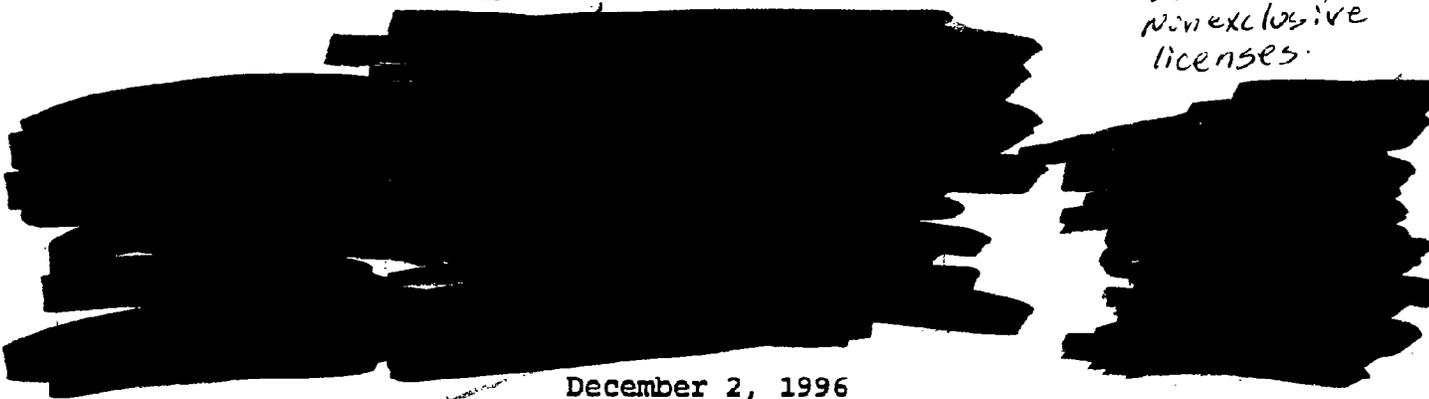


Intellectual property  
Exclusive  
nonexclusive  
licenses.



December 2, 1996

Patrick Sharpe, Esq.  
Premerger Notification Office  
Federal Trade Commission  
Room 303  
6th & Pennsylvania Avenue, N.W.  
Washington, D.C. 20236-20850

This material may be subject to the  
confidentiality provisions of section  
7(A)(H) of the Clayton Act which restricts  
release under The Freedom of Information  
Act.

Dear Mr. Sharpe:

This letter confirms your agreement with my conclusion that the transaction described below would not be subject to the requirements of the Hart-Scott-Rodino Antitrust Improvements Act ("HSR Act").

Company A and Company B are equal owners of Partnership C, having jointly formed C several years ago. Company A, at C's formation, granted to C an exclusive license to intellectual property relating to certain brands of a consumer product that A had created, and that license expires according to its terms in August 1998. Since its formation, C has developed and now owns certain other brands of the same consumer product. B produces for C all of the products that C now sells, including products sold under the brands licensed from A and the products sold under the brands that C itself has developed and now owns. The parties now intend to execute an agreement under which B will become the exclusive sales representative for all of the products that B now produces for C and that C now sells.

More specifically, the agreement will confer upon B the right to act as exclusive sales representative for all of those products for an "initial term" that expires in August 1998 (when C's existing license from A also expires). B will also receive from C a nonexclusive sublicense to A's intellectual property and a nonexclusive license to C's intellectual property for use in connection with the marketing of the products for which B will act as sales representative during the initial term. The agreement will further give to B the option of extending its rights thereunder for a "perpetual term" (commencing September 1998 and continuing in perpetuity) upon notice of intent to exercise that option on or before mid-April 1998. Upon that exercise, and for the perpetual term, B would obtain the right to continue acting as exclusive sales representative for the same

Exclusive  
Distrib.  
License  
NON-  
exclusive  
license



[REDACTED]

Patrick Sharpe, Esq.  
December 2, 1996  
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group of products. It would also receive from C a continuing nonexclusive license to C's intellectual property and from A a nonexclusive license to A's intellectual property for use in connection with the marketing of the products for which B would continue acting as exclusive sales representative during the perpetual term. | OK

The grant to B of exclusive sales rights does not constitute the acquisition by B of "assets" for purpose of the HSR Act. Nor does B's receipt of licenses to associated intellectual property constitute acquisition by B of such assets since those licenses will be nonexclusive (A and C respectively retaining use and all other ownership rights thereunder). Accordingly, entry into the agreement described hereinabove would not be a transaction reportable under the HSR Act. | OK

My thanks to you for your assistance.

Sincerely,

[REDACTED]

[REDACTED]

[REDACTED]

I concur with this letter. (RS)

(TH) and (RS) agree

called [REDACTED] 12/3/96 and informed him. ✓