In the Matter of

UNION OIL COMPANY OF CALIFORNIA,
a corporation.

ADDITIONAL ERRATA SHEET

Certain references contained in Complaint Counsel’s Post-Trial Brief and Post-Trial Findings of Fact, the public version, which was filed on March 16, 2005, should be corrected by replacing the originally-submitted pages with the attached corrected pages. The attached spreadsheet shows the changes made.

Respectfully submitted,

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Dated: March 30, 2005
<table>
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<th>CORRECTION</th>
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<td>217</td>
<td>Delete &quot;just one month before Dr. Jessup's presentation&quot; from finding. Add &quot;In August 1990,&quot; to beginning of finding.</td>
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<td>3006</td>
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<td>Within chart, REPLACE the '126 Claim 49, T90 parameter of ≤315 with Any.</td>
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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

DOCKET NO. 9305
PUBLIC VERSION

IN THE MATTER OF
UNION OIL COMPANY OF CALIFORNIA

COMPLAINT COUNSEL'S PROPOSED
FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER
(VOLUME II)

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Dated: March 9, 2005
1678. In August 1990, Auto/Oil applied the language in the Agreement providing that everything from Auto/Oil would be put into the public, making clear that Unocal’s position is inconsistent with Auto/Oil’s own interpretation of the Agreement and course of dealing. (CX 4023 at 007).

1679. The minutes from the August 23, 1990 Auto/Oil RPC meeting reflect that Ford was willing to present certain engine speciation technology to Auto/Oil, thereby placing it in the “public domain.” (CX 4023 at 007).

1680. Auto/Oil was concerned, not only with the public availability of the data but also with a third party slightly altering the technique and then patenting it. (CX 4023 at 007).

1681. Auto/Oil representatives inquired of legal counsel how to prevent the patenting by a third party of information presented to Auto/Oil in order to “ensure that, once disclosed, the technique remains in the public domain.” (CX 4023 at 007).

1682. Jack Wise, one of the co-chairs of the Research Planning Task Force, stated that he understood Unocal’s presentation was in effect the granting of a royalty free license to all of the members of Auto/Oil. (CX 7073 (Wise, Dep. at 19)).

1683. Mr. Wise based his understanding that Unocal granted Auto/Oil a royalty free license, on three factors: “One is the general understanding that goes back to the formulation of the program that there would be a – that this was a research program designed to develop data for regulators to use and that all the participants would pitch in without any – and that all the information that was donated to the program would become part of the program . . . . The second point was that Union [Unocal] said that the information was in the public domain.” (CX 7073 (Wise, Dep. at 19-20)). Third, “under the terms of the agreement and then the practice, long-standing practice in research organizations is that you don’t accept proprietary information from a third party without an agreement, a legal agreement on how to accept that.” (CX 7073 (Wise, Dep. at 40)).

1684. Mr. Wise believes that the Auto/Oil members obtained a royalty-free license to anything that resulted from Unocal’s underlying research on reformulated gasoline and emissions. (CX 7073 (Wise, Dep. at 19)).
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Gasoline Regulations.

3006. The following table indicates in bold the numerical property limits of representative claims of the Unocal patents that substantially cover the limits required by the CARB Phase 2 summertime regulation: RVP, Aromatics, Olefins, T50 (°F), and T90 (°F). The plain text in the table indicates three other gasoline properties that CARB also regulated: benzene, oxygen, and sulfur. Since Unocal’s patent claims do not set any specific limits for these gasoline properties, any gasoline that meets the other limits of the Unocal claims is covered by those claims.

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Representative Unocal Patent Claim Limitations</th>
<th>CARB Phase 2 Limits</th>
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<td>Oxygen</td>
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<td>Any</td>
</tr>
<tr>
<td>Sulfur</td>
<td>Any</td>
<td>Any</td>
</tr>
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</table>

The patent claims in this chart may be found at: (CX 617 at 024 (‘393 patent claims); CX 618 at 027 (‘567 patent); CX 619 at 027 (‘866 patent); CX 620 at 027-029 (‘126 patent); CX 621 at 027 (‘521 patent); CX 1796A at 004 (undisclaimed ‘393 claims). The CARB Phase 2 regulation specifications may be found at: (CX 866 at 006-013, 015-018 (CARB final Phase 2 regulation)).

3007. Because refiners are able to produce gasolines with higher Reid Vapor Pressures during the “winter” months, Unocal’s RFG patents are generally not implicated during the winter months. (CX 375).
3016. Even though the CARB Phase 3 summertime gasoline regulations relaxed some of the gasoline property limitations, including limits for RVP and the flat limits for T50 and T90, the Phase 3 regulations still have substantially the same overlap with the Unocal patent claims as the Phase 2 regulations. The following table shows that representative claims of Unocal's five patents also cover most of the gasoline fuel specifications under the CARB Phase 3 summertime gasoline regulations:

<table>
<thead>
<tr>
<th>Parameter</th>
<th>Representative Unocal Patent Claim Limitations</th>
<th>CARB Phase 3 Limits</th>
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<td>&lt;8</td>
</tr>
<tr>
<td>T90 (°F)</td>
<td>Any</td>
<td>≤315</td>
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<tr>
<td>T50 (°F)</td>
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<td>Sulfur</td>
<td>Any</td>
<td>Any</td>
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</tbody>
</table>

(RX 190 at 010 (CARB Phase 3); CX 617 at 024 ('393 patent claims); CX 618 at 027 ('567 patent); CX 619 at 027 ('866 patent); CX 620 at 028-029 ('126 patent); CX 621 at 027 ('521 patent); CX 1796A at 004 (undisclaimed '393 claims); see also CX 1709 at 016 (Eskew report).)

5. The Coverage Rate is a Useful Indicator of Monopoly Power.

3017. The portion of a batch of gasoline that falls within the numerical property limitations of the claims of Unocal’s RFG patents, referred to as the “coverage rate,” “overlap rate,” or “matching rate,” can give a useful indication of the demand for Unocal’s technology. (CX 1720A at 027 (Shapiro Expert Report)).

3018. The coverage rate of Unocal’s RFG patents over the aggregate total production of CARB-compliant gasoline can be used in the determination of Unocal’s market share in the relevant technology market. While market share is not as strong an indicator of
<table>
<thead>
<tr>
<th>VOLUME</th>
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<td>Delete period and close up space after Unocal Noerr Opinion 2004 FTC Lexis 115 at *120</td>
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UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

DOCKET NO. 9305
PUBLIC VERSION

IN THE MATTER OF
UNION OIL COMPANY OF CALIFORNIA

COMPLAINT COUNSEL'S POST-TRIAL BRIEF
(VOLUME I)

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Dated: March 9, 2005

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I. ENJOINING UNOCAL FROM OBTAINING ROYALTIES FROM OR ENFORCING ITS RFG PATENTS AGAINST PRODUCERS OF CARB-COMPLIANT GASOLINE IS NECESSARY TO RESTORE COMPETITION . 298

II.* THE COMMISSION HAS THE AUTHORITY TO ORDER THE REQUESTED RELIEF .............................................................. 299

A. Congress Has Given the Commission the Authority to Adopt Measures That Effectively Remedy Violations of Section 5, Restore Competition, and Prevent Harm to Consumers .............................................................. 300

1. The Commission’s Enabling Statutes Provide It With “Broad Discretion Akin to that of a Court of Equity” To Cure Antitrust Violations .... 301

2. The Commission’s Broad Authority Extends to Remedying Anti-Competitive Harm from Patents .................................................. 302

3. Courts and Agencies Have the Power to Enjoin Enforcement from Patents .............................................................. 304

   a. Authority Based on Antitrust Doctrines ................................ 304

   b. Authority Based on Patent Doctrines .................................. 307

      (1) Equitable Estoppel ................................................ 307

      (2) Implied License .................................................. 308

      (3) Patent / Copyright Misuse ....................................... 309

   c. Compulsory Licensing Antitrust Remedies .......................... 310

B. The Proposed Remedial Provisions Are Carefully Tailored to Restore Competition and to Prevent Further Harm to Consumers .......................... 312

CONCLUSION .................................................. 318
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In addition to the gasoline properties values that CARB directly regulated, some of Unocal’s patent claims also cover gasoline property values that (i) have long been covered by state law or national industry specifications, or (ii) CARB indirectly regulated (such as octane, paraffin levels, and T10). (CCPF 3008-15). This overlap helps to show that refiners cannot escape infringement by avoiding the remainder of Unocal’s claim limitations. As Complaint Counsel’s experts have as “comprising.”

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96 (CX 866 at 006-013, 015-018 (CARB final Phase 2 regulation).
To the extent necessary, the Commission has jurisdiction to decide substantial issues of patent law.

The Sixth Circuit and the Commission have both held that the Commission has jurisdiction over competition cases that involve substantial questions of patent law. See *American Cyanamid Co. v. FTC*, 363 F.2d 757, 771 (6th Cir. 1966); *Unocal Noerr Opinion* 2004 FTC LEXIS 115 at *118-120. If it were necessary to do so, the Commission would have jurisdiction in this case to decide questions such as a patent-law-based determination of the likelihood that refiners' technology and gasolines infringe Unocal's patents. In its opinion in the present case, the Commission also reaffirmed that it has "jurisdiction over allegations of unfair methods of competition . . . based on a substantial issue of patent law." *Unocal Noerr Opinion* 2004 FTC LEXIS 115 at *120; see also *American Cyanamid Co.*, 63 F.T.C. 1747, 1855-57 (1963), aff'd in relevant part and vacated on other ground); *American Cyanamid Co. v. FTC*, 363 F.2d 757, 771 (6th Cir. 1966). It has held that this rule applies to provide jurisdiction in this case. *Unocal Noerr Opinion*, 2004 FTC LEXIS 115 at *120.

The presence of a substantial issue of patent law would not defeat jurisdiction in this case, as the Commission held, because there is nothing in the FTC Act or its legislative history that so limits the Commission's jurisdiction. *Unocal Noerr Opinion* at 2004 FTC LEXIS 115 at *118-120. The statute apportioning jurisdiction for civil actions arising under the patent laws between federal courts and state courts, 28 U.S.C. § 1338(a), does not apply to the Commission for three independent reasons: (1) the Commission's adjudicatory proceedings are not "civil actions," (2) the Commission is not a court of the states, and (3) this case does not "arise under" the patent laws. *Id.* at *121-122.

The presence of substantial issues of patent law in this case would not mean that the case "arises under" the patent laws. *Id.* at *125-127. The Supreme Court's test for "arising under" jurisdiction is whether "a well-pleaded complaint establishes either that federal patent law creates
CERTIFICATE OF SERVICE

I, Kathleen Jones, hereby certify that on March 30, 2005, I caused a copy of the public version of Complaint Counsel’s Additional Errata Sheet with corrected pages to be served upon the below listed persons:

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