



Department of Energy

Washington, DC 20585

March 3, 1999

Jonathar. Cohen, Esq.
Director of Intellectual Property
Ventana Medical Systems, Inc.
209 Ferry Parkway
Gaithersburg, Md. 20877

Re: Government Rights in Patent Portfolio of Pinkel and Gray (Ventana Ref 100/001) (Cohen-Gottlieb Letter of Feb. 10, 1999)

Dear Mr. Cohen:

Thank you for taking the time to meet with me the week of February 2, 1999 and describe Ventana's situation regarding the acquisition of Oncor assets and difficulties encountered confirming a transfer of the subject Oncor patent license rights to Ventana.

Since our discussion we have reviewed this matter with the University of California (UC) and have been advised:

The Licensing Office of UC has not refused to discuss licensing of the subject patent portfolio with Ventana; Ventana is currently conducting license negotiations with Vysis, UC's exclusive licensee, which granted a license to Oncor as part of a litigation settlement, and the next scheduled negotiation meeting is already scheduled during March 1999,

The scope of the technology that is being addressed in the license negotiation includes a group of patented inventions, some of which are owned by UC and others by Vysis; not the single patent that was the subject of the Oncor litigation settlement license,

The license which Vysis granted to Oncor as part of the litigation settlement agreement is represented to be transferable to a third party with a transfer of substantially all of the assets of Oncor, and

The technology under discussion takes a relatively long time to develop, bring through clinical trials and bring to market, Vysis has already brought to market at least one product resulting from the technology licensed from UC and has more under development and in clinical testing.



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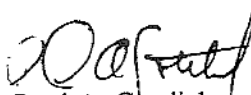
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Based upon the information provided by Ventana and UC, it appears that discussions leading toward a business resolution of this matter are underway and it would be premature for DOE to conduct any investigation of market concentration, anti-competitive practices or to consider any exercise of DOE March-In Rights at this time. Any exercise of March-In rights at this time might unfairly influence an on-going negotiation and would be an abuse of DOE's authority.

We invite you, on behalf of Ventana, to generally keep DOE informed regarding the license negotiation, without revealing detailed, proprietary information, as the negotiation progresses. The University of California will also keep us informed.

Thanks again for taking the time to explore this matter with DOE. If you have any questions, please contact me at 202-586-2802.



Paul A. Gottlieb
Assistant General Counsel for Technology
Transfer and Intellectual Property

cc: James M. Hanley, OAK

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