

UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Joshua D. Wright

_____)
In the Matter of)
)
 HONEYWELL INTERNATIONAL INC.) Docket No. C-
a corporation;)
)
_____)

DECISION AND ORDER
[Redacted Public Version]

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition of Intermec, Inc. (“Intermec”) by Respondent Honeywell International Inc., hereinafter referred to as “Honeywell” or “Respondent,” and Respondent, having been furnished thereafter with a copy of a draft of Complaint that the Bureau of Competition proposed to present to the Commission for its consideration and which, if issued by the Commission, would charge Respondent with violations of Section 7 of the Clayton Act, as amended, 15 U.S.C. § 18, and Section 5 of the Federal Trade Commission Act, as amended, 15 U.S.C. § 45; and

Respondent, its attorneys, and counsel for the Commission having thereafter executed an Agreement Containing Consent Order (“Consent Agreement”), containing an admission by Respondent of all the jurisdictional facts set forth in the aforesaid draft of Complaint, a statement that the signing of said Consent Agreement is for settlement purposes only and does not constitute an admission by Respondent that the law has been violated as alleged in such Complaint or that the facts alleged in such Complaint, other than jurisdictional facts, are true, and waivers and other provisions as required by the Commission’s Rules; and

The Commission having thereafter considered the matter and having determined that it has reason to believe that Respondent has violated the said Acts, and that a Complaint should issue stating its charges in that respect, and having thereupon issued its Complaint, and having accepted the executed Consent Agreement and placed such Consent Agreement on the public record for a period of thirty (30) days for the receipt and consideration of public comments, now in further conformity with the procedure described in Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission hereby makes the following jurisdictional findings and issues the following Decision and Order (“Order”):

1. Respondent Honeywell is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware with its office and principal place of business located at 101 Columbia Road, Morris Township, New Jersey 07962.
2. The Federal Trade Commission has jurisdiction of the subject matter of this proceeding and of the Respondent, and the proceeding is in the public interest.

ORDER

I.

IT IS ORDERED that, as used in this Order, the following definitions shall apply:

- A. “Respondent” or “Honeywell” means Honeywell International Inc., its directors, officers, employees, agents, representatives, predecessors, successors, and assigns; its joint ventures, subsidiaries, divisions, groups, and affiliates controlled by Honeywell International Inc. (including LXE LLC, and, after the Effective Date, Intermec) and the respective directors, officers, employees, agents, representatives, successors, and assigns of each. Honeywell includes Hand Held Products Inc. and Metrologic Instruments, Inc., and their respective subsidiaries, doing business as Honeywell Scanning and Mobility and having a place of business at 9680 Old Bailes Road, Fort Mill, South Carolina 29707.
- B. “Intermec” means Intermec, Inc., a corporation organized, existing and doing business under and by virtue of the laws of the state of Delaware, with its office and principal place of business at 6001-36th Avenue West, Everett, Washington 98203-1265.
- C. “Datalogic” means Datalogic IPTECH s.r.l., a corporation organized, existing and doing business under and by virtue of the laws of Italy, with its office and principal place of business located at Via San Vitalino, 13, 40012 Lippo de Calderara di Reno, Bologna, Italy, along with its subsidiaries and affiliates.
- D. “Acquisition” means the proposed acquisition of Intermec by Respondent pursuant to an Agreement and Plan of Merger signed on December 9, 2012.
- E. “Acquisition Date” means the date on which the Acquisition is consummated.
- F. “Acquirer” means Datalogic or any other Person approved by the Commission to enter a Remedial Agreement.
- G. “Acquirer Confidential Information” means information not in the public domain related to the Acquirer’s research, development, making, marketing and selling of a Relevant Device.

- H. “Business Day” means any day excluding Saturday, Sunday and any United States federal holiday.
- I. “Contract Manufactured” means to produce goods of another firm’s design for sale by that firm under the firm’s own label or brand.
- J. “Customer of the Acquirer” includes the direct customers of the Acquirer as well as all other customers in the chain of supply from the Acquirer to the end user of the product acquired from the Acquirer.
- K. “Datalogic-Honeywell Agreement” means the Cross-License Agreement dated September 4, 2013 between Honeywell Scanning and Mobility and Datalogic, attached hereto as Confidential Exhibit A, and all future amendments, exhibits, attachments, agreements, and schedules thereto that receive the prior approval of the Commission.
- L. “Design Patent(s)” means design patent(s) as provided for in 35 U.S.C. § 171 (2013).
- M. “Divestiture Trustee(s)” means any person or entity appointed by the Commission pursuant to Paragraph IV of the Decision and

II.

IT IS FURTHER ORDERED that:

- A. Not later than ten (10) Business Days after the Acquisition Date, Respondent shall license the Relevant IP to Datalogic and execute and make effective the Datalogic-Honeywell Agreement,

PROVIDED that, if, at the time the Commission determines to make this Order final, the Commission notifies Respondent that Datalogic is not an acceptable licensee of the Relevant IP, or the manner in which the Relevant IP was licensed is not acceptable, Respondent shall immediately notify Datalogic and shall as soon as practicable rescind the Datalogic-Honeywell Agreement, and within six (6) months from the date this Order becomes final, absolutely and in good faith, at no minimum price, license the Relevant IP to an Acquirer that receives the prior approval of the Commission and in a manner that receives the prior approval of the Commission.

2. include in the Remedial Agreement a covenant not to sue that includes at least the provisions of this Paragraph.
- E. Respondent shall not assign or transfer the Relevant IP, or license Relevant IP under terms that give a licensee rights to sue for infringement, unless the assignee, transferee or licensee agrees in writing to assume the obligations contained in this Paragraph II with respect to such Relevant IP.
 - F. Respondent shall not require or solicit the disclosure of Acquirer Confidential Information through the operation of any Remedial Agreement; shall take all reasonable steps to prevent disclosure of Acquirer Confidential Information through operation of any Remedial Agreement; and shall not use Acquirer Confidential Information disclosed through operation of any Remedial Agreement for any purpose.
 - G. The purpose of this Order is to enable the Acquirer to compete with Respondent in the United States through the manufacturing, marketing and selling of Relevant Devices and to remedy the lessening of competition alleged in the Commission's Complaint.

III.

IT IS FURTHER ORDERED that:

- A. The Commission may appoint a monitor or monitors ("Monitor") to assure that Respondent expeditiously complies with all obligations and performs all responsibilities

- D. Within ten (10) days after appointment of the Monitor, Respondent shall execute an agreement that, subject to the prior approval of the Commission, grants and transfers to the Monitor all rights, powers

IV.

IT IS FURTHER ORDERED that:

- A. If Respondent has not fully complied with the obligations specified in Paragraph II.A and B of this Order, the Commission may appoint a Divestiture Trustee to license the Relevant IP and enter a Remedial Agreement in a manner that satisfies the requirements of Paragraph II. In the event that the Commission or the Attorney General brings an action pursuant to § 5(l) of the Federal Trade Commission Act, 15 U.S.C. § 45(l), or any other statute enforced by the Commission, Respondent shall consent to the appointment of a Divestiture Trustee in such action. Neither the appointment of a Divestiture Trustee nor a decision not to appoint a Divestiture Trustee under this Paragraph shall preclude the Commission or the Attorney General from seeking civil penalties or any other relief available to it, including a court-appointed Divestiture Trustee, pursuant to § 5(l) of the Federal Trade Commission Act, or any other statute enforced by the Commission, for any failure by the Respondent to comply with this Order.
- B. If a Divestiture Trustee is appointed by the Commission or a court pursuant to Paragraph IV.A. of this Order, Respondent shall c

VI.

IT IS FURTHER ORDERED that:

- A. Respondent shall submit to the Commission a verified written report:
1. within thirty (30) days after the date this Order becomes final and every thirty (30) days thereafter until Respondent has complied with the obligations of Paragraphs II.A and II.B of this Order; and
 2. on the first anniversary of the date on which the Order becomes final, and annually for nine (9) years, thereafter,

which report shall set forth in detail the manner and form in which it intends to comply, is complying, and has complied with this Order and the Remedial Agreement since the filing of any previous compliance report, and shall,

VIII.

IT IS FURTHER ORDERED that this Order shall terminate ten (10) years from the date on which the Order is issued.

By the Commission.

Donald S. Clark
Secretary

SEAL:
ISSUED:

In re Honeywell International Inc.

Confidential Exhibit A

Honeywell-Datalogic Agreement

[Redacted From the Public Record Version, But Incorporated By Reference]