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THE SECRETARY OF HEALTH AND HUMAN SERVICES

JUL 2 2 1997

Mr. Vernon Loucks Chairman and CEO Baxter International Inc. One Baxter Parkway Deerfield, Illinois 60015

Dear Mr. Loucks:

Thank you for your letter in which you explain the planned alliance by Baxter International Inc. with VIMRx Pharmaceuticals Inc. and discuss your position on the petition from CellPro Inc. that the Department of Health and Human Services exercise its march-in rights under the Bayh-Dole Act, 35 U.S.C. 200 <u>et seq</u>. This request is in connection with certain patents owned by the John Hopkins University that have been licensed to Baxter.

On June 13, the Office of General Counsel, which is working with the National Institute of Health on the march-in petition, posed various questions to your attorney in this matter, Donald Ware, relating to the issues addressed in your letter. A copy of this letter is enclosed for your information.

Sincerely,

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Donna E. Shalala

Enclosure