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| 16 | UNITED STATES DISTRICT COURT | |
| 17 | NORTHERN DISTRICT OF CALIFORNIA, SAN JOSE DIVISION | |
| 18 | | |
| 19 | APPLE INC., a California corporation, | CASE NO. 11-cv-01846-LHK (PSG) |
| 20 | Plaintiff, | SUPPLEMENTAL DECLARATION OF |
| 21 | vs. | GIHO RO IN SUPPORT OF SAMSUNG'S ADMINISTRATIVE MOTION TO FILE |
| 22 | SAMSUNG ELECTRONICS CO., LTD., a Korean business entity; SAMSUNG | DOCUMENTS UNDER SEAL |
| 23 | ELECTRONICS AMERICA, INC., a New | |
| 24 | York corporation; SAMSUNG TELECOMMUNICATIONS AMERICA, | |
| 25 | LLC, a Delaware limited liability company, | |
| 26 | Defendants. | |
| 27 | | |
| 28 | | |
| | Case No. 11-cv-01846-LHK (PSG) SUPP. DECLARATION IN SUPPORT OF SAMSUNG'S ADMIN. MOTION TO FILE UNDER SEAL Dockets.Justia.com | |
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SUPPLEMENTAL DECLARATION OF GIHO RO

I am a Senior Manager, Administration Team in the Mobile Communications
 Division at Samsung Electronics Co., Ltd. ("SEC"). I submit this Supplemental Declaration in
 support of SEC's, Samsung Electronics America, Inc.'s, and Samsung Telecommunications
 America, LLC's ("Samsung's") Administrative Motion to File Documents Under Seal ("Motion to
 Seal"). I have personal knowledge of the facts set forth in this Declaration and, if called as a
 witness, could and would competently testify to them.

8 2. In my position, I assist and report directly to the Chief Financial Officer of SEC's
9 Mobile Communications Division and receive all financial reporting within the Mobile
10 Communications division that is sent to the Chief Financial Officer. I am thus intimately familiar
11 with the types and nature of financial data and reports generated by Samsung, how those data and
12 reports are used within Samsung, and how they could be used by Samsung's competitors if
13 publically disclosed.

14 3. I have reviewed Third Party Reuters America LLC's Opposition to Motions to
15 Seal. The Opposition contains several incorrect assertions.

4. The statements in my original declaration are not based on "hypothesis or
conjecture." (Opposition, at 2.) The harm that will come to Samsung if the financial information
at issue is disclosed is very real and can be predicted. Based on my intimate familiarity with the
financial information and my regular use of it in my work at Samsung, I am intimately aware of
how Samsung uses the information and how vital the secrecy of the information is to Samsung.
From my experience in this position, I also have knowledge and an understanding of the
competitive landscape in the mobile communications market.

5. To demonstrate the basis for my statement that disclosure of the particular types of
detailed financial information at issue would be severely detrimental to Samsung's ability to
compete, I will use an example: If I were to receive from a competitor the type of information that
Samsung is moving to seal, I could use that information to undercut the competitor's pricing,
causing the competitor significant competitive harm. For example, if Samsung knows the

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competitor's profit margin on the sale of a specific model of phone, it could undercut the
 competitor's price to squeeze its profit margin.

3 6. The confidential information would also provide me insight regarding the profit 4 lifecycle of the competitor's products, which Samsung could use to alter its pricing strategy and 5 the timing of the release of new products, thus gaining an unfair advantage. For example, if Samsung knows that the competitor typically begins offering discounts on particular types of 6 7 phones three quarters after their release, Samsung could reduce its prices on competing phones at 8 the same time. Samsung could also use this information to gain unfair leverage against the 9 competitor in business and supply agreement negotiations, leveraging the profit information to 10 negotiate price increases and increasing the competitor's costs.

7. The fact that I have never actually received such information about a competitor
does not prevent me from understanding how Samsung could use such information. And, just as
Samsung could use such information to its advantage and a competitor's detriment, a competitor
could do exactly the same with Samsung's information. My statement that Samsung would be
severely harmed by the disclosure of the particular types of financial information Samsung seeks
to seal is not based on speculation, but on my personal knowledge and experience with precisely
how this type of information is used in Samsung's day-to-day business.

18 8. Each of the documents described in my original declaration contains information 19 that is confidential, proprietary and non-public. Reuters' Opposition suggests that the information 20 is comparable to the high level, publicly available reports that business analysts prepare. See 21 Opposition at 5 ("No attempt is made to explain how an analytical spreadsheet of Samsung's 22 profits, revenues and costs prepared by Apple's expert is any different from the detailed financial 23 models prepared by Wall Street analysts."). Nothing could be farther from the truth. The 24 information Samsung seeks to seal is not the kind of high level, general financial reporting that is 25 typically contained in a company's annual report or reports created by Wall Street analysts based 26 on pure estimates. Rather, the information is highly-detailed, product-specific, and pertains to 27 very discrete time periods. This is not the type of data that Samsung puts in public reports or that 28 Wall Street analysts have access to.

