSFER TO THE DEVELOPING NATIONS. (LDC)

HOMER O. BLAIR

I. GENERAL

A. IN MARKET ECONOMY DEVELOPED COUNTRIES, TECHNOLOGY IS OWNED BY PRIVATE NON-GOVERNMENT ORGANIZATIONS.

B. TECHNOLOGY OWNERS MUST HAVE INCENTIVES SO THAT THEY WILL WANT TO TRANSFER TECHNOLOGY TO DEVELOPING NATIONS.

TECHNOLOGY HAS ALWAYS BEEN AVAILABLE FOR THE RIGHT PRICE.

II. LES (USA) PROPOSALS

1. LDC REQUIRE LOCAL ORGANIZATIONS TO HIRE EXPERT LICENSING CONSULTANTS TO HELP
   - A. FIND APPROPRIATE TECHNOLOGY
   - B. NEGOTIATE APPROPRIATE BUSINESS DEAL UNTIL LOCAL ORGANIZATION HAS ITS OWN EXPERTS.

ALL LAWYERS ARE NOT LICENSING EXPERTS

2. ESTABLISH TECHNOLOGY TRANSFER FELLOWSHIPS TO TRAIN TECHNOLOGY TRANSFER EXPERTS FOR DEVELOPING NATIONS.

   A. LOCATED AT PRIVATE ORGANIZATION (CORPORATION OR LICENSING CONSULTANT) - NOT UNIVERSITIES.
   B. CONTRACT FOR $25,000 PER YEAR, PLUS EXPENSES, TO PERMIT PERSON FROM DEVELOPING NATION TO WORK AS INTERN IN LICENSING DEPARTMENT FOR 1-2 YEARS.
   C. LES COULD HOLD EDUCATIONAL SEMINARS FOR THE TRAINEES.

3. EDUCATION AND TRAINING OF LDC TECHNOLOGICAL INFRA-STRUCTURE

   A. AT UNIVERSITIES
   B. ALL NECESSARY SKILLS
      a) ENGINEERING
      b) FINANCE
      c) MARKETING
      d) PRODUCTION

4. INCREASE AGRICULTURAL DEVELOPMENT AND TRAINING OF LDC'S.

   THIS IS SOMETHING GOVERNMENT CAN DO.

5. PROVIDE INCENTIVES FOR LDC BUSINESSMEN

   A. RISK CAPITAL MUST BE AVAILABLE.
   B. PROVIDE, OR IMPROVE, PATENT SYSTEM DESIGNED TO ENCOURAGE LOCAL INVENTIONS.
   C. IF TAKE RISK, MUST BE ABLE TO GET SUBSTANTIAL REWARD.
   D. IDENTIFY LOCAL ENTREPRENEURIAL ENTITIES

6. STUDY EXISTING PROGRAMS TO ATTRACT INDUSTRIAL DEVELOPMENT

   A. IRELAND
   B. PUERTO RICO
   C. STATES AND CITIES

7. TECHNOLOGY TRANSFER INCENTIVE PROGRAM

   A. LARGE AMOUNTS OF MONEY NOT PROVIDED DIRECTLY TO GOVERNMENT OF DEVELOPING NATIONS.
   B. FINANCING COUNTRIES PAY SIGNIFICANT TECHNOLOGY TRANSFER INCENTIVE PAYMENT TO TECHNOLOGY OWNER.
      1. $500,000 PER PLANT EMPLOYING 100 PEOPLE.
      2. 25% WHEN INITIAL ARRANGEMENT IS CONCLUDED.
      3. 25% AT ACTUAL START OF PLANT CONSTRUCTION.
      4. 50% UPON COMPLETION OF PLANT.

C. FINANCING COUNTRY WILL PAY COSTS TO TRAIN LDC PEOPLE.

D. LDC COUNTRY PAY BETWEEN 10-25% OF PLANT COSTS.
FINANCING COUNTRY PAY REMAINDER.

E. APPROPRIATE ROYALTY (~~SUBJECT~~ SUCH AS 5% OF SALES) FOR 15 YEARS.

F. TECHNOLOGY OWNER PROVIDE 30 PROFESSIONAL MAN DAYS PER YEAR TO MANUFACUTURE IMPROVEMENT TECHNOLOGY.
PAID FOR BY FINANCING COUNTRY AND LDC.

G. GOAL THAT PLANT WILL NOT NEED TO EMPLOY MORE THAN 2 FOREIGN PEOPLE WITHIN 5 YEARS.
PLANT WILL NOT HAVE TO EMPLOY ANY FOREIGN PEOPLE WITHIN 10 YEARS.

H. ROYALTY-FREE NON-EXCLUSIVE LICENSE UNDER IMPROVEMENTS GRANTED TO TECHNOLOGY OWNER WHEN TECHNOLOGY OWNER IS PROVIDING IMPROVEMENTS.

ANY IMPROVEMENTS CONCEIVED BY LICENSEE/EMPLOYEE DURING THE TERM OF THE AGREEMENT PLUS 1 YEAR.

TECHNOLOGY OWNER COULD GRANT SUBLICENSE ON LICENSEE'S IMPROVEMENTS ONLY TO OTHER LICENSEES.

THIS ARRANGEMENT WILL ENSURE COMPLETE DISCLOSURE BY BOTH PARTIES.

III. IF LDC CAN RAISE STANDARD OF LIVING, WILL PROVIDE BETTER MARKET FOR U.S. PRODUCTS BUT THIS IS NOT SUFFICIENT INCENTIVE TO PRESENT DAY TECHNOLOGY OWNER.

IV. MANY EXPERIENCED LICENSING CONSULTANTS WILL NOT WASTE TIME DEALING WITH LDC'S OR PLANNED ECONOMY NATIONS AS IT IS TOO TIME CONSUMING AND EXPENSIVE TO NEGOTIATE AGREEMENTS.