Part 801 Jurisdiction

[redacted]

FEDERAL TRADE COMMISSION
PREMERGER NOTIFICATION OFFICE

JUN 22 | 58 PM '95

June 16, 1995

6/29/95 - called & ...

BY TELECOPIER & MAIL

Richard B. Smith, Esq.
Premerger Notification Office
Federal Trade Commission
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Dick:

I enclose in draft a proposed letter memorializing our conversation of June 12 for your review and comment. Once I have your reaction, I will put it in final.

Thank you for your prompt attention to this matter.

Sincerely yours,

[redacted]

Enclosure

6/29/95 - Called writer's office and advised that a filing will be made for A's purchase of non-exclusive patent rights held by B. A is eliminating only competitor and, even though acquiring a non-exclusive right, the result will be to re-instate A as only competitor. Based on past filing made on similar facts, this office advised that a filing must be made on this latest situation.

...s material may be subject to the confidentiality provisions of Section 7A(h) of the Clayton Act which restricts release under the Freedom of Information ...

DRAFT

June __, 1995

Richard B. Smith, Esq.
Premerger Notification Office
Federal Trade Commission
6th & Pennsylvania Avenue, N.W.
Washington, D.C. 20580

Dear Mr. Smith:

This confirms our conversation of June 12, 1995, in which you advised me that no Hart-Scott-Rodino premerger notification filing was required under the circumstances described below in which the holder of a patent reacquired certain non-exclusive patent rights which it had previously assigned to another party.

The pertinent facts are as follows. Approximately seven years ago, Company A assigned exclusive rights to pursue and exploit a patent within a defined field of use to a licensee, Company B, subject to Company B's obtaining appropriate government approvals. Because exclusive rights within the field of use were assigned (and because the size of person and size of transaction tests were met), the parties filed under the premerger notification procedure.

Approximately three years later, Company A acquired back from Company B non-exclusive rights to exploit the patent within the field of use. The result was that each of the two companies now held non-exclusive rights within the field of use. Since the "reacquired" rights were non-exclusive in nature, under Interpretation 49 of the ABA Premerger Notification Practice Manual, no filing was deemed necessary.

It is now proposed that Company A reacquire the remaining rights held by Company B. Although as a result of this acquisition, Company A will again hold exclusive rights to exploit the patent, the rights being acquired from Company B are non-exclusive in nature and thus fall within Interpretation 49, i.e., they are not "assets" within the meaning of the premerger reporting scheme.

You agreed with me that, on these facts,[1] no assets within the meaning of Interpretation 49 are being acquired and hence no premerger report need be filed.

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[1] I represented to you that Company A's acquisition of non-exclusive rights four years ago and the current acquisition of Company B's remaining non-exclusive rights were independent transactions and not a "sham" step transaction.

Thank you for your prompt assistance on this matter.

Sincerely yours,