

*In the Matter of Negotiated Data Solutions LLC*  
*File No. 051-0094*

Dear Ms. Yen, Mr. Lafontaine, Mr. Deutsch and Ms. Lee:

Thank you for your comments on behalf of Cisco Systems, Inc., International Business Machines Corporation, Oracle Corporation, and Sun Microsystems, Inc., regarding the proposed consent order accepted for public comment in the above-captioned matter. These companies are active participants in standards development processes at many standards development organizations. The Commission has reviewed your comments and has placed them on the public record of the proceeding.

Your letter expresses support for the Commission's action, and notes that the companies share the Commission's expressed concern that the conduct described in the Complaint can't assure

Your letter suggests that "[w]hile SDOs should be encouraged to employ their own measures against such conduct, many SDOs are not well-positioned to monitor and police these situations in a manner sufficient to obviate any FTC oversight role." You argue that if the behavior challenged in the N-Data complaint became commonplace, standard setting participants would

Cisco Systems, Inc.  
International Business Machines Corporation  
Oracle Corporation  
Sun Microsystems, Inc.

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lose confidence in *ex ante* licensing assurances. The resulting uncertainty is highly problematic from the standpoint of firms like yours “that need to make major investment decisions in the immediate wake of the voting to adopt a new industry standard.” To mitigate this uncertainty problem, your letter welcomes the Commission’s use of its authority under Section 5 of the FTC Act against the conduct de