

EXHIBIT D

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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JT COLBY AND COMPANY, INC., D/B/A
BRICK TOWER PRESS, J. BOYLESTON AND
COMPANY PUBLISHERS, LLC, AND IPICTURE
BOOKS, LLC,

Plaintiffs,

-against-

Index No.
11-CV-4060 (DLC)

APPLE, INC.,

Defendant.

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VIDEOTAPED DEPOSITION OF ROBERT SCHERER

New York, New York

November 16, 2012, 9:06 a.m.

Reported By:

Nicole Sesta

Ref: 8577

1 R. Scherer

2 parameters of the use.

3 Q Is it your understanding that
4 there is a duty to conduct a full search when
5 clearing a mark?

6 MR. RASKOPF: Note my
7 objection to the form of the
8 question.

9 A I think the case law has made it
10 clear that there's no duty to conduct a full
11 search but it is certainly a good practice and
12 evidence of good faith when you conduct an
13 appropriate full search.

14 Q Can you conduct a full search
15 without the use of a commercial vendor?

16 A I think we touched on that
17 earlier, but I don't think that you can conduct
18 a full -- again, the comprehensive issue, I
19 don't believe that you can conduct an
20 appropriate full comprehensive search hitting
21 all the necessary databases without going to a
22 commercial vendor.

23 Q What is the basis for that
24 statement?

25 A I think that they had the means,

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2 the wherewithal to conduct a further search,
3 more complete search than someone being on their
4 own.

5 Q Why do you believe that?

6 A From my years of experience and
7 reviewing SAEGIS searches and comparing them to
8 the results that I got in a comprehensive full
9 search for the same mark, I would find that you
10 would find more references and have a better
11 picture of the availability with the full
12 search.

13 Q In your view who provides a more
14 comprehensive full search, Thomson Compumark or
15 Core Search?

16 MR. RASKOPF: Note my
17 objection to the form of the
18 question.

19 A I couldn't evaluate that.

20 Q Do you know how Latham & Watkins
21 conducts full searches?

22 MR. RASKOPF: Objection to
23 the form of the question.

24 A No.

25 Q Do you know how Kirkland & Ellis

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2 conducts full searches?

3 MR. RASKOPF: Objection to

4 the form.

5 A No.

6 Q Do you know how Dechert conducts

7 full searches?

8 MR. RASKOPF: Objection to

9 the form.

10 A From the material that I've seen

11 in connection with this litigation, I have an

12 understanding of how Dechert does many of its

13 full searches.

14 Q What is that understanding?

15 A It's my understanding that they

16 use SAEGIS, the same Thomson Compumark SAEGIS

17 database, and run several different queries and

18 then go and look on Google to see whether or not

19 there are any references to similar marks.

20 Q To your knowledge does Dechert do

21 anything else in conducting full searches?

22 MR. RASKOPF: Objection to

23 the form of the question.

24 A They may follow-up with some

25 additional investigations of potential

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2 & Thomson on trademark searching?

3 A No.

4 Q When were you first contacted
5 about this case?

6 A I can't be sure of the exact time
7 but it was sometime in 2005, I'm sorry, 2011.

8 Q What month in 2011 were you
9 contacted about this case?

10 A I don't recall.

11 Q Who made the initial contact with
12 you?

13 A Tom Morrison.

14 Q What law firm does Tom Morrison
15 work for?

16 A Manatt Phelps.

17 Q At the time Mr. Morrison contacted
18 you about this case was Manatt representing the
19 plaintiffs?

20 A That was my understanding, yes.

21 Q Did you have any conversations
22 with Mr. Morrison before he retained you as an
23 expert witness in this case?

24 A Yes, he was involved with the
25 California litigation, the crayola litigation,

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that I mentioned earlier.

Q Were you working with him on the crayola case at the time he asked you to be an expert witness in this case, the Apple case?

A No.

Q How many conversations did you have with Mr. Morrison about the Apple case prior to being retained in this case?

A I don't know the exact number. I would guess maybe two.

Q When did those conversations occur?

A Sometime in 2011.

Q Were they by phone?

A Yes.

Q What did Mr. Morrison say to you in the first conversation before you were retained as an expert in this case?

A He indicated that there may be a lawsuit involving Apple as a defendant, and he asked whether or not I would be interested in acting as an expert in that case.

Q What else did he say to you during that first telephone conversation?

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2 A That was it. He didn't go into
3 any substantive issues.

4 Q What did you say to him?

5 A I said I would be interested in
6 doing it.

7 Q Did you say anything else to him
8 during that first telephone conversation?

9 A No.

10 Q Did you have a second telephone
11 conversation with Mr. Morrison before you were
12 retained as an expert in this case?

13 A Yes, I believe we did. That's why
14 I said two conversations. I think he said that
15 this case is going to go forward and he would be
16 sending me some material to look at, the
17 complaint, those materials.

18 Q What else did he say to you during
19 that second conversation?

20 A I don't think there was anything
21 else because he wanted me to look at the
22 complaint before we really discussed anything
23 substantive.

24 Q What did you say to Mr. Morrison
25 during that second conversation?

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2 A I just told him I was still
3 interested, would like to do it, and go ahead
4 and send me the complaint.

5 Q What documents did he send you
6 before you were retained as an expert?

7 A It kind of happened
8 simultaneously. It depends when I was retained,
9 when that date starts.

10 MR. RASKOPF: Let me say,
11 once you get retained then what he
12 sends you is covered by work
13 product. I'm sure that counsel
14 wouldn't want to interfere with
15 that anyway. That's why he's
16 asking you about before and after
17 and all that.

18 Q Just to be clear, what documents
19 did he send to you before you were retained as
20 an expert witness in this case?

21 A As I started to say, it depends
22 when my saying yes I'd like to do it and he
23 sends me the complaint, is that when it
24 triggers?

25 MR. RASKOPF: I'll answer

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2 Q Why not?

3 A Why didn't they acquire them?

4 Q Why do you believe they didn't
5 acquire the assets necessary to make the
6 assignment valid?

7 A I haven't seen any documents or
8 any material that indicate that anything other
9 than the trademark itself and a couple of domain
10 names, which I'll clarify in a moment, were
11 transferred by Family Systems to Apple. While
12 we're talking about that, I want to clarify a
13 point that I made in my report. In the report
14 in one paragraph I made the statement that Apple
15 did not acquire any of the foreign registrations
16 that were owned by Family Systems, nor did they
17 acquire the domain names that had been owned by
18 Family Systems.

19 The reason for that is those
20 assets were referenced in a six, seven, eight
21 page assignment agreement, which I'll call the
22 main agreement. While I had seen that agreement
23 early on I completely lost focus and began to
24 look at the US assignment, which was a one-page
25 document dated January 29, 2010, which was

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2 subsequently recorded in the PTO assignment
3 branch. So I want to clarify. And the domain
4 names also were mentioned, that main assignment
5 agreement. They weren't mention in the one page
6 US filing. That's why there was a discrepancy
7 or inconsistency with what happened. I'm now
8 aware that the domain names and the two foreign
9 registrations were transferred to Apple.

10 Q So now that you know that you had
11 those two facts wrong when you submitted your
12 report does that change your opinion in any way?

13 A It does not change my opinion in
14 any way, no.

15 Q But in your report when you said
16 that Apple did not acquire any foreign
17 registrations you were wrong on that, correct?

18 MR. RASKOPF: Objection to
19 the form of the question.

20 A As I just stated, I didn't focus
21 on that when I wrote the report. I've
22 subsequently been reminded that it's in the main
23 assignment document.

24 Q So it's your testimony that Apple
25 did in fact acquire at least two foreign

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2 trademark registrations, correct?

3 A That's correct. I don't know if
4 they ever recorded that but the main assignment
5 document says that they acquired I believe a
6 Japanese and a Jamaican registration from Family
7 Systems.

8 Q Isn't it true that Apple also
9 acquired the common law rights to the trademark
10 iBook?

11 MR. RASKOPF: Objection to
12 the form.

13 A I'd have to look at the document
14 again to see if that was referenced.

15 Q In forming opinion number two did
16 you analyze whether Apple acquired any common
17 law rights in the trademark iBook?

18 A I was focusing in number two on
19 the '634 registration and the transfer of that
20 registration, alleged transfer of that
21 registration. I don't know what common law
22 rights Family Systems iBooks mark may have in
23 the United States.

24 Q So you didn't analyze Family
25 Systems common law trademark rights in

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2 application?

3 A Not a utility patent. I may have
4 prepared a design patent in the past.

5 Q How many design patents have you
6 designed in your entire career?

7 A If any, one or two.

8 Q Have you ever litigated a utility
9 patent?

10 A No.

11 Q Do you own any utility patents?

12 A No.

13 Q Do you own any design patents?

14 A No.

15 Q Have you ever been trained as a
16 patent attorney?

17 A No.

18 Q Do you feel like you're an expert
19 on patent law?

20 A No.

21 Q Do you feel like you're an expert
22 on copyright law?

23 A I'm conversant in copyrights but
24 not an expert, no.

25 Q What is your field of expertise?

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2 elements and I would say since none of them went
3 to Apple with the trademark, that there was no
4 transfer of goodwill because Apple was not in a
5 position to continue to conduct the business in
6 substantially the same manner as Family Systems
7 had done it.

8 Q So it's your testimony that of all
9 the tangible assets that could have been
10 transferred the patent is the most important
11 tangible asset?

12 MR. RASKOPF: Objection to
13 the characterization of the
14 witness' prior testimony.

15 A I would say it's one of the most
16 important because it covered the entirety of the
17 Family Systems computer software product
18 identified by the iBooks mark. If Apple did not
19 receive that patent in an assignment Apple
20 couldn't use the mark on the same goods and
21 services in which it had used before because it
22 would be infringing that patent. I think the
23 patent is terribly important in terms of what
24 needed to be transferred, but it's one of
25 several indicia of goodwill.

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2 descriptive?

3 MR. RASKOPF: Objection to
4 the form.

5 A It's one way you can look at the
6 characteristics and then you define the various
7 characteristics that you're looking at, but I
8 don't really understand the question that you're
9 asking.

10 Q In your view then how should you
11 evaluate whether a mark is merely descriptive?

12 A You would look at the mark, you
13 would review the list of goods and services for
14 which you're applying to register it, and then
15 you try to determine whether or not that mark
16 describes one of the elements or factors
17 relating to the goods to describe the use of the
18 goods, the nature of the goods, the ingredients
19 in the goods, those kinds of aspects.

20 Q So in your view then is the mark
21 iBooks merely descriptive for the goods books?

22 MR. RASKOPF: Objection to
23 the form.

24 A You're referring to plaintiffs'
25 marks?

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2 Q Yes.

3 A No.

4 Q Why not?

5 MR. RASKOPF: Asked and
6 answered. You may answer.

7 A Putting the TMEP aside, which I
8 think is just a legitimate issue to raise, but
9 as I stated earlier iBooks, the I stands for
10 idea. That's my perception of the mark. Idea
11 books is so general and vague that it doesn't
12 specifically read on one of the elements or
13 factors or aspects of the product. So,
14 therefore, it would not be merely descriptive.

15 Q Is it your testimony that you
16 believe consumers look at plaintiffs' book, look
17 at plaintiffs' mark and understand it to mean
18 idea books?

19 A I have no way of knowing what a
20 consumer's perception of the mark is.

21 Q Isn't that what's important in
22 determining whether a mark is merely
23 descriptive?

24 MR. RASKOPF: Objection to
25 the form.

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2 A That's difficult to answer. The
3 examiner has to try to put themselves in the
4 position of a consumer, but the examiner quite
5 often has additional information which would
6 help clarify whether or not the mark is
7 descriptive or suggestive.

8 Q So in determining whether
9 plaintiffs' iBooks mark is descriptive one would
10 look at how consumers perceive plaintiffs' mark,
11 correct?

12 A Well, the examiner generally isn't
13 going to know. Generally the examiner is not
14 going to know what the consumer's perception is.
15 You have to try to imagine it yourself. You
16 have no way of knowing what it actually is.

17 Q Do you believe there's a
18 likelihood of confusion between plaintiffs'
19 iBooks mark and Apple's iBooks mark?

20 MR. RASKOPF: Objection,
21 scope. You may answer.

22 A I do.

23 Q Do you believe that a consumer
24 would think iBooks refers to idea books when the
25 mark is used in connection with electronic

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2 books?

3 MR. RASKOPF: Objection to
4 the form. You may answer.

5 A I think the question that was
6 first asked was when the mark was adopted did I
7 think iBooks was descriptive going back to 1999.
8 And I said that because it was reciting books in
9 class 16 with no reference at all to the
10 internet, it was not merely descriptive.

11 I don't know what a consumer would
12 think now upon seeing the mark, but I know when
13 I look at it and when I look at the logo I
14 immediately think of idea books.

15 Q When plaintiffs' 491 application
16 was filed with the trademark office they
17 received an office action, correct?

18 A That is the iBooks mark or the
19 iBooks, Inc.com mark?

20 Q Let's talk about the iBooks mark.
21 When they applied for the iBooks mark, is it
22 your understanding that they received an office
23 action sometime in or around 1999?

24 A Yes.

25 Q And in your view has the internet

ERRATA SHEET

J.T. Colby & Co., Inc., et al. v. Apple, Inc.
 Deposition of Robert Scherer, November 16, 2012

PAGE	LINE(S)	CHANGE	REASON FOR CHANGE
7	5	Should read "JT Colby"	Mistranscription by court reporter.
All	All	There should not be a comma in "Time Inc." (all "Time, Inc." references should be changed to "Time Inc.")	Mistranscription by court reporter.
11	11	Insert "of" between "clearing" and "a"	Mistranscription by court reporter.
11	16	Change "the" to "that"	Mistranscription by court reporter.
12	19,23	There should not be a comma in "Time Inc."	Mistranscription by court reporter.
26	12	Change "we" to "I"	Mistranscription by court reporter.
26	16	Change "a" to "the"	Mistranscription by court reporter.
31	17	Should read "PepsiCo, Inc."	Mistranscription by court reporter.
32	22	There should be a hyphen in "Pepsi-Cola Company"	Mistranscription by court reporter.
37	16	Change "New York" to "Washington"	Mistranscription by court reporter.
47	2	Insert "estimate" between "would" and "1,500"	Mistranscription by court reporter.
64	4	"ebookstore" is all one word	Mistranscription by court reporter.
65	5	Change "core searches" to "Corsearch searches"	Mistranscription by court reporter.
65	18	Change "use" to "used"	Mistranscription by court reporter.
67	16	Change "markets" to "marks"	Mistranscription by court reporter.
71	4,10,14	Change "core searches" to "Corsearch searches"	Mistranscription by court reporter.
72	4,8,16,17	Change "core searches" to "Corsearch searches"	Mistranscription by court reporter.
73	16	Change "Trademarks and unfair competition" to "Trademarks and Unfair Competition"	Mistranscription by court reporter.
78	18	Change the first "I'm" to "I"	Mistranscription by court reporter.
81	15	Change "core searches" to "Corsearch searches"	Mistranscription by court reporter.
86	20	Change "IPictureBooks" to "ipicturebooks"	Mistranscription by court reporter.
87	2	Change "I am given" to "In"	Mistranscription by court reporter.
89	11	Change "specifics" to "specific"	Mistranscription by court reporter.
101	14	Change "Shed" to "Hachette"	Mistranscription by court reporter.
111	16	Delete the word "we"	Mistranscription by court reporter.
113	3	Delete the word "what"	Mistranscription by court reporter.
115	25	Capitalize "crayola"	Mistranscription by court reporter.

116	4	Capitalize "crayola"	Mistranscription by court reporter.
119	24	Capitalize "crayola"	Mistranscription by court reporter.
120	19	Capitalize "crayola"	Mistranscription by court reporter.
124	20	Delete "apostrophe" and add ""	Mistranscription by court reporter.
132	7	Insert the word "an" between "to" and "electronic"	Mistranscription by court reporter.
133	4	Capitalize "the" and underscore "the Racketeer"	Mistranscription by court reporter.
134	6	Delete the second "to" and the word "that"	Mistranscription by court reporter.
134	6	Insert the word "how" before the word "it"	Mistranscription by court reporter.
135	14	Change "returns" to "returned"	Mistranscription by court reporter.
137	7	Change "you" to "user"	Mistranscription by court reporter.
141	2	Change "Whittup" to "Widup"	Mistranscription by court reporter.
141	4	Change "Kadickian" to "Gedikian"	Mistranscription by court reporter.
150	12	Change "medal" to "neutral"	Mistranscription by court reporter.
152	4	Delete the comma and insert the word "in" in its place	Mistranscription by court reporter.
153	22	Change "iBooks" to "iBook"	Mistranscription by court reporter.
157	15	Insert "that in" between the words "sure" and "a"	Mistranscription by court reporter.
158	4	Change "main" to "domain"	Mistranscription by court reporter.
159	7	Insert "they" between "way" and "might"	Mistranscription by court reporter.
160	22	Change "iBooks" to "iBook"	Mistranscription by court reporter.
166	3	Change "market" to "mark"	Mistranscription by court reporter.
167	15	Change "administerial" to "ministerial"	Mistranscription by court reporter.
168	23	Delete this entire line	Mistranscription by court reporter.
176	22	Change "could" to "can't"	Mistranscription by court reporter.
176	25	Delete "not"	Mistranscription by court reporter.
180	3	Change "agree" to "disagree"	Mistranscription by court reporter.
180	4	Insert "it" between "that" and "is"	Mistranscription by court reporter.
180	4	Insert "descriptive" after "automatically"	Mistranscription by court reporter.
180	5	Insert "upon" after "and"	Mistranscription by court reporter.
180	5	Insert "deemed to be" after "look"	Mistranscription by court reporter.
185	6	Insert "it" after "say"	Mistranscription by court reporter.
186	24	Delete "kind of"	Mistranscription by court reporter.
187	4	Delete "and"	Mistranscription by court reporter.
187	5	Change "and" to "in"	Mistranscription by court reporter.
187	13	Insert "it" between "there" and "talks"	Mistranscription by court reporter.
187	13	Delete the period	Mistranscription by court reporter.
187	14	Change "You" to "you"	Mistranscription by court reporter.
187	14	Add a period after "goodwill"	Mistranscription by court reporter.
187	14	Capitalize "some"	Mistranscription by court reporter.
187	15	Delete "is"	Mistranscription by court reporter.

