

within the public domain through no violation of this order by Respondent, or (3) information which is known to Respondent from a person other than the Platform Partner not in breach of a confidential disclosure agreement.

K. "Acquisitions" means the acquisitions of Alias and Wavefront by SGI.

L. "Commission" means the Federal Trade Commission.

## II

*It is further ordered That,*

A. Not later than March 31, 1996, Respondent shall enter into a Porting Agreement that receives the prior approval of the Commission. After such Commission approval, Respondent shall port the Entertainment Products to the Platform Partner's computer systems as provided in the Porting Agreement.

B. Respondent shall enter into such Porting Agreement either with Digital Equipment Corporation, Hewlett-Packard Corporation, IBM Corporation, or Sun Microsystems, Inc., or with another company that receives the prior approval of the Commission. Provided however, nothing in this Order shall prohibit Respondent from entering into additional porting agreements with one or more platform partners without the prior approval of the Commission.

C. The purpose of the Porting Agreement and the porting of the Entertainment Products, pursuant to the Porting Agreement, is to ensure that ported Entertainment Products compatible with the Platform Partner's computer system will be marketed and sold in competition with the Entertainment Products operating on Respondent's computer systems, and to remedy the lessening of competition resulting from the proposed Acquisitions as alleged in the Commission's complaint.

## III

*It is further ordered That,* absent the prior written consent of the proprietor of Non-public Information or unless expressly permitted by any Porting Agreement, (1) Respondent shall use any Non-public Information only in porting the Entertainment Products pursuant to such porting agreement, and (2) any persons involved in porting the Entertainment Products shall not provide, disclose, or otherwise make available any Non-public Information to other employees of Respondent.

## IV

*It is further ordered That* Respondent shall:

A. Establish and maintain an open architecture, and publish the

Application Program Interfaces ("APIs"), for Respondent's computers and operating systems in such manner that software developers and producers may develop and sell Entertainment Software, for use on Respondent's computers, in competition with Entertainment Software offered by Respondent; and

B. Respondent shall extend to developers of Entertainment Software the right to participate in ISV Programs on terms no less favorable to such developers than those terms applicable to developers of other software for use on Respondent's computers and operating systems.

C. The purpose of this Paragraph IV is to allow Entertainment Software developers and producers to develop and sell Entertainment Software for use on Respondent's computers and operating systems in competition with Respondent, and to remedy the lessening of competition resulting from the proposed Acquisitions as alleged in the Commission's complaint.

## V

*It is further ordered That,* within sixty (60) days after the date this order becomes final and every sixty (60) days thereafter until Respondent has fully complied with the provisions of Paragraph II of this order, Respondent shall submit to the Commission a verified written report setting forth in detail the manner and form in which it intends to comply, is complying, or has complied with those provisions. Respondent shall include in its compliance reports, among other things that are required from time to time, a full description of the efforts being made to comply with Paragraph II of this order.

## VI

*It is further ordered That,* one year from the date this Order becomes final, annually thereafter for the next four (4) years, and at other times as the Commission may require, Respondent shall file with the Commission verified written reports setting forth in detail the manner and form in which it has complied and is complying with Paragraphs II, III and IV of this order.

## VII

*It is further ordered That,* for the purposes of determining or securing compliance with this order, and subject to any legally recognized privilege, upon written request and on reasonable notice to Respondent, Respondent shall permit any duly authorized representatives of the Commission:

A. Access, during office hours and in the presence of counsel, to inspect and copy all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of Respondent relating to any matters contained in this order; and

B. Upon five (5) days notice to Respondent, and without restraint or interference from Respondent, to interview officers or employees of Respondent, who may have counsel present, regarding such matters.

## VIII

*It is further ordered That* Respondent shall notify the Commission at least thirty (30) days prior to any proposed change in Respondent, such as dissolution, assignment, sale resulting in the emergence of a successor, or the creation or dissolution of subsidiaries or any other change that may affect compliance obligations arising out of this Order.

## IX

*It is further ordered That* this Order shall expire five (5) years from the date it becomes final.

## Analysis to Aid Public Comment on the Provisionally Accepted Consent Order

The Federal Trade Commission ("the Commission") has accepted, for public comment, an agreement containing a proposed Consent Order from Silicon Graphics, Inc. ("SGI"). The proposed Consent Order has been placed on the public record for sixty (60) days for reception of comments from interested persons. Comments received during this period will become part of the public record. After sixty (60) days, the Commission will again review the agreement and the comments received and will decide whether it should withdraw from the agreement or make final the agreement's proposed Order.

The Commission's investigation of this matter concerns the proposed acquisitions of Alias Research Inc. ("Alias") and Wavefront Technology, Inc. ("Wavefront") by SGI. The Commission's proposed complaint alleges that Alias and Wavefront are two of the top three developers of Unix-based, entertainment graphics and animation software ("entertainment graphics software") in the world. Entertainment graphics software consists of compatible modelling, animation, rendering, compositing and painting software tools for use on entertainment graphics workstations in the production of high-resolution, 2D and 3D digital images for film, video, electronic games, interactive