Inventory Valuation and Inventory Purchase Commitments

The Company must order components for its products and build inventory in advance of product shipments. The Company records a write-down for inventories of components and products, including third-party products held for resale, which have become obsolete or are in excess of anticipated demand or net realizable value. The Company performs a detailed review of inventory each fiscal quarter that considers multiple factors including demand forecasts, product life cycle status, product development plans, current sales levels, and component cost trends. The industries in which the Company competes are subject to a rapid and unpredictable pace of product and component obsolescence and demand changes. If future demand or market conditions for the Company's products are less favorable than forecasted or if unforeseen technological changes negatively impact the utility of component inventory, the Company may be required to record additional write-downs, which would negatively affect its results of operations in the period when the write-downs were recorded.

The Company records accruals for estimated cancellation fees related to component orders that have been cancelled or are expected to be cancelled. Consistent with industry practice, the Company acquires components through a combination of purchase orders, supplier contracts, and open orders based on projected demand information. These commitments typically cover the Company's requirements for periods ranging from 30 to 150 days. If there is an abrupt and substantial decline in demand for one or more of the Company's products or an unanticipated change in technological requirements for any of the Company's products, the Company may be required to record additional accruals for cancellation fees that would negatively affect its results of operations in the period when the cancellation fees are identified and recorded.

Warranty Costs

The Company provides for the estimated cost of hardware and software warranties at the time the related revenue is recognized based on historical and projected warranty claim rates, historical and projected cost-per-claim, and knowledge of specific product failures that are outside of the Company's typical experience. Each quarter, the Company reevaluates its estimates to assess the adequacy of its recorded warranty liabilities considering the size of the installed base of products subject to warranty protection and adjusts the amounts as necessary. If actual product failure rates or repair costs differ from estimates, revisions to the estimated warranty liability would be required and could materially affect the Company's results of operations.

The Company periodically provides updates to its applications and operating system software to maintain the software's compliance with specifications. The estimated cost to develop such updates is accounted for as warranty cost that is recognized at the time related software revenue is recognized. Factors considered in determining appropriate accruals related to such updates include the number of units delivered, the number of updates expected to occur, and the historical cost and estimated future cost of the resources necessary to develop these updates.

Income Taxes

The Company records a tax provision for the anticipated tax consequences of the reported results of operations. The provision for income taxes is computed using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating losses and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

The Company recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement.

Management believes it is more likely than not that forecasted income, including income that may be generated as a result of certain tax planning strategies, together with future reversals of existing taxable temporary differences, will be sufficient to fully recover the deferred tax assets. In the event that the Company determines all or part of the net deferred tax assets are not realizable in the future, the Company will make an adjustment to the valuation allowance that would be charged to earnings in the period such determination is made. In addition, the calculation of tax liabilities involves significant judgment in estimating the impact of uncertainties in the application of GAAP and complex tax laws. Resolution of these uncertainties in a manner inconsistent with management's expectations could have a material impact on the Company's financial condition and operating results.

Legal and Other Contingencies

As discussed in Part II, Item 1 of this Form 10-Q under the heading "Legal Proceedings" and in Note 6, "Commitments and Contingencies" in Notes to Condensed Consolidated Financial Statements, the Company is subject to various legal proceedings and claims that arise in the ordinary course of business. The Company records a liability when it is probable that a loss has been incurred and the amount is reasonably estimable. There is significant judgment required in both the probability determination and as to whether an exposure can be reasonably estimated. In the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss in excess of a recorded accrual, with respect to loss contingencies. However, the outcome of legal proceedings and claims brought against the Company are subject to significant uncertainty. Therefore, although management considers the likelihood of such an outcome to be remote, if one or more of these legal matters were resolved against the Company in the same reporting period for amounts in excess of management's expectations, the Company's condensed consolidated financial statements of a particular reporting period could be materially adversely affected.

Net Sales

The following table summarizes net sales by operating segment and net sales and unit sales by product during the three- and nine-month periods ended June 25, 2011 and June 26, 2010 (in millions, except unit sales in thousands and per unit amounts):

	Three Months Ended			Nine Months Ended		
	June 25, 2011	June 26, 2010	Change	June 25, 2011	June 26, 2010	Change
Net Sales by Operating Segment :						
Americas net sales	$ 10,126	$ 6,227	63%	$ 28,667	$ 17,312	66%
Europe net sales	7,098	4,160	71%	20,381	13,234	54%
Japan net sales	1,510	910	66%	4,326	2,580	68%
Asia-Pacific net sales	6,332	1,825	247%	16,062	5,524	191%
Retail net sales	3,505	2,578	36%	10,543	6,232	69%
Total net sales	$ 28,571	$ 15,700	82%	$ 79,979	$ 44,882	78%
Net Sales by Product :						
Desktops (a)	$ 1,580	$ 1,301	21%	$ 4,752	$ 4,525	5%
Portables (b)	3,525	3,098	14%	10,759	8,084	33%
Total Mac net sales	5,105	4,399	16%	15,511	12,609	23%
iPod	1,325	1,545	(14)%	6,350	6,797	(7)%
Other music related products and services (c)	1,571	1,214	29%	4,636	3,705	25%
iPhone and related products and services (d)	13,311	5,334	150%	36,077	16,357	121%
iPad and related products and services (e)	6,046	2,166	179%	13,490	2,166	523%
Peripherals and other hardware (f)	517	396	31%	1,690	1,337	26%
Software, service and other sales (g)	696	646	8%	2,225	1,911	16%
Total net sales	$ 28,571	$ 15,700	82%	$ 79,979	$ 44,882	78%
Unit Sales by Product :						
Desktops (a)	1,155	1,004	15%	3,391	3,385	0%
Portables (b)	2,792	2,468	13%	8,450	6,392	32%
Total Mac unit sales	3,947	3,472	14%	11,841	9,777	21%
iPod unit sales	7,535	9,406	(20)%	35,998	41,261	(13)%
iPhone unit sales	20,338	8,398	142%	55,220	25,887	113%
iPad unit sales	9,246	3,270	183%	21,271	3,270	550%

(a) Includes iMac, Mac mini, Mac Pro and Xserve product lines.

(b) Includes MacBook, MacBook Air and MacBook Pro product lines.

(c) Includes sales from the iTunes Store, App Store, and iBookstore in addition to sales of iPod services and Apple-branded and third-party iPod accessories.

(d) Includes revenue recognized from iPhone sales, carrier agreements, services, and Apple-branded and third-party iPhone accessories.

(e) Includes revenue recognized from iPad sales, services, and Apple-branded and third-party iPad accessories.

(f) Includes sales of displays, wireless connectivity and networking solutions, and other hardware accessories.

(g) Includes sales from the Mac App Store in addition to sales of other Apple-branded and third-party Mac software and Mac and Internet services.

Net sales during the third quarter of 2011 and the first nine months of 2011 increased $12.9 billion or 82%, and $35.1 billion or 78%, respectively, compared to the same periods in 2010. Several factors contributed positively to this increase, including the following:

- Net sales of iPhone and related products and services were $13.3 billion and $36.1 billion in the third quarter of 2011 and first nine months of 2011, respectively, representing increases of 150% and 121% over the same periods in 2010. iPhone handset unit sales totaled 20.3 million and 55.2 million during the third quarter of 2011 and first nine months of 2011, respectively. iPhone unit sales increased 11.9 million or 142% during the third quarter of 2011 and 29.3 million or 113% during the first nine months of 2011 compared to the same periods in 2010. iPhone year-over-year net sales growth reflected strong demand for iPhone 4 in all of the Company's operating segments. The expanded U.S. distribution of iPhone to the Verizon Wireless network beginning in February 2011 and continued expansion and growth of distribution with existing carriers and resellers also contributed to the year-over-year growth of iPhone. As of June 25, 2011, the Company distributed iPhone in 105 countries through 228 carriers. Net sales of iPhone and related products and services accounted for 47% and 45% of the Company's total net sales for the third quarter of 2011 and first nine months of 2011, respectively.

- Net sales of iPad and related products and services, which the Company introduced in the third quarter of 2010, were $6.0 billion in the third quarter of 2011, an increase of 179% over the same period in 2010. Net sales of iPad during the first nine months of 2011 totaled $13.5 billion. Unit sales of iPad were 9.2 million and 21.3 million during the third quarter of 2011 and first nine months of 2011, respectively. The year-over-year unit growth and net sales growth were driven by strong iPad demand in all the Company's operating segments. The Company distributes iPad through its direct channels, certain cellular network carriers' distribution channels and certain third-party resellers. The Company distributed iPad in 64 countries as of June 25, 2011. Net sales of iPad and related products and services accounted for 21% and 17% of the Company's total net sales for the third quarter of 2011 and first nine months of 2011, respectively.

- Mac net sales increased by $706 million or 16% and $2.9 billion or 23% in the third quarter of 2011 and first nine months of 2011, respectively, compared to the same periods in 2010. Mac unit sales increased by 475,000 or 14% and 2.1 million or 21% in the third quarter of 2011 and first nine months of 2011, respectively, compared to the same periods in 2010. The year-over-year growth in Mac net sales and unit sales was due primarily to higher demand for MacBook Air and MacBook Pro, which were updated in October 2010 and February 2011, respectively, and experienced significant growth in all of the Company's operating segments. Net sales of the Company's Macs accounted for 18% and 19% of the Company's total net sales for the third quarter of 2011 and first nine months of 2011, respectively.

- Net sales of other music related products and services increased $357 million or 29% and $931 million or 25% during the third quarter of 2011 and first nine months of 2011, respectively, compared to the same periods in 2010. The increases were due primarily to increased net sales from the iTunes Store, which experienced growth in all of the Company's geographic segments. During the third quarter of 2011 and the first nine months of 2011, the combined net sales for the iTunes Store, App Store and iBookstore were $1.4 billion and $3.9 billion, respectively. The Company believes this continued growth is the result of heightened consumer interest in downloading third-party digital content, continued growth in its customer base of iPhone, iPad and iPod customers, expansion of third-party audio and video content available for sale and rent via the iTunes Store, and continued interest in and growth of the App Store. Net sales of other music related products and services accounted for 5% and 6% of the Company's total net sales for the third quarter of 2011 and first nine months of 2011, respectively.

Partially offsetting the positive factors contributing to the overall increase in net sales was a decrease in net sales of iPod of $220 million or 14% during the third quarter of 2011 and a decrease of $447 million or 7% during the first nine months of 2011 compared to the same periods in 2010. Similarly, iPod unit sales decreased by 20% and 13% in the third quarter of 2011 and first nine months of 2011, respectively, compared to the same periods in 2010. However, net sales per iPod unit sold increased during the third quarter of 2011 and the first nine months of 2011 compared to the same periods in 2010 due primarily to a shift in iPod product mix toward iPod touch. Net sales of iPod accounted for 5% and 8% of the Company's total net sales for the third quarter of 2011 and first nine months of 2011, respectively.

Segment Operating Performance

The Company manages its business primarily on a geographic basis. The Company's reportable operating and reporting segments consist of the Americas, Europe, Japan, Asia-Pacific and Retail operations. The Americas, Europe, Japan and Asia-Pacific reportable segment results do not include the results of the Retail segment. The Americas segment includes both North and South America. The Europe segment includes European countries as well as the Middle East and Africa. The Asia-Pacific segment includes Australia and Asia, but does not include Japan. The Retail segment operates Apple retail stores in 11 countries, including the U.S. Each reportable operating segment provides similar hardware and software products and similar services. Further information regarding the Company's operating segments may be found in Note 7, "Segment Information and Geographic Data" in Notes to condensed consolidated financial statements of this Form 10-Q.

Americas

Net sales in the Americas segment during the third quarter of 2011 increased $3.9 billion or 63% compared to the same period in 2010. The increase in net sales during the third quarter of 2011 was attributable to increased iPhone revenue driven by expanded U.S. distribution on the Verizon Wireless network beginning in February 2011 and continued growth from existing carriers, the introduction of iPad 2 in March 2011, higher sales of third-party digital content and applications from the iTunes Store and App Store, and increased sales of Macs, partially offset by a decrease in iPod net sales. The Americas segment represented 36% and 40% of the Company's total net sales in the third quarters of 2011 and 2010, respectively.

During the first nine months of 2011, net sales in the Americas segment increased $11.4 billion or 66% compared to the same period in 2010. The primary contributors to the growth in net sales during the first nine months of 2011 were a significant year-over-year increase in iPhone revenue from carrier expansion, strong sales of the original iPad and iPad 2, and increased sales of Macs, partially offset by a decrease in iPod net sales. Higher sales of third-party digital content and applications from the iTunes Store and App Store also drove higher sales during the first nine months of 2011. The Americas segment represented approximately 36% and 39% of the Company's total net sales for the first nine months of 2011 and 2010, respectively.

Europe

Net sales in the Europe segment increased $2.9 billion or 71% during the third quarter of 2011 compared to the same period of 2010. The growth in net sales was mainly due to an increase in iPhone revenue attributable to country and carrier expansion, the introduction of iPad 2 in March 2011, higher sales of third-party digital content and applications from the iTunes Store and App Store, and strength in the Euro and British Pound relative to the U.S. dollar. The Europe segment represented 25% and 26% of the Company's total net sales in the third quarter of 2011 and 2010, respectively.

For the first nine months of 2011, net sales in the Europe segment increased $7.1 billion or 54%, compared to the same period in 2010. The increase in net sales during the first nine months of 2011 was attributable primarily to the continued year-over-year increase in iPhone revenue, strong sales of both the original iPad and iPad 2, increased sales of Macs, and higher sales of third-party digital content and applications from the iTunes Store and App Store, partially offset by a decrease in iPod net sales. The Europe segment represented 26% and 29% of total net sales for the first nine months in 2011 and 2010, respectively.

Japan

Japan's net sales increased $600 million or 66% during the third quarter of 2011 and increased $1.7 billion or 68% during the first nine months of 2011 compared to the same periods in 2010. The key contributors to Japan's net sales growth for the third quarter and first nine months of 2011 were increased iPhone revenue, strong sales of both the original iPad and iPad 2, increased sales of Macs, and strength in the Japanese Yen relative to the U.S. dollar. The Japan segment represented 5% of total net sales in the third quarter of 2011 compared to 6% in the year ago quarter, and 5% of total net sales in the first nine months of 2011 compared to 6% in the first nine months of 2010.

The recent earthquakes and tsunami that struck the northeast coast of Japan have created uncertainty regarding general economic and market conditions in Japan. Any significant impact of these events on consumer demand could negatively impact the Company's net sales in Japan in the future. The Company does not currently believe that the impact of these events will have a material adverse effect on the Company or its results of operations.

Asia-Pacific

Net sales in the Asia Pacific segment increased $4.5 billion or 247% during the third quarter of 2011 and increased $10.5 billion or 191% during the first nine months of 2011 compared to the same periods in 2010. The Company experienced particularly strong year-over-year net sales growth in China, Hong Kong, Korea, and Australia during the third quarter of 2011 and first nine months of 2011. Higher net sales in the Asia Pacific segment were due mainly to the increase in iPhone revenue primarily attributable to new carrier launches, strong sales of both the original iPad and iPad 2, and increased sales of Macs. The Asia Pacific segment represented 22% and 12% of total net sales in the third quarter of 2011 and 2010, respectively, and 20% and 12% of total net sales in the first nine months of 2011 and 2010, respectively.

Retail

Retail segment net sales increased $927 million or 36% during the third quarter of 2011 compared to the same period of 2010. The increase in net sales was driven primarily by strong demand for iPad, a significant year-over-year increase in iPhone sales, and higher sales of Macs. The Company opened four new retail stores during the third quarter of 2011, all of which were international stores, ending the quarter with 327 stores open compared to 293 stores at the end of the third quarter of 2010. With an average of 325 stores and 287 stores open during the third quarter of 2011 and 2010, respectively, average revenue per store increased 20% to $10.8 million in the third quarter of 2011 compared to the third quarter of 2010. The Retail segment represented 12% and 16% of total net sales in the third quarter of 2011 and 2010, respectively.

Retail net sales grew $4.3 billion or 69% during the first nine months of 2011 compared to the same period in 2010 driven primarily by strong sales of both the original iPad and iPad 2, a significant year-over-year increase in iPhone sales, and higher sales of Macs. Average revenue per store increased 48% to $32.6 million for the first nine months of 2011 compared to the same period in 2010. The Retail segment represented 13% and 14% of total net sales for the first nine months of 2011 and 2010, respectively.

The Retail segment reported operating income of $828 million and $593 million during the third quarter of 2011 and the third quarter of 2010, respectively. The Retail segment reported operating income of $2.7 billion during the first nine months of 2011 compared to $1.4 billion during the first nine months of 2010. The year-over-year increase in Retail operating income was primarily attributable to higher overall net sales and a more favorable sales mix toward products with higher gross margin, which resulted in significantly higher average revenue per store during the third quarter and first nine months of 2011 compared to the same periods in 2010.

Expansion of the Retail segment has required and will continue to require a substantial investment in fixed assets and related infrastructure, operating lease commitments, personnel, and other operating expenses. Capital asset purchases associated with the Retail segment since inception totaled $2.5 billion through the third quarter of 2011. As of June 25, 2011, the Retail segment had approximately 30,600 full-time equivalent employees and had outstanding lease commitments associated with retail space and related facilities of $2.2 billion. The Company would incur substantial costs if it were to close multiple retail stores and such costs could adversely affect the Company's financial condition and operating results.

Gross Margin

Gross margin for the three- and nine-month periods ended June 25, 2011 and June 26, 2010 was as follows (in millions, except gross margin percentages):

	Three Months Ended		Nine Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Net sales	$ 28,571	$ 15,700	$ 79,979	$ 44,882
Cost of sales	16,649	9,564	47,541	26,710
Gross margin	$ 11,922	$ 6,136	$ 32,438	$ 18,172
Gross margin percentage	41.7%	39.1%	40.6%	40.5%

The gross margin percentage in the third quarter of 2011 was 41.7%, compared to 39.1% in the third quarter of 2010. This year-over-year increase in gross margin is largely driven by a more favorable sales mix towards products with higher gross margins, primarily iPhone, a weaker U.S. dollar and lower commodity and other manufacturing costs. The gross margin percentage for the first nine months of 2011 was relatively flat at 40.6% compared to 40.5% for the first nine months of 2010.

The Company expects to experience decreases in its gross margin percentage in future periods, as compared to levels achieved during the first nine months of 2011, largely due to a higher mix of new and innovative products that have higher cost structures and deliver greater value to customers, and expected and potential future component cost and other cost increases.

The foregoing statements regarding the Company's expected gross margin percentage are forward-looking and could differ from anticipated levels because of several factors including, but not limited to certain of those set forth below in Part II, Item 1A, "Risk Factors" under the subheading " *Future operating results depend upon the Company's ability to obtain key components including but not limited to microprocessors, NAND flash memory, DRAM and LCDs at favorable prices and in sufficient quantities* ," which is incorporated herein by reference. In general, gross margins and margins on individual products will remain under downward pressure due to a variety of factors, including continued industry wide global product pricing pressures, increased competition, compressed product life cycles, product transitions and potential and expected increases in the cost of key components including but not limited to microprocessors, NAND flash memory, DRAM and LCDs, as well as potential increases in the costs of outside manufacturing services and a potential shift in the Company's sales mix towards products with lower gross margins. In response to these competitive pressures, the Company expects it will continue to take product pricing actions, which would adversely affect gross margins. Gross margins could also be affected by the Company's ability to manage product quality and warranty costs effectively and to stimulate demand for certain of its products. Due to the Company's significant international operations, financial results can be significantly affected in the short-term by fluctuations in exchange rates.

Operating Expenses

Operating expenses for the three- and nine-month periods ended June 25, 2011 and June 26, 2010, were as follows (in millions, except for percentages):

	Three Months Ended		Nine Months Ended	
	June 25, 2011	June 26, 2010	June 25, 2011	June 26, 2010
Research and development	$ 628	$ 464	$ 1,784	$ 1,288
Percentage of net sales	2%	3%	2%	3%
Selling, general and administrative	$ 1,915	$ 1,438	$ 5,574	$ 3,946
Percentage of net sales	7%	9%	7%	9%

Research and Development Expense ("R&D")

R&D expense increased $164 million or 35% to $628 million during the third quarter of 2011 compared to the same period of 2010, and increased $496 million or 39% to $1.8 billion during the first nine months of 2011 compared to the same period in 2010. These increases were due primarily to an increase in headcount and related expenses to support expanded R&D activities.

Although total R&D expense increased 35% and 39% during the third quarter of 2011 and first nine months of 2011, compared to the same periods in 2010, respectively, it declined slightly as a percentage of net sales, due to the 82% and 78% year-over-year growth in the Company's net sales during the third quarter and first nine months of 2011, respectively. The Company continues to believe that focused investments in R&D are critical to its future growth and competitive position in the marketplace and are directly related to timely development of new and enhanced products that are central to the Company's core business strategy. As such, the Company expects to make further investments in R&D to remain competitive.

Selling, General and Administrative Expense ("SG&A")

SG&A expense increased $477 million or 33% to $1.9 billion during the third quarter of 2011 compared to the same period of 2010, and increased $1.6 billion or 41% to $5.6 billion during the first nine months of 2011 compared to the same period in 2010. These increases were due primarily to the Company's continued expansion of its Retail segment, increased headcount, higher spending on marketing and advertising programs, and increased variable costs associated with the overall growth of the Company's net sales.

Other Income and Expense

Total other income and expense increased $114 million or 197% to $172 million during the third quarter of 2011 compared to the same period of 2010, due primarily to lower premium expense on foreign exchange option contracts and higher interest income on larger cash, cash equivalents and marketable securities balances. Total other income and expense increased $193 million or 137% to $334 million during the first nine months of 2011 compared to the same period in 2010, due primarily to higher interest income and net realized gains on sales of marketable securities. The weighted-average interest rate earned by the Company on its cash, cash equivalents and marketable securities was flat at 0.76% during the third quarters of 2011 and 2010.

Provision for Income Taxes

The Company's effective tax rate for the three- and nine-month periods ended June 25, 2011 was approximately 24%, compared to approximately 24% and 26% for the three- and nine-month periods ended June 26, 2010, respectively. The Company's effective rates for both periods differ from the statutory federal income tax rate of 35% due primarily to certain undistributed foreign earnings for which no U.S. taxes are provided because such earnings are intended to be indefinitely reinvested outside the U.S. The lower effective tax rate during the first nine months of 2011 compared to the same period in 2010 is due primarily to a higher proportion of foreign earnings and the recognition of a tax benefit as a result of legislation enacted during the first quarter of 2011 retroactively reinstating the research and development tax credit.

The Internal Revenue Service (the "IRS") has completed its field audit of the Company's federal income tax returns for the years 2004 through 2006 and proposed certain adjustments. The Company has contested certain of these adjustments through the IRS Appeals Office. The IRS is currently examining the years 2007 through 2009. All IRS audit issues for years prior to 2004 have been resolved. In addition, the Company is subject to audits by state, local, and foreign tax authorities. Management believes that adequate provision has been made for any adjustments that may result from tax examinations. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company's tax audits are resolved in a manner not consistent with management's expectations, the Company could be required to adjust its provision for income taxes in the period such resolution occurs.

Liquidity and Capital Resources

The following table summarizes selected financial information and statistics as of June 25, 2011 and September 25, 2010 (in millions):

	June 25, 2011	September 25, 2010
Cash, cash equivalents and marketable securities	$ 76,156	$ 51,011
Accounts receivable, net	$ 6,102	$ 5,510
Inventory	$ 889	$ 1,051
Working capital	$ 20,039	$ 20,956

As of June 25, 2011, the Company had $76.2 billion in cash, cash equivalents and marketable securities, an increase of $25.1 billion from September 25, 2010. The principal component of this net increase was the cash generated by operating activities of $27.1 billion, which was partially offset by payments for acquisition of property, plant and equipment of $2.6 billion and payments for acquisition of intangible assets of $266 million. The Company believes its existing balances of cash, cash equivalents and marketable securities will be sufficient to satisfy its working capital needs, capital asset purchases, outstanding commitments and other liquidity requirements associated with its existing operations over the next 12 months.

The Company's marketable securities investment portfolio is invested primarily in highly rated securities and its policy generally limits the amount of credit exposure to any one issuer. The Company's investment policy requires investments to generally be investment grade, primarily rated single-A or better with the objective of minimizing the potential risk of principal loss. As of June 25, 2011 and September 25, 2010, $47.6 billion and $30.8 billion, respectively, of the Company's cash, cash equivalents and marketable securities were held by foreign subsidiaries and are generally based in U.S. dollar-denominated holdings.

Capital Assets

The Company's capital expenditures were $3.1 billion during the first nine months of 2011 consisting of approximately $316 million for retail store facilities and $2.8 billion for other capital expenditures, including product tooling and manufacturing process equipment, real estate for the future development of the Company's second corporate campus, and other corporate facilities and infrastructure. The Company's actual cash payments for capital expenditures during the first nine months of 2011 were $2.6 billion, of which $315 million relates to retail store facilities.

The Company anticipates utilizing approximately $5.0 billion for capital expenditures during 2011, including approximately $650 million for retail store facilities and approximately $4.35 billion for product tooling and manufacturing process equipment, and corporate facilities and infrastructure, including information systems hardware, software and enhancements.

Historically the Company has opened between 25 and 50 new retail stores per year. During 2011, the Company expects to open about 40 new retail stores, with about 70% expected to be located outside of the U.S.

Off-Balance Sheet Arrangements and Contractual Obligations

The Company has not entered into any transactions with unconsolidated entities whereby the Company has financial guarantees, subordinated retained interests, derivative instruments or other contingent arrangements that expose the Company to material continuing risks, contingent liabilities, or any other obligation under a variable interest in an unconsolidated entity that provides financing, liquidity, market risk or credit risk support to the Company.

Lease Commitments

The Company's major facility leases are typically for terms not exceeding 10 years and generally provide renewal options for terms not exceeding five additional years. Leases for retail space are for terms ranging from five to 20 years, the majority of which are for 10 years, and often contain multi-year renewal options. As of June 25, 2011, the Company's total future minimum lease payments under noncancelable operating leases were $2.7 billion, of which $2.2 billion related to leases for retail space.

Purchase Commitments with Outsourcing Partners and Component Suppliers

The Company utilizes several outsourcing partners to manufacture sub-assemblies for the Company's products and to perform final assembly and test of finished products. These outsourcing partners acquire components and build product based on demand information supplied by the Company, which typically covers periods ranging from 30 to 150 days. The Company also obtains individual components for its products from a wide variety of individual suppliers. Consistent with industry practice, the Company acquires components through a combination of purchase orders, supplier contracts, and open orders based on projected demand information. As of June 25, 2011, the Company had outstanding off-balance sheet third-party manufacturing commitments and component purchase commitments of $11.0 billion.

The Company has also entered into long-term agreements to secure the supply of certain inventory components. These agreements generally expire between 2011 and 2022. As of June 25, 2011, the Company had off-balance sheet commitments under long-term supply agreements totaling approximately $1.7 billion to make additional inventory component prepayments and to acquire capital equipment in 2011 and beyond.

Other Obligations

Other outstanding obligations were $1.6 billion as of June 25, 2011, and were comprised mainly of commitments to acquire product tooling and manufacturing process equipment, in addition to that noted above under long-term supply agreements, and commitments related to advertising, research and development, Internet and telecommunications services and other obligations.

The Company's other non-current liabilities in the Condensed Consolidated Balance Sheets consist primarily of deferred tax liabilities, gross unrecognized tax benefits and the related gross interest and penalties. As of June 25, 2011, the Company had non-current deferred tax liabilities of $7.3 billion. Additionally, as of June 25, 2011, the Company had gross unrecognized tax benefits of $1.2 billion and an additional $266 million for gross interest and penalties classified as non-current liabilities. At this time, the Company is unable to make a reasonably reliable estimate of the timing of payments in individual years due to uncertainties in the timing of tax audit outcomes.

On June 27, 2011, the Company, as part of a consortium, participated in the acquisition of Nortel's patent portfolio for an overall purchase price of $4.5 billion, of which the Company's contribution will be approximately $2.6 billion. This asset acquisition is subject to approval by various regulatory agencies.

Indemnifications

The Company generally does not indemnify end-users of its operating system and application software against legal claims that the software infringes third-party intellectual property rights. Other agreements entered into by the Company sometimes include indemnification provisions under which the Company could be subject to costs and/or damages in the event of an infringement claim against the Company or an indemnified third-party. However, the Company has not been required to make any significant payments resulting from such an infringement claim asserted against it or an indemnified third-party. In the opinion of management, there was not at least a reasonable possibility the Company may have incurred a material loss with respect to indemnification of end-users of its operating system or application software for infringement of third-party intellectual property rights. The Company did not record a liability for infringement costs related to indemnification as of either June 25, 2011 or September 25, 2010.

The Company has entered into indemnification agreements with its directors and executive officers. Under these agreements, the Company has agreed to indemnify such individuals to the fullest extent permitted by law against liabilities that arise by reason of their status as directors or officers and to advance expenses incurred by such individuals in connection with related legal proceedings. It is not possible to determine the maximum potential amount of payments the Company could be required to make under these agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each claim. However, the Company maintains directors and officers liability insurance coverage to reduce its exposure to such obligations, and payments made under these agreements historically have not been material.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company’s market risk profile has not changed significantly during the first nine months of 2011.

Interest Rate and Foreign Currency Risk Management

The Company regularly reviews its foreign exchange forward and option positions, both on a stand-alone basis and in conjunction with its underlying foreign currency and interest rate related exposures. However, given the effective horizons of the Company’s risk management activities and the anticipatory nature of the exposures, there can be no assurance the hedges will offset more than a portion of the financial impact resulting from movements in either foreign exchange or interest rates. In addition, the timing of the accounting for recognition of gains and losses related to mark-to-market instruments for any given period may not coincide with the timing of gains and losses related to the underlying economic exposures and, therefore, may adversely affect the Company’s financial condition and operating results.

Interest Rate Risk

While the Company is exposed to interest rate fluctuations in many of the world’s leading industrialized countries, the Company’s interest income and expense is most sensitive to fluctuations in the general level of U.S. interest rates. As such, changes in U.S. interest rates affect the interest earned on the Company’s cash, cash equivalents and marketable securities, the fair value of those investments, as well as costs associated with foreign currency hedges.

The Company’s investment policy and strategy are focused on preservation of capital and supporting the liquidity requirements of the Company. A portion of the Company’s cash is managed by external managers within the guidelines of the Company’s investment policy and to objective market benchmarks. The Company’s internal portfolio is benchmarked against external manager performance.

The Company’s exposure to market risk for changes in interest rates relates primarily to the Company’s investment portfolio. The Company typically invests in highly rated securities and its policy generally limits the amount of credit exposure to any one issuer. The Company’s investment policy requires investments to generally be investment grade, primarily rated single-A or better with the objective of minimizing the potential risk of principal loss. All highly liquid investments with initial maturities of three months or less at the date of purchase are classified as cash equivalents. The Company’s marketable debt and equity securities have been classified and accounted for as available-for-sale. Management determines the appropriate classification of its investments at the time of purchase and reevaluates the available-for-sale designations as of each balance sheet date. The Company classifies its marketable debt securities as either short-term or long-term based on each instrument’s underlying contractual maturity date. Marketable debt securities with maturities 12 months or less are classified as short-term and marketable debt securities with maturities greater than 12 months are classified as long-term. The Company classifies its marketable equity securities, including mutual funds, as either short-term or long-term based on the nature of each security and its availability for use in current operations. The Company may sell certain of its marketable securities prior to their stated maturities for strategic reasons including, but not limited to anticipation of credit deterioration and duration management.

Foreign Currency Risk

In general, the Company is a net receiver of currencies other than the U.S. dollar. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, will negatively affect the Company's net sales and gross margins as expressed in U.S. dollars. There is also a risk that the Company will have to adjust local currency product pricing due to competitive pressures when there has been significant volatility in foreign currency exchange rates.

The Company may enter into foreign currency forward and option contracts with financial institutions to protect against foreign exchange risks associated with certain existing assets and liabilities, certain firmly committed transactions, forecasted future cash flows, and net investments in foreign subsidiaries. Generally, the Company's practice is to hedge a majority of its material foreign exchange exposures, typically for three to six months. However, the Company may choose not to hedge certain foreign exchange exposures for a variety of reasons, including but not limited to immateriality, accounting considerations and the prohibitive economic cost of hedging particular exposures.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company's management, the Company's principal executive officer and principal financial officer have concluded that the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act") were effective as of June 25, 2011 to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the third quarter of 2011, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

As of June 25, 2011, the end of the quarterly period covered by this report, the Company was subject to the various legal proceedings and claims discussed below, as well as certain other legal proceedings and claims that have not been fully resolved and that have arisen in the ordinary course of business. In the opinion of management, there was not least a reasonable possibility the Company may have incurred a material loss, or a material loss in excess of a recorded accrual, with respect to loss contingencies. However, the outcome of legal proceedings and claims brought against the Company are subject to significant uncertainty. Therefore, although management considers the likelihood of such an outcome to be remote, if one or more of these legal matters were resolved against the Company in the same reporting period for amounts in excess of management's expectations, the Company's condensed consolidated financial statements of a particular reporting period could be materially adversely affected. See the risk factors " *The Company's future results could be materially adversely affected if it is found to have infringed on intellectual property rights.* " and " *Unfavorable results of legal proceedings could materially adversely affect the Company.* " in Part II, Item 1A of this Quarterly Report on Form 10-Q under the heading "Risk Factors." The Company settled certain matters during the third quarter of 2011 that did not individually or in the aggregate have a material impact on the Company's financial condition and results of operations.

In re Apple & ATTM Antitrust Litigation (brought on behalf of named plaintiffs Kliegerman, Holman, Rivello, Smith, Lee, Macasaddu, Morikawa, Scotti and Sesso)

This is a purported class action filed against the Company and AT&T Mobility in the United States District Court for the Northern District of California. The Consolidated Complaint alleges that the Company and AT&T Mobility violated the federal antitrust laws by monopolizing and/or attempting to monopolize the "aftermarket for voice and data services" for the iPhone and that the Company monopolized and/or attempted to monopolize the "aftermarket for software applications for iPhones." Plaintiffs are seeking unspecified compensatory and punitive damages for the class, treble damages, injunctive relief and attorneys fees. On July 8, 2010 the Court granted in part plaintiffs' motion for class certification. Following a favorable Supreme Court ruling for AT&T Mobility in its case against Conception, defendants have filed Motions to Compel Arbitration and to Decertify the Class.

The Apple iPod iTunes Antitrust Litigation (formerly Charoensak v. Apple Computer, Inc. and Tucker v. Apple Computer, Inc.); Somers v. Apple Inc.

These related cases have been filed on January 3, 2005, July 21, 2006 and December 31, 2007 in the United States District Court for the Northern District of California on behalf of a purported class of direct and indirect purchasers of iPods and iTunes Store content, alleging various claims including alleged unlawful tying of music and video purchased on the iTunes Store with the purchase of iPods and unlawful acquisition or maintenance of monopoly market power and unlawful acquisition or maintenance of monopoly market power under §§1 and 2 of the Sherman Act, the Cartwright Act, California Business & Professions Code §17200 (unfair competition), the California Consumer Legal Remedies Act and California monopolization law. Plaintiffs are seeking unspecified compensatory and punitive damages for the class, treble damages, injunctive relief, disgorgement of revenues and/or profits and attorneys fees. Plaintiffs are also seeking digital rights management ("DRM") free versions of any songs downloaded from iTunes or an order requiring the Company to license its DRM to all competing music players. The cases are currently pending.

Item 1A. Risk Factors

Because of the following factors, as well as other factors affecting the Company's financial condition and operating results, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods.

Economic conditions could materially adversely affect the Company.

The Company's operations and performance depend significantly on worldwide economic conditions. Uncertainty about current global economic conditions poses a risk as consumers and businesses may continue to postpone spending in response to tighter credit, unemployment, negative financial news and/or declines in income or asset values, which could have a material negative effect on demand for the Company's products and services. Demand also could differ materially from the Company's expectations since the Company generally raises prices on goods and services sold outside the U.S. to offset the effect of a strengthening of the U.S. dollar. Other factors that could influence demand include increases in fuel and other energy costs, conditions in the real estate and mortgage markets, labor and healthcare costs, access to credit, consumer confidence, and other macroeconomic factors affecting consumer spending behavior. These and other economic factors could materially adversely affect demand for the Company's products and services and the Company's financial condition and operating results.

In the event of renewed financial turmoil affecting the banking system and financial markets, additional consolidation of the financial services industry, or significant financial service institution failures, there could be a new or incremental tightening in the credit markets, low liquidity, and extreme volatility in fixed income, credit, currency, and equity markets. In addition, the risk remains that there could be a number of follow-on effects from the credit crisis on the Company's business, including the insolvency of key outsourcing partners or suppliers or their inability to obtain credit to finance development and/or manufacture products resulting in product delays; inability of customers, including channel partners, to obtain credit to finance purchases of the Company's products and/or customer, including channel partner, insolvencies; and failure of derivative counterparties and other financial institutions negatively impacting the Company's treasury operations. Other income and expense also could vary materially from expectations depending on gains or losses realized on the sale or exchange of financial instruments; impairment charges resulting from revaluations of debt and equity securities and other investments; interest rates; cash balances; and changes in fair value of derivative instruments. Increased volatility in the financial markets and overall economic uncertainty would increase the risk of the actual amounts realized in the future on the Company's financial instruments differing significantly from the fair values currently assigned to them.

Uncertainty about current global economic conditions could also continue to increase the volatility of the Company's stock price.

Global markets for the Company's products and services are highly competitive and subject to rapid technological change. If the Company is unable to compete effectively in these markets, its financial condition and operating results could be materially adversely affected.

The Company competes in highly competitive global markets characterized by aggressive price cutting, with resulting downward pressure on gross margins, frequent introduction of new products, short product life cycles, evolving industry standards, continual improvement in product price/performance characteristics, rapid adoption of technological and product advancements by competitors, and price sensitivity on the part of consumers.

The Company's ability to compete successfully depends heavily on its ability to ensure a continuing and timely introduction of innovative new products and technologies to the marketplace. The Company believes it is unique in that it designs and develops nearly the entire solution for its products, including the hardware, operating system, numerous software applications, and related services. As a result, the Company must make significant investments in research and development and as such, the Company currently holds a significant number of patents and copyrights and has registered and/or has applied to register numerous patents, trademarks and service marks. By contrast, many of the Company's competitors seek to compete primarily through aggressive pricing and very low cost structures. If the Company is unable to continue to develop and sell innovative new products with attractive margins or if other companies infringe on the Company's intellectual property, the Company's ability to maintain a competitive advantage could be negatively affected and its financial condition and operating results could be materially adversely affected.

The Company currently markets certain mobile communication and media devices, and third-party digital content and applications. The Company faces substantial competition from companies that have significant technical, marketing, distribution and other resources, as well as established hardware, software and digital content supplier relationships. Additionally, the Company faces significant price competition as competitors reduce their selling prices and attempt to imitate the Company's product features and applications within their own products or, alternatively, collaborate with each other to offer solutions that are more competitive than those they currently offer. The Company also competes with illegitimate ways to obtain third-party digital content and applications. The Company has entered the mobile communications and media device markets, and many of its competitors in these markets have significantly greater experience, product breadth and distribution channels than the Company. Because some current and potential competitors have substantial resources and/or experience and a lower cost structure, they may be able to provide such products and services at little or no profit or even at a loss. The Company also expects competition to intensify as competitors attempt to imitate the Company's approach to providing these components seamlessly within their individual offerings or work collaboratively to offer integrated solutions.

The Company currently receives subsidies from its carriers providing cellular network service for iPhone. There is no assurance that such subsidies will be continued at all or in the same amounts upon renewal of the Company's agreements with these carriers or in agreements the Company enters into with new carriers.

In the market for personal computers and peripherals, the Company faces a significant number of competitors, many of which have broader product lines, lower priced products, and larger installed customer bases. Consolidation in this market has resulted in larger and potentially stronger competitors. Price competition has been particularly intense as competitors selling Windows-based personal computers have aggressively cut prices and lowered product margins. The Company also faces increased competition in key market segments, including consumer, SMB, education, enterprise, government and creative markets. An increasing number of Internet devices that include software applications and are smaller and simpler than traditional personal computers compete for market share with the Company's existing products.

The Company is currently the only authorized maker of hardware using the Mac OS. The Mac OS has a minority market share in the personal computer market, which is dominated by computer makers using competing operating systems, most notably Windows. The Company's financial condition and operating results depend substantially on the Company's ability to continually improve the Mac platform to maintain functional and design advantages. Use of unauthorized copies of the Mac OS on other companies' hardware products may result in decreased demand for the Company's hardware products, and could materially adversely affect the Company's financial condition and operating results.

There can be no assurance the Company will be able to continue to provide products and services that compete effectively.

To remain competitive and stimulate customer demand, the Company must successfully manage frequent product introductions and transitions.

Due to the highly volatile and competitive nature of the industries in which the Company competes, the Company must continually introduce new products, services and technologies, enhance existing products and services, and effectively stimulate customer demand for new and upgraded products. The success of new product introductions depends on a number of factors including but not limited to timely and successful product development, market acceptance, the Company's ability to manage the risks associated with new products and production ramp issues, the availability of application software for new products, the effective management of purchase commitments and inventory levels in line with anticipated product demand, the availability of products in appropriate quantities and costs to meet anticipated demand, and the risk that new products may have quality or other defects in the early stages of introduction. Accordingly, the Company cannot determine in advance the ultimate effect of new product introductions and transitions on its financial condition and operating results.

The Company faces substantial inventory and other asset risk in addition to purchase commitment cancellation risk.

The Company records a write-down for product and component inventories that have become obsolete or exceed anticipated demand or net realizable value and accrues necessary cancellation fee reserves for orders of excess products and components. The Company also reviews its long-lived assets for impairment whenever events or changed circumstances indicate the carrying amount of an asset may not be recoverable. If the Company determines that impairment has occurred, it records a write-down equal to the amount by which the carrying value of the assets exceeds its fair market value. Although the Company believes its provisions related to inventory, other assets and purchase commitments are currently adequate, no assurance can be given that the Company will not incur additional related charges given the rapid and unpredictable pace of product obsolescence in the industries in which the Company competes. Such charges could materially adversely affect the Company's financial condition and operating results.

The Company must order components for its products and build inventory in advance of product announcements and shipments. Consistent with industry practice, components are normally acquired through a combination of purchase orders, supplier contracts, open orders and, where appropriate, inventory component prepayments, in each case based on projected demand. Such purchase commitments typically cover forecasted component and manufacturing requirements for periods ranging from 30 to 150 days. Because the Company's markets are volatile, competitive and subject to rapid technology and price changes, there is a risk the Company will forecast incorrectly and order or produce excess or insufficient amounts of components or products, or not fully utilize firm purchase commitments. The Company's financial condition and operating results have been in the past and could be in the future materially adversely affected by the Company's ability to manage its inventory levels and respond to short-term shifts in customer demand patterns.

Future operating results depend upon the Company's ability to obtain key components including but not limited to microprocessors, NAND flash memory, DRAM and LCDs at favorable prices and in sufficient quantities.

Because the Company currently obtains certain key components including but not limited to microprocessors, enclosures, certain LCDs, certain optical drives, and ASICs, from single or limited sources, the Company is subject to significant supply and pricing risks. Many of these and other key components that are available from multiple sources including but not limited to NAND flash memory, DRAM and certain LCDs, are subject at times to industry-wide shortages and significant commodity pricing fluctuations. The Company has entered into certain agreements for the supply of key components including but not limited to microprocessors, NAND flash memory, DRAM and LCDs with favorable pricing, but there can be no guarantee that the Company will be able to extend or renew these agreements on similar favorable terms, or at all, upon expiration or otherwise obtain favorable pricing in the future. The follow-on effects from the credit crisis on the Company's key suppliers, referred to in " *Economic conditions could materially adversely affect the Company"* above, which is incorporated herein by reference, also could affect the Company's ability to obtain key components . Therefore, the Company remains subject to significant risks of supply shortages and/or price increases that could materially adversely affect the Company's financial condition and operating results. The Company expects to experience decreases in its gross margin percentage in future periods, as compared to levels achieved during the first nine months of 2011, largely due to a higher mix of new and innovative products that have higher cost structures and deliver greater value to customers, and expected and potential future component cost and other cost increases. For additional information refer to Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the subheading "Gross Margin," which is incorporated herein by reference.

The Company and other participants in the mobile communication and media device, and personal computer industries compete for various components with other industries that have experienced increased demand for their products. The Company uses some custom components that are not common to the rest of these industries. The Company's new products often utilize custom components available from only one source. When a component or product uses new technologies, initial capacity constraints may exist until the suppliers' yields have matured or manufacturing capacity has increased. Continued availability of these components at acceptable prices, or at all, may be affected if those suppliers decided to concentrate on the production of common components instead of components customized to meet the Company's requirements. If the supply of a key single-sourced component for a new or existing product were delayed or constrained, if such components were available only at significantly higher prices, or if a key manufacturing vendor delayed shipments of completed products to the Company, the Company's financial condition and operating results could be materially adversely affected.

Please also refer to the discussion of risks related to the March 11, 2011, Japan earthquake and tsunami in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the subheading "Japan Earthquake and Tsunami," which is incorporated herein by reference.

The Company depends on component and product manufacturing and logistical services provided by third parties, many of whom are located outside of the U.S.

Substantially all of the Company's manufacturing is performed in whole or in part by a few outsourcing partners. The Company has also outsourced much of its transportation and logistics management. While these arrangements may lower operating costs, they also reduce the Company's direct control over production and distribution. It is uncertain what effect such diminished control will have on the quality or quantity of products or services, or the Company's flexibility to respond to changing conditions. Although arrangements with such manufacturers or individual component suppliers may contain provisions for warranty expense reimbursement, the Company may remain responsible to the consumer for warranty service in the event of product defects. In addition, the Company relies on third-party manufacturers to adhere to the Company's supplier code of conduct. Any unanticipated product defect or warranty liability, whether pursuant to arrangements with outsourcing partners or otherwise, or material violations of the supplier code of conduct, could materially adversely affect the Company's reputation, financial condition and operating results.

The supply and manufacture of many critical components is performed by sole-sourced third-party vendors in the U.S., Asia and Europe. Single-sourced third-party vendors in Asia perform final assembly of substantially all of the Company's hardware products. If manufacturing or logistics in these locations is disrupted for any reason including, but not limited to, natural disasters, information technology system failures, military actions or economic, business, labor, environmental, public health, or political issues, the Company's financial condition and operating results could be materially adversely affected.

Please also refer to the discussion of risks related to the March 11, 2011, Japan earthquake and tsunami in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the subheading "Japan Earthquake and Tsunami," which is incorporated herein by reference.

The Company relies on third-party intellectual property and digital content, which may not be available to the Company on commercially reasonable terms or at all.

Many of the Company's products are designed to include third-party intellectual property, and in the future the Company may need to seek or renew licenses relating to various aspects of its products and business. Although the Company believes that, based on past experience and industry practice, such licenses generally could be obtained on reasonable terms, there is no assurance that the necessary licenses would be available on acceptable terms or at all. If the Company is unable to obtain or renew critical licenses on reasonable terms, the Company's financial condition and operating results may be materially adversely affected.

The Company also contracts with certain third parties to offer their digital content through the Company's iTunes Store. The Company's licensing arrangements with these third parties are short-term and do not guarantee the continuation or renewal of these arrangements on reasonable terms, if at all. Some third-party content providers currently or in the future may offer competing products and services, and could take action to make it more difficult or impossible for the Company to license their content in the future. Other content owners, providers or distributors may seek to limit the Company's access to, or increase the total cost of, such content. If the Company is unable to continue to offer a wide variety of content at reasonable prices with acceptable usage rules, or continue to expand its geographic reach, the Company's financial condition and operating results may be materially adversely affected.

Many third-party content providers require that the Company provide certain DRM and other security solutions. If these requirements change, the Company may have to develop or license new technology to provide these solutions. There is no assurance the Company will be able to develop or license such solutions at a reasonable cost and in a timely manner. In addition, certain countries have passed or may propose legislation that would force the Company to license its DRM, which could lessen the protection of content and subject it to piracy and also could affect arrangements with the Company's content providers.

The Company's future results could be materially adversely affected if it is found to have infringed on intellectual property rights.

Technology companies, including many of the Company's competitors, frequently enter into litigation based on allegations of patent infringement or other violations of intellectual property rights. In addition, patent holding companies seek to monetize patents they have purchased or otherwise obtained. As the Company has grown, the intellectual property rights claims against it have increased and may continue to increase as it develops new products and technologies. In particular, with the introduction of iPhone and 3G enabled iPads, the Company began to compete with mobile communication and media device companies that hold significant patent portfolios, and the number of patent claims against the Company in that technological space has increased. The Company is vigorously defending infringement actions in courts in a number of U.S. jurisdictions and before the U.S. International Trade Commission, as well as internationally in Europe and Asia. The plaintiffs in these actions frequently seek injunctions and substantial damages.

The Company's products and technologies may not be able to withstand these or any other third-party claims regardless of the merits of the claim.

Regardless of the scope or validity of such patents or the merits of any patent claims by potential or actual litigants, the Company may have to engage in protracted litigation, enter into expensive license agreements or settlements, pay significant damage awards, and/or modify or even discontinue one or more of its products or technologies. Any of these events could have a material adverse impact on the Company's financial condition and operating results.

In certain cases, the Company may consider the desirability of entering into licensing agreements, although no assurance can be given that such licenses can be obtained on acceptable terms or that litigation will not occur. These licenses may also significantly increase the Company's operating expenses. If the Company is found to be infringing one or more patents, it may be required to pay substantial damages. If there is a temporary or permanent injunction prohibiting the Company from marketing or selling certain products or a successful claim of infringement against the Company requires it to pay royalties to a third party, the Company's financial condition and operating results could be materially adversely affected, regardless of whether it can develop non-infringing technology.

In management's opinion there was not at least a reasonable possibility the Company may have incurred a material loss, or a material loss in excess of a recorded accrual, with respect to loss contingencies. However, the outcome of litigation is inherently uncertain. Therefore, although management considers the likelihood of such an outcome to be remote, if one or more of these legal matters were resolved against the Company in the same reporting period for amounts in excess of management's expectations, the Company's condensed consolidated financial statements of a particular reporting period could be materially adversely affected.

The Company's future performance depends on support from third-party software developers. If third-party software applications and services cease to be developed and maintained for the Company's products, customers may choose not to buy the Company's products.

The Company believes decisions by customers to purchase its hardware products, including its iPhones, iPads, Macs and iPods, are often based to a certain extent on the availability of third-party software applications, and services, including online services. There is no assurance that third-party developers will continue to develop and maintain applications and services for the Company's products on a timely basis or at all, and discontinuance or delay of these applications and services could materially adversely affect the Company's financial condition and operating results.

With respect to its Mac products, the Company believes the availability of third-party software applications and services depends in part on the developers' perception and analysis of the relative benefits of developing, maintaining, and upgrading such software for the Company's products compared to Windows-based products. This analysis may be based on factors such as the perceived strength of the Company and its products, the anticipated revenue that may be generated, continued acceptance by customers of Mac OS X, and the costs of developing such applications and services. If the Company's minority share of the global personal computer market causes developers to question the Company's prospects, developers could be less inclined to develop or upgrade software for the Company's products and more inclined to devote their resources to developing and upgrading software for the larger Windows market. The Company's development of its own software applications and services may also negatively affect the decisions of third-party developers, such as Microsoft, Adobe and Google, to develop, maintain, and upgrade similar or competitive software and services for the Company's products.

With respect to iPhone, iPad and iPod touch, the Company relies on the continued availability and development of compelling and innovative software applications. Unlike third-party software applications for Mac products, the software applications for the iPhone, iPad and iPod touch platforms are distributed through a single distribution channel, the App Store. The absence of multiple distribution channels, which are available for competing platforms, may limit the availability and acceptance of third-party applications by the Company's customers, thereby causing developers to curtail significantly, or stop, development for the Company's platforms. In addition, iPhone, iPad and iPod touch are subject to rapid technological change, and, if third-party developers are unable to keep up with this pace of change, third-party applications might not successfully operate and may result in dissatisfied customers. Further, if the Company develops its own software applications and services, such development may negatively affect the decisions of third-party developers to develop, maintain, and upgrade similar or competitive applications for the iPhone, iPad and iPod touch platforms. As with applications for the Company's Mac products, the availability and development of these applications also depend on developers' perceptions and analysis of the relative benefits of developing software for the Company's products rather than its competitors' products, including devices that use competing platforms. If developers focus their efforts on these competing platforms, the availability and quality of applications for the Company's devices may suffer.

The Company's future operating performance depends on the performance of distributors, carriers and other resellers.

The Company distributes its products through wholesalers, resellers, national and regional retailers, value-added resellers, and cataloguers, many of whom distribute products from competing manufacturers. The Company also sells many of its products and resells third-party products in most of its major markets directly to customers, certain education customers, cellular network carriers' distribution channels and certain resellers through its online and retail stores.

Many resellers operate on narrow operating margins and have been negatively affected in the past by weak economic conditions. Some resellers have perceived the expansion of the Company's direct sales as conflicting with their business interests as distributors and resellers of the Company's products. Such a perception could discourage resellers from investing resources in the distribution and sale of the Company's products or lead them to limit or cease distribution of those products. The Company's financial condition and operating results could be materially adversely affected if the financial condition of these resellers weakens, if resellers stopped distributing the Company's products, or if uncertainty regarding demand for the Company's products caused resellers to reduce their ordering and marketing of the Company's products. The Company has invested and will continue to invest in programs to enhance reseller sales, including staffing selected resellers' stores with Company employees and contractors and improving product placement displays. These programs could require a substantial investment while providing no assurance of return or incremental revenue.

The Company's Retail business has required and will continue to require a substantial investment and commitment of resources and is subject to numerous risks and uncertainties.

The Company's retail stores have required substantial fixed investment in equipment and leasehold improvements, information systems, inventory and personnel. The Company also has entered into substantial operating lease commitments for retail space, with terms ranging from five to 20 years, the majority of which are for 10 years. Certain stores have been designed and built to serve as high-profile venues to promote brand awareness and serve as vehicles for corporate sales and marketing activities. Because of their unique design elements, locations and size, these stores require substantially more investment than the Company's more typical retail stores. Due to the high fixed cost structure associated with the Retail segment, a decline in sales or the closure or poor performance of individual or multiple stores could result in significant lease termination costs, write-offs of equipment and leasehold improvements, and severance costs that could materially adversely affect the Company's financial condition and operating results.

Many factors unique to retail operations, some of which are beyond the Company's control, pose risks and uncertainties that could materially adversely affect the Company's financial condition and operating results. These risks and uncertainties include, but are not limited to, macro-economic factors that could have a negative effect on general retail activity, as well as the Company's inability to manage costs associated with store construction and operation, inability to sell third-party products at adequate margins, failure to manage relationships with existing retail channel partners, more challenging environment in managing retail operations outside the U.S., costs associated with unanticipated fluctuations in the value of retail inventory, and inability to obtain and renew leases in quality retail locations at a reasonable cost.

Investment in new business strategies and initiatives could disrupt the Company's ongoing business and present risks not originally contemplated.

The Company has invested, and in the future may invest, in new business strategies or acquisitions. Such endeavors may involve significant risks and uncertainties, including distraction of management from current operations, insufficient revenue to offset liabilities assumed and expenses associated with the strategy, inadequate return of capital, and unidentified issues not discovered in the Company's due diligence. Because these new ventures are inherently risky, no assurance can be given that such strategies and initiatives will be successful and will not materially adversely affect the Company's financial condition and operating results.

The Company's products and services experience quality problems from time to time that can result in decreased sales and operating margin.

The Company sells highly complex hardware and software products and services that can contain defects in design and manufacture. Sophisticated operating system software and applications, such as those sold by the Company, often contain "bugs" that can unexpectedly interfere with the software's intended operation. Defects may also occur in components and products the Company purchases from third parties. There can be no assurance the Company will be able to detect and fix all defects in the hardware, software and services it sells. Failure to do so could result in lost revenue, harm to reputation, and significant warranty and other expenses, and could have a material adverse impact on the Company's financial condition and operating results.

The Company is subject to risks associated with laws, regulations and industry-imposed standards related to mobile communications and media devices.

Laws and regulations related to mobile communications and media devices in the many jurisdictions in which the Company operates are extensive and subject to change. Such changes, which could include but are not limited to restrictions on production, manufacture, distribution, and use of the device, locking the device to a carrier's network, or mandating the use of the device on more than one carrier's network, could materially adversely affect the Company's financial condition and operating results.

Mobile communication and media devices, such as iPhones and 3G enabled iPads, are subject to certification and regulation by governmental and standardization bodies, as well as by cellular network carriers for use on their networks. These certification processes are extensive and time consuming, and could result in additional testing requirements, product modifications or delays in product shipment dates, which could materially adversely affect the Company's financial condition and operating results.

The Company's success depends largely on the continued service and availability of key personnel.

Much of the Company's future success depends on the continued availability and service of key personnel, including its CEO, its executive team and highly skilled employees in technical, marketing and staff positions. Experienced personnel in the technology industry are in high demand and competition for their talents is intense, especially in the Silicon Valley, where most of the Company's key personnel are located. The Company's CEO has taken a medical leave of absence and will continue to be involved in major strategic decisions during his leave. There can be no assurance that the Company will continue to attract and retain key personnel.

Political events, war, terrorism, public health issues, natural disasters and other circumstances could materially adversely affect the Company.

War, terrorism, geopolitical uncertainties, public health issues, and other business interruptions have caused and could cause damage or disruption to international commerce and the global economy, and thus could have a strong negative effect on the Company, its suppliers, logistics providers, manufacturing vendors and customers, including channel partners. The Company's business operations are subject to interruption by natural disasters, fire, power shortages, nuclear power plant accidents, terrorist attacks, and other hostile acts, labor disputes, public health issues, and other events beyond its control. Such events could decrease demand for the Company's products, make it difficult or impossible for the Company to make and deliver products to its customers, including channel partners, or to receive components from its suppliers, and create delays and inefficiencies in the Company's supply chain. Should major public health issues, including pandemics, arise, the Company could be negatively affected by more stringent employee travel restrictions, additional limitations in freight services, governmental actions limiting the movement of products between regions, delays in production ramps of new products, and disruptions in the operations of the Company's manufacturing vendors and component suppliers. The majority of the Company's research and development activities, its corporate headquarters, information technology systems, and other critical business operations, including certain component suppliers and manufacturing vendors, are in locations that could be affected by natural disasters. In the event of a natural disaster, losses and significant recovery time could be required to resume operations and the Company's financial condition and operating results could be materially adversely affected.

Please also refer to the discussion of risks related to the March 11, 2011, Japan earthquake and tsunami in Part I, Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations," under the subheading "Japan Earthquake and Tsunami," which is incorporated herein by reference.

The Company may be subject to information technology system failures or network disruptions that could damage the Company's reputation, business operations, and financial conditions.

The Company may be subject to information technology system failures and network disruptions. These may be caused by natural disasters, accidents, power disruptions, telecommunications failures, acts of terrorism or war, computer viruses, physical or electronic break-ins, or similar events or disruptions. System redundancy may be ineffective or inadequate, and the Company's disaster recovery planning may not be sufficient for all eventualities. Such failures or disruptions could prevent access to the Company's online stores and services, preclude retail store transactions, compromise Company or customer data, and result in delayed or cancelled orders. System failures and disruptions could also impede the manufacturing and shipping of products, transactions processing and financial reporting.

The Company may be subject to breaches of its information technology systems, which could damage the Company's reputation, business partner and customer relationships, and access to online stores and services. Such breaches could subject the Company to significant reputational, financial, legal, and operational consequences.

The Company's business requires it to use and store customer, employee, and business partner personally identifiable information ("PII"). This may include names, addresses, phone numbers, email addresses, contact preferences, tax identification numbers, and payment account information. Although malicious attacks to gain access to PII affect many companies across various industries, the Company may be at a relatively greater risk of being targeted because of its high profile and the amount of PII managed.

The Company requires user names and passwords in order to access its information technology systems. The Company also uses encryption and authentication technologies to secure the transmission and storage of data. These security measures may be compromised as a result of third-party security breaches, employee error, malfeasance, faulty password management, or other irregularity, and result in persons obtaining unauthorized access to Company data or accounts. Third parties may attempt to fraudulently induce employees or customers into disclosing user names, passwords or other sensitive information, which may in turn be used to access the Company's information technology systems. To help protect customers and the Company, the Company monitors accounts and systems for unusual activity and may freeze accounts under suspicious circumstances, which may result in the delay or loss of customer orders.

The Company devotes significant resources to network security, data encryption, and other security measures to protect its systems and data, but these security measures cannot provide absolute security. The Company may experience a breach of its systems and may be unable to protect sensitive data. Moreover, if a computer security breach affects the Company's systems or results in the unauthorized release of PII, the Company's reputation and brand could be materially damaged and use of the Company's products and services could decrease. The Company would also be exposed to a risk of loss or litigation and possible liability, which could result in a material adverse effect on the Company's business, results of operations and financial condition.

The Company's business is subject to a variety of U.S. and international laws, rules, policies and other obligations regarding data protection.

The Company is subject to federal, state and international laws relating to the collection, use, retention, security and transfer of PII. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between the Company and its subsidiaries, and among the Company, its subsidiaries and other parties with which the Company has commercial relations. Several jurisdictions have passed new laws in this area, and other jurisdictions are considering imposing additional restrictions. These laws continue to develop and may be inconsistent from jurisdiction to jurisdiction. Complying with emerging and changing international requirements may cause the Company to incur substantial costs or require the Company to change its business practices. Noncompliance could result in penalties or significant legal liability.

The Company's privacy policies and practices concerning the use and disclosure of data are posted on its website. Any failure by the Company, its suppliers or other parties with whom the Company does business to comply with its posted privacy policies or with other federal, state or international privacy-related or data protection laws and regulations could result in proceedings against the Company by governmental entities or others, which could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is also subject to payment card association rules and obligations under its contracts with payment card processors. Under these rules and obligations, if information is compromised, the Company could be liable to payment card issuers for the cost of associated expenses and penalties. In addition, if the Company fails to follow payment card industry security standards, even if no customer information is compromised, the Company could incur significant fines or experience a significant increase in payment card transaction costs.

The Company expects its quarterly revenue and operating results to fluctuate for a variety of reasons.

The Company's profit margins vary among its products and its distribution channels. The Company's software, accessories, and service and support contracts generally have higher gross margins than certain of the Company's other products. Gross margins on the Company's hardware products vary across product lines and can change over time as a result of product transitions, pricing and configuration changes, and component, warranty, and other cost fluctuations. The Company's direct sales generally have higher associated gross margins than its indirect sales through its channel partners. In addition, the Company's gross margin and operating margin percentages, as well as overall profitability, may be materially adversely impacted as a result of a shift in product, geographic or channel mix, new products, component cost increases, strengthening U.S. dollar, or price competition. The Company has typically experienced greater net sales in the first and fourth fiscal quarters compared to the second and third fiscal quarters due to seasonal demand related to the holiday season and the beginning of the school year, respectively. Furthermore, the Company sells more products from time-to-time during the third month of a quarter than it does during either of the first two months. Developments late in a quarter, such as lower-than-anticipated demand for the Company's products, issues with new product introductions, an internal systems failure, or failure of one of the Company's key logistics, components supply, or manufacturing partners, could have a material adverse impact on the Company's financial condition and operating results.

The Company's stock price continues to be volatile.

The Company's stock has at times experienced substantial price volatility due to a number of factors including, but not limited to variations between its actual and anticipated financial results, announcements by the Company and its competitors, and uncertainty about current global economic conditions. The stock market as a whole also has experienced extreme price and volume fluctuations that have affected the market price of many technology companies in ways that may have been unrelated to these companies' operating performance. Furthermore, the Company believes its stock price reflects high future growth and profitability expectations. If the Company fails to meet these expectations its stock price may significantly decline, which could have a material adverse impact on investor confidence and employee retention.

The Company's business is subject to the risks of international operations.

The Company derives a significant portion of its revenue and earnings from its international operations. Compliance with U.S. and foreign laws and regulations that apply to the Company's international operations, including without limitation import and export requirements, anti-corruption laws, tax laws (including U.S. taxes on foreign subsidiaries), foreign exchange controls and cash repatriation restrictions, data privacy requirements, labor laws, and anti-competition regulations, increases the costs of doing business in foreign jurisdictions, and any such costs, which may rise in the future as a result of changes in these laws and regulations or in their interpretation. Furthermore, the Company has implemented policies and procedures designed to ensure compliance with these laws and regulations, but there can be no assurance that the Company's employees, contractors, or agents will not violate such laws and regulations or the Company's policies. Any such violations could individually or in the aggregate materially adversely affect the Company's financial condition or operating results.

The Company's financial condition and operating results also could be significantly affected by other risks associated with international activities including, but not limited to, economic and labor conditions, increased duties, taxes and other costs, political instability, and changes in the value of the U.S. dollar versus local currencies. Margins on sales of the Company's products in foreign countries, and on sales of products that include components obtained from foreign suppliers, could be materially adversely affected by foreign currency exchange rate fluctuations and by international trade regulations, including duties, tariffs and antidumping penalties. Additionally, the Company is exposed to credit and collectability risk on its trade receivables with customers in certain international markets. There can be no assurance it can effectively limit its credit risk and avoid losses, which could materially adversely affect the Company's financial condition and operating results.

The Company's primary exposure to movements in foreign currency exchange rates relate to non-U.S. dollar denominated sales in Europe, Japan, Australia, Canada and certain parts of Asia, as well as non-U.S. dollar denominated operating expenses incurred throughout the world. Weakening of foreign currencies relative to the U.S. dollar will adversely affect the U.S. dollar value of the Company's foreign currency-denominated sales and earnings, and generally will lead the Company to raise international pricing, potentially reducing demand for the Company's products. In some circumstances, due to competition or other reasons, the Company may decide not to raise local prices to the full extent of the dollar's strengthening, or at all, which would adversely affect the U.S. dollar value of the Company's foreign currency denominated sales and earnings. Conversely, a strengthening of foreign currencies, while generally beneficial to the Company's foreign currency-denominated sales and earnings, could cause the Company to reduce international pricing and incur losses on its foreign currency derivative instruments, thereby limiting the benefit. Additionally, strengthening of foreign currencies may also increase the Company's cost of product components denominated in those currencies, thus adversely affecting gross margins.

The Company has used derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place.

The Company is exposed to credit risk and fluctuations in the market values of its investment portfolio.

Although the Company has not recognized any significant losses to date on its cash, cash equivalents and marketable securities, any significant future declines in their market values could materially adversely affect the Company's financial condition and operating results. Given the global nature of its business, the Company has investments both domestically and internationally. Credit ratings and pricing of these investments can be negatively impacted by liquidity, credit deterioration or losses, financial results, economic and political risk, or other factors. As a result, the value or liquidity of the Company's cash, cash equivalents and marketable securities could decline and result in a material impairment, which could materially adversely affect the Company's financial condition and operating results.

The Company is exposed to credit risk on its trade accounts receivable, vendor non-trade receivables and prepayments related to long-term supply agreements. This risk is heightened during periods when economic conditions worsen.

The Company distributes its products through third-party cellular network carriers, wholesalers, retailers and value-added resellers. A substantial majority of the Company's outstanding trade receivables are not covered by collateral or credit insurance. The Company's exposure to credit and collectability risk on its trade receivables are increased in certain international markets and its ability to mitigate such risks may be limited. Cellular network carriers accounted for a significant portion of the Company's trade receivables as of June 25, 2011. The Company also has unsecured vendor non-trade receivables resulting from purchases of components by outsourcing partners and other vendors that manufacture sub-assemblies or assemble final products for the Company. Two vendors accounted for a significant portion of the Company's non-trade receivables as of June 25, 2011. In addition, the Company has made prepayments associated with long-term supply agreements to secure supply of certain inventory components. While the Company has procedures to monitor and limit exposure to credit risk on its trade and vendor non-trade receivables as well as long-term prepayments, there can be no assurance such procedures will effectively limit its credit risk and avoid losses, which could materially adversely affect the Company's financial condition and operating results.

Unfavorable results of legal proceedings could materially adversely affect the Company.

The Company is subject to various legal proceedings and claims that have arisen out of the ordinary conduct of its business and are not yet resolved and additional claims may arise in the future. Results of legal proceedings cannot be predicted with certainty. Regardless of merit, litigation may be both time-consuming and disruptive to the Company's operations and cause significant expense and diversion of management attention. In recognition of these considerations, the Company may enter into material settlements. Although management considers the likelihood of such an outcome to be remote, should the Company fail to prevail in certain matters or if one or more of these legal matters were resolved against the Company in the same reporting period for amounts in excess of management's expectations, the Company's condensed consolidated financial statements of a particular reporting period could be materially adversely affected. In such circumstances, the Company may be faced with significant compensatory, punitive or trebled monetary damages, disgorgement of revenues or profits, remedial corporate measures or injunctive relief against it that would materially adversely affect a portion of its business.

The Company is subject to risks associated with laws and regulations related to health, safety and environmental protection.

The Company's products and services, and the production and distribution of those goods and services, are subject to a variety of laws and regulations. These may require the Company to offer customers the ability to return a product at the end of its useful life and place responsibility for environmentally safe disposal or recycling with the Company. Such laws and regulations have been passed in several jurisdictions in which the Company operates, including various countries within Europe and Asia and certain states and provinces within North America. Although the Company does not anticipate any material adverse effects based on the nature of its operations and the focus of such laws, there is no assurance such existing laws or future laws will not materially adversely affect the Company's financial condition and operating results.

Changes in the Company's tax rates, the adoption of new U.S. or international tax legislation or exposure to additional tax liabilities could affect its future results.

The Company is subject to taxes in the United States and numerous foreign jurisdictions. The Company's future effective tax rates could be affected by changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. In addition, the current administration and Congress have announced proposals for new U.S. tax legislation that, if adopted, could adversely affect the Company's tax rate. Any of these changes could have a material adverse effect on the Company's profitability. The Company is also subject to the continual examination of its income tax returns by the Internal Revenue Service and other tax authorities. The Company regularly assesses the likelihood of adverse outcomes resulting from these examinations to determine the adequacy of its provision for taxes. There can be no assurance that the outcomes from these examinations will not materially adversely affect the Company's financial condition and operating results.

The Company is subject to risks associated with the availability and coverage of insurance.

For certain risks, the Company does not maintain insurance coverage because of cost and/or availability. Because the Company retains some portion of its insurable risks, and in some cases self-insures completely, unforeseen or catastrophic losses in excess of insured limits could materially adversely affect the Company's financial condition and operating results.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 5. Other Information

None.

Item 6. Exhibits

(a) **Index to Exhibits**

Exhibit Number	Exhibit Description	Incorporated by Reference: Form	Incorporated by Reference: Filing Date/ Period End Date
3.1	Restated Articles of Incorporation, filed with the Secretary of State of the State of California on July 10, 2009.	10-Q	6/27/09
3.2	Bylaws of the Registrant, as amended through April 20, 2011.	10-Q	3/26/11
4.1	Form of Stock Certificate of the Registrant.	10-Q	12/30/06
10.1*	Employee Stock Purchase Plan, as amended through March 8, 2010.	10-Q	3/27/10
10.2*	Form of Indemnification Agreement between the Registrant and each director and executive officer of the Registrant.	10-Q	6/27/09
10.3*	1997 Director Stock Plan, as amended through February 25, 2010.	8-K	3/1/10
10.4*	2003 Employee Stock Plan, as amended through February 25, 2010.	8-K	3/1/10
10.5*	Reimbursement Agreement dated as of May 25, 2001 by and between the Registrant and Steven P. Jobs.	10-Q	6/29/02
10.6*	Form of Option Agreement.	10-K	9/24/05
10.7*	Form of Restricted Stock Unit Award Agreement effective as of August 28, 2007.	10-K	9/29/07
10.8*	Form of Restricted Stock Unit Award Agreement effective as of November 11, 2008.	10-Q	12/27/08
10.9*	Form of Restricted Stock Unit Award Agreement effective as of November 16, 2010.	10-Q	12/25/10
14.1	Business Conduct Policy of the Registrant dated July 2010.	10-K	9/25/10
31.1**	Rule 13a-14(a) / 15d-14(a) Certification of Chief Executive Officer.		
31.2**	Rule 13a-14(a) / 15d-14(a) Certification of Chief Financial Officer.		
32.1***	Section 1350 Certifications of Chief Executive Officer and Chief Financial Officer.		
101.INS	XBRL Instance Document		
101.SCH	XBRL Taxonomy Extension Schema Document		
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document		
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document		
101.LAB	XBRL Taxonomy Extension Label Linkbase Document		
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document		

* Indicates management contract or compensatory plan or arrangement.

** Filed herewith.

*** Furnished herewith.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

July 20, 2011

APPLE INC.

By: /s/ Peter Oppenheimer

Peter Oppenheimer
Senior Vice President,
Chief Financial Officer

Exhibit 31.1

CERTIFICATIONS

I, Steven P. Jobs, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apple Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 20, 2011

By: /s/ Steven P. Jobs
Steven P. Jobs
Chief Executive Officer

Exhibit 31.2

CERTIFICATIONS

I, Peter Oppenheimer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apple Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 20, 2011

By: /s/ Peter Oppenheimer
Peter Oppenheimer
Senior Vice President,
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Steven P. Jobs, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Apple Inc. on Form 10-Q for the period ended June 25, 2011 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Apple Inc.

Date: July 20, 2011

By: /s/ Steven P. Jobs
Steven P. Jobs
Chief Executive Officer

I, Peter Oppenheimer, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Quarterly Report of Apple Inc. on Form 10-Q for the period ended June 25, 2011 fully complies with the requirements of Section 13(a) or 15 (d) of the Securities Exchange Act of 1934 and that information contained in such Form 10-Q fairly presents in all material respects the financial condition and results of operations of Apple Inc.

Date: July 20, 2011

By: /s/ Peter Oppenheimer
Peter Oppenheimer
Senior Vice President,
Chief Financial Officer

A signed original of this written statement required by Section 906 has been provided to Apple Inc. and will be retained by Apple Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 5

State of Delaware
Secretary of State
Division of Corporations
Delivered 07:30 PM 06/07/2011
FILED 07:19 PM 06/07/2011
SRV 110698990 - 4991803 FILE

CERTIFICATE OF LIMITED PARTNERSHIP

OF

ROCKSTAR BIDCO, LP

This Certificate of Limited Partnership is being executed on June 7, 2011 for the purpose of forming a limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act.

NOW, THEREFORE, the undersigned hereby certifies as follows:

1. Name. The name of the limited partnership: Rockstar Bidco, LP (the "Partnership").

2. Registered Office and Registered Agent. The registered office of the Partnership in the State of Delaware is located at 615 South DuPont Highway, City of Dover, County of Kent, Delaware 19901. The name of the registered agent of the Partnership for service of process at such address is National Corporate Research, Ltd.

3. Name and Business Address of General Partner. The name of the general partner is Rockstar Bidco GP, LLC, a Delaware liability company, having a mailing address of c/o Paul, Weiss, Rifkind, Wharton & Garrison LLP, Attention: Marilyn Sobel.

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Limited Partnership to be duly executed on the day and year first above written.

GENERAL PARTNER:

ROCKSTAR BIDCO GP, LLC

By: ______________________
Name: Per Oscarsson
Title: President

Doc#: [illegible]

EXHIBIT 6

State of Delaware
Secretary of State
Division of Corporations
Delivered 07:15 PM 07/19/2011
FILED 07:15 PM 07/19/2011
SRV 110837564 - 5013774 FILE

CERTIFICATE OF FORMATION

OF

ROCKSTAR CONSORTIUM LLC

The undersigned, an authorized natural person, for the purpose of forming a limited liability company under the provisions and subject to the requirements of the State of Delaware (particularly Chapter 18, Title 6 of the Delaware Code and the acts amendatory thereof and supplemental thereto, and known, identified, and referred to as the "Delaware Limited Liability Company Act"), hereby certifies that:

FIRST: The name of the limited liability company (hereinafter called the "limited liability company") is Rockstar Consortium LLC.

SECOND: The address of the limited liability company's registered office in the State of Delaware is 615 South DuPont Highway, City of Dover, County of Kent, State of Delaware 19901. The name of its registered agent at such address is National Corporate Research, Ltd.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Formation on July 19, 2011.

Name: Andrew Hennigar
Title: Authorized Person

EXHIBIT 7

State of Delaware
Secretary of State
Division of Corporations
Delivered 01:46 PM 07/22/2011
FILED 01:17 PM 07/22/2011
SRV 110848947 - 5014368 FILE

CERTIFICATE OF LIMITED PARTNERSHIP

OF

ROCKSTAR CONSORTIUM US LP

This Certificate of Limited Partnership is being executed on July 22, 2011 for the purpose of forming a limited partnership pursuant to the Delaware Revised Uniform Limited Partnership Act.

NOW, THEREFORE, the undersigned hereby certifies as follows:

1. Name. The name of the limited partnership: Rockstar Consortium US LP (the "Partnership").

2. Registered Office and Registered Agent. The registered office of the Partnership in the State of Delaware is located at 615 South DuPont Highway, City of Dover, County of Kent, Delaware 19901. The name of the registered agent of the Partnership for service of process at such address is National Corporate Research, Ltd.

3. Name and Business Address of General Partner. The name of the general partner is Rockstar Consortium LLC, a Delaware liability company, having a mailing address of c/o Paul, Weiss, Rifkind, Wharton & Garrison LLP, Attention: Marilyn Sobel.

IN WITNESS WHEREOF, the undersigned has caused this Certificate of Limited Partnership to be duly executed on the day and year first above written.

GENERAL PARTNER:

ROCKSTAR CONSORTIUM LLC

By: K. Alfalahi
Name: Kasim Alfalahi
Title: President

EXHIBIT 8

State of Delaware
Secretary of State
Division of Corporations
Delivered 11:24 AM 10/30/2013
FILED 11:20 AM 10/30/2013
SRV 131250064 - 5423717 FILE

CERTIFICATE OF FORMATION
OF
MOBILESTAR TECHNOLOGIES LLC

The undersigned, for the purpose of complying with the provisions of the Delaware Limited Liability Company Act (6 *Del. C.* § 18-101, *et seq.*) and forming a limited liability company thereunder, hereby certifies as follows:

1. **Name.** The name of the limited liability company formed hereby is MobileStar Technologies LLC (the "***Company***").

2. **Registered Agent.** The name and address of the registered agent for service of process of the Company in the State of Delaware is The Corporation Trust Company, Corporation Trust Center, 1209 Orange Street, Wilmington, New Castle County, Delaware 19801.

IN WITNESS WHEREOF, the undersigned authorized person has executed this Certificate of Formation this 29th day of October, 2013.

Sheri L. Berndt-Smith

Sheri L. Berndt-Smith, Authorized Person

EXHIBIT 9

Rockstar — the closely watched consortium that sued Google, Samsung, and six other handset makers on Thursday — says that another big-name company is infringing its vast patent portfolio: Facebook.

Enterprise
IT Happens

- Expand/Collapse
- **Mobile**
- Bitcoin
- Cloud
- Data Centers
- History
- Microchips
- Networks
- Out in the Open
- Research
- Security
- Servers
- Software
- Storage
- Tech Law
- Tech Time Warp of the Week
- Software
- Mobile Computing
- Patents

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Facebook Infringes My Patents Too, Says CEO Who Just Sued Google

- By Robert McMillan
- 11.01.13
- 7:54 PM

Follow @bobmcmillan

Inside the reverse-engineering lab at Rockstar, Scott Widdowson is looking for products that infringe on the company's 4,000 patents. *Photo: Rockstar*

Rockstar — the closely watched consortium that sued Google, Samsung, and six other handset makers on Thursday — says that another big-name company is infringing its vast patent portfolio: Facebook.

Rockstar CEO John Veschi doesn't want to get into the details, but he believes his company's 4,000-patents — which it inherited after Apple, Microsoft, Blackberry, Sony, and Ericsson purchased the majority of patents owned by the imploded Canadian telecom giant, Nortel — cover, or "read on," the kind of social network operated by Facebook.

"I'm definitely aware of many that 'read on' features that are in any social network, whether it's Facebook LinkedIn or any other thing like that," he says. Though he declined to say more, Veschi has said in the past that his patent portfolio is so great that it's hard to imagine any high-tech companies that don't use techniques covered by the Nortel patents.

Rockstar had been negotiating with technology companies for more than a year and a half, trying to get outfits such as Google to license its portfolio of more than 4,000 patents, which cover a wide range of areas. The company has been trying to cut intellectual property licensing deals across six broad sectors — including social media. And while Rockstar has sealed a "fairly small number" of deals to date, it's been a difficult business.

After surviving the Nortel meltdown, Rockstar CEO John Veschi now controls 4,000 patents related to mobile devices and computer networks. *Photo: Dan Krauss/WIRED*

That's what's forcing the lawsuits, the first of which were filed on Thursday in federal court in Texas. "We've gotten to a point with many of them where they even say to us: 'Look, you need to sue us. I can't really get the attention of management because we have other people who have sued us. And if you don't sue us, you haven't basically put the table stakes down to get to the big table.'"

Veschi says that, although Rockstar sued Google (over search technology patents) and seven of Google's Android partners on Thursday, that it is incorrect to see Rockstar as a proxy agent for Apple, Microsoft, and Blackberry — all of whom are part-owners of Rockstar with seats on its board of directors. "It was basically all my decision-making," he says. "I think it's important for people to realize that my shareholders had nothing to do with this."

Veschi, like many of Rockstar's employees is an ex-Nortel worker. He was hired by the telecommunications giant in 2008 to find patent licensing revenue — something Nortel hadn't ever done effectively. He says that Nortel that the search and mobile phone lawsuits that were filed yesterday can be traced back to the first work he did at Nortel five years ago. "Mobile and the internet search are in some ways the most ripe because they were actually the two franchises I built first when I joined Nortel in 2008."

Rockstar revealed yesterday that it has set up subsidiaries to manage its patent licensing activities in mobile and search. The company is also dividing up its patents to include licensing for telecommunication services providers, networking equipment, enterprise technology and social networking, Veschi says.

From Veschi's perspective, Rockstar is simply seeking the revenue that Nortel had coming to it for its pioneering work in telecommunications. Not surprisingly, the Electronic Frontier Foundation, which has long fought against such patent suits, sees things differently. "The marketplace is where this entire fight should be taking place," says Julie Samuels, senior staff attorney with the EFF.

"Nortel made its money off its products. Now people are trying to squeeze water form the rock that was Nortel. In any rational economic system there would be no there there, but because of our messed-up patent system, they're able to do that."

Robert McMillan is a writer with Wired Enterprise. Got a tip? Send him an email at: robert_mcmillan [at] wired.com.
Read more by Robert McMillan
Follow @bobmcmillan on Twitter.

Tags: Apple, Google, lawsuits, mobile, Patents, Rockstar
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Tweet 208 +1 35
Reddit Digg Stumble Upon Email

Comments for this thread are now closed.

34 Comments Wired: Wired Enterprise Login

Sort by Best Share Favorite

Allen Bryce • 5 months ago

The original point of patents is to encorrage companies to do more, they are increasingly being used as a weapon to harm the industry and make some money in the process. It's past time the system was reviewed.

32 | • Share ›

Lefty → Allen Bryce • 5 months ago

They do not harm the industry ! If you invent something let`s use Tesla for example what did he come up with ? Then got screwed died alone in a hotel room and who got the credit ? Cash makes the world go round and in a land were you can sue for a ham sandwich who is at fault now the patent office or the courts.

2 | • Share ›

M W → Lefty • 5 months ago

Tesla's situation does not describe the patent environment in the 21st century. That was around 100 years ago.

9 | • Share ›

NooYawker → Lefty • 4 months ago

We're not talking major breakthroughs here. The bulk of these patents are so small and insignificant yet somehow gets patented, it inhibits everyone. Slide to unlock is not a breakthrough, it's not inventive, and it should never have gotten patented. I'm sure 99.9% of these patents are of the same nature.

4 | • Share ›

IP what → Allen Bryce • 4 months ago

"to encorrage companies to do more"

Well sure, but do *what*? Today, most pro-patent people have given up or downplay the argument that patents are needed to incentivize invention (excepting perhaps pharmaceuticals). The much stronger argument is that patents play an important role in getting the inventor to disclose what they've done - discouraging trade secrets and black boxes.

In my opinion, the biggest problem with Myriad, the case that holds you can't patent genes, is that genetic medicine companies are simply not going to tell you what genes they've identified as predictive of disease. Before Myriad, if you were a genetics lab, you could say to the world - hey, this chunk of DNA indicates a propensity for breast cancer, without worrying that every university lab in the country would start testing destroying any

Collapse

Previous Article

Apple and Microsoft's Patent Troll Sues Google Over Android

Next Article

Out in the Open: Square Helps Coders Export Software to Foreign Lands

EXHIBIT 10

Rockstar

Contact

Canada
515 Legget Drive, Suite 300
Ottawa, Ontario
K2K 3G4
613-576-1000

US
Legacy Town Center 1
7160 North Dallas Parkway
Suite No. 250
Plano, TX 75024
info@ip-rockstar.com

Career opportunities

Have a passion for innovation and technology? There could be a place for you at Rockstar. Join our staff of engineering and legal professionals.

Contact us today at careers@ip-rockstar.com

About Rockstar

Rockstar is a patent licensing business that owns and manages a portfolio of more than 4,000 patents developed by technology pioneer Nortel Networks. This portfolio consists of patents covering a wide range of consumer and enterprise communications technologies currently in use or in development in markets worldwide.

Through patent licensing and sales, Rockstar brings these innovations to businesses around the globe.

Facts about Rockstar's portfolio

The bulk of the Nortel Networks patent portfolio was transitioned to Rockstar as part of Nortel's bankruptcy process in 2011. This transaction yielded an historic $4.5B for Nortel's creditors, and established an initial set of founding licensees to the Rockstar portfolio. Because Rockstar's portfolio is based on a wide range of telecommunications, wired and networking based research and development performed by Nortel engineers, a significant portion of today's high technology products and services relate to these patents.

Rockstar in the news

- Rockstar – Spherix(July 29th 2013)
- IAM Rockstar Article(July/August 2013)
- Rockstar profiled in Wired magazine (May 2012)
- US DOJ approves Rockstar patents purchase
- IP Business Congress 2010 - Interview with John Veschi(June 26th 2012)

EXHIBIT 11

Rockstar

- Home
- About
- Innovation
- Privacy Policy
- Sales
- People

- LinkedIn

Contact

Canada

515 Legget Drive, Suite 300

Ottawa, Ontario

K2K 3G4

613-576-1000

US

Legacy Town Center 1

7160 North Dallas Parkway

Suite No. 250

Plano, TX 75024

info@ip-rockstar.com

Let innovation thrive

Rockstar is deeply committed to advancing innovation worldwide through its patent licensing program. Intellectual property is a strategic asset. Acquisition of such an asset from Rockstar through a license or purchase can provide significant strategic value to our partners and customers. Our licensees gain access to the immense power and know-how of the patented technologies in Rockstar's portfolio, in addition to gaining freedom of design, improving time-to-market product development and delivering better end-customer satisfaction.

Protect when necessary

Licensing is always the preferred route at Rockstar. However, with a portfolio that is widely regarded by peers and analysts as one of the most significant, high-quality collections in the technology industry today, Rockstar is committed to protecting its intellectual property where necessary.

When patent infringement occurs

Today, a vast number of companies in the marketplace are using technology products or processes built directly from patents in Rockstar's portfolio. When patent infringement occurs, there is typically one of two consequences: either the infringing businesses obtain the legal right to use that technology via a patent license, or the parties pursue the case through litigation—a step that can be costly and time consuming for both parties.

How evidence of patent infringement is collected

While Rockstar prefers to help innovation in the marketplace grow through the licensing route, we also aggressively pursue those who refuse to respect and compensate patent holders. Evidence of patent infringement is collected and analyzed by Rockstar at our in-house labs. Rockstar engineers—many of whom are patent holders themselves—conduct extensive reverse engineering on products that are suspected of patent infringement. When evidence of use is established, a claim report is created and an infringing company is contacted to discuss next steps.

Find out more about patent licensing and sales

At Rockstar, licensing and sales are the preferred way of bringing innovation to the market. For authorized representatives of firms who develop technology-based products and processes, contact our Sales Department today for more information on patent sales and licensing options for your firm.

Rockstar | Patent licensing and patent sales

- Home
- About
- Innovation
- Privacy Policy
- Sales
- People

- LinkedIn

EXHIBIT 12

502553597 10/31/2013

PATENT ASSIGNMENT COVER SHEET

Electronic Version v1.1
Stylesheet Version v1.2

EPAS ID: PAT2599210

SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	ASSIGNMENT

CONVEYING PARTY DATA

Name	Execution Date
ROCKSTAR CONSORTIUM US LP	10/31/2013

RECEIVING PARTY DATA

Name:	MOBILESTAR TECHNOLOGIES LLC
Street Address:	LEGACY TOWN CENTER 1
Internal Address:	7160 NORTH DALLAS PARKWAY, SUITE 250
City:	PLANO
State/Country:	TEXAS
Postal Code:	75024

PROPERTY NUMBERS Total: 9

Property Type	Number
Patent Number:	6037937
Patent Number:	6333973
Patent Number:	6510452
Patent Number:	6738809
Patent Number:	6765591
Patent Number:	6463131
Patent Number:	6122348
Patent Number:	6937572
Application Number:	13845955

CH $360.00 6037937

CORRESPONDENCE DATA

Fax Number: (613)576-1028
Phone: 613-576-1005
Email: akosabek@ip-rockstar.com
Correspondence will be sent via US Mail when the email attempt is unsuccessful.

Correspondent Name: AMIE KOSABEK
Address Line 1: 515 LEGGET DRIVE
Address Line 2: SUITE 300
Address Line 4: KANATA, CANADA K2K 3G4

ATTORNEY DOCKET NUMBER:	MOBILESTAR
NAME OF SUBMITTER:	AMIE KOSABEK
Signature:	/AMIE KOSABEK/
Date:	10/31/2013

Total Attachments: 7
source=31 OCT 2013 - USPTO ASSIGNMENT MOBILESTAR#page1.tif
source=31 OCT 2013 - USPTO ASSIGNMENT MOBILESTAR#page2.tif
source=31 OCT 2013 - USPTO ASSIGNMENT MOBILESTAR#page3.tif
source=31 OCT 2013 - USPTO ASSIGNMENT MOBILESTAR#page4.tif
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source=31 OCT 2013 - USPTO ASSIGNMENT MOBILESTAR#page6.tif
source=31 OCT 2013 - USPTO ASSIGNMENT MOBILESTAR#page7.tif

PATENT ASSIGNMENT

This PATENT ASSIGNMENT ("**Assignment**") dated as of October 31, 2013 (the "**Effective Date**") by and between:

(i) Rockstar Consortium US LP, a limited partnership organized under the laws of Delaware ("**Assignor**"), the address of which is Legacy Town Center 1, 7160 North Dallas Parkway, Suite No. 250, Plano, TX 75024, USA; and

(ii) MobileStar Technologies LLC, a limited liability company organized under the laws of Delaware ("**Assignee**"), the address of which is Legacy Town Center 1, 7160 North Dallas Parkway, Suite No. 250, Plano, TX 75024, USA.

WITNESSETH:

WHEREAS, Assignor agreed to transfer certain assets of Assignor, including, without limitation, the patents, patent applications and provisional patent applications identified and set forth below; and

WHEREAS, Assignor now wishes to assign to Assignee, and Assignee wishes to acquire from Assignor, all of Assignor's right, title and interest in and to the Assigned Patents (as defined below.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises and agreements contained in this Assignment, and for other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. Assignment. Assignor hereby assigns to Assignee, and Assignee hereby accepts and acquires from Assignor, all of Assignor's right, title, and interest throughout the world (under any and all laws and in any and all jurisdictions) in and to the following (collectively, the "**Assigned Patent Assets**"):

(i) All of the patents, patent applications and provisional patent applications set forth on Schedule A attached hereto (collectively, the "**Assigned Patents**");

(ii) all divisionals, continuations, continuations-in-part, substitutes, extensions, renewals, reissues, reexaminations, other applications and related cases (in each instance, whether pending, issued, abandoned or filed in the future) that have been or shall be filed anywhere in the world and that are based upon any of the Assigned Patents (all of the foregoing, collectively, "**Related Cases**");

(iii) any inventions and improvements claimed or disclosed in any of the Assigned Patents or Related Cases, and any and all letters patent, certificates of invention, design registrations and utility models which may be granted therefor; and

(iv) all causes of action, enforcement rights, infringement claims and other rights (including all rights to pursue damages, injunctive relief and other remedies for past, present and future infringement) based upon, arising out of or relating to any of the Assigned Patents or Related Cases.

Pursuant to the foregoing assignment, each of the Assigned Patent Assets shall hereafter be for Assignee's own use and enjoyment, and for the use and enjoyment of Assignee's successors and assigns, as fully and entirely as the same would have been held and enjoyed by Assignor if this Assignment had not been made. The assignment pursuant to this Section 1 includes, without limitation (A) the right, if any, to register or apply in all countries and regions in the Assignee's name for patents, utility models, design registrations and like rights of exclusion and for inventors' certificates for said inventions and improvements; (B) the right to apply for, prosecute, maintain and defend the Assigned Patent Assets (including the right to continue any such action underway and to revive any such action previously abandoned) before any public or private agency, office or registrar including by filing reissues, reexaminations, divisionals, continuations, continuations-in-part, substitutes, extensions and all other applications and post issue proceedings included in the Assigned Patent Assets; (C) the right, if any, to claim priority based on the filing dates of any of the Assigned Patents or Related Cases under the International Convention for the Protection of Industrial Property, the Patent Cooperation Treaty, the European Patent Convention, the Paris Convention, and all other treaties of like purposes; and (D) the right to sue and recover damages or other compensation for past, present or future infringements thereof, the right to sue and obtain equitable relief, including injunctive relief, in respect of such infringements, and the right to fully and entirely stand in the place of the Assignor in all matters related to the Assigned Patent Assets.

2. Authorization. Assignor also hereby expressly authorizes the respective patent office or governmental agency in each and every jurisdiction worldwide (including the Commissioner of Patents and Trademarks in the United States Patent and Trademark Office, and the corresponding entities or agencies in any applicable foreign countries or multinational authorities) to do the following: (a) to issue any and all patents or certificates of invention or equivalent which may be granted upon any of the Assigned Patent Assets in the name of Assignee, as the assignee to the entire interest therein; and (b) to record Assignee as the assignee and owner of the Assigned Patent Assets and to deliver to Assignee, and to Assignee's attorneys, agents, successors or assigns, all official documents and communications as may be warranted by this Assignment.

3. Recordation. Assignee shall be solely responsible for all actions and all costs whatsoever, including but not limited to taxes, attorneys' fees and patent office fees in any jurisdiction, associated with the perfection of Assignee's right, title, and interest in and to the Assigned Patent Assets and recordation and/or registration of this Assignment or any other document evidencing the assignment to Assignee of the Assigned Patent Assets.

4. Disclaimer. There are no warranties, representations or conditions, express or implied, statutory or otherwise between the Parties under this Assignment. ASSIGNEE ACKNOWLEDGES THAT THE ASSIGNED PATENT ASSETS ARE CONVEYED WITHOUT ANY REPRESENTATION, WARRANTY OR GUARANTY, INCLUDING WITHOUT LIMITATION AS TO THE CONDITION OF TITLE, ENFORCEABILITY, SUITABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE, MERCHANTABILITY, VALIDITY, REGISTRABILITY OR ANY OTHER WARRANTY, WHETHER EXPRESS OR IMPLIED OR BY OPERATION OF LAW, BY ANY PERSON, INCLUDING WITHOUT LIMITATION BY ASSIGNOR, OR ANY OF ITS OFFICERS, DIRECTORS, EMPLOYEES, ACCOUNTANTS,

FINANCIAL, LEGAL OR OTHER REPRESENTATIVES OR ANY AFFILIATE OF SUCH PERSON.

5. Governing Law. This Agreement shall be construed in accordance with the substantive laws of the State of Delaware, excluding the conflict of law principles thereof. Each of the parties hereto hereby irrevocably agrees that any legal suit, action or proceeding arising out of or based upon this Assignment shall be brought exclusively in the state or federal courts located in the Eastern District of Texas and waives, any objection such party may now or hereafter have to the laying of venue of any such proceeding, and irrevocably submits to the exclusive jurisdiction of any such court in any such suit, action or proceeding.

6. General Provisions. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of a signature page to this Assignment by facsimile or electronic mail shall be as effective as delivery of a manually executed counterpart of this Assignment. This Assignment may not be supplemented, altered, or modified in any manner except by a writing signed by all parties hereto. The failure of any party to enforce any terms or provisions of this Assignment shall not waive any of its rights under such terms or provisions. This Assignment is binding upon and inures to the benefit of the parties hereto and their respective successors and assigns.

[Remainder of this page intentionally left blank]

MOBILESTAR TECHNOLOGIES LLC

By: ______________________
Name: Afzal Dean
Title: President

STATE OF)
) ss.:
COUNTY OF)

On the 31st day of October 2013, before me, the undersigned, a notary public in and for said state and county, personally appeared Afzal Dean, personally known to me (or proved to me on the basis of satisfactory evidence), to be the individual who executed the foregoing instrument on behalf of MobileStar Technologies LLC as the President of such company, executed such instrument in such capacity, and acknowledged to me that the execution and delivery of said instrument was duly authorized by said company.

____
Notary Public
(Affix Seal Below)
Michael Vincent [illegible]

IN WITNESS WHEREOF, Assignor and Assignee have caused this instrument to be executed by their respective duly authorized representative as of the Effective Date.

ROCKSTAR CONSORTIUM US LP

By Rockstar Consortium LLC, *its General Partner*

By ____________________
Name: John P. Veschi
Title: CEO

STATE OF)
) ss.:
COUNTY OF)

On the 31st day of October 2013, before me, the undersigned, a notary public in and for said state and county, personally appeared John Veschi, personally known to me (or proved to me on the basis of satisfactory evidence), to be the individual who executed the foregoing instrument on behalf of Rockstar Consortium LLC as the CEO of such company (such company being the General Partner of Rockstar Consortium US LP), executed such instrument in such capacity, and acknowledged to me that the execution and delivery of said instrument was duly authorized by said company.

____
Notary Public
(Affix Seal Below)

Schedule A

LIST OF ASSIGNED PATENTS

Patent No.	Serial No.	Country	Filing Date	Issue Date	Title
6,037,937	08/985,265	US	12/04/97	03/14/00	NAVIGATION TOOL FOR GRAPHICAL USER INTERFACE
6,333,973	08/842,020	US	04/23/97	12/25/01	INTEGRATED MESSAGE CENTER
6,510,452	09/137,687	US	08/21/98	01/21/03	SYSTEM AND METHOD FOR COMMUNICATIONS MANAGEMENT WITH A NETWORK PRESENCE ICON
6,738,809	09/137,688	US	08/21/98	05/18/04	NETWORK PRESENCE INDICATOR FOR COMMUNICATIONS MANAGEMENT
1,494,392	4104937	DE, FR, GB	10/08/04	03/21/12	NETWORK PRESENCE INDICATOR FOR COMMUNICATIONS MANAGEMENT
2,280,573	CA19992280573 19990820	CA	08/20/99	05/25/10	SYSTEM AND METHOD FOR COMMUNICATIONS MANAGEMENT WITH A NETWORK PRESENCE ICON
2,280,574	CA19992280574 19990820	CA	08/20/99	05/06/08	NETWORK PRECENSE INDICATOR FOR COMMUNICATIONS MANAGEMENT
69930593	DE19996305931 19990823	DE	08/23/99	03/29/06	NETWORK PRESENCE INDICATOR FOR COMMUNICATIONS MANAGEMENT
0 989 700	99306693.5	FR, GB	08/23/99	03/29/06	NETWORK PRESENCE INDICATOR FOR COMMUNICATIONS MANAGEMENT

[Schedule A]

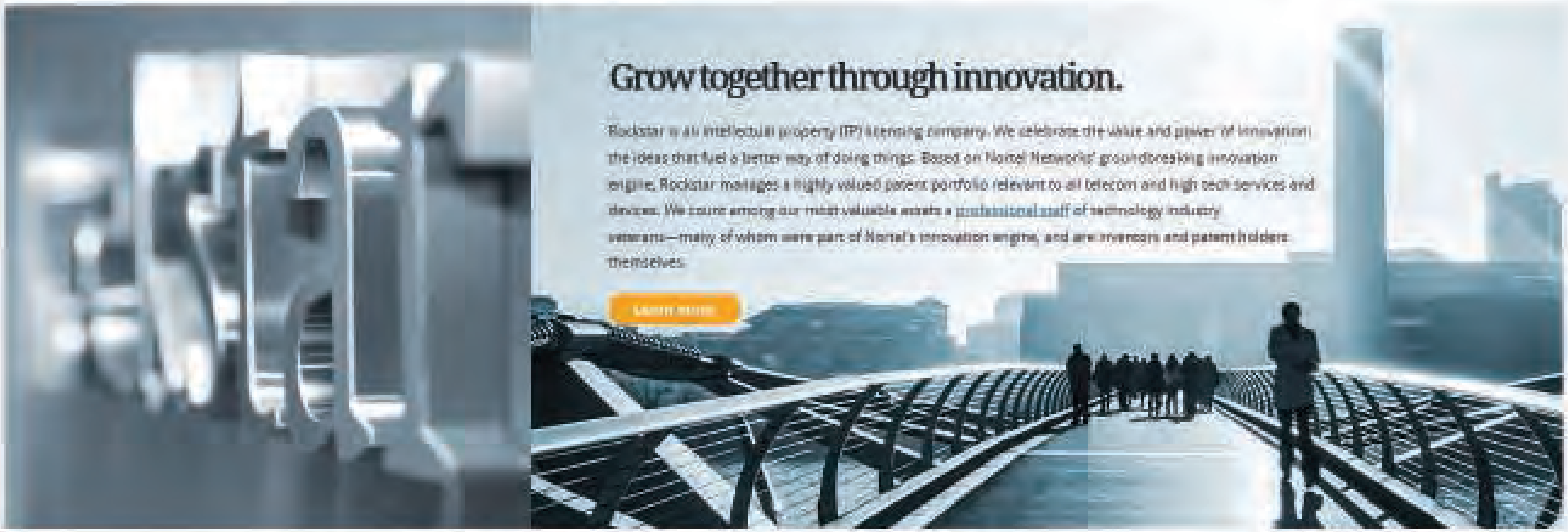
Patent No.	Serial No.	Country	Filing Date	Issue Date	Title
6,765,591	09/285,424	US	04/02/99	7/20/04	MANAGING A VIRTUAL PRIVATE NETWORK
6,463,131	09/477,679	US	01/05/00	10/08/02	SYTEM AND METHOD FOR NOTIFYING A USER OF AN INCOMING COMMUNICATION EVENT
2,256,289	CA2256289	CA	12/17/98	11/06/06	SYSTEM AND METHOD FOR MANAGING INCOMING COMMUNICATION EVENTS USING MULTIPLE MEDIA OPTIONS
6,122,348	08/996,034	US	12/22/97	09/01/00	SYSTEM AND METHOD FOR MANAGING INCOMING COMMUNICATION EVENTS USING MULTIPLE MEDIA OPTIONS
JPH1266309	JP19980355631	JP	12/15/98	N/A	SYSTEM AND METHOD FOR MANAGING INPUT COMMUNICATION EVENT USING PLURAL MEDIA OPTIONS
JP4976471	JP2009303239	JP	09/14/09	04/20/12	SYSTEM AND METHOD FOR INFORMING USER WITH INPUT COMMUNICATION EVENT
0938213	98310272.4	DE, FR, GB, SE	12/15/98	04/05/06	SYSTEM AND METHOD FOR MANAGING INCOMING COMMUNICATION EVENTS USING MULTIPLE MEDIA OPTIONS
6,937,572	09/751,796	US	12/29/00	08/30/05	CALL TRACE ON A PACKET SWITCHED NETWORK
	13/845,955	US	18-03-13		ASSOCIATIVE SEARCH ENGINE

[Schedule A]

EXHIBIT 13

Rockstar

HOME ABOUT INNOVATION PRIVACY POLICY SALES PEOPLE



Why patent protection is necessary

Fostering innovation works hand-in-hand with the need for patent protection. Great ideas and the investment behind them deserve to be rewarded and respected.

Recent News

First enforcement actions – Intellectual Asset Management (November, 2013)

WSJ Article - Patent Wars Erupt Again in Tech Sector (November, 2013)

Opportunities for business

Patent licensing agreements and select patent acquisitions can provide businesses with a competitive edge in their marketplace.

EXHIBIT 14

Rockstar Consortium

Overview Careers

Rockstar

Rockstar is an intellectual property (IP) licensing company. We celebrate the value and power of innovation: the ideas that fuel a better way of doing things. Based on Nortel Networks' groundbreaking innovation engine, Rockstar manages a highly valued patent portfolio relevant to all telecom and high tech services and devices. We count among our most valuable assets a professional staff of technology industry veterans—many of whom were part of Nortel's innovation engine, and are inventors and patent holders themselves.
less

Type
Privately Held

Company Size
11-50 employees

Website
http://www.ip-rockstar.com

Industry
Telecommunications

Founded
2011

Headquarters
515 Legget Drive, Suite 300
Ottawa, Ontario K2K 3G4
CANADA

EXHIBIT 15

in Search for people, jobs, companies, and more...

Home Profile Network Jobs Interests

Afzal Dean

Vice President - Patent Licensing

Ottawa, Canada Area | Telecommunications

Current Rockstar Consortium, Inc

Send Afzal InMail

51 connections

ca.linkedin.com/pub/afzal-dean/29/362/17a

Background

Experience

Vice President - Patent Licensing

Rockstar Consortium, Inc

1998 – Present (16 years) | Ottawa, Canada Area

Following

Canada

Health, Wellness and Fitness

+ Follow

People Also Viewed

Gillian McColgan
CTO at Rockstar

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

Shival Virmani
Patent/Licensing Attorney at Rockstar Consortium US LP

Hinta Chambers
CFO at Rockstar Consortium

Chad Hilyard
Chief Intellectual Property Counsel at Rockstar Consortium US LP

John Garland
Vice President of Licensing at Rockstar Consortium US LP

Mark Hearn
Senior IP Licensing Counsel

Hamid Ould-Brahim
Internet Technology Expert at Rockstar Consortium Inc.

Erik Fako
Lead Patent Counsel, Assertion/Litigation

Marek Wernik
President and CEO at Global Intellectual Strategies

Alfi S. Guindi

2nd

Senior IP Counsel at Rockstar Consortium LLC

Dallas/Fort Worth Area | Law Practice

Previous: BlackBerry, Samsung Electronics Co., Ltd. [South Korea], Quinn Emanuel Urquhart & Sullivan LLP

Education: University of Pennsylvania Law School

Connect | Send Alfi S. InMail

386 connections

www.linkedin.com/pub/alfi-s-guindi/5/2a4/899

Background

Summary

Rockstar is a patent licensing business that owns and manages a portfolio of more than 4,000 patents developed by technology pioneer Nortel Networks. This portfolio consists of patents covering a wide range of consumer and enterprise communications technologies currently in use or in development in markets worldwide.

Through patent licensing and sales, Rockstar brings these innovations to businesses around the globe.

The bulk of the Nortel Networks patent portfolio was transitioned to Rockstar as part of Nortel's bankruptcy process in 2011. This transaction yielded an historic $4.5B for Nortel's creditors, and established an initial set of founding licensees to the Rockstar portfolio. Because Rockstar's portfolio is based on a wide range of telecommunications, wired and networking based research and development performed by Nortel engineers, a significant portion of today's high technology products and services relate to these patents.

www.ip-rockstar.com

Education

University of Pennsylvania Law School

J.D.

2000 – 2003

Activities and Societies: James Wilson Scholar

University of Pennsylvania - The Wharton School

Certificate, Business Policy and Management

2000 – 2002

Emory University

B.A.

1992 – 1995

Activities and Societies: Varsity Track and Cross-Country

Experience

Invitations (1)

Tom Viles — Feb 4
Attorney at Cravath, Swaine & Moore LLP

Messages (0)

LinkedIn Premium — Oct 29
Check out your new Premium resource!
View | Delete

Jeffrey Forte — Sep 6
Jeffrey Forte invites you to...
I would like to invite you to join my group on LinkedIn. -Jeffrey

Peter Zaremba — Nov 12
RE: Join my network on...
BBC! I accept your invitation to join your professional network. I...

People Also Viewed

John Garland
Vice President of Licensing at Rockstar Consortium US LP

Shival Virmani
Patent/Licensing Attorney at Rockstar Consortium US LP

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

john veschi
--

Gillian McColgan
CTO at Rockstar

David Sasso
Senior Licensing Counsel at Rockstar Consortium

Chad Hilyard
Chief Intellectual Property Counsel at Rockstar Consortium US LP

R. Paul Zeineddin
ZEINEDDIN PLLC

Noah Webster
Senior Director at BlackBerry

Chris Briggs
Senior Program Manager at Rockstar Consortium

Senior IP Counsel
Rockstar Consortium LLC
December 2012 – Present (1 year 3 months) | Dallas/Fort Worth Area

Patent assertions, licensing and litigation.

Director, Patent Litigation/Licensing Management
BlackBerry
November 2010 – November 2012 (2 years 1 month) | Dallas/Fort Worth Area

Dallas, Texas.

▾ 1 recommendation

Li Chen
Head of Sidley-Dallas IP Litigation practice

Alfi is a terrific lawyer. He has exceptional judgment, possesses the integrity to speak truth to power, and is an all around good guy. Don't play poker with him unless you're prepared to donate to the Guindi fund. View ↓

Director, Senior IP Counsel
Samsung Electronics Co., Ltd. [South Korea]
January 2009 – November 2010 (1 year 11 months) | Gangnam-gu, Seoul, Korea

Counsel for all four business divisions: Telecommunications, Digital Media, Semiconductors and LCDs. Seoul, South Korea (1 yr) and Suwon, South Korea (1 yr).

Associate, Patent Litigation
Quinn Emanuel Urquhart & Sullivan LLP
2006 – 2009 (3 years) | Greater New York City Area

New York Office

▾ 1 recommendation

Hanson Tipton
Member with Watson, Roach, Batson, Rowell & Lauderback

Alfi is intelligent, loyal, and fiercely competitive. View ↓

Captain, Company Commander
United States Marine Corps
May 1993 – January 2009 (15 years 9 months)

Active Duty: 1/96-9/99
Reserves: 5/93-12/95; 9/99-9/00; 2/08-1/09

▸ 1 honor or award

Associate, IP Litigation and IP Transcations Groups
Shearman & Sterling LLP
2005 – 2006 (1 year) | Greater New York City Area

New York Office

Associate, Intellectual Property Group
Stroock & Stroock & Lavan LLP
2003 – 2005 (2 years) | Greater New York City Area

Patent Prosecution, Patent Litigation and IP Licensing. New York Office

LSAT Teacher/Tutor
PowerScore
December 1999 – August 2004 (4 years 9 months)

99.8 percentile score on LSAT (176/180).

Certifications

How You're Connected

You

REDACTED

Alfi S. Guindi

In Common with Alfi S.

You Alfi S.

Licensed Patent Attorney
United States Patent and Trademark Office, License Reg. No. 51,760
July 2002 – Present

Licensed Attorney
New York State Bar Association, License 4243291
2004 – Present

Commissioned Military Officer
United States Marine Corps
December 1995 – Present

Secret Security Clearance
United States Marine Corps, License (inactive)

Honors & Awards

Tennessee State Record Holder - Marathon (Age-Group)
February 1990

Tennessee State Marathon Record for 15-yr olds

http://tinyurl.com/TN-Marathon-Records

Youngest Commissioned Officer in the Marine Corps (Age: 20)
December 1995

Skills & Endorsements

Top Skills

- 29 Patents
- 28 Intellectual Property
- 23 Patent Litigation
- 15 Licensing
- 9 Litigation
- 5 Mediation
- 5 Patent Prosecution
- 4 Negotiation
- 4 Intellectual Property...
- 3 Registered Patent...

Alfi S. also knows about...

3 IP · 2 Patent Strategy · 2 Telecommunications · 2 Trademarks · 2 Copyright Law · 1 Privacy Law · 1 Commercial Litigation · 1 Corporate Law · 1 Patentability

Additional Info

Interests

Running, chess, Kentucky basketball.

Personal Details

Birthday January 5

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Home Profile Network Jobs Interests

Amie K. (Upgrade for full name)

3rd

Patent/Docketing Adminstrator at Rockstar

Ottawa, Canada Area | Telecommunications

Previous Nortel Networks

Education School name:

Send Amie InMail

54 connections

Background

Experience

Patent/Docketing Adminstrator

Rockstar

July 2011 – Present (2 years 8 months) | Ottawa, Canada Area

Patent/Outsource/Docket Adminstrator

NORTEL

Nortel Networks

October 1998 – July 2011 (12 years 10 months) | Carling Site, Ottawa, Ontario

Education

School name:

Following

NORTEL

Nortel Networks

Telecommunications

+ Follow

People Similar to Amie

Graham Thompson 3rd

Consultant at Messa Software

Connect

People Also Viewed

Eric Jensen
Intellectual Property Lawyer

hamid ziyati
IP Technology Consultant

Hamid Ould-Brahim
Internet Technology Expert at Rockstar Consortium Inc.

Erik Fako
Lead Patent Counsel, Assertion/Litigation

Lynn Wilson
Office Manager and Executive Assistant to CEO at Rockstar Consortium

Mark Hearn
Senior IP Licensing Counsel

Bill Junkin
Portfolio Development & Enhancement at Rockstar Consortium

Donald Powers
Litigation Counsel at Rockstar Consortium US LP

Terry Doggett
Senior IT Specialist at Rockstar Consortium Inc.

Afzal Dean
Vice President - Patent Licensing

How You're Connected

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REDACTED

Amie K.

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Home Profile Network Jobs Interests

Bernard T. (Upgrade for full name)

3rd

Senior IP Counsel at Rockstar Consortium US LP

Dallas/Fort Worth Area | Telecommunications

Previous Nortel Networks, IBM

Education The George Washington University Law School

Send Bernard InMail

71 connections

Background

Experience

Senior IP Counsel

Nortel Networks

2000 – 2011 (11 years) | Dallas/Fort Worth Area

NORTEL

Headquarters Staff Attorney at IBM Microelectronics Division

IBM

1991 – 2000 (9 years)

Skills & Endorsements

- 7 Patent Prosecution
- 6 Patents
- 4 Patent Litigation
- 3 Patentability
- 2 Telecommunications
- 2 Intellectual Property
- 1 Licensing

Education

The George Washington University Law School

1977 – 1981

People Similar to Bernard

Greg Stephens 3rd

Deputy General Counsel - Intellectual Prop...

Connect

People Also Viewed

LUGAY CHIANG

Sr. Legal Assistant/Office Manager at Rockstar Consortium US LP

Erik Fako

Lead Patent Counsel, Assertion/Litigation

Scott Ouellette

IP Counsel, Rockstar Consortium US LP

Mark Hearn

Senior IP Licensing Counsel

Alfi S. Guindi

Senior IP Counsel at Rockstar Consortium LLC

john veschi

--

Hamid Ould-Brahim

Internet Technology Expert at Rockstar Consortium Inc.

Afzal Dean

Vice President - Patent Licensing

Hinta Chambers

CFO at Rockstar Consortium

Gillian McColgan

CTO at Rockstar

How You're Connected

You

REDACTED

Bernard T.

In Common with Bernard

You Bernard

2

Skills & Expertise

Bill Junkin

Portfolio Development & Enhancement at Rockstar Consortium
Ottawa, Canada Area | Telecommunications

Previous Nortel Networks
Education University of Toronto

Send Bill InMail

119 connections

ca.linkedin.com/pub/bill-junkin/11/607/558

Background

Experience

Portfolio Development & Enhancement
Rockstar Consortium
August 2011 – Present (2 years 7 months)

Portfolio Development & Enhancement
Nortel Networks
2009 – July 2011 (2 years)

External Opportunities Franchise Leader
Nortel Networks
2009 – 2009 (less than a year)

Global Patent Portfolio Management
Nortel Networks
September 1999 – December 2008 (9 years 4 months)

Development and analysis of large global patent portfolio, including development of procedures and tools for capture and dissemination of value information to facilitate patent exploitation, providing input to budgets and patent procurement planning and monitoring, with numerous special projects related to patent aspects of major transactions, including acquisitions and divestitures, and litigation development and support, active member of team recommending IP strategy for corporation, and active member of team governing practices and procedures for patent acquisition and maintenance.

Global Patent Portfolio Management
Nortel
1999 – 2008 (9 years)

Education

University of Toronto
MASc, BASc, Engineering Physics, Electrical Engineering
1972 – 1978

People Also Viewed

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

Hamid Ould-Brahim
Internet Technology Expert at Rockstar Consortium Inc.

Gillian McColgan
CTO at Rockstar

Terry Doggett
Senior IT Specialist at Rockstar Consortium Inc.

Chris Briggs
Senior Program Manager at Rockstar Consortium

Vicki Carver
Director, Human Resources

Mark Hearn
Senior IP Licensing Counsel

Erik Fako
Lead Patent Counsel, Assertion/Litigation

hamid ziyati
IP Technology Consultant

Jeff Dever
Senior Patent Scientist at Rockstar Consortium

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Home Profile Network Jobs Interests

Chad Hilyard

2nd

Chief Intellectual Property Counsel at Rockstar Consortium US LP

Greater Denver Area | Telecommunications

Previous Rockstar Consortium US LP, Dish Network, LSI Corporation

Education Arizona State University College of Law

Connect Send Chad InMail

496 connections

www.linkedin.com/pub/chad-hilyard/4/58a/539

Background

Experience

Chief Intellectual Property Counsel
Rockstar Consortium US LP
July 2012 – Present (1 year 8 months) | Centennial, CO

Senior Counsel
Rockstar Consortium US LP
April 2012 – August 2012 (5 months) | Centennial, CO

Vice President & Associate General Counsel, Intellectual Property
Dish Network
November 2011 – April 2012 (6 months) | Englewood, CO

Managing IP Counsel, IP Litigation & Licensing
LSI Corporation
January 2011 – November 2011 (11 months) | Longmont, Colorado

Senior IP Counsel
LSI Corporation
April 2007 – December 2010 (3 years 9 months) | Longmont, Colorado

Corporate Counsel, IP
Agere Systems, Inc.
May 2005 – April 2007 (2 years) | Longmont, Colorado

Of Counsel
Faegre & Benson LLP
January 2004 – May 2005 (1 year 5 months) | Denver, Colorado

Partner
Townsend and Townsend and Crew LLP
September 1997 – January 2004 (6 years 5 months) | Denver, Colorado

Associate Attorney
Snell & Wilmer
September 1995 – September 1997 (2 years 1 month) | Phoenix, Arizona

People Similar to Chad

Indira Saladi 3rd
Vice President, Chief Intellectual Property C...
Connect

People Also Viewed

John Garland
Vice President of Licensing at Rockstar Consortium US LP

Shival Virmani
Patent/Licensing Attorney at Rockstar Consortium US LP

Donald Powers
Litigation Counsel at Rockstar Consortium US LP

David Sasso
Senior Licensing Counsel at Rockstar Consortium

john veschi
--

Gillian McColgan
CTO at Rockstar

Erik Fako
Lead Patent Counsel, Assertion/Litigation

Alfi S. Guindi
Senior IP Counsel at Rockstar Consortium LLC

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

Floyd E. Anderson
Vice President, Chief Patent Counsel at Avago Technologies

Senior Consultant
Andersen Consulting
May 1989 – August 1992 (3 years 4 months) | Phoenix, Arizona

Skills & Endorsements

Top Skills

- 43 Intellectual Property
- 27 Licensing
- 22 Patents
- 19 Licensing Negotiations
- 12 IP
- 5 Patent Prosecution
- 4 Patent Litigation
- 3 Software Licensing
- 2 Trade Secrets
- 2 Corporate Law

Chad also knows about...

1 Intellectual Property... | 1 Trademarks | 1 Enforcement | 1 Patentability
Patent Licensing | Patent Portfolio... | Intellectual Property... | Trademark Procurement...

Education

Arizona State University College of Law
JD, Law
1992 – 1995

University of Nebraska-Lincoln
BSEE, Electrical Engineering
1985 – 1989

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Chad Hilyard
Get introduced ▸

In Common with Chad

You Chad

3

Skills & Expertise

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Home Profile Network Jobs Interests

Chris Briggs

3rd

Senior Program Manager at Rockstar Consortium

Ottawa, Canada Area | Telecommunications

Previous Genband, Nortel

Education Royal Military College of Canada/Collège militaire royal du Canada

Connect Send Chris InMail

500+ connections

ca.linkedin.com/pub/chris-briggs/1/714/770

Background

Experience

Senior Program Manager
Rockstar Consortium
February 2012 – Present (2 years 1 month)

Senior Product Line Manager S3 Session Border Controller
Genband
February 2011 – October 2011 (9 months) | Ottawa, Canada Area

Planning Director, Office of the CTO
Genband
June 2010 – October 2011 (1 year 5 months)

Director PLM Media Gateways and Border Control
Nortel
November 2006 – June 2010 (3 years 8 months)

Product Line Manager - Converged Media Gateway
Nortel
November 2003 – November 2006 (3 years 1 month)

Media Gateway Product Line Strategy Prime
Nortel Networks
August 2002 – November 2003 (1 year 4 months)

Developed business strategy for trunking and access wireline media gateways.

Team Leader - Global Project Support Tools Development Team
Nortel Networks
July 1996 – June 1998 (2 years)

Languages

French

How You're Connected

You

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Chris 3rd
Send Chris InMail

People Also Viewed

Gillian McColgan
CTO at Rockstar

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

john veschi
--

Vicki Carver
Director, Human Resources

David Sasso
Senior Licensing Counsel at Rockstar Consortium

Hamid Ould-Brahim
Internet Technology Expert at Rockstar Consortium Inc.

Skills & Endorsements

Top Skills

- 35 Wireless
- 31 Telecommunications
- 25 IP
- 24 VoIP
- 20 SIP
- 12 Business Case
- 11 LTE
- 11 Unified Communications
- 9 Cross-functional Team...
- 9 Product Management

Chris also knows about...

8 Ethernet · 7 Product Lifecycle... · 4 Intellectual Property · 4 UMTS · 2 Patent Portfolio... · 1 Patent Mapping · 1 Intellectual Property... · 1 Patent Portfolio...

Education

Royal Military College of Canada/Collège militaire royal du Canada
B.Eng, Engineering and Management
1986 – 1991

Terry Doggett
Senior IT Specialist at Rockstar Consortium Inc.

Michelle Lee
Technology & IP Commercial Lawyer

Hinta Chambers
CFO at Rockstar Consortium

Ross Morgan, CPA, CA, MAcc
Managing Director - CFO4Results

In Common with Chris

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Dan Lingman

3rd

Professor of Game Development at Algonquin College

Ottawa, Canada Area | Legal Services

Current: Algonquin College, Rockstar Consortium, Digital Matrix

Previous: Algonquin College, Nortel, Bell Sygma

Education: Lakehead University

Connect | Send Dan InMail

296 connections

Contact Info | ca.linkedin.com/pub/dan-lingman/1/51a/300

Background

Experience

Professor of Game Development

Algonquin College

August 2013 – Present (7 months) | Ottawa, Canada Area

Technical Infringement Analyst

Rockstar Consortium

July 2011 – Present (2 years 8 months)

Patent Assertion, Reverse Engineering

Owner/iOS developer

Digital Matrix

June 1999 – Present (14 years 9 months)

Building stuff that works, Mostly on iOS, but also Windows/.NET, Java etc.

Continuing education instructor (Java)

Algonquin College

2000 – 2012 (12 years)

Currently teaching Web Services and XML with Java

IP Legal Assertion Team

Nortel

November 2008 – July 2011 (2 years 9 months)

Reverse Engineering, Patent Assertion

Prototype Designer

Nortel

2007 – November 2008 (1 year)

Senior Software Designer

Nortel

1997 – 2007 (10 years)

Software Designer

How You're Connected

You

REDACTED

Dan 3rd

Send Dan InMail

People Also Viewed

Gillian McColgan
CTO at Rockstar

Hinta Chambers
CFO at Rockstar Consortium

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

hamid ziyati
IP Technology Consultant

Hamid Ould-Brahim
Internet Technology Expert at Rockstar Consortium Inc.

Alfi S. Guindi
Senior IP Counsel at Rockstar Consortium LLC

john veschi
--

nortel networks
1997 – 2007 (10 years)

Software Designer
Bell Sygma
1993 – 1995 (2 years)

Vicki Carver
Director, Human Resources

Shival Virmani
Patent/Licensing Attorney at Rockstar Consortium US LP

Chris Briggs
Senior Program Manager at Rockstar Consortium

Patents

Media Sharing
United States 7,996,566
Issued August 9, 2011

Share streaming media synchronized between viewers

2 inventors:

Dan Lingman
Professor of Game Development at Alg...

Dany Sylvain
Product Line Manager, Applications at ...

Skills & Endorsements

Top Skills

- 18 Java
- 10 Objective-C
- 9 Software Development
- 6 iOS development
- 6 Mobile Applications
- 4 XML
- 4 Software Engineering
- 3 Xcode
- 3 Interface Builder
- 3 Unix

Dan also knows about...

3 Object Oriented Design, 2 Teaching, 2 Adult Education, 2 Cocoa, 2 Web Services, 2 Software Design, 2 JSON, 1 Sustainable Business, 1 Game Development, 1 Git, 1 Subversion, 1 REST, 1 iPhone, 1 Eclipse, 1 Android, See 2+ >

Education

Lakehead University
M.Sc., Computer Science
1985 – 1995

Additional Info

Interests

Software Development, gaming, advanced technology, game development, blogging

Organizations

Additional Organizations

IPIC, IGDA

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Home Profile Network Jobs Interests

Dave Smith 3rd

Patent Acquisition and Sales at Rockstar Consortium Inc.

Ottawa, Canada Area | Telecommunications

Current Rockstar Consortium

Previous Nortel Networks

Education University of Ottawa

Connect

238 connections

ca.linkedin.com/pub/dave-smith/0/1/186

Background

Experience

Patent Acquisition and Sales
Rockstar Consortium
August 2011 – Present (2 years 7 months) | Ottawa, Canada Area

Rockstar

Portfolio Manager - Intellectual Property
Nortel Networks
December 2008 – July 2011 (2 years 8 months)

NORTEL

Portfolio Manager - Strategic Technology
Nortel Networks
September 2007 – November 2008 (1 year 3 months)

NORTEL

Service Sales
Nortel Networks
January 2007 – July 2007 (7 months)

NORTEL

Enterprise Solutions Consulting
Nortel Networks
January 2005 – December 2006 (2 years)

Network and Business Planner
Nortel Networks
June 2000 – December 2004 (4 years 7 months)

Patents

Shared Persistent Communication Thread
United States 8255923
Issued August 28, 2012

How You're Connected

You

REDACTED

Dave 3rd
Send Dave InMail

People Also Viewed

Gillian McColgan
CTO at Rockstar

john veschi
--

David Sasso
Senior Licensing Counsel at Rockstar Consortium

Chris Briggs
Senior Program Manager at Rockstar Consortium

Shival Virmani
Patent/Licensing Attorney at Rockstar Consortium US LP

John Garland

Education

University of Ottawa
Masters, Business Administration
2009 – 2010

- Received $10,000 entrance scholarship for full-time studies.
- GMAT score of 720.
- Concentration on strategy and marketing for high tech businesses.

McMaster University
B.Eng.&Mgt., Computer Engineering and Management
1995 – 2000

Activities and Societies: VP External, McMaster Engineering Society President, Engineering & Management Club

Organizations

Additional Organizations

Ottawa Carleton Ultimate Association

Vice President of Licensing at Rockstar Consortium US LP

Vicki Carver
Director, Human Resources

Alfi S. Guindi
Senior IP Counsel at Rockstar Consortium LLC

Chad Hilyard
Chief Intellectual Property Counsel at Rockstar Consortium US LP

Hinta Chambers
CFO at Rockstar Consortium

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David Sasso

3rd

Senior Licensing Counsel at Rockstar Consortium

Bellevue, Washington | Law Practice

Previous: Intellectual Ventures, Intellectual Ventures - Invention Law Group, LSI Corporation

Education: Hofstra University School of Law

Connect | Send David InMail

492 connections

www.linkedin.com/pub/david-sasso/0/755/abb

Background

Experience

Senior Licensing Counsel
Rockstar Consortium
July 2013 – Present (8 months)

Chief Counsel, Licensing
Intellectual Ventures
April 2012 – May 2013 (1 year 2 months)

Licensing Attorney, Director
Intellectual Ventures - Invention Law Group
April 2011 – March 2012 (1 year)

Managing IP Counsel
LSI Corporation
April 2007 – April 2011 (4 years 1 month)

Corporate Counsel
Agere Systems (Merged with LSI Logic)
2005 – 2007 (2 years)

Corporate Counsel - IP
Bell Labs Lucent Technologies
June 2002 – June 2005 (3 years 1 month)

Associate
Akin, Gump
July 2000 – June 2002 (2 years)

Associate
Schnader, Harrison
August 1997 – June 2000 (2 years 11 months)

Systems Engineer
Electronic Data Systems

How You're Connected

You

REDACTED

David 3rd
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People Also Viewed

Lloyd Sadler
Intellectual Property Transactions

Chad Hilyard
Chief Intellectual Property Counsel at Rockstar Consortium US LP

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

john veschi
--

Shival Virmani
Patent/Licensing Attorney at Rockstar Consortium US LP

Gillian McColgan
CTO at Rockstar

1991 – 1994 (3 years)

Skills & Endorsements

Top Skills

- 53 Licensing
- 46 Patents
- 45 Intellectual Property
- 37 Patent Prosecution
- 34 Patent Litigation
- 20 Patentability
- 14 Trademarks
- 13 Trade Secrets
- 11 Software Patents
- 10 Semiconductors

David also knows about...

- 8 Prosecution
- 7 Intellectual Asset...
- 7 Invention
- 7 Patent Applications
- 6 Copyright Law
- 6 Software Licensing
- 5 Licensing Negotiations
- 5 Intellectual Property...
- 4 Start-ups
- 4 Patent Portfolio...
- 3 Registered Patent...
- 3 Trademark Infringement
- 3 Patent Searching
- 3 Patent Portfolio...
- 3 Client Counseling

See 11+ >

Education

Hofstra University School of Law
JD
1994 – 1997

Rutgers, The State University of New Jersey-New Brunswick
BSEE, Electrical Engineering / Biomedical Engineering
1985 – 1990

John Garland
Vice President of Licensing at Rockstar Consortium US LP

Alfi S. Guindi
Senior IP Counsel at Rockstar Consortium LLC

Donald Powers
Litigation Counsel at Rockstar Consortium US LP

Vicki Carver
Director, Human Resources

In Common with David

Derek D. (Upgrade for full name)

3rd

Senior Financial Analyst at Rockstar Consortium

Ottawa, Ontario, Canada | Management Consulting

Previous Environment Canada, Correctional Service of Canada

Education Carleton University

Send Derek InMail

458 connections

Background

Summary

Finance professional specializing in intellectual property valuation, licensing strategy, mergers & acquisitions, market research, and cash flow analysis.

Experience

Senior Financial Analyst
Rockstar Consortium
2012 – Present (2 years)

Rockstar

Business Manager
Environment Canada
2009 – 2010 (1 year)

Environment Canada

Senior Budget Officer
Environment Canada
2009 – 2009 (less than a year)

Environment Canada

Analyst
Correctional Service of Canada
2008 – 2009 (1 year)

Organizations

Licensing Executive Society (LES)
Member
2013 – Present

Languages

English **French**

People Similar to Derek

Homam Alattar, CAIA
Investment Banking Analyst at James Edw...
Connect

People Also Viewed

Vicki Carver
Director, Human Resources

Stacey Nunes
Business Development Officer at National Research Council

Chris Briggs
Senior Program Manager at Rockstar Consortium

Shival Virmani
Patent/Licensing Attorney at Rockstar Consortium US LP

Dave Smith
Patent Acquisition and Sales at Rockstar Consortium Inc.

hamid ziyati
IP Technology Consultant

Gillian McColgan
CTO at Rockstar

Bill Junkin
Portfolio Development & Enhancement at Rockstar Consortium

Terry Doggett
Senior IT Specialist at Rockstar Consortium Inc.

David Sasso
Senior Licensing Counsel at Rockstar Consortium