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Verne, B. Michael

From: [redacted]
Sent: Monday, December 04, 2006 11:35 AM
To: Verne, B. Michael
Cc: [redacted]
Subject: Exclusive Trademark Licenses

Dear Mike
Thank you for taking the time on Friday (12/1) to discuss the applicability of the HSR Act to exclusive licenses of trademarks.

To confirm our conversation, you indicated that the initial grant of an "exclusive" trademark license would not be an asset for HSR purposes, even in cases (as we discussed) where the licensee would be responsible for designing and making (subject to the standard reservation of product approval and quality control rights the licensor would retain) the product that would bear the mark of the licensor. Such an exclusive license would relate only to the distribution/sale of the trademarked goods; even where the licensee makes the product, the trademark license would not apply to, or be necessary for, such manufacture (unlike the case with patents), and so the license itself remains applicable only to the right to sell. Further, an exclusive trademark license would not be an asset, regardless of the scope of products or distribution channels covered by the license (you noted that Para 29 in the ABA Practice Manual should not be read to impose a "field of use" analysis as to whether an exclusive trademark license is an asset).

On the other hand, in contradistinction to a trademark "license", you indicated that an outright assignment of all rights and interest in a trademark would be a conveyance of an asset for HSR purposes (with HSR filings required if the jurisdictional thresholds are exceeded and no exemption applies).

Please let me know if the foregoing does not accurately reflect our discussion or the views of the PNO.
Many thanks.

[redacted]

AGREE
BMV
12/4/06

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