

Exhibit 18

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

APPLE INC., A CALIFORNIA CORPORATION,)	C-11-01846 LHK
)	
)	SAN JOSE, CALIFORNIA
PLAINTIFF,)	
)	AUGUST 13, 2012
VS.)	
)	VOLUME 7
SAMSUNG ELECTRONICS CO., LTD., A KOREAN BUSINESS ENTITY; SAMSUNG ELECTRONICS AMERICA, INC., A NEW YORK CORPORATION; SAMSUNG TELECOMMUNICATIONS AMERICA, LLC, A DELAWARE LIMITED LIABILITY COMPANY,)	PAGES 1989-2320
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DEFENDANTS.)	

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE LUCY H. KOH
UNITED STATES DISTRICT JUDGE

APPEARANCES ON NEXT PAGE

OFFICIAL COURT REPORTER: LEE-ANNE SHORTRIDGE, CSR, CRR
CERTIFICATE NUMBER 9595

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A P P E A R A N C E S :

FOR PLAINTIFF MORRISON & FOERSTER
APPLE: BY: HAROLD J. MCELHINNY
MICHAEL A. JACOBS
RACHEL KREVANS
425 MARKET STREET
SAN FRANCISCO, CALIFORNIA 94105

FOR COUNTERCLAIMANT WILMER, CUTLER, PICKERING,
APPLE: HALE AND DORR
BY: WILLIAM F. LEE
60 STATE STREET
BOSTON, MASSACHUSETTS 02109

BY: MARK D. SELWYN
950 PAGE MILL ROAD
PALO ALTO, CALIFORNIA 94304

FOR THE DEFENDANT: QUINN, EMANUEL, URQUHART,
OLIVER & HEDGES
BY: CHARLES K. VERHOEVEN
50 CALIFORNIA STREET, 22ND FLOOR
SAN FRANCISCO, CALIFORNIA 94111

BY: VICTORIA F. MAROULIS
KEVIN P.B. JOHNSON
555 TWIN DOLPHIN DRIVE
SUITE 560
REDWOOD SHORES, CALIFORNIA 94065

BY: MICHAEL T. ZELLER
WILLIAM C. PRICE
865 SOUTH FIGUEROA STREET
10TH FLOOR
LOS ANGELES, CALIFORNIA 90017

INDEX OF WITNESSESPLAINTIFF'S**BORIS TEKSLER**

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DEFENDANT'S**BENJAMIN BEDERSON**

DIRECT EXAM BY MR. DEFRANCO P. 2228
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ADAM BOGUE

DIRECT EXAM BY MR. JOHNSON P. 2274
CROSS-EXAM BY MR. JACOBS P. 2300

1 PLAINTIFF, HAVING BEEN FIRST DULY SWORN, WAS
2 EXAMINED AND TESTIFIED AS FOLLOWS:

3 THE WITNESS: YES, I DO.

4 THE CLERK: THANK YOU. PLEASE BE SEATED.

5 THE COURT: OKAY. IT'S 9:52.

6 GO AHEAD, PLEASE.

7 THE CLERK: PLEASE STATE YOUR NAME AND
8 SPELL IT FOR THE RECORD.

9 THE WITNESS: YES, MY NAME IS TERRY
10 MUSIKA, T-E-R-R-Y, M-U-S-I-K-A.

11 **DIRECT EXAMINATION**

12 BY MS. KREVANS:

13 Q GOOD MORNING, MR. MUSIKA.

14 A GOOD MORNING.

15 Q COULD YOU START BY TELLING THE JURY WHAT KIND
16 OF WORK DO YOU DO?

17 A I'M A CERTIFIED PUBLIC ACCOUNTANT AND HAVE
18 BEEN FOR APPROXIMATELY JUST SHY OF 40 YEARS.

19 AND IN THAT CAPACITY, I HAVE, THROUGH
20 THAT 40 YEARS, I HAVE DONE AUDITING AND I'VE DONE
21 TESTIMONY SUCH AS THIS. AND I'VE ALSO OWNED AND
22 OPERATED COMPANIES THAT I'VE HAD A SPECIFIC
23 INTEREST IN MYSELF, AS WELL AS DONE SOME WORK, AS I
24 THINK WE'LL TALK ABOUT, FOR THE COURTS.

25 Q AND WHAT HAVE YOU BEEN ASKED TO DO, GENERALLY,

1 DIRECTLY ATTRIBUTABLE TO THE PRODUCTION AND/OR SALE
2 OF THE ACCUSED DEVICES.

3 AND THIS IS -- AGAIN, THIS ISN'T MY
4 CONSTRUCTION. THIS IS REALLY GENERALLY ACCEPTED
5 ACCOUNTING PRINCIPALS AND THIS IS DIRECTLY FROM
6 THEIR STATEMENTS.

7 AND THAT GETS US, IF WE DEDUCT THE COST
8 OF GOODS SOLD FROM THE SALES, WE GET A GROSS PROFIT
9 NUMBER AND PERCENTAGE.

10 Q AND WHAT'S THE GROSS PROFIT PERCENTAGE?

11 A GROSS PROFIT PERCENTAGE IS, IN THIS STATEMENT
12 IS 39.2 PERCENT.

13 Q WHAT WAS THE AVERAGE GROSS PROFIT AMOUNT THAT
14 YOU FOUND IN SAMSUNG'S FINANCIAL RECORDS FOR THE \$8
15 BILLION IN SALES OF THE ACCUSED PRODUCTS IN THE
16 UNITED STATES?

17 A ALL RIGHT. THE ACCUSED PRODUCTS HAVE SLIGHTLY
18 LOWER GROSS PROFIT PERCENTAGE. PER MY
19 RECOLLECTION, THE OVERALL GROSS PROFIT PERCENTAGE
20 ON JUST THE ACCUSED PRODUCTS WAS APPROXIMATELY 35.5
21 PERCENT.

22 Q OKAY. YOU SAID A COUPLE MINUTES AGO THAT IF
23 WE MOVE DOWN THIS SAME PAGE OF EXHIBIT 28, WE'RE
24 GOING TO SEE SOME OTHER KINDS OF EXPENSES.

25 A YES.

1 Q OKAY. IF, INSTEAD OF CALCULATING FOR THE 17
2 MILLION PHONES AND TABLETS IN THE TOP LINE AND THE
3 2 MILLION PHONES AND TABLETS IN THE MIDDLE LINE
4 SAMSUNG PROFITS AND APPLE'S LOST PROFITS, IF YOU
5 HAD JUST DONE A REASONABLE ROYALTY FOR ALL 22
6 MILLION UNITS, WHAT WOULD THAT NUMBER HAVE BEEN?

7 A RIGHT. THAT'S 500 -- IT'S APPROXIMATELY
8 540 --

9 MR. PRICE: OBJECT TO THAT. THAT'S
10 BEYOND THE SCOPE OF HIS REPORT.

11 MS. KREVANS: YOUR HONOR, THIS IS IN THE
12 SUPPLEMENTAL EXPERT REPORT AT EXHIBIT 19-S IN THE
13 MIDDLE COLUMN.

14 THE COURT: THAT'S OVERRULED.

15 GO AHEAD.

16 THE WITNESS: IF YOU SLID ALL THE PHONES,
17 AS COUNSEL HAS SAID, OVER AND DOWN INTO REASONABLE
18 ROYALTY AND CALCULATED DAMAGES AGAIN AS A FLOOR, A
19 MINIMUM AMOUNT, NO LOST PROFITS, NO REASONABLE --
20 AND NO INFRINGER'S PROFITS, THE AMOUNT IS
21 APPROXIMATELY \$540 MILLION, STANDALONE.

22 BY MR. KREVANS:

23 Q LOOKING AT THE NUMBERS THE WAY YOU DID
24 CALCULATE THEM IN THE THREE SEPARATE BUCKETS, WHAT
25 IS THE TOTAL DAMAGES THAT YOU CALCULATED THAT YOU

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CERTIFICATE OF REPORTER

I, THE UNDERSIGNED OFFICIAL COURT
REPORTER OF THE UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF CALIFORNIA, 280 SOUTH
FIRST STREET, SAN JOSE, CALIFORNIA, DO HEREBY
CERTIFY:

THAT THE FOREGOING TRANSCRIPT,
CERTIFICATE INCLUSIVE, CONSTITUTES A TRUE, FULL AND
CORRECT TRANSCRIPT OF MY SHORTHAND NOTES TAKEN AS
SUCH OFFICIAL COURT REPORTER OF THE PROCEEDINGS
HEREINBEFORE ENTITLED AND REDUCED BY COMPUTER-AIDED
TRANSCRIPTION TO THE BEST OF MY ABILITY.

/S/

LEE-ANNE SHORTRIDGE, CSR, CRR
CERTIFICATE NUMBER 9595

DATED: AUGUST 14, 2012