

801.21

Verne, B. Michael

From: [REDACTED]
Sent: Wednesday, January 24, 2007 10:55 AM
To: Verne, B. Michael
Cc: [REDACTED]
Subject: FW: HSR

Mike -
Company A is selling its right to an existing royalty stream generated by intellectual property which it owns (and which will not be transferred as a part of the transaction). I understand that a royalty stream is treated like a cash equivalent under 801.21 and this has been the subject of a few informal interpretations. I assume that it doesn't change the non-reportability conclusion if the buyer is also given rights to direct of the enforcement of the underlying IP (the right to pursue infringers etc) and the right to cause the owner of the patent to enforce the agreement to pay royalties? Again, no patents or other IP is being transferred.

Thanks,
[REDACTED]

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As long as no IP or exclusive right to use the IP is transferred, the transaction is not reportable.

me
1/27/07