

**EXHIBIT 118**

**From:** Brian Reynolds(brinja@gmail.com)  
**To:** Lupo, Anthony  
**CC:** Susan.Mulholland@gesmer.com; Taylor, Brewster; Panko, Ross  
**BCC:**  
**Subject:** Re: Selling rights in "IBOOK"  
**Sent:** 01/24/2010 05:13:29 AM 0000 (GMT)  
**Attachments:**

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Tony,

As I understand it we have active registrations in 24 countries and there should be no problem in adding the countries not presently registered.

It would not make sense to keep the domains without the trademarks; it would be expected for Apple to redirect the domains to an Apple.com location and so the ibook domains would still drive traffic to Apple.

I suggest we close at

Thanks, Brian.

On Sat, Jan 23, 2010 at 5:57 PM, Lupo, Anthony <[Lupo.Anthony@arentfox.com](mailto:Lupo.Anthony@arentfox.com)> wrote:

Brian,

Thank you for your email.

In order to keep this moving quickly, we are preparing a draft agreement. However, I don't think time will allow us to set up a call with an Apple executive. As you might expect, management is fully engaged in preparing for the event on Wednesday.

If you are not willing to accept the offer that I made last night, please email me your counteroffer today. In making a counteroffer, please keep the following points in mind:

- Although you take the view that the domains alone would justify your suggested price, Apple does not share that view. As I'm sure you're aware, Apple uses a single website at a single address, [www.apple.com](http://www.apple.com), for all of its products and services, and does not maintain separate product-specific sites at other web addresses. Apple would not place the same value on the domains that you have suggested.
- Please also reconsider the value you are putting on the trademarks. Although you indicated in your email that you have "registrations for ibook in the field of interactive electronic books in many countries including the USA", in fact your registrations in Australia, the European Community, the U.K., and elsewhere in Europe have all expired, and your Canadian application was abandoned. If we are to reach an agreement, the price must reflect the fact that you cannot convey to Apple a worldwide portfolio of trademark rights.

Since your current demand is apparently heavily weighted toward your view of the value of the domains, please let me know your price if the deal includes the domains, and also if the deal does not include the domains, and we will get back to you as quickly as we can.

Tony

**Anthony V. Lupo**  
Partner

Arent Fox LLP | Attorneys at Law  
1050 Connecticut Avenue, NW  
Washington, DC 20036-5339  
202.857.6353 DIRECT | 202.857.6395 FAX  
[lupo.anthony@arentfox.com](mailto:lupo.anthony@arentfox.com) | [www.arentfox.com](http://www.arentfox.com)

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**From:** Brian Reynolds [mailto:[brinja@gmail.com](mailto:brinja@gmail.com)]  
**Sent:** Saturday, January 23, 2010 12:19 PM

**To:** Lupo, Anthony  
**Cc:** Susan.Mulholland@gesmer.com; Taylor, Brewster; Panko, Ross  
**Subject:** Re: Selling rights in "IBOOK"

Tony,

Thanks for getting back to me last night. I fear that your suggested amount would barely cover our costs to convert from ibook and re-establish a brand of equivalent strength.

On the other hand our registrations for ibook in the field of interactive electronic books in many countries including the USA will provide a ready made strong branding which perfectly fits Apple's reported new business activity of adding interactive value to electronic books in association with publishers.

The further addition of the complete set of six ibook domain names adds a unique opportunity for Apple's ibook business recognition, branding and access; my suggested figure can be justified by the domain names alone.