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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 10, 2012
VS.	)	
	)	VOLUME 6
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 1638-1988
	)	
	)	
	)	
	)	
	)	
	)	
DEFENDANTS.	)	

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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

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

2 FOR PLAINTIFF MORRISON & FOERSTER  
3 APPLE: BY: HAROLD J. MCELHINNY  
4 MICHAEL A. JACOBS  
5 RACHEL KREVANS  
6 425 MARKET STREET  
7 SAN FRANCISCO, CALIFORNIA 94105

8 FOR COUNTERCLAIMANT WILMER, CUTLER, PICKERING,  
9 APPLE: HALE AND DORR  
10 BY: WILLIAM F. LEE  
11 60 STATE STREET  
12 BOSTON, MASSACHUSETTS 02109

13 BY: MARK D. SELWYN  
14 950 PAGE MILL ROAD  
15 PALO ALTO, CALIFORNIA 94304

16 FOR THE DEFENDANT: QUINN, EMANUEL, URQUHART,  
17 OLIVER & HEDGES  
18 BY: CHARLES K. VERHOEVEN  
19 50 CALIFORNIA STREET, 22ND FLOOR  
20 SAN FRANCISCO, CALIFORNIA 94111

21 BY: VICTORIA F. MAROULIS  
22 KEVIN P.B. JOHNSON  
23 555 TWIN DOLPHIN DRIVE  
24 SUITE 560  
25 REDWOOD SHORES, CALIFORNIA 94065

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

BY: EDWARD J. DEFRANCO  
51 MADISON AVENUE, 22ND FLOOR  
NEW YORK, NEW YORK 10010

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1 THE CLERK: RAISE YOUR RIGHT HAND,  
2 PLEASE.

3 **RAVIN BALAKRISHNAN,**  
4 BEING CALLED AS A WITNESS ON BEHALF OF THE  
5 PLAINTIFF, HAVING BEEN FIRST DULY SWORN, WAS  
6 EXAMINED AND TESTIFIED AS FOLLOWS:

7 THE WITNESS: I DO.

8 THE CLERK: WOULD YOU HAVE A SEAT,  
9 PLEASE.

10 THE WITNESS: THANK YOU.

11 MR. JACOBS: YOUR HONOR, LET'S JUST TAKE  
12 A MOMENT TO GET SETTLED WITH THE BINDERS.

13 THE COURT: THAT'S FINE.

14 (PAUSE IN PROCEEDINGS.)

15 THE CLERK: COULD YOU STATE YOUR NAME,  
16 PLEASE, AND SPELL IT.

17 THE WITNESS: MY NAME IS RAVIN  
18 BALAKRISHNAN. THAT IS SPELLED R-A-V-I-N, LAST NAME  
19 IS SPELLED B-A-L-A-K-R-I-S-H-N-A-N.

20 THE CLERK: IT'S 10:22. GO AHEAD.

21 **DIRECT EXAMINATION**

22 BY MR. JACOBS:

23 Q DR. BALAKRISHNAN, THE JURY HAS BEEN HEARING  
24 ABOUT TRADEMARK SURVEYS. ARE YOU HERE TO TALK  
25 ABOUT TRADEMARK SURVEYS?

1 OF YOUR WORK ON THE '381 PATENT?

2 A YES, IT IS.

3 MR. JACOBS: YOUR HONOR, WE OFFER PX 57  
4 IN EVIDENCE.

5 MR. JOHNSON: OBJECTION, YOUR HONOR. NO  
6 FOUNDATION.

7 MR. JACOBS: JUST PROVIDED THE  
8 FOUNDATION, YOUR HONOR.

9 THE COURT: ALL RIGHT. OVERRULED.  
10 GO AHEAD. IT'S ADMITTED.

11 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER  
12 57, HAVING BEEN PREVIOUSLY MARKED FOR  
13 IDENTIFICATION, WAS ADMITTED INTO  
14 EVIDENCE.)

15 BY MR. JACOBS:

16 Q WHAT IS PX 57, DR. BALAKRISHNAN?

17 A PX 57 IS ANOTHER USABILITY EVALUATION DOCUMENT  
18 CREATED BY SAMSUNG SOFTWARE VERIFICATION GROUP THAT  
19 IN TURN -- SORRY -- INTERNAL SAMSUNG DOCUMENT, AND  
20 THIS IS COMPARING A SAMSUNG TABLET TO THE IPAD 2,  
21 AGAIN, FOR THE SAME BOUNCE FUNCTIONALITY, OR THE  
22 LACK THEREOF IN THE ORIGINAL TABLET DESIGN IN  
23 SAMSUNG'S CASE.

24 Q SO LET'S TAKE A LOOK AT THE OVERVIEW.

25 AND WHAT DOES THE OVERVIEW DESCRIBE AS

1 KIND OF THE IMPORTANT POINTS OF THIS STUDY?

2 A ONE OF THE IMPORTANT POINTS IS, IF YOU LOOK AT  
3 THE SECOND MAJOR BULLET, IT SAYS "MAJOR USABILITY  
4 PROBLEM AREAS," AND THE PART THAT'S RELEVANT TO THE  
5 '381 PATENT IS THE LAST SUPPLEMENT OF THIS  
6 PARAGRAPH. IT STATES THAT "GUI," OR GRAPHICAL USER  
7 INTERFACE, THAT'S WHAT THE G-U-I STANDS FOR, "AND  
8 VISUAL EFFECT ARE LACKING IN COMPARISON TO THE  
9 IPAD 2," AND THEN IT TALKS ABOUT FOUR APPLICATIONS  
10 THAT'S LACKING FOR, AND ONE OF THEM IS THE GALLERY  
11 APPLICATION.

12 Q LET'S TAKE A LOOK AT ISSUE 51 IN THIS  
13 DOCUMENT, THIS INTERNAL SAMSUNG DOCUMENT.

14 WHAT DOES THIS, THE PAGE OF THIS REPORT  
15 DESCRIBE AS AN ISSUE?

16 A THIS IS DESCRIBING AN ISSUE WITH THE BROWSER  
17 ON THE PHONE, THE SAMSUNG TABLET, AND BASICALLY IF  
18 YOU LOOK AT THE NEXT BULLET, THE FIRST BULLET POINT  
19 UP THERE, IT SAYS "DURING THE TOP-MOST/BOTTOM-MOST  
20 DIAGONAL MOVEMENTS, THERE IS NO SPRINGING BOUNCE  
21 EFFECT."

22 AND YOU CAN SEE THAT ON THE LEFT-HAND  
23 SIDE ARE THE IMAGE AND THE COMMENTARY TO THE RIGHT  
24 OF THE LEFT IMAGE WHERE THEY'VE DRAGGED IT BEYOND  
25 THE EDGE AND NOTHING IS HAPPENING. IT DOESN'T



1 BOUNCE. IT SUFFERS FROM THE FROZEN SCREEN PROBLEM.

2 AND THEN YOU LOOK AT THE COMPARISON,  
3 WHICH IS THE IPAD 2, AND IT CLEARLY GOES BEYOND THE  
4 EDGE AND IT SAYS IN THE COMMENTARY ON THE RIGHT, IT  
5 SAYS, "IN THE CASE OF IPAD 2, THERE IS A FUN  
6 ELEMENT FROM A NATURAL BOUNCE EFFECT THAT FOLLOWS  
7 THE HAND GESTURES."

8 SO THIS THEN, THIS IS THE '381  
9 FUNCTIONALITY THAT SAMSUNG HAS CLEARLY SEEN IN THE  
10 IPAD 2 AND FOUND THAT TO BE LACKING IN THEIR OWN  
11 TABLET.

12 Q AND WHAT WAS THIS -- CAN WE GO BACK TO THE  
13 FULL PAGE VIEW?

14 AND HOW WAS THIS LABELED IN TERMS OF ITS  
15 LEVEL OF IMPORTANCE BY SAMSUNG AS AN ISSUE?

16 A IN A SUBSEQUENT PAGE I BELIEVE IT WAS LABELED  
17 AS CRITICAL. ON THIS PAGE IT WAS LABELED AS  
18 SERIOUS.

19 Q SO LET'S LOOK AT THAT SUBSEQUENT PAGE.

20 A I DON'T --

21 Q VISUAL EFFECT COMPARED TO IPAD 2.

22 A SO THIS IS A CONTINUATION OF THAT SAME  
23 DISCUSSION AND THEY'RE TALKING ABOUT IT LACKING --  
24 IT LACKS THE FUN OR WOW EFFECT. THAT'S THE FIRST  
25 BULLET.

1                   AND IF YOU LOOK AT THE FIRST ROW THERE,  
2                   IT TALKS ABOUT THE -- ACTUALLY, LET'S LOOK AT --  
3                   YEAH, IF YOU LOOK AT THE MIDDLE IMAGE AND THE TEXT,  
4                   RIGHT, THAT ONE, IT SAYS, "THE TOP-MOST/BOTTOM-MOST  
5                   AND DIAGONAL MOVEMENT LACK THE BOUNCE EFFECT," SO  
6                   THIS IS TALKING ABOUT WHAT I JUST TALKED ABOUT FROM  
7                   THE PREVIOUS PAGE.

8                   AND IF YOU GO BACK TO THE PREVIOUS PAGE,  
9                   YOU'LL SEE ON THE RIGHT-HAND SIDE, IT SAYS FOR  
10                  BROWSER, "THE BOUNCE EFFECT IS SCHEDULED TO BE  
11                  REVIEWED." IN OTHER WORDS, THEY INTEND TO LOOK AT  
12                  THAT FUNCTIONALITY IN LIGHT OF WHAT THEY FOUND.

13                 Q       AND HOW DID THIS GET LABELED IN TERMS OF ITS  
14                  LEVEL OF IMPORTANCE TO SAMSUNG AS AN ISSUE IN ITS  
15                  USER INTERFACE?

16                 A       THIS WAS LABELED AS CRITICAL AS YOU CAN SEE ON  
17                  THE TOP RIGHT CORNER OF THE SLIDE.

18                 Q       AND SO WHAT DO YOU OBSERVE AS A TECHNICAL  
19                  EXPERT WHEN YOU LOOK AT THESE DOCUMENTS AND YOU  
20                  LOOK AT THE SAMSUNG PRODUCTS?

21                 A       AS A TECHNICAL EXPERT, WHEN I LOOK AT THESE  
22                  DOCUMENTS IT IS VERY CLEAR TO ME FROM THE DOCUMENTS  
23                  THAT THEY HAVE -- SAMSUNG HAS, A, STUDIED THIS  
24                  PROBLEM, RECOGNIZED THE LIMITATIONS OF THE CURRENT  
25                  DESIGN IN COMPARISON TO WHAT THE IPHONE AND THE

1 IPAD WERE DOING, RECOGNIZED THE IPHONE AND IPAD HAD  
2 A BETTER, FUN, BOUNCING SOLUTION; AND IN SUBSEQUENT  
3 VERSIONS OF THE PHONES AND TABLETS THAT WE SEE IN  
4 THE MARKET, WHICH I'VE SHOWN SOME OF THE EXAMPLES  
5 OF, THAT EXACT SAME FUNCTIONALITY, THAT BOUNCING  
6 FUNCTIONALITY, HAS BEEN IMPLEMENTED.

7 Q DID YOU LOOK AT OTHER INTERNAL SAMSUNG  
8 DOCUMENTS IN ORDER TO ANALYZE THE LEVEL OF  
9 IMPORTANCE, THE LEVEL OF ANALYSIS SAMSUNG DID OF  
10 THE BOUNCE BACK FEATURE?

11 A YES. I LOOKED AT SEVERAL OTHER SAMSUNG  
12 INTERNAL DOCUMENTS, INCLUDING SOME E-MAILS THAT ALL  
13 POINT TO THE -- THAT THEY HAVE ANALYZED THIS  
14 FUNCTIONALITY AND DEEMED IT TO BE AN IMPORTANT  
15 FUNCTION.

16 MR. JACOBS: YOUR HONOR, AT THIS POINT I  
17 WOULD LIKE TO MOVE INTO EVIDENCE -- I'VE SHOWN  
18 THESE TO COUNSEL -- JX 1023, THE NEXUS S 4G; JX  
19 1024, THE REPLENISH; JX 1028, THE EXHIBIT 4G; AND  
20 JX 1036, THE GALAXY TAB.

21 MR. JOHNSON: NO OBJECTION.

22 THE COURT: OKAY. 1024 IS THE REPLENISH;  
23 1028 IS THE EXHIBIT 4G; AND 1026 IS THE GALAXY TAB?

24 MR. JACOBS: 1036 IS THE GALAXY TAB; AND  
25 1028 IS THE EXHIBIT 4G.

**DIRECT EXAMINATION**

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BY MR. JACOBS:

Q STATE YOUR NAME AND SPELL IT, PLEASE, SIR.

A MY NAME IS JOHN HAUSER, H-A-U-S-E-R.

Q DR. HAUSER, ARE YOU A FACULTY MEMBER AT M.I.T. SLOAN SCHOOL OF MANAGEMENT?

A YES, I AM. I'M THE KIRIN PROFESSOR, K-I-R-I-N, PROFESSOR OF MARKETING AT THE M.I.T. SLOAN SCHOOL OF MANAGEMENT.

Q AND WHAT IS YOUR FIELD OF EXPERTISE?

A MY FIELD OF EXPERTISE IS MARKETING RESEARCH AND ANALYSIS.

Q WHAT IS YOUR FORMAL TRAINING IN?

A I HAVE A DOCTORATE OF SCIENCE FROM M.I.T. IN OPERATIONS RESEARCH. OPERATIONS RESEARCH IS BASICALLY MATHEMATICS APPLIED TO BUSINESS PROBLEMS.

Q WE'RE GOING TO BE TALKING IN A MINUTE ABOUT A SURVEY CALLED A CONJOINT SURVEY. HAVE YOU PUBLISHED IN THAT FIELD?

A YES, I HAVE. I'VE PUBLISHED OVER 70 PROFESSIONAL ARTICLES IN MARKETING AND MARKETING RESEARCH.

MR. JACOBS: YOUR HONOR, WE OFFER DR. HAUSER AS AN EXPERT IN THE FIELD OF MARKETING SURVEYS AND ANALYSIS.

1 MR. PRICE: NO OBJECTION.

2 THE COURT: ALL RIGHT. HE'S CERTIFIED.

3 BY MR. JACOBS:

4 Q NOW, WE ASKED YOU IN THIS CASE TO CONDUCT A  
5 SURVEY; CORRECT, SIR?

6 A YES, THAT'S CORRECT.

7 Q WHAT DID WE ASK YOU TO DO?

8 A I WAS ASKED TO CONDUCT TWO SURVEYS TO  
9 DETERMINE HOW MUCH MONEY, IF ANY, SAMSUNG CONSUMERS  
10 WOULD PAY FOR THE FEATURES ASSOCIATED WITH THE  
11 PATENTS THAT ARE AT ISSUE IN THIS LITIGATION.

12 Q I'D LIKE YOU TO TURN TO PX 30 IN YOUR BINDER,  
13 PLEASE.

14 A YES, I HAVE IT.

15 Q WHAT IS PX 30?

16 A PX 30 IS AN EXHIBIT THAT I PREPARED TO  
17 SUMMARIZE MY FINDINGS.

18 MR. JACOBS: YOUR HONOR, WE'D OFFER PX 30  
19 INTO EVIDENCE.

20 MR. PRICE: NO FURTHER OBJECTIONS.

21 THE COURT: ALL RIGHT. THAT'S ADMITTED.

22 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER  
23 30, HAVING BEEN PREVIOUSLY MARKED FOR  
24 IDENTIFICATION, WAS ADMITTED INTO  
25 EVIDENCE.)

1 BY MR. JACOBS:

2 Q WHAT CONCLUSIONS DID YOU DRAW FROM THE SURVEY  
3 THAT YOU CONDUCTED?

4 A I CONCLUDED THAT SAMSUNG CONSUMERS ARE WILLING  
5 TO PAY A SUBSTANTIAL PRICE PREMIUM FOR THE FEATURES  
6 THAT ARE ASSOCIATED WITH THE PATENTS THAT ARE AT  
7 ISSUE IN THIS CASE.

8 Q AND WHAT DO THE RESULTS OF YOUR SURVEY REFLECT  
9 REGARDING CONSUMER DEMAND FOR THOSE PATENTED  
10 FEATURES?

11 A THE RESULTS REFLECT THAT THERE IS SUBSTANTIAL  
12 DEMAND FOR THE FEATURES ASSOCIATED WITH THE PATENTS  
13 AT ISSUE IN THIS CASE.

14 MR. JACOBS: THANK YOU, DR. HAUSER. I  
15 HAVE NO FURTHER QUESTIONS.

16 THE COURT: ALL RIGHT. THE TIME IS NOW  
17 3:30.

18 GO AHEAD, PLEASE.

19 MR. PRICE: YOUR HONOR, I MOVE TO STRIKE  
20 THE ENTIRE TESTIMONY. THERE'S NO FOUNDATION FOR  
21 THE JURY TO CONCLUDE HOW IT WAS DONE OR WHAT WAS  
22 DONE.

23 THIS IS, IN THE INTERESTS OF TIME, GAME  
24 PLAYING. I WILL HAVE TO EXPLAIN THE ENTIRE SURVEY,  
25 SO I MOVE TO STRIKE IT IN ITS ENTIRETY.

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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 11, 2012