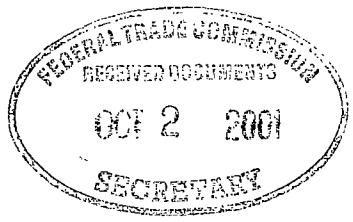


UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION

In the Matter of	)	
Schering-Plough Corporation, a corporation,	)	Docket No. 9297
Upsher-Smith Laboratories, Inc., a corporation,	)	
and	)	
American Home Products Corporation, a corporation.	)	

AMERICAN HOME PRODUCTS CORPORATION'S SECOND SET OF REQUESTS FOR ADMISSIONS TO FEDERAL TRADE COMMISSION

Pursuant to Federal Trade Commission Rule of Practice § 3.32, 16 C.F.R. § 3.32, American Home Products Corporation ("AHP") submits its Second Set of Requests for Admissions to the Federal Trade Commission. The Federal Trade Commission is requested to respond in writing to the following requests for admissions within twenty (20) days of service thereof. Documents referenced in these requests have been furnished to you previously by AHP.

DEFINITIONS

A. As used herein, "FTC," "Commission," "Complaint Counsel," "you," or "your" means the United States Federal Trade Commission, including its employees, agents,

attorneys, consultants, representatives, officers, and all other persons acting on its behalf.

B. As used herein, "AHP" means respondent American Home Products Corporation, its predecessors, successors, assigns and present and/or former affiliates, corporate parents, divisions, or subsidiaries, and any of their respective officers, directors, employees, partners, agents, attorneys, or any person acting on their behalf.

C. As used herein, "ESI" means the corporate entity that was organized under the laws of the state of Delaware and which had its principal place of business in St. David's Pennsylvania, prior to becoming an unincorporated division of AHP.

D. As used herein, "Schering" means respondent Schering-Plough Corporation, its predecessors, successors, assigns and present and/or former affiliates, corporate parents, divisions, or subsidiaries and any of their respective officers, directors, employees, partners, agents, attorneys, or any person acting on their behalf.

E. As used herein, "Upsher" means respondent Upsher-Smith Laboratories, Inc., its predecessors, successors, assigns and present and/or former affiliates, corporate parents, divisions, or subsidiaries and any of their respective officers, directors, employees, partners, agents, attorneys, or any person acting on their behalf.

F. As used herein, "Key" means Key Pharmaceuticals, Inc., its predecessors, successors, assigns and present and/or former affiliates, corporate parents, divisions, or subsidiaries and any of their respective officers, directors, employees, partners, agents, attorneys, or any person acting on their behalf.

G. As used herein, "Complaint" means the administrative complaint issued by the Federal Trade Commission on March 30, 2001, Docket No. 9297, styled In the Matter of Schering-Plough Corporation, et al.

H. As used herein, the "'743 patent" means U.S. Patent No. 4,863,743 issued to Key Pharmaceuticals, Inc. on September 5, 1989.

I. As used herein, "K-Dur 20" means the 20 milliequivalent (20 mEq) potassium chloride supplement sold under that brand name by respondent Schering-Plough Corporation.

J. As used herein, "FDA" means the United States Food and Drug Administration, including without limitation its employees, scientists, technicians, agents, examiners and laboratories.

K. As used herein, "the Patent Infringement Litigation" means the action captioned Key Pharmaceuticals, Inc. v. ESI-Lederle, Inc., Case No. 96-CV-1219, which was filed in the United States District Court for the Eastern District of Pennsylvania.

L. As used herein, the term "the Settlement Agreement" means the settlement agreement, dated June 19, 1998, that was entered into among AHP, ESI, Schering Corporation, and Key Pharmaceuticals, Inc.

M. As used herein, the term "13 Points" means the handwritten document, dated January 23, 1998, signed by Paul Heller, on behalf of ESI, and by Susan Lee, on behalf of Key.

N. As used herein, "the European License Agreement" means the license agreement, dated June 19, 1998, that was entered into among AHP, ESI, and Schering-Plough, Ltd.

O. As used herein, "person" means any natural person, firm, partnership, corporation, incorporated association, organization, joint venture, cooperative, governmental body or other form of legal entity.

P. As used herein, "NDA" mean an application submitted to the United States Food and Drug Administration seeking regulatory approval to market a new drug, pursuant to 21 C.F.R. § 314.50.

Q. As used herein, "Pitofsky Speech" means Robert Pitofsky, Antitrust and Intellectual Property: Unresolved Issues at the Heart of the New Economy, Remarks before the Berkeley Center for Law and Technology "Antitrust, Technology and Intellectual Property" conference, Berkeley, CA (March 2, 2001).

R. As used herein, "Leary Speech" means Thomas B. Leary, Antitrust Issues in Settlement of Pharmaceutical Patent Disputes, Remarks before the Northwestern University School of Law Sixth Annual Health Care Antitrust Forum, Chicago, IL (Nov. 3, 2000).

S. As used herein, "FTC Testimony" means Prepared Statement of the Federal Trade Commission on "Competition in the Pharmaceutical Marketplace: Antitrust Implications of Patent Settlements," before the Committee on the Judiciary, United States Senate, May 24, 2001.

T. As used herein, "Abbott/Geneva" means the Matter of Abbott Laboratories, Docket No. C-3946.

U. As used herein, "Hoechst/Andrx" means the Matter of Hoechst Marion Roussel, Inc., Docket No. C-9293.

REQUESTS FOR ADMISSIONS

1. The "agreement in principle" referenced in paragraph 54 of the Complaint refers to the 13 Points.

2. The 13 points were agreed to during a court-ordered settlement conference, held on January 23, 1998, during the Patent Infringement Litigation.

3. Magistrate Judge Reuter was present during the court-ordered settlement conference that took place on January 23, 1998 in the Patent Infringement Litigation.

4. Magistrate Judge Reuter presided over the court-ordered settlement conference that took place on January 23, 1998 in the Patent Infringement Litigation.

5. On January 23, 1998, the date of the 13 Points, ESI was a corporation organized and existing under the laws of the State of Delaware.

6. On January 23, 1998, the date of the 13 Points, ESI was not an unincorporated division of AHP.

7. On January 23, 1998, the date of the 13 Points, Key was a corporation organized and existing under the laws of the State of Florida.

8. The only two corporate entities referenced in the 13 Points are ESI and Key.

9. American Home Products Corporation is not referenced in the 13 Points.

10. Schering-Plough Corporation is not referenced in the 13 Points.

11. Paul Heller signed the 13 Points on behalf of ESI.

12. Susan Lee signed the 13 Points on behalf of Key.

13. Paul Heller did not sign the Settlement Agreement.

14. Susan Lee did not sign the Settlement Agreement.

15. The 13 Points provide that "ESI grants exclusive marketing rights to ESI's generic versions of Buspirone and Enalapril in Europe for 10 years from signing to Key."

16. The 13 Points provide that "Key will pay ESI a 10% royalty on its sales of Enalapril and Buspirone based on adjusted gross sales of Key."

17. The 13 Points provide that "Key will receive a credit of up to $1MM per year during the 6th through 10th years of the agreement against royalties due under" paragraph V of the 13 Points.

18. Paragraph XI of the 13 Points provides that "Key will make a good faith effort to commercial said products as promptly as reasonably possible."

19. The "products" referenced in paragraph XI of the 13 Points are enalapril and buspirone.

20. The 13 Points do not provide that AHP "agreed to refrain from marketing . . . any other generic version of K-Dur 20, regardless of whether such product would infringe Schering's patents, until January 2004."

21. The 13 Points do not provide that ESI "agreed to refrain from marketing . . . any other generic version of K-Dur 20, regardless of whether such product would infringe Schering's patents, until January 2004."

22. The 13 Points do not provide that AHP "agreed to refrain from marketing more than one generic version of K-Dur 20 between January 2004 and September 2006."

23. The 13 Points do not provide that ESI "agreed to refrain from marketing more than one generic version of K-Dur 20 between January 2004 and September 2006."

24. The 13 Points do not provide that AHP and/or ESI "agreed not to conduct, sponsor, file or support a study of bioequivalence of any product to K-Dur 20 prior to September 2006."

25. The 13 Points do not provide that AHP and/or ESI agreed to refrain from "conducting or assisting a study of the bioequivalence or therapeutic equivalence of a product" to Schering's K-Dur 20.

26. The 13 Points do not contain any "collateral restraints" as that term is used in paragraph 1 of the "Notice of Contemplated Relief" section of the Complaint.

27. The 13 Points do not restrain AHP from researching, developing, manufacturing, marketing or selling a drug product that was not at issue in the Patent Infringement Litigation.

28. The 13 Points do not prohibit AHP from researching, developing, manufacturing, marketing or selling a drug product that was not at issue in the Patent Infringement Litigation.

29. The 13 Points do not restrain ESI from researching, developing, manufacturing, marketing or selling a drug product that was not at issue in the Patent Infringement Litigation.

30. The 13 Points do not prohibit ESI from researching, developing, manufacturing, marketing or selling a drug product that was not at issue in the Patent Infringement Litigation.

31. The 13 Points do not provide that Key is paying ESI to delay entering the market with its generic version of K-Dur 20.

32. The 13 Points do not provide that Schering is paying ESI to delay entering the market with its generic version of K-Dur 20.

33. The 13 Points do not provide that Key is paying AHP to delay entering the market with its generic version of K-Dur 20.

34. The 13 Points do not provide that Schering is paying AHP to delay entering the market with its generic version of K-Dur 20.

35. In the 13 Points, Key agreed to grant ESI a royalty free, non-exclusive license under the '743 Patent beginning on January 1, 2004.

36. By its terms, the 13 Points provided that it was not a final settlement agreement between the parties to the Patent Infringement Litigation.

37. The Settlement Agreement, by its terms, provides that it supersedes the 13 Points.

38. The European License Agreement, by its terms, provides that it supersedes the 13 Points.

39. You have no evidence to support that any person asked AHP before January 1998 to conduct a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20.

40. You are not aware of any person who intended to ask AHP before or after January 1998 to conduct a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

41. You have no evidence to support that any person intended to ask AHP before or after January 1998 to conduct a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the Settlement Agreement.

42. You are not aware of any person who intended to ask AHP before or after January 1998 to conduct a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the 13 Points.

43. You have no evidence to support that any person intended to ask AHP before or after January 1998 to conduct a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

44. You have no evidence to support that any person asked AHP before January 1998 to sponsor a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20.

45. You are not aware of any person who intended to ask AHP before or after January 1998 to sponsor a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

46. You have no evidence to support that any person intended to ask AHP before or after January 1998 to sponsor a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the Settlement Agreement.

47. You are not aware of any person who intended to ask AHP before or after January 1998 to sponsor a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the 13 Points.

48. You have no evidence to support that any person intended to ask AHP before or after January 1998 to sponsor a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

49. You have no evidence to support that any person asked AHP before January 1998 to file a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20.

50. You are not aware of any person who intended to ask AHP before or after January 1998 to file a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

51. You have no evidence to support that any person intended to ask AHP before or after January 1998 to file a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the Settlement Agreement.

52. You are not aware of any person who intended to ask AHP before or after January 1998 to file a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the 13 Points.

53. You have no evidence to support that any person intended to ask AHP before or after January 1998 to file a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

54. You have no evidence to support that any person asked AHP before January 1998 to support a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20.

55. You are not aware of any person who intended to ask AHP before or after January 1998 to support a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

56. You have no evidence to support that any person intended to ask AHP before or after January 1998 to support a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the Settlement Agreement.

57. You are not aware of any person who intended to ask AHP before or after January 1998 to support a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but who did not do so because of the 13 Points.

58. You have no evidence to support that any person intended to ask AHP before or after January 1998 to support a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

59. You have no evidence to support that if any person had asked AHP before or after January 1998 to conduct, sponsor, support or file a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, AHP would have done so in the absence of the Settlement Agreement.

60. You have no evidence to support that if any person had asked AHP before or after January 1998 to conduct, sponsor, support or file a substitutability study for a potassium chloride product with respect to K-Dur 10 or K-Dur 20, AHP would have done so in the absence of the 13 Points.

61. You have no evidence to support that any person asked AHP before January 1998 to conduct a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

62. You are not aware of any person who intended to ask AHP before or after January 1998 to conduct a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

63. You have no evidence to support that any person intended to ask AHP before or after January 1998 to conduct a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

64. You are not aware of any person who intended to ask AHP before or after January 1998 to conduct a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

65. You have no evidence to support that any person intended to ask AHP before or after January 1998 to conduct a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

66. No person asked AHP before January 1998 to conduct a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

67. You have no evidence to support that any person asked AHP before January 1998 to sponsor a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

68. You are not aware of any person who intended to ask AHP before or after January 1998 to sponsor a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

69. You have no evidence to support that any person intended to ask AHP before or after January 1998 to sponsor a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the Settlement Agreement.

70. You are not aware of any person who intended to ask AHP before or after January 1998 to sponsor a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the 13 Points.

71. You have no evidence to support that any person intended to ask AHP before or after January 1998 to sponsor a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

72. No person asked AHP before January 1998 to sponsor a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

73. You have no evidence to support that any person asked AHP before January 1998 to file a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

74. You are not aware of any person who intended to ask AHP before or after January 1998 to file a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

75. You have no evidence to support that any person intended to ask AHP before or after January 1998 to file a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the Settlement Agreement.

76. You are not aware of any person who intended to ask AHP before or after January 1998 to file a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the 13 Points.

77. You have no evidence to support that any person intended to ask AHP before or after January 1998 to file a study of the bioequivalence or therapeutic equivalence of a

potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

78. No person asked AHP before January 1998 to file a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

79. You have no evidence to support that any person asked AHP before January 1998 to support a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

80. You are not aware of any person who intended to ask AHP before or after January 1998 to support a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the Settlement Agreement.

81. You have no evidence to support that any person intended to ask AHP before or after January 1998 to support a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the Settlement Agreement.

82. You are not aware of any person who intended to ask AHP before or after January 1998 to support a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but who did not do so because of the 13 Points.

83. You have no evidence to support that any person intended to ask AHP before or after January 1998 to support a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, but did not do so because of the 13 Points.

84. No person asked AHP before January 1998 to support a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20.

85. You have no evidence to support that if any person had asked AHP before January 1998 to conduct, sponsor, support or file a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, AHP would have done so in the absence of the Settlement Agreement.

86. You have no evidence to support that if any person had asked AHP before January 1998 to conduct, sponsor, support or file a study of the bioequivalence or therapeutic equivalence of a potassium chloride product to K-Dur 10 or K-Dur 20, AHP would have done so in the absence of the 13 Points.

87. You have no evidence to support that any person that would have sought FDA approval to market a generic version of K-Dur 20 did not do so because of the Settlement Agreement.

88. You have no evidence to support that any person that would have sought FDA approval to market a generic version of K-Dur 20 did not do so because of the 13 Points.

89. No person that would have sought FDA approval to market a generic version of K-Dur 20 did not do so because of the Settlement Agreement.

90. No person that would have sought FDA approval to market a generic version of K-Dur 20 did not do so because of the 13 Points.

91. Wyeth-Ayerst Laboratories Division of American Home Products and Wyeth-Ayerst Pharmaceuticals, Inc. (hereafter, collectively "Wyeth"), divisions of AHP, entered into a Consent Decree of Condemnation and Permanent Injunction ("Consent Decree") with FDA on October 4, 2000.

92. Among other things, the Consent Decree requires Wyeth to take a number of actions with respect to manufacturing drug products at its Pearl River facility in New York State and authorizes the FDA to order Wyeth to cease this manufacturing or take other corrective actions if FDA determines that Wyeth has failed to comply with the Food, Drug, and Cosmetic Act, applicable regulations thereunder, or provisions of the Consent Decree.

93. AHP has decided to exit the oral generic pharmaceuticals business.

94. The internal AHP document seeking corporate approval for the decision to exit the oral generic pharmaceuticals business states as follows: "The discontinuation of the manufacturing of the ANDA products at Pearl River is driven by the continued projection of losses for the ANDA products at Pearl River and the Consent Decree related issues and costs at Pearl River."

95. AHP would have to incur significant expenditures to continue manufacturing and developing existing and new oral generic pharmaceutical products at Pearl River.

96. The Complaint did not motivate or influence AHP's decision to exit the oral generic pharmaceuticals business.

97. By letter dated July 17, 2001, AHP announced to its customers its decision to exit the manufacture, marketing, and development of oral generic pharmaceutical products.

98. By letter dated July 19, 2001, Wyeth notified the FDA of its decision to discontinue the manufacture of oral generic pharmaceutical products at its Pearl River facility.

99. AHP used the Pearl River facility as its primary place for developing and manufacturing oral generic pharmaceutical products.

100. AHP has publicly announced that it will no longer develop, manufacture or sell oral generic pharmaceutical products.

101. AHP has notified complaint counsel that it will no longer develop, manufacture or sell oral generic pharmaceutical products.

102. You have no evidence to disprove that AHP will no longer develop, manufacture or sell oral generic pharmaceutical products.

103. AHP has notified complaint counsel that it has no current intention of reentering the oral generic pharmaceutical products business in the future.

104. You have no evidence to disprove that AHP has no current intention of reentering the oral generic pharmaceutical products business in the future.

105. Admit that you believe that the fact that the Pitofsky Speech stated that "The agreements thus acted as corks in a bottle, precluding competition not only by the generic company that was paid not to challenge the branded pharmaceutical, but also by other potential generic competitors because the 180 day period does not begin to run until the generic comes to market" is not a fact or application of law to fact related to any matter relevant to the pending proceeding.

106. Admit that you believe that the fact that the Leary Speech stated that "Since Geneva's agreement not to launch its product meant that the 180-day exclusivity period would not expire, the effect of this provision in the agreement was to ensure that no other company's generic terazosin HCL product could obtain FDA approval and enter the market during the term of the agreement" is not a fact or application of law to fact related to any matter relevant to the pending proceeding.

107. Admit that you believe that the fact that the FTC Testimony stated that "Geneva's agreement not to launch its product meant the 180-day exclusivity period would not begin to run" is not a fact or application of law to fact related to any matter relevant to the pending proceeding.

108. Admit that you believe that the fact that the Leary Speech stated that "But, had the case gone to trial, it would have been necessary to contrast the world that the parties created by the challenged agreement and the 'but for' world that would have existed in the absence of the agreement" is not a fact or application of law to fact related to any matter relevant to the pending proceeding.

109. The Pitofsky Speech characterized or described or reflected a view of the effect of the agreements at issue in the Abbott/Geneva case on third parties under the Hatch Waxman Act.

110. The Pitofsky Speech characterized or described or reflected a view of the effect of the agreements at issue in the Hoechst/Andrx case on third parties under the Hatch Waxman Act.

111. The Leary Speech characterized or described or reflected a view of the effect of the agreements at issue in the Abbott/Geneva case on third parties under the Hatch Waxman Act.

112. The Leary Speech characterized or described or reflected a view of the effect of the agreements at issue in the Hoechst/Andrx case on third parties under the Hatch Waxman Act.

113. The FTC Testimony characterized or described or reflected a view of the effect of the agreements at issue in the Abbott/Geneva case on third parties under the Hatch Waxman Act.

114. The FTC Testimony characterized or described or reflected a view of the effect of the agreements at issue in the Hoechst/Andrx case on third parties under the Hatch Waxman Act.

115. One or more of the agreements at issue in Abbott/Geneva were reached in or about April 1998.

116. One or more of the agreements at issue in Hoechst/Andrx were reached in or about September 1997.

117. The effect of settlement agreements on third parties under the Hatch Waxman Act as of the date of the Settlement Agreement was not materially different from the state of the law on this issue at the time of the Abbott/Geneva agreement.

118. The effect of settlement agreements on third parties under the Hatch Waxman Act as of the date of the Settlement Agreement was not materially different from the state of the law on this issue at the time of the Hoechst/Andrx agreement.

119. The effect of settlement agreements on third parties under the Hatch Waxman Act as of the date of the 13 Points was not materially different from the state of the law on this issue at the time of the Abbott/Geneva agreement.

120. The effect of settlement agreements on third parties under the Hatch Waxman Act as of the date of the 13 Points was not materially different from the state of the law on this issue at the time of the Hoechst/Andrx agreement.

121. The effect of settlement agreements on third parties under the Hatch Waxman Act as of April 1998 is not relevant to this case.

122. The effect of settlement agreements on third parties under the Hatch Waxman Act as of September 1997 is not relevant to this case.

123. The effect of settlement agreements on third parties under the Hatch Waxman Act as of the date of the Settlement Agreement is not relevant to this case.

124. The effect of settlement agreements on third parties under the Hatch Waxman Act as of the date of the 13 Points is not relevant to this case.

125. The Pitofsky Speech reflects a correct statement of the law.

126. The Pitofsky Speech reflects a reasonable interpretation of the law.

127. The Pitofsky Speech reflects an incorrect statement of the law.

128. The Leary Speech reflects a correct statement of the law.

129. The Leary Speech reflects a reasonable interpretation of the law.

130. The Leary Speech reflects an incorrect statement of the law.

131. The FTC Testimony reflects a correct statement of the law.

132. The FTC Testimony reflects a reasonable interpretation of the law.

133. The FTC Testimony reflects an incorrect statement of the law.

134. The FTC is charged by Congress with enforcing a statute that makes deceptive acts or practices affecting commerce unlawful.

135. The FTC would never intentionally engage in deceptive acts or practices.

136. Statements by the FTC and/or its Commissioners bear particular indicia of reliability.

137. Settling rather than litigating disputes saves resources for the parties and the courts.

138. Settlements of patent litigation between incumbent monopolists and generic entrants can be procompetitive.

139. Payment of cash by a patentholder to an alleged infringer to settle an infringement lawsuit, in an amount that does not exceed the costs the patentholder avoids by settling the litigation, is not necessarily a payment to delay entry into the market by the alleged infringer.

140. Payment of cash by a patentholder to an alleged infringer to settle an infringement lawsuit, in an amount that does not exceed the costs the patentholder avoids by settling the litigation, is not a payment to delay entry into the market by the alleged infringer.

141. Payment of cash by a patentholder to an alleged infringer to settle an infringement lawsuit is not always a payment to delay entry into the market by the alleged infringer.

142. For an alleged infringer generic drug company to pose a threat to an incumbent monopolist, there must be a probability that the generic company would enter and compete with the monopolist.

143. During the course of negotiations to settle the Patent Infringement Litigation, Schering never offered to license the '743 patent to AHP on an effective date earlier than December 31, 2003.

144. You have no evidence that during the course of negotiations to settle the Patent Infringement Litigation Schering ever offered to license the '743 patent to AHP on an effective date earlier than December 31, 2003.

145. Under the terms of previous consent decrees, the Commission has permitted parties to enter into settlements of patent infringement litigation in which the patentholder provides something of value to the alleged infringer.

146. The Commission did not file a complaint challenging a patent settlement agreement between Abbott Laboratories and Zenith.

Respectfully submitted,

Michael N. Sohn
Cathy Hoffman
David Orta
Barbara Wootton
ARNOLD & PORTER
555 Twelfth Street, N.W.
Washington, D.C. 20004-1206
(202) 942-5000

Counsel for American Home Products Corporation

Dated: October 2, 2001

CERTIFICATE OF SERVICE

I hereby certify that this 2nd day of October 2001, I caused an original, one paper copy and an electronic copy of American Home Products Corporation's Second Set of Requests for Admissions to Federal Trade Commission to be filed with:

Office of the Secretary
Federal Trade Commission
600 Pennsylvania Avenue, N.W.
Room H-159
Washington, D.C. 20580

I hereby certify that this 2nd day of October 2001, I also caused two paper copies of American Home Products Corporation's Second Set of Requests for Admissions to Federal Trade Commission to be served by hand delivery upon:

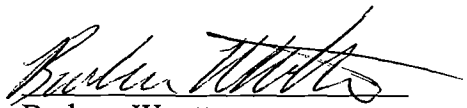
Honorable D. Michael Chappell
Administrative Law Judge
Federal Trade Commission
600 Pennsylvania Avenue, NW
Room H-104
Washington, D.C. 20580

I hereby certify that this 2nd day of October 2001, I also caused one paper copy by hand delivery and an electronic copy by e-mail of American Home Products Corporation's Second Set of Requests for Admissions to Federal Trade Commission to be served upon each person listed below:

Karen G. Bokat, Esq.
Federal Trade Commission
601 Pennsylvania Avenue, NW
Room 3115
Washington, D.C. 20580

Christopher M. Curran, Esq.
White & Case LLP
601 13th Street, NW
Washington, D.C. 20005

Laura S. Shores, Esq.
Howrey Simon Arnold & White
1299 Pennsylvania Avenue, NW
Washington, D.C. 20004-2402



Barbara Wootton