

HIGHLIGHTING ADDED

EXHIBIT 38

Shepardize® your case and receive comprehensive editorial analysis by experienced attorneys.

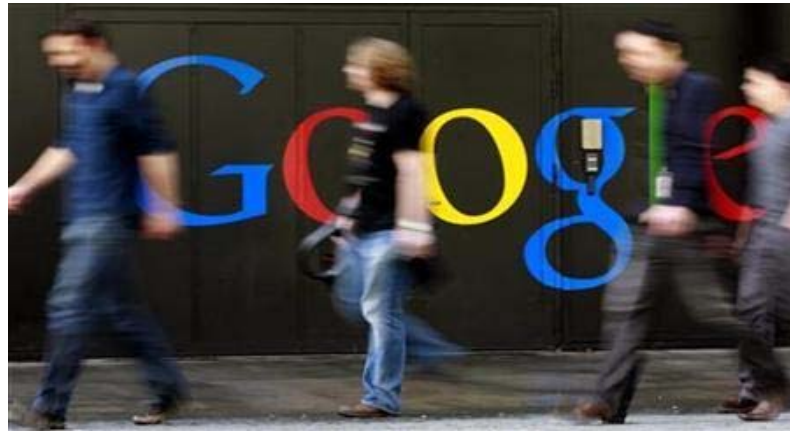
LexisNexis™

SEE THE DIFFERENCE >

Dealtalk: Google bid "pi" for Nortel patents and lost

BY NADIA DAMOUNI
NEW YORK | Fri Jul 1, 2011 10:30pm EDT

23 COMMENTS | Tweet 1,176 | Share | Share this | +1 702 | Email | Print



People walk past a logo next to the main entrance of the Google building in Zurich March 9, 2011. CREDIT: REUTERS/ARND WIEGMANN

- 1 Waves of immigrant minors present crisis for Obama, Congress
- 2 Top scientists warn WHO not to stub out e-cigarettes
- 3 Parents of California gunman describe 'hell on earth'
- 4 Porn may be messing with your head
- 5 Exclusive: Medicare on drugs: 24,000 tests for 145 patients

RELATED NEWS

[Apple/RIM group top Google in \\$4.5 billion Nortel sale](#)

[U.S. caught China buying more debt than disclosed](#)

[LSE, TMX abort their merger, leaving both in play](#)

[Microsoft rolls out Office in the cloud](#)

[Maple, LSE talk tough in last-minute dash for TMX](#)

ANALYSIS & OPINION

[Kodak scores a patent win but shares fall anyway](#)

[Pricey Nortel IP shows fear of Google's Android](#)

RELATED TOPICS

[Tech »](#)

[Deals »](#)

[Global Deals Review: 2011 Q3 »](#)

[Global Deals Review: 2011 Q2 »](#)

(Reuters) - At the auction for Nortel Networks' wireless patents this week, Google's bids were mystifying, such as \$1,902,160,540 and \$2,614,972,128.

Math whizzes might recognize these numbers as Brun's constant and Meissel-Mertens constant, but it puzzled many of the people involved in the auction, according to three people with direct knowledge of the situation on Friday.

"Google was bidding with numbers that were not even numbers," one of the sources said.

"It became clear that they were bidding with the distance between the earth and the sun. One was the sum of a famous mathematical constant, and then when it got to \$3 billion, they bid pi," the source said, adding the bid was \$3.14159 billion.

"Either they were supremely confident or they were bored."

It was not clear what strategy Google was employing, whether it wanted to confuse rival bidders, intimidate them, or simply express the irreverence that is part and parcel of its corporate

SHOP

SHOP

Nine West Gaget T-strap Sandals

\$49.99

SHOP

SHOP

Follow Reuters

Facebook | Twitter | RSS | YouTube

RECOMMENDED VIDEO

[Global Deals Review »](#)

[Inflows Outflows »](#)

[Media »](#)

persona. Whatever its reasons, Google's shenanigans did not work.

A group of six companies -- Apple, Microsoft, RIM, EMC, Ericsson and Sony -- won the auction of 6,000 Nortel patents and patent applications with a \$4.5 billion bid.

The final figure was three times the amount expected by some analysts -- a sign of the lengths to which Google's rivals were willing to go to get their hands on the treasure trove of wireless technology, and thwart the Internet powerhouse's mobile ambitions.

Google had been expected to emerge victorious after it set a \$900 million stalking horse bid in April. But the auction that started on Monday and saw 20 rounds of bids over four long days ultimately hit a price that became too much even for Google, the sources said.

The Internet company might have had \$36.7 billion in cash as of March 31, but it was only willing to go up to \$4 billion for these patents, one person said.

FIVE BIDDERS

Five parties, including two consortiums, initially started bidding for the bankrupt Canadian telecoms company's patents -- Apple, Intel, Google, a consortium of Ericsson, RIM, Microsoft, Sony and EMC, and a group led by patent risk solutions provider RPX, the sources said.

Intel started the bidding around 9 am on Monday with a \$1.5 billion bid, one source said.

The RPX-led consortium, which included Chinese firm Huawei, dropped out after the first round of the auction held at the offices of law firm Cleary Gottlieb Steen & Hamilton LLP. The consortium remained on the sidelines looking to partner with someone else but never did, the source said.

"It did become clear to us very quickly that this was something that a bunch of big companies with humongous balance sheets had decided was strategic for them," RPX Chief Executive John Amster said. "Clearly at a price at this level it had to be strategic, and they could afford that."

The auction tested the limits of even the giants, and it took behind-the-scenes maneuvering and a series of alignments for a winner to emerge.

FAST AND FURIOUS

On Tuesday night, the Ericsson consortium stopped bidding, and started looking for a partner, which it found in Apple, the source said.

"When people drop out, you try to partner people," another source said. "It is pretty common in auctions because you are trying to get together people who have reached their individual limits and they still have interest in the assets."

By Wednesday, Intel dropped out as well -- a move that was followed by heated negotiations over the next 24 hours as the two remaining parties both tried to court the chip giant to join their side. Intel chose Google, one source said.

The field narrowed to two -- the Apple consortium called "Rockstar," and the **Google bidding vehicle named "Ranger"**, the sources said.

"Then it was fast and furious \$100 million allotments until they got to \$3 billion, at which point Google asked for permission to bid more," a source said. "They bid through \$4 billion and tapped out."

[A different shoe for each and everyday](#)

[Demolished building in France gets last laugh](#)

[McCartney cancels Asia concerts, Singer files t...](#)

[Oscar winner's death a suicide](#)

FINANCIAL COMMENTARIES AND GUIDES


■ [How can you get on track with your 401k?](#) *(Personal Capital)*




■ [Free Guide on Top Performing Portfolio Managers & Strategies](#) *(Covestor)*

■ [Five Investment Ideas for Your Portfolio.](#) *(BlackRock Blog)*

■ [Understand the future trade trends, brought to you by HSBC](#) *(HSBC)*

■ [Don't buy a stock unless Zacks says it's a Strong Buy](#) *(Zacks)*

Content from sponsors 

15 year fixed mortgage rates in Dallas, TX	
 <small>NMLS # 2826 State Lic # 68688</small>	APR: 2.953% Payment: \$1,130 Fees: \$895 2.875% RATE <input type="button" value="Go"/> Thu May 29
 <small>NMLS # 335991 State Lic # 335991</small>	APR: 2.950% Payment: \$1,130 Fees: \$857 2.875% RATE <input type="button" value="Go"/> Thu May 29
 <small>NMLS # 335991 State Lic # 335991</small>	APR: 3.065% Payment: \$1,139 Fees: \$747 3.000% RATE <input type="button" value="Go"/> Thu May 29
Criteria used	SEE ALL RATES



Google declined to comment for this article, but called the auction results "disappointing."

Lazard Ltd advised Nortel in the deal, while Jefferies advised its creditors. Akin Gump Strauss Hauer & Feld LLP was legal adviser to Nortel's creditors, while Cleary Gottlieb advised the company.

(Additional reporting by [Tiffany Wu](#) in New York and [Alastair Sharp](#) in Toronto; Writing by [Paritosh Bansal](#), editing by Bernard Orr)

FILED UNDER: [TECH](#) [DEALS](#) [GLOBAL DEALS REVIEW: 2011 Q3](#) [GLOBAL DEALS REVIEW: 2011 Q2](#)

[GLOBAL DEALS REVIEW](#) [INFLOWS OUTFLOWS](#) [MEDIA](#)

Recommend 3,241 people recommend this. [Sign Up](#) to see what your friends recommend.

[Tweet this](#) [Link this](#) [Share this](#) [Digg this](#) [Email](#) [Print](#) [Reprints](#)

More From Reuters

- [Mired in controversy, U.S. rocket blasts off on secret mission](#) | 22 May
- [Demolished building in France gets last laugh](#) | 26 May
- [Russia forges huge economic bloc with Kazakhstan and Belarus](#) | 29 May
- [North Korea 'special action' threat](#) | 26 May
- [Father blames government 'idiots' as California town mourns killings](#) | 26 May

Sponsored Financial Content



- [How much should you have in your 401k based on your age?](#) *Personal Capital*
- [Your Core Portfolio: The Case for ETFs](#) *BlackRock Blog*
- [Germany Country Guide, brought to you by HSBC](#) *HSBC Global Connections*
- [Download Our 2014 eBook to Learn How To Generate Yield on Investments](#) *Covestor*
- [Want to hedge your equity position? Forex reports from FXCM can help.](#) *FXCM*

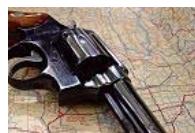
From The Web

Sponsored Content by Taboola



Whistler - Summers Are Meant to Be Spent Ou...

Tourism Whistler



New Bill To Redefine Antique Firearms

GND News



10-Million Square Foot Tech Base Revealed

Money Morning



Must Have Appliances Being sold For Next T...

QuiBids



These Are The Best Credit Cards For 2014

Next Advisor



30 Candid Met Gala Snaps You Haven't Se...

Refinery29



If You Want To Be Awesome At Gmail, A...

Forbes



Truth About Annuities*

Senior Annuity Alert

We welcome comments that advance the story through relevant opinion, anecdotes, links and data. If you see a comment that you believe is irrelevant or inappropriate, you can flag it to our editors by using the report abuse links. Views expressed in the comments do not represent those of Reuters. For more information on our comment policy, see <http://blogs.reuters.com/fulldisclosure/2010/09/27/toward-a-more-thoughtful-conversation-on-stories/>

Comments (23)

katiepea wrote:

hmm no i'd say it worked brilliantly, they did the same thing when they were bidding against microsoft for skype, google never wanted skype, they just wanted microsoft to think they did, what google is offering blows skype away, google is just having fun with people trying to play catch up to them, there is not method other than humor here.

Jul 01, 2011 10:08pm EDT -- [Report as abuse](#)

kthor wrote:

strategically google won and made the winning bidder pay more than \$4 billion for tech that's probably not worth it. they are forcing competitors to spend money on worthless techs as they are eyeing other takeovers in the future but not before they make rivals spend the money 1st. good call G

Jul 02, 2011 1:21am EDT -- [Report as abuse](#)

jabberwolf wrote:

I think they were being cute.
But it doesnt bode well for engineers to pretend they know law.
Just as it isnt a bright idea for lawyers to pretend they know physics.

A genius in one field is not a genius in another by osmosis or entitlement. This is why some of the brightest people in the world can be so gawd awfully stupid. Google's shown this by example these past years.

They did so again with the loss of the recent bid.

Jul 02, 2011 2:12am EDT -- [Report as abuse](#)

This discussion is now closed. We welcome comments on our articles for a limited period after their publication.

[See All Comments »](#)

Sponsored Links

Ads by Adblade



Top 10 Child Stars Who Became Broken Adults



Alcoholism took a terrible toll on the lives on...



10 Disastrous Crew Visible Mistakes in Movies



Biggest career mistakes of movie stars - 15...



15 awful film remakes that suck

[Back to top](#)

- Reuters.com** [Business](#) | [Markets](#) | [World](#) | [Politics](#) | [Technology](#) | [Opinion](#) | [Money](#) | [Pictures](#) | [Videos](#) | [Site Index](#)
- Legal** [Bankruptcy Law](#) | [California Legal](#) | [New York Legal](#) | [Securities Law](#)
- Support & Contact** [Support](#) | [Corrections](#)
- Account Information** [Register](#) | [Sign In](#)
- Connect with Reuters** [Twitter](#) [Facebook](#) [LinkedIn](#) [RSS](#) [Podcast](#) [Newsletters](#) [Mobile](#)
- About** [Privacy Policy](#) | [Terms of Use](#) | [Advertise With Us](#) | [AdChoices](#) | [Copyright](#)

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals.

<p>Our Flagship financial information platform incorporating Reuters Insider</p>	<p>An ultra-low latency infrastructure for electronic trading and data distribution</p>	<p>A connected approach to governance, risk and compliance</p>	<p>Our next generation legal research platform</p>	<p>Our global tax workstation</p>	<p>Thomsonreuters.com</p> <hr/> <p>About Thomson Reuters</p> <hr/> <p>Investor Relations</p> <hr/> <p>Careers</p> <hr/> <p>Contact Us</p> <hr/>
--	---	--	--	-----------------------------------	---

Thomson Reuters is the world's largest international multimedia news agency, providing investing news, world news, business news, technology news, headline news, small business news, news alerts, personal finance, stock market, and mutual funds information available on Reuters.com, video, mobile, and interactive television platforms. Thomson Reuters journalists are subject to an Editorial Handbook which requires fair presentation and disclosure of relevant interests.

NYSE and AMEX quotes delayed by at least 20 minutes. Nasdaq delayed by at least 15 minutes. For a complete list of exchanges and delays, please click here.