

# Exhibit 7

# Cisco sues Apple over use of iPhone trademark

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Published: January 10, 2007, 5:14 PM PST

Last modified: January 10, 2007, 6:16 PM PST

**update** Cisco Systems has filed a lawsuit against Apple accusing the company of infringing its iPhone trademark, the networking company said Wednesday.

The suit also accuses the iPod maker of using a front company to try to acquire rights to the name.

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**What's new:**

Cisco Systems is suing Apple over the computer maker's use of the iPhone trademark.

**Bottom line:**

The two companies hadn't finished negotiations over the term when Apple's iPhone debuted at Macworld Expo. Now Cisco is seeking an injunction that will prevent Apple from using the name as well as damages from the company. [More stories on Apple's iPhone](#)

Cisco accused Apple in a suit filed in United States District Court for the Northern District of California of willingly infringing its trademark when it [announced the new iPhone at the Macworld Expo](#) in San Francisco on Tuesday.

Cisco said in the complaint that Apple had attempted to get rights to the iPhone name several times, but after Cisco refused, the company created a front company to try to acquire the rights another way, according to the lawsuit (PDF: [Cisco's trademark complaint](#) .)

Mark Chandler, senior vice president and general counsel at Cisco, said in an interview that the

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companies were close to finalizing a deal Monday night that would have allowed both Cisco and Apple to use the iPhone name. One aspect of the agreement called for some sort of technical interoperability between Cisco's Linksys Internet telephony products and Apple's cell phone. Chandler said the hope was that by making the products interoperable, it would help alleviate confusion among customers, who would likely be target consumers for both products.

The companies left the negotiating table at 8 p.m. Monday with only a few points left to negotiate, Chandler said. Then on Tuesday, Apple CEO Steve Jobs took the stage at the Macworld Expo and, amid much fanfare, unveiled the new "iPhone."

"We indicated that it was important that the negotiations be completed before the launch of their product," Chandler said. "Our expectation was that our name wouldn't be used without permission. And it is a surprise when any large company announces a product using a name they don't have a right to use."

Chandler said Cisco made it clear after Apple's launch that negotiations needed to be completed immediately, but he said Cisco has still not heard

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from Apple.

Cisco is seeking an injunction that will prevent Apple from using the name as well as damages from the company, the lawsuit said.

Fresh off one of the biggest launches in its history, a product Jobs called one of the most exciting products he's ever worked on, the company dug in its heels. "We think Cisco's trademark suit is silly...We believe (their) trademark registration is tenuous at best," said Natalie Kerris, an Apple spokeswoman.

"There are already several companies using the iPhone name for VoIP (voice over IP) products," Kerris said. "We're the first company ever to use iPhone for a cell phone. If Cisco wants to challenge us on it, we're confident we'll prevail."



Linksys iPhone

Credit: Linksys

Cisco obtained the iPhone trademark in 2000 when it acquired Infogear, a small Redwood City, Calif., start-up that developed consumer devices that allowed people to easily access the Internet without a PC. Infogear had actually registered the iPhone trademark in March 1996. Cisco's home networking division, Linksys, has been using the

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iPhone trademark on a new family of voice over IP phones since early last year, Cisco said. And last month, Linksys expanded the iPhone family with additional products.

A British company called [Orate Telecommunications Services](#) also offers a VoIP phone called an iPhone, and closer to home, a San Jose, Calif., company called [Teledex offers an iPhone](#) for hotel rooms.

Chandler said Cisco is aware that other companies have used the iPhone name and in the past Cisco has been involved in "enforcement actions involving the use of this name."

For more than a year, Apple watchers have speculated about a new phone developed by Apple that would combine smart phone cellular technology with the full functionality of an iPod music and video player. Fans and bloggers had been referring to an Apple-designed cell phone as the iPhone for some time, and Apple's repeated attempts at obtaining the trademark make it clear Apple hoped to use the moniker as well.

Cisco said in its complaint that Apple had first approached the company about acquiring the rights

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to the iPhone trademark in 2001. Over the years, Apple continued to make requests for the rights, including several attempts in 2006, Cisco said.

"Each time, Apple was told that Cisco was not interested in ceding the mark to Apple," Cisco's complaint reads.

Apple apparently was not willing to accept Cisco's decision, so it created a Wilmington, Del.-based front company called Ocean Telecom Services that applied to use the trademark in the U.S. on September 26, 2006, according to Cisco's complaint. That company, Cisco says in the filing, is "owned or otherwise controlled by Apple and is the alter ego of Apple." Around the same time on September 19, 2006, Apple also filed for the trademark for iPhone in Australia.

In Ocean Telecom Services' U.S. filing and in Apple's Australian filing, each company refers to a trademark filing made on March 27, 2006, in Trinidad & Tobago. In its complaint, Cisco said that it's the reference to this document that is almost identical in each filing that leads the company to believe Ocean Telecom is actually owned by Apple.

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