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 12 Attorneys for Plaintiff and  
 13 Counterclaim-Defendant APPLE INC.

14 UNITED STATES DISTRICT COURT  
 15 NORTHERN DISTRICT OF CALIFORNIA  
 16 SAN JOSE DIVISION

17 APPLE INC., a California corporation,  
 18  
 19 Plaintiff,  
 20 v.  
 21 SAMSUNG ELECTRONICS CO., LTD., a  
 Korean corporation; SAMSUNG  
 22 ELECTRONICS AMERICA, INC., a New  
 York corporation; and SAMSUNG  
 23 TELECOMMUNICATIONS AMERICA,  
 LLC, a Delaware limited liability company,  
 24 Defendants.

Case No. 11-cv-01846-LHK  
**DECLARATION OF MARK BUCKLEY IN  
 SUPPORT OF APPLE'S MOTIONS TO  
 SEAL**

1 I, Mark Buckley, hereby declare as follows:

2 1. I am an employee of Apple Inc. (“Apple”). My title is Financial Analyst V. As  
3 part of my role, I am very familiar with financial information and systems at Apple, and the  
4 efforts Apple takes to ensure sensitive financial information is kept confidential. I submit this  
5 declaration in support of Apple’s motions regarding sealing, filed contemporaneously herewith. I  
6 have personal knowledge of the matters set forth below. If called as a witness I could and would  
7 competently testify as follows.

8 2. Apple seeks to seal sensitive types of financial documents. These financial  
9 documents include cost data, product line details beyond the general “iPhone,” “iPad,” and “iPod  
10 touch,” profit margins, and capacity data. Exposure of these categories of documents to the  
11 public would cause Apple severe harm.

12 3. Apple’s highly sensitive financial data is among the most painstakingly protected  
13 information at the company. Only a limited number of individuals are authorized to receive this  
14 information, even within Apple. Apple does not share its nonpublic financial data—including  
15 cost data, product line details, profit margins, and capacity data—with third parties. It does not  
16 share this information with its vendors. In the rare instance it is required to share any nonpublic  
17 financial data with third parties, Apple insists on very restrictive nondisclosure agreements.

18 4. If competitors gained access to Apple’s capacity data, they would learn when  
19 Apple is stretched thinly and when it has excess capacity, and could alter their production timing  
20 accordingly. With the addition of product line information, this data is even more critically  
21 sensitive, as competitors will see what specific lines of products Apple is increasing its supply of  
22 and what it is decreasing its supply of, giving a significant insight into Apple’s current and future  
23 business plans. Product line sales and revenue information would similarly reveal to competitors  
24 what precise products they need to counter, and how much they should invest in that specific  
25 area. Competitors will know exactly what products they need to release in order to counter  
26 Apple, and in what categories—for example, the specific size of phone or tablet that Apple is  
27 focusing the majority of its attention on.

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1           5.       Moreover, if contract manufacturers gain access to Apple’s capacity data, it would  
2 harm Apple immensely. Success in Apple’s industry is in large part dependent upon  
3 identification and selection of key contract manufacturers. If these entities are able to view  
4 Apple’s historical and recent capacity data, and thereby gain insight into the patterns in the  
5 fluctuations of Apple’s supply chain, they would be able to predict when Apple may be most  
6 driven to increase supply and could negotiate exorbitant rates using their unfairly gained  
7 knowledge.

8           6.       Similarly, access to Apple’s cost and profit information would give competitors a  
9 substantial and unfair advantage over Apple. Competitors could tailor their product offerings and  
10 pricing to undercut Apple. Competitors would be able to determine exactly what price level  
11 would make a given product unprofitable to Apple, and target their product offerings at exactly  
12 that price. Access to Apple’s cost information would also harm Apple with respect to component  
13 suppliers. Apple’s suppliers could use this information to alter their pricing on components  
14 Apple uses in its products, looking at the cost of goods for Apple’s related products and Apple’s  
15 product margins on specific products.

16           7.       None of the material above is disclosed publicly by Apple or any competitor of  
17 whom I am aware. As a result, if Apple’s information were disclosed, it would not simply be  
18 harmed—it would have no defense, as it has no access to similar data from the competitors that  
19 would use the information against Apple. This is not a matter of Apple wanting to keep secret  
20 information that most of the world shares—this type of information is generally understood in the  
21 industry to be critically important to keep under lock and key.

1 8. Apple also seeks to seal various license agreements and information derived from  
2 license agreements. In all cases, these license agreements are subject to strict confidentiality  
3 provisions. Even within Apple, very few employees have access to these agreements, and they  
4 are maintained in a highly secure manner to prevent any inadvertent disclosure.  
5

6 I declare under penalty of perjury that the foregoing is true and correct. Executed this  
7 27th day of July, 2012 at Cupertino, California.  
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9 */s/ Mark Buckley*  
Mark Buckley  
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**ATTESTATION OF E-FILED SIGNATURE**

I, Michael A. Jacobs, am the ECF User whose ID and password are being used to file this Declaration. In compliance with General Order 45, X.B., I hereby attest that Mark Buckley has concurred in this filing.

Dated: July 27, 2012

\_\_\_\_\_  
*/s/ Michael A. Jacobs*  
Michael A. Jacobs