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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

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 18 APPLE INC., a California corporation,
 Plaintiff,
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 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 JIM BEAN IN
 SUPPORT OF APPLE'S MOTION TO SEAL
 TRIAL EXHIBITS**

1 I, Jim Bean, hereby declare as follows:

2 1. I am an employee of Apple Inc. (“Apple”). My title is Vice President of Financial
3 Planning & Analysis. As part of my role, I am very familiar with financial information and
4 systems at Apple, and the efforts Apple takes to ensure that sensitive financial information is kept
5 confidential. I have personal knowledge of the matters set forth below. If called as a witness I
6 could and would competently testify as follows.

7 2. Apple seeks to seal financial documents or portions of financial documents that
8 contain: (1) capacity data, (ii) product line details beyond general categories such as “iPhone,”
9 “iPad,” “iPod touch,” or “iTunes,” (iii) information regarding costs and profit margins, and (iv)
10 information regarding the terms of patent license agreements that Apple has entered into, as well
11 as information regarding royalties paid under those agreements. Exposure to the public of these
12 categories of documents would cause that information to become public where it is currently
13 confidential and, in doing so, cause Apple severe harm.

14 3. This confidential financial data is not included in Apple’s SEC filings. Apple goes
15 to extensive lengths to protect the confidentiality of its financial data—indeed, this information is
16 among the most painstakingly protected information at the company, on par with source code.
17 The material is stamped confidential, and only certain individuals at Apple are authorized to view
18 Apple’s nonpublic financial information on a need to know basis. Apple restricts system access
19 to its nonpublic financial information to a small list of individuals who have been approved by
20 myself or one of the other Vice-Presidents of Finance. The list is reviewed at least every quarter
21 and revised as appropriate to ensure that Apple employees who no longer require access do not
22 receive the information. Apple further protects against the disclosure of nonpublic financial
23 information to third parties, such as vendors. On the rare occasions Apple is required to share
24 nonpublic financial data with third parties, Apple will only allow them to view this information
25 under very restrictive nondisclosure agreements or protective orders.

26 4. Much of the financial information that Apple seeks to seal here is treated with an
27 even higher level of confidentiality. Apple views even general profit margin information across
28 different products and over a lengthy period of time to be confidential and competitively

1 sensitive, but specific cost and profit margin information for particular products is even more so
2 because it has the most value to companies seeking to compete with Apple. Apple's cost and
3 margin information and its profit and loss data for particular products is only shared with the
4 company's CFO, CEO, Apple's Board and the Company's executive team. It is never shared
5 externally. Apple even precludes its OEM suppliers from having visibility into its cost structure.
6 Although many companies in the industry have their OEM suppliers buy directly from component
7 manufacturers, Apple buys from these manufacturers itself and provides the component parts to
8 the OEMs so that they are not aware of the cost of Apple's products.]

9 5. Information regarding costs of goods sold, product line details, profit and capacity
10 is immensely valuable precisely because of its confidential nature. Companies engaging in free-
11 market competition normally do not share this type of sensitive financial information with each
12 other and thus must compete without perfect insight into their competitors' financial status,
13 business models, or business plans. Maintaining the confidentiality of its financial data thus
14 allows Apple to remain competitive in an opaque and fast-moving marketplace. Making Apple's
15 confidential information available to the public, and thus to Apple's competitors, would allow
16 those competitors to obtain economic value from its disclosure at Apple's expense.

17 6. Capacity data is valuable because it can reveal when Apple is stretched thinly and
18 when it has excess capacity. Armed with this information, Apple's competitors could alter their
19 production timing accordingly. For example, Apple's competitors could increase production of
20 competing products at times when Apple typically has constrained capacity and thus would be
21 most vulnerable to an output squeeze, and could lower their prices of competing products at times
22 when Apple has excess capacity and thus would be most vulnerable to a price cut. In addition, if
23 contract manufacturers gain access to Apple's capacity data, it would harm Apple immensely.
24 Success in Apple's industry is in large part dependent upon identification and selection of key
25 contract manufacturers. If these entities are able to view Apple's historical and recent capacity
26 data, and thereby gain insight into the patterns in the fluctuations of Apple's supply chain, they
27 would be able to predict when Apple may be most driven to increase supply and could negotiate
28 exorbitant rates using their unfairly gained knowledge.

1 7. Product line information, i.e. financial details with information as to specific
2 versions of a given product (iPhone 3GS vs. iPhone 4S, or different sizes of iPad), is also
3 critically sensitive and valuable. Competitors who are permitted to view product line capacity
4 information will see what specific lines of products Apple is increasing its supply of and what it is
5 decreasing its supply of, giving a significant insight into Apple's current and future business
6 plans. Product line sales and revenue information would similarly reveal to competitors whether
7 and to what extent Apple has had success with particular products over precise periods of time,
8 and thus allow those competitors insight into how much they should invest in that specific area.
9 Competitors will know exactly what products they need to release in order to counter Apple, and
10 in what categories—for example, the specific size of phone or tablet that Apple is focusing the
11 majority of its attention on.

12 8. Apple's cost and profit information would also provide an economic boon to
13 Apple's competitors if disclosed, giving them a substantial and unfair advantage over Apple.
14 Apple does not follow any formula for setting its margins, nor does it follow an industry
15 standard—the specific margins set for particular products are unique to Apple and they are not
16 publicly disclosed. As a result, competitors could only learn this information from disclosure of
17 Apple's confidential internal documents. Disclosure of this information would allow competitors
18 to tailor their product offerings and pricing to undercut Apple. Competitors would be able to
19 determine exactly what price level would make a given product unprofitable to Apple, and target
20 their product offerings at exactly that price. Access to Apple's cost information would also harm
21 Apple with respect to component suppliers. Apple's suppliers could use this information to alter
22 their pricing on components Apple uses in its products, looking at the cost of goods for Apple's
23 related products and Apple's product margins on specific products. Margins alone would allow
24 competitors to approximate Apple's cost, as they could simply research Apple's prices or publicly
25 available total revenue information, and calculate Apple's cost using that information in
26 combination with the highly confidential margin information.

27 9. Apple also seeks to seal the terms of various license agreements. In all cases,
28 these license agreements are subject to strict confidentiality provisions, oftentimes the very

1 existence of the agreement itself must be kept confidential. Apple has not disclosed the terms of
2 the agreements it is seeking to seal here. Even within Apple, very few employees have access to
3 these agreements. They are stamped confidential, they are maintained in a highly secure manner
4 to prevent any inadvertent disclosure, and access granted only on a “need-to-know” basis. If
5 terms of licenses to patents not subject to any FRAND obligation were disclosed—in particular
6 amounts paid, royalty rates and duration—potential licensees and licensors could use this
7 information to gain an unfair negotiating advantage over Apple and the companies involved in the
8 license agreements. Disclosure of the terms of these Apple license agreements would reveal what
9 Apple did in the past, and could permanently damage Apple’s negotiations in the future as third
10 parties would expect similar terms, basing their expectations on heavily negotiated agreements
11 that were meant to be confidential.

12 10. Apple also seeks to seal internal Apple royalty charts. These royalty charts should
13 be sealed for the same reasons as Apple’s license agreements with third parties. The royalty
14 charts track royalty payments paid on a quarterly basis. Besides being information that is meant
15 to be kept confidential under the confidentiality provisions of Apple’s agreements, this
16 information could be used by potential licensees and licensors to gain an unfair negotiating
17 advantage over Apple and the companies involved in the license agreements. Revealing what
18 Apple has done in the past with respect to patents not subject to a FRAND obligation would
19 inhibit Apple’s ability to negotiate in the future as third parties would expect similar terms.

20 11. None of the material above has been disclosed publicly by Apple, nor has this type
21 of information been publicly disclosed by any competitor of whom I am aware. As a result, if
22 Apple’s information were disclosed, Apple’s competitors would have a valuable insight that
23 Apple would not have. This is not a matter of Apple wanting to keep secret information that most
24 of the world shares—this type of information is generally understood in the industry to be
25 critically important to keep under lock and key and is not publicly disclosed by its competitors
26 either.

27 12. I have reviewed PX25, 67, 76, 78, 102, 103, 181, 182 and DX541, 542, 543, 544,
28 581, 587, 589, 593, 630, 755, 756, 757, 758, 777, 778, 779, and 780, or versions thereof redacted

1 of Samsung's confidential information. Below is a chart detailing the specific items in each that
 2 are sealable for the reasons explained above. Apple will lodge proposed redacted versions of
 3 these exhibits in highlighted form with the Court

| Document To Be Sealed | Sensitive Information to be Redacted, Consistent with Proposed Redactions Lodged | Notes |
|-----------------------|--|---|
| PX 25 | <p>25.2: Apple incremental profit margins over time</p> <p>25.9-10, 13: capacity and margins</p> <p>25.22-23: detailed cost information and incremental and operating profit margins over time on a product line basis.</p> <p>25.31-32: capacity data over time by specific model</p> | <p>This exhibit consists of a summary of the damages evidence relied upon by Apple's damages expert Terry Musika.</p> <p>Page 25.2 contains incremental profit numbers from 2010 through second quarter 2012 for the iPhone and iPad product lines on a per unit business. This margin information could be used by Apple's competitors against it as described above.</p> <p>Pages 25.9-10 contain detailed capacity numbers and margins by quarter, from early 2010 through mid-2012. This margin and capacity information, and the information described further down the page is viewed as among the most sensitive information at the company could be used by Apple's competitors against it as described above. This information relates to our current iPhone and iPad models. Our 2010 information includes the 3GS and iPhone 4 models of the iPhones, which we still currently sell. While 2010 information concerns the first iPad only, that product is not as mature, and this data is representative of our current information.</p> <p>Pages 25.22-23 contain detailed profit and loss statements including costs, gross profit, gross margin, operating expenses, and operating profit from 2010 through 2Q 2012. These are very recent numbers, and this information could be used by Apple's competitors against it as described above.</p> <p>Pages 25.31-32 contain capacity data and product line details from 2010 through 2012. As above, this exemplifies the risk described in this declaration—it would allow competitors to see how Apple is changing its sales, what products it is pushing more strongly now as compared to last year or the year before, and also displays Apple's fluctuations in supply.</p> |

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| PX 67 | 67:1-6: iOS app units sold revenues, royalties, and Apple profits. | Pages 67.1-6 quantify net sales of iOS apps to date. This exhibit shows the units of apps sold, the purchase royalty price for the apps, the purchase royalty price for in-app purchases, and Apple net proceeds from app sales, among other information. App sales information is sensitive to Apple and to third party app developers. |
| PX76 | <p>The content contained in the following columns: "Apple License Partner," "Effective Date," "Expiration Date," "Term of Agreement," "Monetary Consideration," "Includes Rights to UMTS-Related Patents?," "Includes Rights to Other Patents?," and "Cross License?"</p> <p>The information in these columns implicates the confidential business information of Apple and 6 different third parties. All information in the chart is Apple and third party trade secret information as it summarizes the core confidential terms of these non-public license agreements, including royalty rates, payment terms and license term.</p> <p>Each of these license agreements include confidentiality provisions. The confidentiality provisions are as follows:</p> <ol style="list-style-type: none">1) “[E]ach Party shall continue to keep any information confidential, disclosed and deemed confidential in accordance with the Non-Disclosure Agreement dated [Redacted]”2) “[T]he Parties shall maintain as strictly confidential this Agreement and any proprietary information disclosed under, or as a result of or during the negotiation of, this Agreement”3) “The Parties will hold this Agreement, its Appendices and its terms and conditions, but not the existence hereof, along with all information shared hereunder (including, without limitation, all reports, records or other information | As explained in the attached declaration, this FRE 1006 summary of Apple's license agreements contains highly confidential information regarding, among other things, royalty rates and payment terms that are trade secret information whose loss might harm Apple’s competitive standing. All of these license agreements contain confidentiality provisions and are non-public documents. |

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| | <p>provided under Section 4) as confidential and agree to refrain from disclosing them to any third party”</p> <p>4) “The Parties shall have the right to disclose the existence of this License Agreement. The Parties hereto, however, shall keep the terms of this License Agreement confidential”</p> <p>5) “The Parties shall have the right to disclose the existence of this License Agreement. The Parties hereto, however, shall keep the terms of this License Agreement confidential”</p> <p>6) “Both Parties hereto undertake to keep confidential any information and data, including but not limited to any kind of business, commercial or technical information or data disclosed between the Parties in connection with this Agreement, irrespective of the medium in which such information or data is embedded, which is - when disclosed in tangible form - marked "Confidential" by the disclosing Parties or which is – when disclosed orally or visually - identified as such "Confidential" ("Confidential Information").”</p> | |
| <p>PX78</p> | <p>These invoices provide insight into component costs of the Apple accused devices and is confidential to both Apple and Intel. Specifically, the Quantity, unit price, and amounts due (Extension, Sub-Total, Total) should be redacted. Intel has separately asked that the pricing information on the invoices be redacted because of their commercial sensitivity.</p> | <p>This information provides insight into component costs of the Apple accused devices and is confidential to both Apple and Intel. Intel has separately asked that the pricing information on the invoices be redacted because of their commercial sensitivity.</p> |
| <p>PX 102</p> | <p>Page 102.1: World Wide and Domestic Summary for iPhone Line for FY2012</p> <p>Page 102:2-6: FY2007-11 iPhone</p> | <p>Page 102.1 tallies the number of units of iPhone Apple has sold, by model and configuration for the current fiscal year. It also reveals Apple’s average selling costs for each quarter of fiscal year 2012. This detailed level of unit sales information is not available</p> |

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| | <p>Summary</p> | <p>anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPhone product configurations sell best. This page also discloses Apple's average selling costs by quarter. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple's market share.</p> <p>The second half of Page 102.1 provides the same information for the domestic market only. This information is even more valuable to competitors. Apple limits substantially the amount of information it discloses on a country-by-country level.</p> <p>Pages 102:2-6 contain the same information as above on a quarterly basis for each quarter in the years limited to Fiscal Year 2011. This information is recent and still very indicative of key financial aspects of our business. It covers products that Apple currently sells, including the iPhone 3GS, the iPhone 4 and the iPad 2. Moreover, having a complete historical series trends over time. It also reveals which of Apple's offerings have been most successful both on a unit and profit basis.</p> |
| <p>PX 103</p> | <p>Page 103.1-2: U.S. Unit Sales</p> <p>Page 103.3-4: U.S. Revenue</p> <p>Page 103.6-7: U.S. Standard Cost</p> <p>Pages 103.8-15: Worldwide Sales</p> | <p>Pages 103.1-2 contain quarterly unit sales information for Q3 2010 through Q3 2012 on a detailed model and model configuration basis for iPad and iPod touch. This detailed level of unit sales information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This page also discloses Apple's average selling costs by quarter. This information is extremely current and would also be very valuable to our competitors looking for ways to take away Apple's market share. This information relates to our current iPhone and iPad models. Our 2010 information includes the 3GS and iPhone 4 models of the iPhones, which we still currently sell. While 2010 information concerns the first iPad only, that product is not as mature, and this data is representative of our current information.</p> <p>Pages 103.3-4 contain quarterly revenue</p> |

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| | | <p>information for Q3 2010 through Q3 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This information is current and would be very valuable to our competitors looking for ways to attack Apple's market share.</p> <p>Pages 103.5-7 contain quarterly cost information for Q3 2010 through Q3 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of the cost profile of each individual iPad and iPod touch product configuration for the end of 2010 through Q3 2012. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple's market share.</p> <p>Pages 8-15 repeat the information described above on a world-wide basis and are highly sensitive for the same reasons.</p> |
| PX 181 | Page 181.1: GAAP Line of Business Reporting for iPhone | Exhibits 32 through 35 are detailed profit and loss statements including costs, gross profit, gross margin, operating expenses, and operating profit for each quarter that the iPhone has been sold through the present. This level of detailed information about Apple's cost, profits and revenue structure would be extremely valuable to competitors for the reasons described above. |
| PX182 | Capacity information | This exhibit contains detailed capacity numbers by quarter, from Q3'10 through 2011. This capacity information is highly sensitive as it could be used by Apple's competitors against it as described above. This information relates to our current iPhone and iPad models. |
| DX541 | Page 541.1-2: U.S. Unit Sales Page 541.3-6: U.S. Revenue | Pages 541.1-2 contain quarterly unit sales information for Q4 2007 through Q2 2012 on a detailed model and model configuration basis for iPad and iPod touch. This detailed |

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| | <p>Page 541.6-7: U.S. Standard Cost</p> <p>Pages 541.8-15: Worldwide Sales</p> | <p>level of unit sales information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This page also discloses Apple's average selling costs by quarter. This includes current data, and shows trends in Apple's sales information. It would be very valuable to our competitors looking for ways to take away Apple's market share.</p> <p>This data , and the data referenced below, includes the iPhone and iPad models that Apple is currently selling. Data from earlier models is still competitively sensitive and is treated as highly confidential at Apple and not disclosed. This information would be valuable to competitors because it would give them insight into Apple's strategies regarding product mix and profit margins during the lifecycle of the iPhone and iPad products Further all of the information concerning the iPad is extremely sensitive, including the information concerning the first iPad only. The iPad is not as mature, and this data is representative of our current information.</p> <p>Pages 541.3-6 contain quarterly revenue information for Q4 2007 through Q2 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple's market share.</p> <p>Pages 541.6-8 contain quarterly cost information for Q4 2007 through Q2 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of the cost profile of each individual iPad and iPod touch product configuration for the end of 2010 through Q3 2012. This information is extremely current and would also be very valuable to our competitors looking for ways</p> |
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| | | <p>to attack Apple’s market share.</p> <p>Pages 8-15 repeat the information described above on a world-wide basis and are highly sensitive for the same reasons.</p> |
| DX542 | <p>Page 542.1: World Wide and Domestic Summary for iPhone Line for FY2012</p> <p>Page 542.2-6: FY2007-11 iPhone Summary</p> | <p>Page 542.1 tallies the number of units of iPhone Apple has sold, by model and configuration for the current fiscal year. It also reveals Apple’s average selling costs for each quarter of fiscal year 2012. This detailed level of unit sales information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPhone product configurations sell best. This page also discloses Apple’s average selling costs by quarter. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple’s market share.</p> <p>The second half of Page 542.1 provides the same information for the domestic market only. This information is even more valuable to competitors. Apple limits substantially the amount of information it discloses on a country-by-country level.</p> <p>Pages 542.2-6 contain the same information as above on a quarterly basis for each quarter in the years limited to Fiscal Year 2011. This information is recent and still very indicative of key financial aspects of our business. Moreover, having a complete historical series trends over time. It also reveals which of Apple’s offerings have been most successful both on a unit and profit basis.</p> |
| DX543 | <p>Page 543.1: iPhone Units / Revenue Report</p> <p>Pages 543.2-543.6: iPhone Summary</p> | <p>Each page of this exhibit tallies the number of units of iPhone Apple sold, by model and configuration, in a given fiscal year. It includes 2007 through 2012. This detailed level of unit sales information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPhone product configurations sell best. This page also discloses Apple’s average selling costs for each year. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple’s market share.</p> <p>This data and the iPhone and iPad models that Apple is currently selling. Data from earlier models is still competitively sensitive and is</p> |

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| | | <p>treated as highly confidential at Apple and not disclosed. This information would be valuable to competitors because it would give them insight into Apple's strategies regarding its product mix during the lifecycle of the iPhone and iPad products Further all of the information concerning the iPad is extremely sensitive, including the information concerning the first iPad only. The iPad is not as mature, and this data is representative of our current information.</p> |
| <p>DX544</p> | <p>Pages 544.1-2: U.S. Unit Sales Pages 544.2-5: U.S. Revenue Pages 544.5-7: U.S. Standard Cost</p> | <p>Pages 544.1-2 contain quarterly unit sales information for Q3 2007 through Q1 2012 on a detailed model and model configuration basis for iPad and iPod touch. This detailed level of unit sales information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This page also discloses Apple's average selling costs by quarter. This includes current data, and shows trends in Apple's sales information. It would be very valuable to our competitors looking for ways to take away Apple's market share.</p> <p>Pages 544.2-5 contain quarterly revenue information for Q4 2007 through Q2 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple's market share.</p> <p>Pages 541.5-7 contain quarterly cost information for Q4 2007 through Q2 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of the cost profile of each individual iPad and iPod touch product configuration for the end of 2007 through Q1 2012. This is a large amount of information and would be very valuable to our competitors looking for ways to attack</p> |

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| | | <p>Apple’s market share.</p> <p>This data , and the data referenced below, includes the iPhone and iPad models that Apple is currently selling. Data from earlier models is still competitively sensitive and is treated as highly confidential at Apple and not disclosed. This information would be valuable to competitors because it would give them insight into Apple’s strategies regarding product mix and profit margins during the lifecycle of the iPhone and iPad products Further all of the information concerning the iPad is extremely sensitive, including the information concerning the first iPad only. The iPad is not as mature, and this data is representative of our current information.</p> |
| <p>DX581, 587, and 589</p> | <p>Q3’10, Q4’10, and Q1’11 Worldwide iPhone Performance Summary</p> | <p>These three exhibits are among the most confidential documents that exist in Apple’s finance department. This is exemplified by the “Need to Know Required – Do Not Distribute” brand at the bottom of each page.</p> <p>The Worldwide iPhone Performance Summaries comprise dense documents packed with not only the particular categories of financial information discussed above—cost information, margin information, and in many cases product line information—but strategy discussions, conclusions drawn from data, plans for market and retail channel movement or expansion, analysis of existing markets and retail channels, and analysis of supply issues throughout the world. It goes well beyond the cold data of profit and loss statements with the introduction of these strategic discussions and analyses.</p> <p>Disclosure of these documents in any form would be even more harmful than the data by itself, as it would provide competitors with insight into how Apple uses the data, how Apple analyzes the data and plans to alter its strategies accordingly, and what data Apple views as important (for example, the presentation leads with “the quarter in five bullets,” showing the most important five items to Apple’s finance in terms of planning and strategy.</p> <p>As a result of the intensely confidential nature of these documents, they should be sealed in their entirety.</p> |
| <p>DX593</p> | <p>For all the same reasons articulated by</p> | <p>As explained in the Declaration of Jim Bean,</p> |

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| | <p>the Court at the July 27, 2012 hearing with respect to license agreements, documents pertaining to the negotiation of a settlement agreement and/or cross-license should be treated as confidential. Exhibit 593 implicates the confidential business information of both Apple and Motorola. Specifically, Exhibit 593 makes reference to a proposed payment structure and license rate between Apple and Motorola for settlement purposes. Each page of Exhibit 593 states, "Confidential * Provided for Information and Business Settlement Purposes Only." The clear message is that Apple and Motorola intended for this information to remain non-public and limited in distribution. As Motorola argued in its emergency motion to seal other similar exhibits, "[w]hen it comes to patent license agreements, trade secrets that should be sealed include licensing information, such as pricing terms, royalty rates, and guaranteed minimum payment terms. <i>In re Electronic Arts, Inc.</i>, 298 Fed. Appx. 568, 569-570 (9th Cir. 2008)." (<i>See</i> Dkt. 1400.) The proposed payment terms within Exhibit 593 should therefore be sealed.</p> | <p>this document contains highly confidential Apple and third-party information. This is a non-public presentation created solely for settlement negotiation purposes, and not for public consumption.</p> |
| <p>DX630</p> | <p>The content contained in the following columns should be sealed: "Licensor," "Title," "Effective Date," "Date Last Signed," "Term," "Licensed Products/Technology," "Geographic Scope," and "Payments."</p> <p>The information in these columns implicates the confidential business information of Apple and 15 different third parties. All information in the chart is Apple and third party trade secret information as it summarizes the core confidential terms of these non-public license agreements, including royalty rates, payment terms and license term.</p> <p>Each of these license agreements include confidentiality provisions. The confidentiality provisions are as</p> | <p>As explained in the attached declaration, this FRE 1006 summary of Apple's license agreements contains highly confidential information regarding, among other things, royalty rates and payment terms that are trade secret information whose loss might harm Apple's competitive standing. All of these license agreements contain confidentiality provisions and are non-public documents.</p> |

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| | <p>follows:</p> <ol style="list-style-type: none">1. “The Parties will hold this Agreement, its Appendices and its terms and conditions, but not the existence hereof, along with all information shared hereunder . . . as confidential and agree to refrain from disclosing them to any third party”2. “The Parties hereto . . . shall keep the terms of this License Agreement confidential and shall not now or hereafter divulge any part thereof to any third party”3. “The Parties will hold this Agreement, its Appendices and its terms and conditions . . . along with all information shared hereunder . . . as confidential and agree to refrain from disclosing them to any third party”4. “[T]he Parties shall maintain as strictly confidential this Agreement and any proprietary information disclosed under, or as a result of or during the negotiation of, this Agreement, and shall only use such information for the purpose of performing under and/or enforcing this Agreement.”5. “[E]ach Party shall continue to keep any information confidential, disclosed and deemed confidential in accordance with the Non-Disclosure Agreement dated [redacted] including but not limited to any claim charts.”6. “The terms of this Agreement and all correspondence relating to this Agreement are confidential. The Parties shall keep terms and particulars of this Agreement strictly | |
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| | <p>confidential and no Party shall now or hereafter disclose such terms and particulars to any third party”</p> <p>7. “The terms of this Agreement and all correspondence relating to this Agreement are confidential. The Parties shall keep terms and particulars of this Agreement strictly confidential and no Party shall now or hereafter disclose such terms and particulars to any third party”</p> <p>8. “Both Parties hereto undertake to keep confidential any information and data, including but not limited to any kind of business, commercial or technical information or data disclosed between the Parties in connection with this Agreement.”</p> <p>9. “The terms of this Agreement and all correspondence relating to this Agreement are confidential. The Parties shall keep terms and particulars of this Agreement strictly confidential”</p> <p>10. “The terms of this Agreement and all correspondence relating to this Agreement are confidential”</p> <p>11. “[E]ach Party shall keep the provisions of this Agreement confidential, and shall not disclose its provisions and such reports without first obtaining the written consent of the other Party.”</p> <p>12. “Neither party shall make any press release or public statement regarding this Agreement or its terms, except that either Party may make any statement (but not in the form of a press release) it deems necessary to satisfy its various public</p> | |
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| 1 | | reporting obligations.” | |
| 2 | DX755 | Identical to DX543 | This exhibit is identical to DX543. It should be sealed for the same reasons described above. |
| 3 | | | |
| 4 | DX756 | Identical to DX542 | This exhibit is identical to DX542. It should be sealed for the same reasons described above. |
| 5 | DX757 | This exhibit includes Apple and third party confidential trade secret information, including a roster of Apple’s licensors, royalty rates and payments to licensors. | Information regarding the roster of Apple’s licensors, as well as the royalty rates and payments to licensors is trade secret information whose loss might harm Apple’s competitive standing. |
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| 8 | DX758 | This exhibit includes Apple and third party confidential trade secret information, including a roster of Apple’s licensors, royalty rates and payments to licensors. | Information regarding the roster of Apple’s licensors, as well as the royalty rates and payments to licensors is trade secret information whose loss might harm Apple’s competitive standing. |
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| 11 | DX777 | 777.1-2: Worldwide Unit Sales | <p>Pages 777.1-2 contain quarterly unit sales information for Q4 2007 through Q1 2012 on a detailed model and model configuration basis for iPad and iPod touch. This detailed level of unit sales information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This page also discloses Apple’s average selling costs by quarter. This information is extremely current and would also be very valuable to our competitors looking for ways to take away Apple’s market share.</p> <p>Page 777.2-4 contain quarterly revenue information for Q4 2007 through Q1 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of which specific iPad and iPod touch product configurations sell best. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple’s market share.</p> <p>Page 777.4-6 contain quarterly cost information for Q4 2007 through Q1 2012 on a detailed model and model configuration basis for iPhone and iPod touch. This detailed</p> |
| 12 | | 777.2-4: Worldwide Revenue | |
| 13 | | 777.4-6: Worldwide Standard Cost | |
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| | | <p>level of revenue information is not available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors of the cost profile of each individual iPad and iPod touch product configuration for the end of 2010 through Q3 2012. This information is extremely current and would also be very valuable to our competitors looking for ways to attack Apple's market share.</p> <p>This data includes the iPhone and iPad models that Apple is currently selling. Data from earlier models is still competitively sensitive and is treated as highly confidential at Apple and not disclosed. This information would be valuable to competitors because it would give them insight into Apple's strategies regarding product mix and profit margins during the lifecycle of the iPhone and iPad products. Further all of the information concerning the iPad is extremely sensitive, including the information concerning the first iPad only. The iPad is not as mature, and this data is representative of our current information.</p> <p>Pages 7-12 repeat the information described above on a U.S. basis and are highly sensitive for the same reasons.</p> |
| DX778 | 778.1-5: iTunes Business P&L 778.6-7: iTunes Music Store Business P&L | <p>This exhibit displays detailed information on the equivalent of a product line basis for Apple's iTunes business, stretching from 2005 through Q1 2012. It includes unit sales, broken down into each type of purchase on a quarter-by-quarter basis. It expands that information into revenue broken down to each type of purchase, and also displays cost, margin, and other expenses.</p> <p>With the exception of total revenue, none of the information above is available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors where Apple is investing its capital with respect to iTunes, and specifically where it is generating revenue. The time period covered will allow competitors to analyze trends, predict how Apple's revenue is changing, and see how Apple has changed its expenditures over the years. Finally, the cost information will give competitors the information they need to undercut Apple with offerings in specific areas that are priced just below what would be</p> |

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| 1 | | profitable for Apple. |
| 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 | DX779 and DX780 779.1: iPad GAAP Line of Business Reporting 779.2: Phone GAAP Line of Business Reporting 779.3-4: Music GAAP Line of Business Reporting 780: Mobile Advertising Line of Business Reporting | Each page of these exhibits displays total revenue, substantial margin and expense information, and finally total units sold. The iPad data covers Q1'09 through Q1'12. The phone data covers Q2'07 through Q1'12. The music data covers Q4'05 through Q1'12. The Mobile Advertising data covers Q1'09 through Q1'12. This data includes the iPhone and iPad models that Apple is currently selling. Data from earlier models is still competitively sensitive and is treated as highly confidential at Apple and not disclosed. This information would be valuable to competitors because it would give them insight into Apple's strategies regarding product mix and profit margins during the lifecycle of the iPhone and iPad products. Further all of the information concerning the iPad is extremely sensitive, including the information concerning the first iPad only. The iPad is not as mature, and this data is representative of our current information. With the exception of total revenue and total units sold, none of this information is available anywhere outside of Apple. Disclosure would be extremely harmful to Apple because it would inform competitors where Apple is investing its capital. The time period covered will allow competitors to analyze trends, predict how Apple's revenue is changing, and see how Apple has changed its expenditures over the years. Finally, the cost information will give competitors the information they need to undercut Apple with offerings in specific areas that are priced just below what would be profitable for Apple. |

22 I declare under penalty of perjury that the foregoing is true and correct. Executed this
23 30th day of July, 2012 at Cupertino, California.

24
25 /s/ Jim Bean
26 Jim Bean

