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From: [REDACTED]  
[mailto:[REDACTED]]

801-2

Sent: Friday, April 20, 2007 1:11 PM  
To: Verne, B. Michael  
Subject: HSR Question

Mike --

I wanted to confirm my understanding of the operation of the HSR rules in the context of the acquisition of IP rights:

- The acquisition of a license is not reportable, even if denominated an exclusive license, if the licensor retains a right (or simultaneously receives a license back) to practice the patent in all fields of use.

- However, the acquisition of a patent is reportable, even if the acquisition is subject to a license back to the seller that gives the seller a license to practice the patent in all fields of use.

- Based on the bullets above, I also assume that it doesn't matter to the analysis whether we're talking about a license back to the seller or getting patent rights subject to pre-existing licenses to others. In other words, the acquisition of a license to a patent where the licensor has granted other licenses is nonreportable, even if the licensor does not keep the right to practice the patent. And the acquisition of a patent itself is reportable, even if the patent is acquired subject to the pre-existing grant of licenses to third parties.

Please let me know if I've got this wrong.

Thanks, and best regards,  
[REDACTED]

Agree  
B  
4/20/07

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