

Reuben: ~~A~~

The Patent Restoration Act is going to be considered shortly by Bob Kastenmeier's Subcommittee and with the recent attack by the "Naderites" it appears that the Subcommittee and staff is a bit restive. If you can send a letter along the lines of the attached suggestion it may help to reinforce the Subcommittee's approval of the legislation. Efforts are going forward in other quarters to obtain like support through a letter writing campaign.

Howard - 3/19/82

The Honorable Robert W. Kastenmeier
United States House of Representatives
Washington, D. C. 20515

Dear Bob:

Last August I wrote you about our support for the Patent Term Restoration Act of 1981 (H. R. 1937). I am told that your Subcommittee will shortly take this up and I wanted to write and state again how useful I think this legislation is to the University.

As I indicated earlier, the University research efforts have produced a number of discoveries in the pharmaceutical areas, because of our research strength in biochemistry and the life sciences, which promise to be highly beneficial for substantial segments of the population.

While the University does not itself directly market discoveries, it is the beneficiary of such efforts which are undertaken by licensees arranged for by the Wisconsin Alumni Research Foundation. The enormous investment required by potential licensees to market a drug does have its effect on WARF's ability to find a licensee and to obtain a reasonable licensing agreement. Such an arrangement can be adversely affected by the limited patent protection that remains after all of the regulatory review process has been completed.

In some instances, it can have the effect of cutting off all interest in those pharmaceuticals which may have a modest market but which, nevertheless, might support production and marketing efforts if it were not for the limited patent term. In other words, the current situation may very well have the effect of converting certain "limited market" pharmaceuticals into "orphan drugs."

Obviously, the limited remaining patent life of the pharmaceuticals that are licensed and the fact that some never are licensed at all will tend to decrease revenues received by the University through WARF. These are important monies. They are discretionary and not encumbered by the strings of a particular funding agency. That means that they can be used to balance the University's research effort by functioning as "seed money" for some new project until funding can be obtained from another source, by permitting the completion of a research effort when a short-fall of money is encountered or by undertaking research that is important but

not within the mission of any particular grant-making agency and for which other funds may not be available.

Bob, I very much appreciate your introduction of H. R. 1937. I think it is excellent legislation and important to the University. I do hope that your Committee will approve it and make every effort to have the Congress enact it this year.

Sincerely,

Reuben H. Lorenz
Vice President and Trust Officer