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Somastic - General
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San Francisco, California
July 10, 1972

SOMASTIC

MR. J. A. BUCHANAN, JR:

As you know the SOMASTIC patents and technical information have "expired." However, because of the good will built up in the trademark SOMASTIC for sometime we have been receiving substantial royalties from H. C. Price in the exchange for the SOMASTIC trademark license.

I received a telephone call today from Mr. Robert B. White, President of H. C. Price, in which he raised two points.

As you know, the governmental health authorities are becoming increasingly concerned with the injurious nature of asbestos fibers and asbestos dust and are making the regulations for asbestos operations increasingly stringent. For a long time H. C. Price's SOMASTIC pipe coating, under specifications received from us, according to my understanding, have called for small percentages of asbestos. According to Mr. White the complications involved in the continued use of asbestos are such that they are trying very hard to find some acceptable substitute. Among other things they are considering the use of fiberglass and are obtaining outside laboratory assistance in such regard. Mr. White and I were agreed that in as much as Chevron Research owned the SOMASTIC trademark registrations, it, therefore, has the obligation to set the specification of nature and quality of the SOMASTIC pipe coating and that any change in specification would have to be formalized by the adoption of new specifications by the trademark owner. If and when H. C. Price finds an acceptable substitute for asbestos, Mr. White promised they will get in touch with us promptly.

To supplement H. C. Price's research in this regard, Mr. White asked that Chevron Research advise H. C. Price whether it has any research facilities, test equipment or any other research aid which might assist in coming up with an acceptable substitute for asbestos. I promised Mr. White that we would look into this.

Mr. White also raised the question whether Chevron Research would be willing to sell the trademark SOMASTIC to H. C. Price. I told him that I knew that we look upon the SOMASTIC trademark as a very valuable asset. However, that I was certain that Chevron Research would be willing to give consideration to any fair offer that he might care to make for the purchase of the various registrations for SOMASTIC. It is not believed that we need take any steps, unless we wish to, in connection with the sale of the registrations until the matter is raised again by H. C. Price.

T.H.
7/10/72
am

MR. J. A. BUCHANAN

-2-

July 10, 1972

However, we must reply promptly to Mr. White as to whether we can be of any assistance in finding or testing a satisfactory substitute for asbestos. Obviously, if we wish to retain the royalty at the present level or to ask for a substantial price for the sale of the registrations, we should appear willing to offer every reasonable assistance to H. C. Price in this emergency.

Perhaps we should confer as to how these questions should be processed.

H. B. WANDS
HBW

HBW:tth

cc: Mr. E. M. Blue
Mr. G. F. Magdeburger

CH 2121