

person whose employment involves any competing Reckitt & Colman carpet deodorizer or air freshener product. Similarly, all persons responsible for the management of any competing Reckitt & Colman carpet deodorizer product or air freshener product shall be prohibited from providing, discussing, exchanging, circulating or otherwise furnishing any such information to or with any other person responsible for the Carpet Fresh, Rug Fresh, Botanicals, or Airwick Neutra Air carpet deodorizer products, or Airwick, Stick Ups, Air Waves, Wizard, Botanicals, and Airwick Neutra Air air freshener products.

Any violation of the Consent Order or the Hold Separate Agreement, incorporated by reference as part of the Consent Order, subjects the violator to civil penalties and other relief as provided by law.

Analysis of Proposed Consent Order To Aid Public Comment

The Federal Trade Commission ("Commission") has accepted subject to final approval an agreement containing a proposed consent order from Reckitt & Colman plc ("Reckitt & Colman") to resolve competitive concerns with the proposed acquisition of certain assets and liabilities of the household products, professional products and personal products businesses of L&F Products Inc. Under the proposed order, Reckitt & Colman would divest assets relating to its carpet deodorizer products business and its rug cleaning products business (respectively, the "Carpet Deodorizer Assets" and the "Rug Cleaning Assets").

The draft consent order has been placed on the public record for sixty (60) days for reception of comments by interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will review the agreement and the comments received and will decide whether to withdraw from the agreement or make final the agreement's proposed order.

The draft complaint alleges that the proposed acquisition, if consummated, would violate Section 7 of the Clayton Act, 15 U.S.C. § 18, as amended, and Section 56 of the FTC Act, 15 U.S.C. § 45, as amended, in the market for carpet deodorizers. Additionally, Reckitt & Colman is already subject to a Commission order issued to settle charges that its previous acquisition of the Boyle-Midway Division of American Home Products Corporation violated Section 7 of the Clayton Act, 15 U.S.C. § 18, as amended, and Section 5 of the FTC Act, 15 U.S.C. § 45, as amended (*In the Matter of Reckitt & Colman plc*, FTC

Docket No. C-3306). The Order in Docket No. C-3306 provides that for a period of ten (10) years Reckitt & Colman shall not acquire, without the prior approval of the Commission, any interest in, stock of, or any assets used in the rug cleaning products business. The proposed consent order would remedy the violation alleged in the draft complaint by requiring the divestiture of the Carpet Deodorizer Assets. Additionally, the proposed order would allow Reckitt & Colman to acquire L&F with the required prior approval of the Commission on the condition that Reckitt & Colman divest the Rug Cleaning Assets.

The proposed order would require Reckitt & Colman to divest the Carpet Deodorizer Assets within six (6) months after the proposed order becomes final. The proposed order also would require Reckitt & Colman to divest the Rug Cleaning Assets within six (6) months after the Commission approves Reckitt & Colman's acquisition of L&F pursuant to the Order in Docket No. C-3306.

Reckitt & Colman would also be required to divest, at the option of the acquirer of the Carpet Deodorizer Assets, the rights to use the Airwick brand name in connection with the manufacture and sale of carpet deodorizer products. In addition, Reckitt & Colman would be required to divest manufacturing equipment and facilities associated with the Carpet Deodorizer Assets and Rug Cleaning Assets at the acquirer(s)' option.

To help ensure the viability of the Carpet Deodorizer Assets and the Rug Cleaning Assets, Reckitt & Colman would be required to provide such personnel, information, assistance, advice, and training as are necessary to transfer these assets pursuant to the order and establish these businesses as viable, ongoing concerns. In addition, Reckitt & Colman would be required to assist the acquirer(s) in obtaining approvals for the transfer of all registrations, leases, licenses, certifications, permits, or other similar documents relating to the Carpet deodorizer Assets and the Rug Cleaning Assets.

If Reckitt & Colman fails to divest the Carpet Deodorizer Assets during the allotted time, a trustee could be appointed to divest, within twelve (12) months, the Carpet Deodorizer Assets and, in addition, assets relating to Reckitt & Colman's air freshener products business ("Air Freshener Assets"). If Reckitt & Colman does not divest the Rug Cleaning Assets within the allotted time, a trustee could be appointed to divest, within twelve (12) months, the Rug Cleaning Assets and, in

addition, assets relating to Reckitt & Colman's Woolite fabric care products business ("Woolite Assets"). If, at the end of twelve months, the trustee submitted a plan of divestiture or believed that divestiture could be achieved within a reasonable time, the time period for divestiture could be extended by the Commission, or, in the case of a court-appointed trustee, by the court. The Commission, however, may extend this period only two (2) times.

A Hold Separate Agreement signed by a Reckitt & Colman provides that until divestiture of the Carpet Deodorizer Assets is completed, the Reckitt & Colman Carpet Deodorizer Assets and Air Freshener Assets businesses shall be held separate from and operated independently of Reckitt & Colman. The Hold Separate Agreement also provides that until the divestiture of the Rug Cleaning Assets required by the proposed order is completed, the L&F businesses being acquired by Reckitt & Colman shall be held separate from and operated independently of Reckitt & Colman.

The proposed order would require Reckitt & Colman, for a period of ten (10) years, to obtain the prior approval of the Commission before acquiring any interest in any other company engaged in the development, production, distribution, or sale for resale of carpet deodorizer products in the United States.

Under the proposed order, Reckitt & Colman would be required to provide to the Commission reports of its compliance with the divestiture provisions of the order sixty (60) days after the order becomes final and every sixty (60) days thereafter, until the divestitures have been completed.

Additionally, one year from the date the order becomes final and annually thereafter for nine (9) years, Reckitt & Colman would be required to provide to the Commission a report of its compliance with the order.

The purpose of this analysis is to facilitate public comment on the proposed order, and it is not intended to constitute an official interpretation of the agreement and proposed order or to modify in any way their terms.

Donald S. Clark,

Secretary.

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