

BAEHREN JAMES W
Form 4
March 10, 2010

FORM 4

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

OMB APPROVAL

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STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person *
BAEHREN JAMES W

(Last) (First) (Middle)

ONE MICHAEL OWENS WAY

(Street)

PERRYSBURG, OH 43551

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol
OWENS ILLINOIS INC /DE/ [OI]

3. Date of Earliest Transaction
(Month/Day/Year)
03/07/2010

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

Director 10% Owner
 Officer (give title below) Other (specify below)
Sr. VP & General Counsel

6. Individual or Joint/Group Filing(Check Applicable Line)
 Form filed by One Reporting Person
 Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | 5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4) | 7. Nature of Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|-----------------------------------|
| | | | Code | V | Amount or (D) Price | | |
| Common Stock (Direct) | 03/07/2010 | | A | | 13,256 ⁽¹⁾ \$ 0 | D | |
| Common Stock (Direct) | 03/07/2010 | | A | | 2,933 ⁽²⁾ \$ 0 | D | |
| Common Stock (Direct) | 03/08/2010 | | S | | 8,500 ⁽³⁾ \$ 30.95 | D | |
| Common Stock | 03/08/2010 | | S | | 237 ⁽³⁾ \$ 30.96 | D | |

(Direct)

Common
Stock
(Indirect)

16,027.4515 I

401-K
Plan

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of Derivative Security (Instr. 3) | 2. Conversion or Exercise Price of Derivative Security | 3. Transaction Date (Month/Day/Year) | 3A. Deemed Execution Date, if any (Month/Day/Year) | 4. Transaction Code (Instr. 8) | 5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5) | 6. Date Exercisable and Expiration Date (Month/Day/Year) | 7. Title and Amount of Underlying Securities (Instr. 3 and 4) | 8. Amount or Number of Shares |
|--|--|--------------------------------------|--|--------------------------------|---|--|---|-------------------------------|
| Stock Option (March 7 2010) | \$ 31.03 | 03/07/2010 | | A | 12,534 | ⁽⁴⁾ 03/07/2017 | Common Stock (Direct) | 12,534 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|--------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| BAEHREN JAMES W ONE MICHAEL OWENS WAY PERRYSBURG, OH 43551 | | | Sr. VP & General Counsel | |

Signatures

James W. Baehren 03/10/2010

**Signature of Reporting Person Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, see Instruction 4(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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Restricted shares received by the reporting person on March 7, 2010 pursuant to action taken on that date by the Company's

- (1) Compensation Committee determining the number of shares payable to the reporting person under certain restricted stock units granted for the 2007-2009 grant period. The restricted stock units did not constitute derivative securities on the date of grant thereof.
- (2) The shares are subject to restrictions on sale that expire, either (i) as to 25% of the shares on each of the first four anniversaries of the date of grant of such shares, or (ii) in their entirety upon the grantee's death or disability prior to a termination of employment.
- (3) All shares were sold by the reporting person to cover the withholding tax on shares of restricted stock on which the restrictions lapsed.
- (4) The option vests in four equal annual installments beginning on the first anniversary of the date of the grant.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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