

Seattle, Washington

January 30, 1963

EDC - Ethyl Corporation

FILE COPY

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Springfield

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CONFIDENTIAL

*Ris - Licenses -
Purchased Know-How -
Ethyl Corp*

I was finally successful in contacting Don Johnson of the Ethyl Corporation relative to the possibility of our sale of VCM to BASF and the probable need of permission from Ethyl to include EDC know-how. Don proposes to have a tentative answer for me by Friday of this week although he expects that this particular deal might cause some problems. Because of the close relationship that has existed between Ethyl and BASF, Don felt that Ethyl may prefer to deal directly with BASF.

We discussed the advisability of releasing Monsanto from their keep-confidential agreement with Ethyl. Don thought that the time might be ripe for so doing. He thought it might be well to consider a mutual release. They have a ten year keep-confidential requirement on the VCM know-how they purchased from us. This has proved awkward to them. They feel they have made improvements in the know-how they purchased from us but have been unable to sell this know-how with the improvements because the basic know-how was still ours. They have had a number of inquiries for the purchase of such know-how.

I told Don that I thought we should seriously consider this problem at this time, particularly in view of the possibility of the common market regulations requiring them to modify their agreement with SICE by putting a definite time limit on SICE's keep-confidential obligation. If such a requirement was made, then SICE would ultimately have greater freedom than we would under our existing agreement.

I mentioned to Don that we are somewhat concerned over this situation as it gives Ethyl a veto power on our ability to sell our know-how. This is particularly significant since the ownership of Ethyl has now changed and we really have little knowledge of the nature or philosophy of the new ownership.

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I have no way of predicting Ethyl's ultimate reaction to the proposal that our keep-confidential obligation be removed. I felt that Don Johnson was somewhat receptive to this and that he felt that this could be worked out to our mutual advantage. I should know more in a couple of days.

R. H. SCHLATTMAN

RHS/jp

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PROTECTED WATER - DON SANTO INSURANCE COVERAGE LITIGATION