## **EXHIBIT 4**

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3-12-08 Court Transcript.txt 1 83craric 1122233445566677889990 10 UNITED STATES DISTRICT COURT SOUTHERN DISTRICT OF NEW YORK -----X ARISTA RECORDS, et al., Plaintiffs, ν. 06 Civ. 5936 (GEL) LIME WIRE LLC, et al., Conference Defendants. -----x New York, N.Y. March 12, 2008 5:00 p.m. 10 Before: 11 11 HON. GERARD E. LYNCH 12 12 12 13 District Judge 13 14 14 15 15 APPEARANCES 16 CRAVATH, SWAIN & MOORE LLP 16 Attorneys for Plaintiffs 825 Eighth Avenue New York, New York 10019 (212) 474-1000 17 17 17 18 JOANNE M. GENTILE, ESQ. 18 BY: 19 19 19 20 KATHERINE B. FORREST, ESQ. TEENA-ANN V. SANKOORIKAL, ESQ. 20 21 21 22 22 PORTER & HEDGES, L.L.P. Attorneys for Defendants Reliant Energy Plaza. 22 23 23 24 1000 Main Street, 36th Floor Houston, Texas 77002 (713)-226-6676 BY: CHARLES S. BAKER, ESQ. 24 25 SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 2 83craric (Case called) 1 2 3 THE COURT: Good afternoon. This has been a most helpful exchange. Having reviewed these materials, I find that I have a great deal of trouble understanding how these 4 5 6 7 copyright misuse defenses are going to be a worthwhile subject of discovery. Lime Wire's letter starts off by arguing that Lime 8 Wire is not the equivalent of Napster but is a perfectly

3-12-08 Court Transcript.txt legitimate software product with many legitimate uses such that 10 it should not be found liable for contributory infringement or anything of the sort. Mr. Baker, if you're right about that, 11 12 then the copyright misuse defenses become totally irrelevant 13 and unnecessary, yes? 14 MR. BAKER: Yes, your Honor. If we win on that --THE COURT: You win without getting to those. 15 MR. BAKER: That's right, your Honor. 16 17 THE COURT: I think we have to address the copyright 18 misuse defenses on the assumption that Lime Wire is the equivalent of Napster because that's the only circumstance in which these defenses come into play. But if that is so, if it turns out that your entire product is essentially illegal, then why aren't the labels entitled to do things like insist that their licensees not deal with somebody who's existing solely to 19 20 21 22 23 24 infringe their products? MR. BAKER: Your Honor, if I may, the problem is that SOUTHERN DISTRICT REPORTERS, P.C. 25 (212) 805-0300 3 83craric 1 2 3 the license agreements were in place before there has been an adjudication of it. In other words, there is already a presumption that we have done something illegal. THE COURT: No, there is no presumption. If you did do something illegal, then what they are doing is not a problem. If you didn't do anything illegal, then you win the 4 5 6 7 case without regard to what they do. So I don't think they 8 need an adjudication. They are prepared apparently to take the risk of engaging in whatever licensing arrangements they engage in on the assumption that you will be found to be illegal. So they're doing that. If you're illegal, then they win their gamble, it seems to me, because if you are illegal, then their behavior is not a misuse but is an appropriate self-defense. Are you suggesting that if they see something that 9 10 11 12 13 14 15 they think is infringement, they can't defend themselves against it because, what do I have to do, file a declaratory judgment action and get it declared illegal before they can take steps to deal with it in the marketplace? MR. BAKER: No, your Honor. They have every right to sue individuals or sue companies for infringement. The problem 16 17 18 19 20 21 is when they extend that right to more than just good faith lawsuits, when they go out and they demand their licensees to 22 23 24 not do business with entities that they in their own mind 25 determine are illegal, that's the basis of what our claim is SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 4 83craric under the license agreements. 1 2 THE COURT: What if they're right that it's illegal? You're saying that they just have to lay back and take it until such time as they win a lawsuit, they can't take any action to 34 56 7 defend themselves in the marketplace by the way they license their product? MR. BAKER: No, your Honor, I'm not saying they are not entitled to defend themselves in the marketplace. They are not trying to defend themselves in the marketplace. They are trying to prevent others from doing business with us. That 8 9 10 11 extends beyond their monopoly, their distribution rights and 12 their copyrights that are given to them by the Copyright Act. 13 We don't deny that they have those rights to enforce it. It's Page 2

3-12-08 Court Transcript.txt 14 their extending it beyond and their affecting us before a 15 lawsuit has been filed or anything else. 16 THE COURT: What you are saying, though, is that assuming that you are found to be engaging in massive illegality, you will be retroactively legalized and they will be deprived of their copyrights because they took actions on the assumption that you were doing something illegal which 17 18 19 20 21 turns out to be exactly right? 22 MR. BAKER: I agree that if the Court rules that we 23 are illegal, the misuse defense, however you want to call it, whether it's the license agreements or the Imus issue or 24 anything else, those all get shoved aside. But what happens if SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 25 5 83craric 1 in fact we are found legal and then they have done all these 234567 other bad things? I understand the Court's point. THE COURT: Then you have won your lawsuit and we don't get to that and I never get to decide those issues. MR. BAKER: Right. THE COURT: It may be that if there were some independent cause of action or some independent illegality, and I realize you tried to assert that via the antitrust laws, then 8 you might be entitled to some compensation. But if there is no 9 10 independent wrong for which you can claim damages and the only function of these defenses is as a defense, well, as I say, I don't know if you need it if your principal argument is correct and I don't know that you have it if it turns out to be 11 12 13 14 incorrect. All of these alleged misuses, it seems to me, would only be misuses if they are trying to shut down some legitimate competition or to extend their monopoly. If instead what they are doing and this is their purported motive -- and, as I say, 15 16 17 18 19 I think they are at risk to some degree if they turn out to be 20 What they say they are doing is dealing with an wrong. 21 infringer. 22 Suppose the labels said to some licensee, we are giving you a license but you have to agree that you will not deal with some company in China that's turning out massive pirated copies of our CD's, they're doing all this bad stuff, SOUTHERN DISTRICT REPORTERS, P.C. 23 24 25 (212) 805-0300 6 83craric 1 and if you're going to have dealings with them, we don't want to have dealings with you. Are you saying that would be a 2 3 4 misuse of copyright? MR. BAKER: Yes, your Honor, because it extends beyond their limited rights. They don't have the right to tell others who to do and not to do business with. They only have the 5 6 7 right to control their own copyrights. Those are very limited rights. They can control who it's sublicensed to. They can control their licensees to a certain extent what they do with 8 9 10 it. But to extend it beyond that monopoly is what the courts have said is wrong. 11 THE COURT: Well, no. The courts have said that very specific things are wrong in very specific circumstances. I 12 13 don't suggest that the Second Circuit wouldn't endorse some of those very same cases if those very same cases came up. But I 14 15 think that you are stretching this to quite an extraordinary 16 17 degree. 18 The copyright holder has a right to deal with who they

3-12-08 Court Transcript.txt want to deal with and not deal with who they don't want to deal 19 20 with. They can do that, it seems to me, legitimately. They can do that by refusing to deal with people who are, in their view, assisting in or conducting the infringement of their 21 22 23 products. 24 I don't see why they should have to license their 25 copyrighted materials to people who are doing business with SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 7 83craric those who are systematically infringing their copyrights. Again, you may not be that person. But if you're not that 1 2 3 person, we never have to reach those issues. There are a few allegations here of other forms of misuse that aren't directed at Lime Wire. There I do think 4 5 6 7 that the defendant interprets these cases rather more broadly than I think is justified. Even assuming that there is some misconduct that's occurred somewhere by some of the plaintiffs 8 9 in dealing with somebody who has nothing to do with this dispute, the notion that the consequence of that is that the copyrights are effectively invalidated would allow, for example, that very same defense to be asserted if I set up a 10 11 12 little factory across the street, went to J&R down the block, bought a bunch of CD's, and started mass-producing the CD's. 13 14 15 I could make the same defense that Lime Wire is making here, that once upon a time, if we search all their records, we'll find something they did wrong and whammo, now we've effectively put them out of business by saying everybody can 16 17 18 violate their copyrights with impunity. That doesn't seem to me to be the law, and that seems to me to go far beyond the rulings in the cases on which Lime Wire relies. Having had this extended briefing, I guess my conclusion is that the likelihood that anything productive is 19 20 21 22 23 going to come of this discovery that would really affect the outcome of the case that would be worth the time, expense, 24 25 SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 8 83craric trouble and distraction of conducting this kind of fishing 1 expedition is so low that I'm going to deny that discovery 234567 Ms. Forrest, I think you raised a question. Is the just something that now that I've said this everyone understands where we stand and we're ready to go, or do you Is this think there is some more formal order that needs to be entered or some other way that this need to be done? MS. FORREST: Your Honor, I do not. We have a transcript. The parties are clear. I think that we can 8 9 10 proceed. When we get there, we have a couple of scheduling issues to raise as well. 11 12 THE COURT: Mr. Baker, is there something you think we 13 need to do? 14 MR. BAKER: No, your Honor. Maybe just some type of 15 an order in the record itself, whether a minute order or 16 something like that. THE COURT: Ms. Forrest, why don't you submit some form of order that you think will embody what this ruling is. I'm cautious to try drafting something myself because it does involve the extent of this discovery. Show it to Mr. Baker and 17 18 19 20 21 see if we can get something that everyone's agreed on. 22 I don't want to formulate this in some way that's 23 going to give one side or the order some advantage in obtaining

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3-12-08 Court Transcript.txt or resisting discovery that doesn't have anything to do with 24 25 this ruling. I think the parties understand what's at stake SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 9 83craric and what the ruling is better than I do in terms of what its 1 2 3 practical implications are and what's the best way of formulating the order. 4 5 MS. Forrest, you had some scheduling concerns? MS. FORREST: Yes, your Honor. We are proceeding 6 7 actively with the depositions and are proceeding very well in that regard and expect to be able to be completed with the depositions of all fact witnesses by the end of the first week of April. That is about a one-week extension beyond where we 8 9 10 were, which was March 31st. Originally, the original schedule 11 was March 31st. 12 THE COURT: Remind me, what is it that's being done by 13 a week beyond March 31st, all depositions or just fact 14 depositions? Is there some other phase that's going to happen 15 after that? 16 MS. FORREST: Your Honor, a week after March 31st all fact depositions, party and third-party, would be completed. But that does not include experts. Our affirmative expert reports would go in thereafter, and then we would have our 17́ 18 19 20 expert discovery on not the same schedule but the same time 21 frames that are set forth in the Court's current order. 22 23 THE COURT: Mr. Baker? MR. BAKER: There are a couple of things, your Honor. We have been working very hard, and we still have a lot of witnesses to go. We're going to do our best. I'm hoping to SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 24 25 10 83craric hold to that schedule of April 7th. I've got a trial\_scheduled 1 23 that day in Houston on another case. I've got several people helping me. I'm going to do my best to try and match that date. I'm just hopeful we can. We have taken a lot, and we've got another at least ten or eleven more depositions between now and the end of this month. 4 5 6 7 THE COURT: You think it is going to take longer? 8 MR. BAKER: We had asked at one point in time that it go to the end of April, to give us one month. We couldn't come to an agreement on that. So I'm thinking it's going to take 9 10 probably two more weeks after that, which would be April 21st. I'm supposed to be on spring vacation next week. I know Ms. 11 12 Forrest is going to take a week off with her family. THE COURT: I'm the only one who doesn't. MS. FORREST: No, I don't get to, unfortunately. THE COURT: Is this a big deal? Can we split the 13 14 15 16 17 difference? We're talking about weeks here in a very long 18 litigation. 19 MS. FORREST: We could split the difference, your Honor. The issue for us is that it is very important for us --we'd like to file summary judgment before the week of July 4th, 20 21 because a lot of people go away. What that requires is very little slippage in the schedule. If we imagine that expert reports go in, say, in the middle of April --THE COURT: I'm always optimistic that people can do 22 23 24 25 SOUTHERN DISTRICT REPORTERS, P.C.

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## 3-12-08 Court Transcript.txt 83craric two things at once with enough associate support. If the depositions slip a couple of weeks, correct me if I'm wrong, 1 2 3 I'm not sure that the expert reports need to be delayed, depending on the what the experts are, at all necessarily. MS. FORREST: I'll explain to you why I think they 4 5 would. I want to finish this. The reason that there would have to be a delay is that some of the witnesses we are talking 6 7 8 already about slipping into that first week are very technical. 9 We plan, it's no surprise, to put in as one of our expert reports, our affirmative reports, a technical expert who will 10 11 rely directly upon those depositions. Currently, the expert reports are due March 31st. It's the same day that we will be taking the deposition of somebody. Then a couple of days before, one of the technical 12 13 14 folks. So we do need to slip the experts unless we can commit 15 16 that none of the depositions that are technical would be after 17 the expert reports go in or if we had leave to amend. But 18 that's not ideal. 19 THE COURT: Are the experts that we're talking about 20 21 22 23 all computer type people? MS. FORREST: Ye Yes. THE COURT: Technical people? MS. FORREST: The ones I'm talking about, your Honor, 24 yes. 25 MR. BAKER: My response, from my experience in these SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 12 83craric cases, the experts typically rely upon the code, on their interpretation of the code. And they want to depose every one of our developers, just about. They don't need every one of them to prepare their report. 1 2 3 4 5 6 7 THE COURT: Let me back up. It seems to me the problem is that there is some, in effect, overlap between the fact witnesses and the expert witnesses in that some of the 8 fact witnesses are in effect experts. Whether they function 9 that way as a matter of law or not, they are people who are specialists with a great deal of technical knowledge that's going to then bear on these expert reports. That's what you're 10 11 12 telling me. 13 MS. FORREST: That's correct, your Honor. THE COURT: I think you have to do what you have to do 14 15 in this circumstance. I thought that this ruling just saved us 16 at one point there was some reference to 16 depositions. MS. FORREST: Absolutely. We have a schedule in place right now which, if we hold to it, we can get done by the end of the first week of April. The depositions are scheduled. I would urge the Court not to elongate the schedule in a way that 17 18 19 20 will unschedule depositions that are currently scheduled. We 21 22 can get it done. 23 THE COURT: I'm not elongating anything. You're 24 asking me for an extension of time, you're saying we need to 25 limit that extension of time to one week, and you're telling me SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 13 83craric that all the depositions are already scheduled. Mr. Baker, 1 you're suggesting, I think, that maybe that's an overstatement when the word "scheduled" is used? 2 3 MR. BAKER: Yes, your Honor. We've got witnesses from

3-12-08 Court Transcript.txt them we are still getting on the noncopyright misuse issues. They've still got several of ours. There are several third 6 7 parties, former employees, that we are still scheduling. We 8 have had a death in the family. We've had all kinds of circumstances that come up. Very graciously the plaintiffs have worked with us in scheduling these things. 9 10 11 THE COURT: Put another way, when you say scheduled, I 12 think you mean noticed. 13 MS. FORREST: Your Honor, the exact number Ms. 14 Sankoorikal knows. But we are most of the way there. There 15 are some that are noticed. We believe we can get our people 16 within the time frame. There are multiple people who are covering, both Mr. Baker and Mr. Cohen, as well as on our side. 17 18 We can do this. You're right, absolutely, I'm the one standing here asking for slippage in the expert schedule. But what I'd like 19 20 21 not to do is have that turn into a conversation about a 22 23 slippage in the schedule generally. If that's the result, I'd rather stay where we are. THE COURT: What we've got is something that happens 24 25 all the time. One party or the other, for perfectly legitimate SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 14 83craric reasons, is telling me we really need to keep to this schedule. 1 2 3 It's my general experience that if I go along with that, which is often my inclination because it moves the case faster, then that same party is back two weeks later saying, well, we really need a little more time because we can't get the guy that we need to get and please don't in the interest of rigidity of schedule say we can't depose this very important witness. I want the case to proceed expeditiously. I don't 4 5 6 7 8 want to lightly grant extensions and I don't want to say go to the end of April or something like that, because I know that 9 10 that takes the heat off the parties. On the other hand, 11 there's a limit to how high you can turn the heat and actually accomplish anything. I can say be done by the end of the first 12 13 week in April, but neither side is going to want that if it turns out that this witness or that witness is off to the Riviera for some reason and you can't get them in the time set 14 15 16 17 up. 18 19 Every lawyer is going to have whatever things come up that will lead to a need to accommodate. What I hear is the 20 parties have been working reasonably with each other, and I 21 expect that that will continue. I don't know that it necessarily facilitates that for me to set some rigid deadline. I've heard let it slip one week, let it slip three weeks. Why don't we split the difference as far as the Court's order and call it two weeks with the following caveats on both SOUTHERN DISTRICT REPORTERS, P.C. 22 23 24 25 (212) 805-0300 15 83craric sides. Number one, to say you have an expert witness to accomplish this if you need it is not to say that I'm 1 2 encouraging you to do anything that isn't efficient and you should try to adhere to a faster schedule if you can. By the same token, I'm not saying that everybody dies 3 4 5 and goes to heaven two weeks after March 31st. If the parties need more time, I have no objection to giving it to them, but 6 7 8 that's going to be because all parties think that it's in q everybody's interest really to do something else. Page 7

3-12-08 Court Transcript.txt 10 Finally, what I think is the way to make the time back up is that the expert process should not be unduly extended. 11 what I mean by that is maybe we're moving all the dates back by two weeks as the consequence of this, but if we can shave that by moving the expert dates back by only one week or if we do move all the dates back by two weeks and then it turns out that 12 13 14 15 you need another deposition or even two to go beyond April 15th, I trust that counsel will be able to work out a schedule 16 17 18 so that you can prioritize the people that are important for 19 the experts. And if you need some other deposition to be 20 adjourned as a consequence of that that won't hurt the experts' 21 22 schedule, counsel will be able to accommodate each other and take a deposition or two after the date without compromising 23 the ultimate goal. 24 Once again, my project is to bring this home in some reasonable amount of time. Understanding that summer is not 25 SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 16 83craric the ideal time to have an expedited kind of motion schedule, we're going to do what we have to do. We'll see what slippage 1234567 has to happen. You're saying you're going to make a motion by July 4th? MS. FORREST: Yes. MR. BAKER: We as well, your Honor. If it's in everybody's interest to do that THE COURT: and get that first motion in by July 4th, you'll find a way to do it, it seems to me, and you'll work out a mutually acceptable schedule that will see to it that that gets done. The first thing is I think it is reasonable to say let's go two weeks rather than one into April if that's needed. See what you can do about making up some of the time on the experts. The first works. 8 9 10 11 12 13 experts, then see whether that works. If it doesn't work, maybe the motion schedule will have to be spread out a little 14 15 bit. OK? This is short of, obviously, my saying here's your marching orders. It hasn't sounded to me as if the parties need that kind of parental control here. 16 17 18 MS. FORREST: I think, your Honor, based upon your Honor's direction, we can work it out. MR. BAKER: I think so, yes. I have one issue, your Honor, about experts. We know they are going to have a 19 20 21 22 23 technical expert, but we are the defendant and we've got a short period of time to figure out\_who our experts will be on 24 25 rebuttal and what topics. It's only essentially 30 days to get SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 17 83craric 1 a report done and out. 2 My hope was that at one point in time we could have a 3 disclosure of who their experts are going to be so that I won't be sandbagged and in 30 days have to go get a huge technical expert who has to do a huge amount of work over a very short 4 5 6 7 period of time. I would request or ask the Court that there be an exchange of disclosures as to who are the experts they intend to have and a very short description of what their testimony will be. 8 9 10 MS. FORREST: That's fine. 11 THE COURT: Good. Again, that might be a way of 12 expediting. 13 MR. BAKER: It would help things very much, your 14 Honor.

3-12-08 Court Transcript.txt THE COURT: Good. If you can do that, work that out, 15 16 so. Once again, in the interests of housekeeping, if somebody 17 submits an appropriate order with new deadlines, I'll sign off 18 on that. Do we have another conference scheduled? MR. BAKER: We do in April, your Honor. 19 20 21 22 23 This doesn't sound like a good thing to THE COURT: do. MR. BAKER: I don't think we need it. 24 MS. FORREST: What we can do perhaps is when we come 25 up with an agreed-upon new schedule, perhaps your Honor can set SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 18 83craric 1 a date after that. 2 THE COURT: Yes. Call Tom. Once you have figured out 3 4 5 the time frame of when in the process another conference will be productive, I'm sure that chambers staff will be able to give you a date to have it. Frankly, I'm not sure that I see 6 7 when another conference comes up. Barring as-needed dealing with any discovery disputes, and I hope we don't have any more, the next order of business is to file motions. Do we have to have some scheduling for a 8 9 motions conference or do we really need the motions, can we 10 11 have a trial date? 12 Apparently everybody has agreed there are going to be 13 motions. That's been dealt with already. It doesn't sound like we have parties who are thinking that the best way to 14 resolve this is to have a settlement conference. Obviously, if you thought it was, probably you'd do better to go find some mediator on your own. But if you wanted to have someone through the court or to have a magistrate judge, all you have 15 16 17 18 19 to do is call and we can put everything on hold and go into 20 that mode. 21 The things I normally would talk about with lawyers in 22 a post-discovery conference we already know what we're doing apparently. We're going to have motion practice, and all 23 you'll need to do is create a schedule for it. Or if it's already created, fine. So I don't know that there is a need SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300 24 25 19 83craric 1 for a conference. If you think there is some point at which a stock-taking is of some value, tell us when it is and we'll schedule it. Otherwise, my anticipation would be that if we need oral 2 3 4 5 argument on these motions, apparently sometime in the fall it's looking like, New York fall, after Labor Day, we'll schedule 6 7 8 9 it. MS. FORREST: That sounds reasonable. One last thing, your Honor. Your Honor held a telephonic conference, very 10 short, on the production of the video issue. 11 THE COURT: I don't even remember. 12 MS. FORREST: We had given you a stipulation that was signed by both parties. We just needed to get it so ordered. We have another copy of it, your Honor. THE COURT: Did we not get it or did we sign it and 13 14 15 16 17 lose it? THE LAW CLERK: I thought we signed it. 18 MS. FORREST: Maybe it just hasn't turned up on the 19 docket yet.

3-12-08 Court Transcript.txt THE COURT: This was a while ago, wasn't it? Yes, I thought I signed it. Sometimes things get lost between chambers and the clerk's office. That is signed, and we'll make sure this one doesn't get lost, whatever happened to the last one. Good. Thank you very much. Good afternoon. (Adjourned) SOUTHERN DISTRICT REPORTERS, P.C. (212) 805-0300