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UNITED STATES OF AMERICA  
BEFORE FEDERAL TRADE COMMISSION

In the Matter of

MSC.SOFTWARE CORPORATION

RESPONDENT MSC.SOFTWARE CORPORATION

1. Respondent is a for-profit corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal place of business located at 2 MacArthur Place, Santa Ana, California 92707.
2. Respondent had approximately \$178 million in annual revenue for the fiscal year ending December 31,





Respondent's acquisitions of UAI and CSAR, together and individually, substantially increased that concentration.

#### CONDITIONS OF ENTRY

27. Entry into licensing or sale of advanced versions of Nastran would not be timely, likely, or sufficient to prevent the anticompetitive effects. Entry is difficult because of the substantial cost and time needed to develop an advanced version of Nastran, validate simulation results, and establish a reputation for reliability.

28. Entry into the licensing or sale of FEA solvers for advanced linear structural analysis would not be timely, likely, or sufficient to prevent the anticompetitive effects. Entry is difficult because of the substantial cost and time needed to develop an FEA solver for advanced linear structural analysis, validate simulation results, and establish a reputation for reliability.

#### COUNT I

#### THE ACQUISITIONS VIOLATE CLAYTON ACT § 7 AND FTC ACT § 5

29. Respondent's acquisitions of UAI and CSAR, together and individually, have had or will have the effect of substantially lessening competition and tending to create a monopoly in the relevant markets by, among other things:

- a. eliminating actual, direct, and substantial competition between MSC, UAI, and CSAR, all of which had the ability and incentive to compete, and before the acquisitions did compete, on price and product development and enhancements;
- b. creating or enhancing MSC's power to raise prices above a competitive level or to withhold or delay product development and enhancements, thereby adversely affecting price and product innovation; and
- c. preventing other suppliers of engineering software from acquiring UAI and CSAR and

34. Respondent acted willfully to acquire or enhance monopoly power in the markets for advanced versions of Nastran through the acquisitions.

35. Through the acquisitions, Respondent has engaged in unfair methods of competition in or affecting commerce by monopolizing the markets for advanced versions of Nastran in violation of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45.

COUNT III

THE ACQUISITIONS CONSTITUTE AN UNLAWFUL ATTEMPT  
TO MONOPOLIZE IN VIOLATION OF FTC ACT § 5

36. The allegations contained in Paragraphs 1 through 28 are repeated and realleged as though fully set forth here.

37. Respondent has engaged in

The ALJ will schedule an initial prehearing scheduling conference to be held not later than 14 days after

h. for a defined period of time, supporting fully the divested versions of Nastran with Patran and other MSC complementary software products, without charge to the acquirers and on the same basis as MSC Nastran is supported by Patran and other MSC complementary software products; and

i. such other or additional relief as is necessary to ensure the creation of up to two viable, competitive, and independent entities offering advanced versions of Nastran with the level of features and capabilities offered by MSC.

2. An order to provide prior notice of any acquisitions of firms engaged in the licensing or sale of advanced versions of Nastran or other solvers for advanced linear structural analysis.

3. Such other or additional relief as is necessary to correct or remedy the violations alleged in the complaint.

WHEREFORE, THE PREMISES CONSIDERED, the Federal Trade Commission on this ninth day of October, 2001, issues its complaint against said Respondent.

By the Commission.

Donald S. Clark  
Secretary