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From: [REDACTED]  
To: "mverne@nc.gov" <mverne@nc.gov>  
Date: 12/3/01 4:01PM  
Subject: Question

The short version of my voicemail question is whether transfer of an existing non-exclusive license to intellectual property is a potentially reportable asset acquisition. Seems to me that answer is either yes, because the transferor is parting with all of its rights under an existing contract, or no, because a non-exclusive intellectual property license isn't an asset for HSR purposes.

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This message may contain confidential and privileged information. If it has been sent to you in error, please reply to advise the sender of the error and then immediately delete this message.

\*PLEASE NOTE: Our e-mail and web site address has changed to [REDACTED]

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UPON FURTHER DISCUSSION WITH THE UNIT, THE ISSUE BECAME WHETHER THE TRANSFER OF CERTAIN ROYALTY RIGHTS FROM LICENSES WHICH THEMSELVES WERE NOT BEING TRANSFERRED FOR CASH CONSIDERATION CONSTITUTED THE ACQUISITION OF AN ASSET. THE LICENSES INVOLVED WERE NON-EXCLUSIVE LICENSES TO THE USE OF I.P. FOR CERTAIN PHARMACEUTICAL PRODUCTS UNDER DEVELOPMENT.

ADVISED THAT THE TRANSFER OF THE ROYALTY RIGHTS (ESSENTIALLY A REVENUE STREAM THAT HAD ALREADY BEEN CREATED) FOR CONSIDERATION WOULD CONSTITUTE THE TRANSFER OF AN ASSET FOR HSR PURPOSES.

NOTE: THIS DOES NOT ADDRESS THE TRANSFER OF AN EXISTING NON-EXCLUSIVE LICENSE FOR CONSIDERATION.

Benard [Signature]