

Estrich Declaration

Exhibit 2

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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,)	
)	JULY 31, 2012
VS.)	
)	VOLUME 2
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 283-555
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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
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1 TELEVISION, A MICROWAVE, ALL INTO THE SAME OUTLET
2 BECAUSE THERE'S A STANDARD.

3 NOW, IN WIRELESS COMMUNICATIONS THAT WE
4 BEGAN TALKING TO YOU ABOUT YESTERDAY AND WE'RE
5 GOING TO TALK TO YOU ABOUT IN THE NEXT COUPLE OF
6 WEEKS, THERE ARE STANDARDS, TOO, STANDARDS THAT
7 ALLOW PHONES TO CONNECT TO ONE ANOTHER, STANDARDS
8 THAT ALLOW PHONES TO CONNECT OVER A WIRELESS
9 NETWORK.

10 SO WHO SETS THESE STANDARDS?

11 THE EVIDENCE WILL PROVE THAT ONE STANDARD
12 ORGANIZATION IS SOMETHING CALLED ETSI, THE EUROPEAN
13 TELECOMMUNICATIONS STANDARDS INSTITUTE. IT'S A BIG
14 DEAL STANDARDS BODY. IT HELPED DEVELOP SOME OF THE
15 MOST POPULAR STANDARDS FOR WIRELESS COMMUNICATIONS
16 IN THE WORLD.

17 SAMSUNG IS A MEMBER, AND HAS BEEN.

18 APPLE IS A MEMBER.

19 MOST IMPORTANTLY, THE EVIDENCE WILL
20 ESTABLISH THAT THE MEMBERS AGREE TO A SET OF RULES,
21 RULES THAT THEY WILL ALL LIVE BY, RULES THAT THEY
22 WILL ABIDE BY, RULES THAT ARE DESIGNED TO ENSURE
23 THAT PEOPLE ACT FAIRLY AND SQUARELY.

24 NOW, ETSI HELPED DEVELOP A STANDARD YOU
25 WILL LEARN CALLED UMTS. UMTS IS SOMETIMES REFERRED

1 TO, AND YOU MAY HAVE SEEN IT, AS 3GPP. FOR OUR
2 PURPOSES, THEY ARE CLOSE TO THE SAME.

3 ENGINEERS FROM DIFFERENT COMPANIES CAME
4 TOGETHER. THEY DISCUSSED DIFFERENT TECHNICAL
5 PROPOSALS. THEY DECIDED WHAT TO INCLUDE IN THE
6 STANDARD, WHAT WAS GOING TO BE THEIR EQUIVALENT OF
7 THE SOCKET.

8 AND THE GOAL WAS TO COME UP WITH A
9 STANDARD THAT EVERYBODY COULD USE TOGETHER AND IT
10 WOULD PROMOTE COMPETITION.

11 NOW, SAMSUNG CLAIMS THAT THE TWO PATENTS,
12 THE '941 AND THE '516, ARE ESSENTIAL TO USING UMTS.
13 SAMSUNG IS GOING TO TELL YOU IN JUST A FEW MINUTES
14 THAT IF YOU USE UMTS, YOU USE THESE PATENTS AND YOU
15 INFRINGE.

16 WELL, WHAT'S THE EVIDENCE GOING TO SHOW
17 YOU ABOUT THIS ARGUMENT?

18 FIRST, THE EVIDENCE IS GOING TO SHOW THAT
19 "DECLARED ESSENTIAL" MEANS SIMPLY THAT SAMSUNG HAS
20 SAID SO.

21 THE EVIDENCE WILL ESTABLISH THAT NO ONE,
22 NOT ETSI, NOT ANYONE ELSE, HAS EVER DECIDED THAT
23 THAT'S, IN FACT, TRUE.

24 YOU WILL BE THE FIRST PEOPLE TO DECIDE
25 WHETHER SAMSUNG'S STATEMENT THAT ITS PATENTS WERE

1 ESSENTIAL IS TRUE.

2 WE WILL CALL PROFESSORS EDWARD KNIGHTLY
3 FROM RICE AND PROFESSOR HYONG KIM FROM CARNEGIE
4 MELLON UNIVERSITY, TWO VERY WELL KNOWN AND
5 REPUTABLE COMPUTER SCIENTISTS AND ENGINEERS, AND
6 THEY WILL EXPLAIN TO YOU THAT THEY HAVE LOOKED AT
7 SAMSUNG'S PATENTS AND THEY ARE, IN FACT, NOT
8 ESSENTIAL TO UMTS, THAT, IN FACT, APPLE DOES NOT
9 USE THEM.

10 BUT SECOND, YOU WILL ALSO LEARN THAT THE
11 ENTIRE UMTS STANDARD IS THOUSANDS OF PAGES LONG.
12 IF I HAD IT IN THIS COURTROOM, IT WOULD GO FROM
13 HERE TO THAT WALL AND PROBABLY BACK AGAIN.

14 OUT OF THAT ENTIRE SPECIFICATION, YOU
15 WILL LEARN, THESE TWO PATENTS, EVEN UNDER SAMSUNG'S
16 CONTENTIONS, RELATE TO TWO PAGES.

17 NOW, I'D LIKE TO SHOW YOU JUST WHAT IT IS
18 IN THE IPHONE THAT SAMSUNG SAYS INFRINGES THESE TWO
19 PATENTS THAT IS ESSENTIAL TO WIRELESS
20 COMMUNICATIONS.

21 I HAVE ANOTHER IPHONE. MR. MCELHINNY HAD
22 ONE. I'VE TAKEN OFF THE BACK AND WHAT YOU'LL
23 SEE -- YOU'LL SEE SEVERAL OF THESE DURING THE
24 COURSE OF THE TRIAL -- ARE THE INSIDES.

25 BUT UNDERNEATH THE BLACK THAT I'M SHOWING

1 YOU NOW IS A HOST OF A COMPUTER CHIP AND THE
2 CONNECTIONS AND THE COMPONENTS THAT MAKE THE IPHONE
3 THE MAGICAL DEVICE THAT IT IS (INDICATING).

4 IF I WERE TO PULL OFF THIS BLACK, YOU CAN
5 SEE AT THE TOP RIGHT HERE, IF I WERE TO PULL THAT
6 OFF, YOU WOULD GET WHAT'S CALLED THE MOTHERBOARD
7 (INDICATING).

8 AND YOU CAN SEE ON THE MOTHERBOARD A
9 SERIES OF CHIPS, A SERIES OF CONNECTIONS, ALL OF
10 WHICH CONTRIBUTE TO WHAT MR. MCELHINNY DESCRIBED TO
11 YOU.

12 NOW, YOU CAN'T SEE IT NOW -- WE'LL PASS
13 THIS TO YOU WHEN IT GOES INTO EVIDENCE -- BUT I
14 HAVE TWO LITTLE DOTS HERE, AND RIGHT ABOVE THOSE
15 TWO LITTLE DOTS, I'M PUTTING MY FINGER ON THIS
16 LITTLE SQUARE HERE, NOT EVEN AS BIG AS MY FINGER.

17 WHAT IS THAT? THAT'S THE BASEBAND
18 PROCESSOR. THAT IS SOMETHING THAT APPLE BUYS FROM
19 INTEL. IT'S SOMETHING THAT INTEL MAKES FOR APPLE
20 AND A HOST OF OTHER DIFFERENT CUSTOMERS. IT IS THE
21 DEVICE THAT ACTUALLY PERFORMS WHAT SAMSUNG SAYS IS
22 INFRINGING, THE INTEL CHIP.

23 IT IS A CHIP, IT IS A CHIP THAT APPLE
24 BUYS FOR AROUND \$10 APIECE, AND I'D ASK YOU TO KEEP
25 THAT IN MIND BECAUSE I'M GOING TO COME BACK TO THE

1 AMOUNT OF MONEY THAT SAMSUNG IS ASKING ON THESE TWO
2 PATENTS.

3 NOW, I EXPECT THAT IN A FEW MINUTES, I'M
4 SURE IN A FEW MINUTES SAMSUNG IS GOING TO GET UP
5 AND SAY, "WE PLAYED AN IMPORTANT ROLE IN DEVELOPING
6 THIS CELLULAR TELECOMMUNICATION SYSTEM. THESE
7 PATENTS THAT ARE IN THIS BASEBAND PROCESSOR YOU BUY
8 FROM INTEL WERE OURS AND CRITICAL TO THE
9 INFORMATION HIGHWAY."

10 WELL, LET ME SHOW YOU WHAT ONE OF THE
11 HEADS OF SAMSUNG'S LICENSING DEPARTMENT, A
12 GENTLEMAN NAMED DR. AHN, TESTIFIED UNDER OATH ON
13 THIS VERY ISSUE.

14 DR. AHN REPORTS DIRECTLY TO THE CHIEF
15 EXECUTIVE OFFICER OF SAMSUNG AND HERE'S WHAT HE
16 SAID.

17 "DO YOU HAVE ANY KNOWLEDGE AS TO WHETHER
18 OR NOT SAMSUNG PLAYED AN IMPORTANT ROLE IN
19 DEVELOPING THE CELLULAR TELECOMMUNICATION SYSTEM?"

20 "ANSWER: NO, I DO NOT REALLY KNOW."

21 THE DIRECT REPORT TO THE CEO WAS ASKED
22 THAT QUESTION WHEN THIS CASE BEGAN AND THE ANSWER
23 WAS I DON'T KNOW.

24 NOW, WHAT YOU'RE GOING TO LEARN IS THAT
25 SAMSUNG DID PARTICIPATE IN THIS RULE-BASED STANDARD

1 SETTING PROCESS, AND WHAT YOU'RE GOING TO LEARN IS
2 THAT IN DOING SO, SAMSUNG ACTUALLY BROKE THE RULES,
3 THE RULES THAT WERE ADOPTED TO ENSURE THE STANDARD
4 PROCESS WAS FAIR AND SQUARE.

5 NOW, WHAT WERE THOSE RULES? THERE WERE
6 TWO.

7 THE FIRST RULE IS THE RULE THAT REQUIRES
8 EVERYONE WHO HAS A PATENT THAT THEY SAY MIGHT BE
9 ESSENTIAL TO THE STANDARD TO DISCLOSE IT.

10 WHAT WILL THE EVIDENCE SHOW IS THE
11 REASON? THINK ABOUT MY SIMPLE EXAMPLE OF THE PLUG,
12 OF THE WALL SOCKET.

13 IF I HAD A PATENT APPLICATION, A SECRET
14 PATENT APPLICATION LIKE THE VIDEO TOLD YOU ON A
15 WALL SOCKET, AND I THEN WENT TO THE STANDARD AND
16 SAID, "LET'S ALL GET TOGETHER, THE TEN OF US, AND
17 ADOPT AS A STANDARD THIS PARTICULAR CONFIGURATION,"
18 AND WE ALL GOT TOGETHER, THE TEN OF US, AND WE
19 ADOPTED THIS CONFIGURATION, AND THEN EVERYBODY IN
20 THE WORLD MADE THEIR WALL SOCKETS THAT WAY, AND
21 THEN A FEW YEARS LATER, I SAID, "I FORGOT TO TELL
22 YOU. I HAVE A PATENT AND NOW YOU ALL HAVE TO PAY
23 ME."

24 WELL, ETSI HAS RULES TO PREVENT JUST
25 THAT, AND YOU WILL SEE RULE 4.1, AND I'M GOING TO

1 FOCUS YOU JUST ON THE SECOND SENTENCE WHICH SAYS,
2 "IN PARTICULAR, A MEMBER SUBMITTING A TECHNICAL
3 PROPOSAL FOR A STANDARD SHALL, ON A BONA FIDE
4 BASIS, DRAW THE ATTENTION OF ETSI TO ANY OF THAT
5 MEMBER'S IPR WHICH MIGHT BE ESSENTIAL IF THAT
6 PROPOSAL IS ADOPTED."

7 THREE THINGS YOU'LL LEARN ABOUT THAT VERY
8 IMPORTANT SIMPLE SENTENCE. THE FIRST IS IPR MEANS
9 PATENTS AND PATENT APPLICATIONS, INTELLECTUAL
10 PROPERTY RIGHTS. IT INCLUDES BOTH.

11 THE SECOND IS IT SAYS IF THAT MIGHT BE
12 ESSENTIAL, AND THE THIRD IS IT SAYS IF THE PROPOSAL
13 IS ADOPTED.

14 SO IT MEANS BEFORE THE FOLKS HAVE SETTLED
15 ON THE WALL SOCKET.

16 THE EVIDENCE WILL DEMONSTRATE THAT
17 SAMSUNG IGNORED THIS RULE. IT FILED PATENT
18 APPLICATIONS WHICH WERE KEPT SECRET.

19 IT THEN WENT TO STANDARDS BODY AND MADE
20 PROPOSALS THAT IT THOUGHT WERE COVERED BY ITS
21 PATENTS. IT SAT IN THE ROOM WHEN THE CHAIR SAID,
22 "IF YOU HAVE PATENTS OR PATENT APPLICATIONS,
23 DISCLOSE THEM," AND THEY DID NOT.

24 THE CHRONOLOGY WILL BE UNDISPUTED -- I'M
25 GOING TO PUT IT ON THE SCREEN NOW -- FOR BOTH OF

1 ALREADY HAS THE PERSPECTIVE SET UP AND THE VIEWS IN
2 A WAY THAT YOU CAN SORT OF ADD IN LAVISH DETAIL
3 UPON THEM.

4 Q AND WHAT DO THE SKETCHES ON THIS PARTICULAR
5 DOCUMENT, PX 163, TO WHAT DO THEY RELATE?

6 A THESE ARE SKETCHES OF IPHONE IDEAS.

7 MR. MCELHINNY: YOUR HONOR, I WOULD MOVE
8 PX 163, PLEASE.

9 MR. VERHOEVEN: NO OBJECTION, YOUR HONOR.

10 THE COURT: ALL RIGHT. SO ADMITTED.

11 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER
12 163, HAVING BEEN PREVIOUSLY MARKED FOR
13 IDENTIFICATION, WAS ADMITTED INTO
14 EVIDENCE.)

15 BY MR. MCELHINNY:

16 Q SIR, IF YOU'D OPEN YOUR BINDER TO PX 164.

17 A YES, I SEE IT.

18 Q WHAT IS PX 164?

19 A THE FIRST PAGE IS A SCREEN SHOT OF A
20 DIRECTORY, WHICH IS THE CAD FILE DATABASE. IT
21 LISTS DATE MODIFIED, WHICH MEANS THE LAST DATE THAT
22 YOU WORKED ON THIS PARTICULAR FILE.

23 AND ALSO A CODE NAME, A THREAD.

24 BASICALLY, THAT HELPS YOU FIND IT IN THE DATABASE.

25 SUBSEQUENT PAGES ARE SCREEN SHOTS OF

1 THESE CAD MODELS.

2 Q YOU MENTIONED IN AN EARLIER ANSWER, YOU SAID
3 SOMETHING ABOUT A CAD OUTPUT. IS THIS WHAT YOU
4 WERE REFERRING TO AS A CAD OUTPUT?

5 A YES. THERE ARE VARYING DEGREES OF
6 SOPHISTICATION. THIS IS A FAIRLY CRUDE SET OF WHAT
7 I WOULD CALL CAD OUTPUT.

8 Q CAN YOU TELL, BY LOOKING AT THE DIRECTORY, THE
9 DATE OF THESE DRAWINGS?

10 A MARCH 15TH, 2006.

11 Q AND, SIR, DO YOU -- DO YOU WORK WITH THE --
12 LET ME ASK YOU THIS: DO YOU PERSONALLY OPERATE THE
13 CAD SYSTEM?

14 A NO, I DO NOT.

15 Q WHO DOES THE CAD DRAWINGS AT APPLE?

16 A WE HAVE A DEDICATED TEAM OF CAD SCULPTORS.
17 THERE ARE A FEW DESIGNERS THAT ARE CAPABLE OF
18 CREATING CAD THEMSELVES, BUT IT'S NOT A
19 REQUIREMENT. IN FACT, MOST OF US DON'T.

20 IT'S -- IT REALLY IS A SKILL THAT YOU
21 NEED TO DEDICATE SIGNIFICANT TIME TO JUST TO
22 UNDERSTAND THE CRAFT OF CAD.

23 SO WE PREFER OUR DESIGNERS TO BE
24 THINKING, SO WE HAVE A DEDICATED TEAM FOR THIS.

25 MR. MCELHINNY: YOUR HONOR, I WOULD MOVE

1 PX 164 INTO EVIDENCE.

2 MR. VERHOEVEN: NO OBJECTION, YOUR HONOR.

3 THE COURT: SO ADMITTED.

4 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER
5 164, HAVING BEEN PREVIOUSLY MARKED FOR
6 IDENTIFICATION, WAS ADMITTED INTO
7 EVIDENCE.)

8 BY MR. MCELHINNY:

9 Q SO AFTER CAD MODELS, WHAT COMES NEXT, SIR, IN
10 A DESIGN PROCESS, ASSUMING THAT YOU WERE GOING
11 LINEARLY AS OPPOSED TO JUMPING BACKWARDS?

12 A IF WE FIND THAT WE AGREE, THAT WE WANT TO
13 PURSUE AN IDEA THAT WE SEE IN THE CAD SURFACES IN
14 PHYSICAL FORM, WE MODEL IT, WHICH IS TO CNC,
15 COMPUTER NUMERICALLY CONTROLLED.

16 THAT IS THREE OR FIVE MACHINING, WHICH
17 ESSENTIALLY CUTS FROM A SOLID BLOCK A PHYSICAL
18 LIKENESS OF WHAT WE BUILD IN CAD.

19 Q THIS PROCESS THAT YOU'VE DESCRIBED FOR US, IS
20 THAT AN ACCURATE DESCRIPTION OF THE PROCESS THAT
21 LED TO THE ORIGINAL IPHONE?

22 A YES.

23 Q AND IS IT AN ACCURATE DESCRIPTION OF THE
24 PROCESS THAT LED TO THE IPAD?

25 A YES.

1 Q LET'S TALK ABOUT THE IPHONE FOR A MINUTE.

2 WHAT -- IF YOU CAN DESCRIBE IT FOR US,
3 WHAT, IF ANYTHING, WERE YOU TRYING TO ACHIEVE IN
4 DESIGNING THE IPHONE?

5 A WE -- WE WERE LOOKING FOR A NEW, ORIGINAL, AND
6 BEAUTIFUL OBJECT, SOMETHING THAT WOULD REALLY WOW
7 THE WORLD.

8 WE WERE ENTERING A CATEGORY THAT WE'D
9 NEVER PARTICIPATED IN BEFORE, AND THE CATEGORY THAT
10 WE DID NOT ENJOY. THERE WERE NO CELL PHONES THAT
11 WE LOVED.

12 SO THIS WAS SOMETHING THAT WE REALLY
13 CARED DEEPLY AND PASSIONATELY ABOUT, PRODUCING
14 SOMETHING FOR OURSELVES.

15 WE -- AS ALWAYS, WE WANTED TO CREATE
16 SOMETHING THAT SEEMED SO, SO WONDERFUL THAT YOU,
17 YOU CAN'T IMAGINE HOW YOU COULD FOLLOW IT.

18 OF COURSE, YOU CAN BECAUSE IF YOU LOOK AT
19 THE HISTORY OF OUR PRODUCTS, WE'VE DONE THAT TIME
20 AND TIME AGAIN.

21 BUT YOU WANT TO CREATE THE SIMPLEST,
22 PUREST MANIFESTATION OF WHAT THAT OBJECT CAN BE,
23 SOMETHING THAT PEOPLE CAN LOVE.

24 Q DO YOU RECALL APPROXIMATELY HOW LONG YOU
25 WORKED ON THE DESIGN OF THE IPHONE?

1 A I HAVE NO IDEA. I'D HAVE TO LOOK AT
2 DOCUMENTATION FOR THIS. BUT IT WAS A LONG TIME.

3 Q YEARS?

4 A I THINK SO.

5 Q LET ME SHOW YOU PX 165.

6 MAY I APPROACH, YOUR HONOR?

7 THE COURT: YES.

8 MR. MCELHINNY: (HANDING).

9 THE WITNESS: THANK YOU.

10 BY MR. MCELHINNY:

11 Q WHAT IS PX 165, SIR?

12 A THIS IS ONE OF THE EARLY MODELS THAT WE BUILT
13 ON M68, WHICH WAS A CODE NAME THAT WE USED FOR THE
14 ORIGINAL IPHONE.

15 Q I'M SORRY. THAT'S M68?

16 A THAT'S CORRECT.

17 Q WHEN YOU SAY "WE BUILT THIS MODEL," WHO ARE
18 YOU TALKING ABOUT?

19 A "WE" BEING THE INDUSTRIAL DESIGN GROUP, WHICH
20 WOULD INCLUDE THE CAD AND THE MODEL MAKING TEAMS.

21 Q AND IS THIS MODEL THAT YOU'RE LOOKING AT, WAS
22 THIS ORIGINAL APPLE WORK?

23 A ABSOLUTELY, YES.

24 MR. MCELHINNY: YOUR HONOR, I WOULD MOVE
25 EXHIBIT PX 165 INTO EVIDENCE.

1 MR. VERHOEVEN: I HAVE A POINT OF
2 QUESTION.

3 CAN I CONFER WITH COUNSEL?

4 THE COURT: YES, GO AHEAD, PLEASE.

5 (DISCUSSION OFF THE RECORD BETWEEN
6 COUNSEL.)

7 MR. VERHOEVEN: SUBJECT TO YOUR HONOR'S
8 RULING, YOUR HONOR'S ALREADY RULED ON THESE
9 DOCUMENTS -- I DON'T KNOW IF WE CAN HAVE A
10 SIDE-BAR, YOUR HONOR. I JUST WANT TO MAKE SURE I
11 DON'T WAIVE ANYTHING.

12 THE COURT: OKAY. I THOUGHT THIS WAS
13 WORKED OUT BEFORE THE JURY CAME OUT.

14 LET'S DO THAT. UNFORTUNATELY, THE
15 MICROPHONE IS NOT WORKING, SO WE'LL HAVE TO
16 MEMORIALIZE IT AFTER.

17 LET'S GO AHEAD.

18 MR. VERHOEVEN: THAT'S OKAY.

19 (SIDE-BAR DISCUSSION OFF THE RECORD.)

20 THE COURT: OKAY. THE -- I UNDERSTAND
21 THAT THE SAME OBJECTION WAS RESERVED, BUT IT'S
22 OVERRULED.

23 THIS IS ADMITTED.

24 (WHEREUPON, PLAINTIFF'S EXHIBIT NUMBER
25 165, HAVING BEEN PREVIOUSLY MARKED FOR

1 IDENTIFICATION, WAS ADMITTED INTO
2 EVIDENCE.)

3 THE COURT: GO AHEAD.

4 MR. MCELHINNY: THANK YOU, YOUR HONOR.
5 MAY I PUBLISH THIS TO THE JURY?

6 THE COURT: GO AHEAD.

7 (PAUSE IN PROCEEDINGS.)

8 BY MR. MCELHINNY:

9 Q MR. STRINGER, LET ME SHOW YOU AN EXHIBIT
10 THAT'S BEEN MARKED AS PX 166 (HANDING).

11 A YES.

12 Q WHAT IS THAT DEVICE, SIR?

13 A THIS IS ALSO AN EARLY IPHONE MODEL, ALSO UNDER
14 ITSELF CODE NAME M68.

15 Q IS IT THE SAME OR DIFFERENT THAN THE 165?

16 A SIMILAR, BUT DIFFERENT.

17 Q OKAY. AND WHAT DOES IT SAY ON THE BACK OF IT,
18 SIR?

19 A APPLE PROTO 1015 -- OH, IPOD.

20 Q AND WHY DOES IT SAY IPOD ON A PROTOTYPE OF AN
21 IPHONE, SIR?

22 A ONE OF TWO REASONS. EITHER WE HAD NOT YET
23 COINED THE TERM "IPHONE" AND WE WANTED TO SEE
24 SOMETHING GRAPHICALLY REPRESENTED ON THE BACK; OR
25 WE WERE TRYING TO DISGUISE ITS IPHONE IDENTITY.

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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: JULY 31, 2012