

## H. TRACY HALL, INCORPORATED

P.O. BOX 7533 UNIVERSITY STATION

PROVO, UTAH 84601

H. TRACY HALL  
DANIEL R. BARTHOLOMEW  
H. TRACY HALL, JR.  
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10 May 1977

H. Gordon Howe  
Research Corporation  
New Lexington Ave  
N.Y., New York 10017

Dear Gordon:

Thanks for your letter of May 10th..Our check No. 567 in the amount of \$500.00 is enclosed to pay the license issue fee under the remaining patent rights of your project No. 099-480-Tetrahedral Anvil Press- H. Tracy Hall. It is our company's intent to manufacture High Pressure Equipment for sale under the license.

Megadiamond Corp. is projecting a substantial expansion in the manufacture of diamond and is seeking a license to build presses for their own internal use. I would hope that they would buy presses from our company but they feel they can save several hundred thousand dollars by building their own. As I told you over the phone, I have not been involved in the management of Megadiamond for several years.

Our company is a subchapter-S ,family owned corporation incorporated in the state of Utah on August 30, 1972. The company is the outgrowth of a consulting business proprietorship that I began in 1957. We have our own modest engineering facilities. Bartholomew is a physicist son-in-law, son Tracy, Jr. is a chemist, son David is a mechanical engineer & MBA, and son-in-law Neil is an electrical engineer. We have recently added a lawyer son-in-law, Barry Wood, who is not listed on the letterhead. We all work only part time at present but it is our ambition to provide full time employment for our professional family in the family business.

Sincerely,

*H Tracy Hall*

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# RESEARCH CORPORATION

405 LEXINGTON AVENUE, NEW YORK, NEW YORK 10017

PATENT PROGRAM  
H. GORDON HOWE  
MANAGER-LICENSING

212/986-6622

May 10, 1977

Dr. H. Tracy Hall  
College of Engineering  
Brigham Young University  
Provo, Utah 86401

Re: Project No. 099-480 - Tetrahedral Anvil Press - H. Tracy Hall

Dear Tracy:

This is in response to your telephone calls of April 27 and May 5 in which you inquired about the availability and terms of a license under the remaining patent rights relating to the subject project which we are administering under our agreement with Brigham Young University. I must admit that I am a little confused at this point as to whether two separate licenses are under consideration, one to Megadiamond, Inc. and another to a new company which you are planning to establish, or whether these would be one and the same license. In any event we would be prepared to offer licenses to either or both firms, and the terms would be the same.

First, I should state that there is only one outstanding manufacturing license and that is the one to McCartney Manufacturing Co., Inc. In addition, as you know, there is a sublicense to Megadiamond, Inc. relating to the device that Megadiamond purchased from McCartney, and there are several one-shot paid up licenses which we issued quite a few years ago to various companies that had constructed their own tetrahedral press for research purposes.

In view of the outstanding manufacturing license to McCartney it would of course be impossible to offer any other company an exclusive license to manufacture under the patent rights. The McCartney license is not exclusive, however, and it would therefore be possible for us to issue licenses to others on similar terms, and we would be prepared to do so.

The terms of such a license would be as follows:

1. License Issue Fee - \$500.00.
2. Minimum Royalties - \$500.00 per year.

Dr. Tracy Hall  
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3. Royalty Rate - 10% of the net selling price of apparatus produced under the license.
4. Patent Rights - U. S. Patent No. 3,159,876, U. S. Patent No. 3,182,353 and Canadian Patent No. 622,429. U. S. Patent No. 3,159,876 is on the orthogonal design, and No. 3,182,353 is on the guide means. The Canadian patent is on the tetrahedral design, but it will expire on June 20, 1978.

As I pointed out to you on the telephone, the basic U. S. patent on the tetrahedral design has now expired. This was U. S. Patent No. 2,918,699.

In view of this it may be necessary to make some revisions to the McCartney license, and if this is done the same revised terms would then be available to any other licensees.

We have not yet received any word from Megadiamond concerning their interest in a manufacturing license. Please let me know what the situation is at your end. If you are still interested in a license for the new company that you are setting up, please advise us of the company name, its business address, its form of organization, and the state laws under which it will be organized.

Please let me know if there is anything further that I can do at this time. Best regards.

Sincerely yours,

  
H. Gordon Howe

HGH:fwa

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