

EXHIBIT 12

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SEP 28 2012
DENISE COTE

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September 28, 2012

By Hand Delivery

**FILED UNDER SEAL PURSUANT TO
THE PROTECTIVE ORDER ¶13**

Honorable Denise Cote
U.S. District Court, Southern District of New York
500 Pearl Street, Room 1610
New York, NY 10007

MEMO ENDORSED

Re: *J.T. Colby & Co., Inc., et al. v. Apple Inc.*, No. 11 CIV 4060 (DLC) (RLE)

Dear Judge Cote:

Pursuant to Rule 1.E of Your Honor’s Individual Practices in Civil Cases, we write on behalf of Defendant Apple Inc. (“Apple”) regarding Plaintiffs’ Expert Report of Philip Green Prepared Pursuant to Federal Rule 26(a)2(B) [sic] (the “Green Opinion”). Apple’s rebuttal to the Green Opinion is currently due on October 26, 2012. For the reasons explained below, Apple respectfully requests that the time for it to rebut the Green Opinion be adjourned until after the Court rules on the parties’ motions for summary judgment, which will be fully briefed no later than February 5, 2013. The reason for this request is that the Green Opinion implicates Your Honor’s prior discovery rulings.

The Green Opinion – which is “preliminary in nature”¹ – states that Plaintiff J.T. Colby & Co., Inc.’s damages are either “Apple’s estimated revenues from its iBookstore [service] for fiscal years 2010 through 2011 from the unauthorized use of the ‘iBooks’ trademark” or “its lost revenues from Apple’s failure to pay royalties for its use of the ‘iBooks’ trademark.”² Mr. Green estimates those damages to be as high as \$1.07 billion, and no less than \$50 million.³ According to the report, he arrived at this number by relying on “estimates of iBookstore revenues,” a blog article about the revenue split between Apple and publishers, and media accounts of estimates of settlements involving other Apple marks.⁴ Mr. Green expressly reserves the right to amend or supplement the report.⁵

The Green Opinion thus raises a discovery issue because, as Your Honor is aware,

¹ Green Opinion, at 3.
² *Id.* at 4.
³ *See id.* at 12, 13.
⁴ *See id.* at 10-11.
⁵ *Id.* at 3.

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Plaintiffs repeatedly have sought information about (1) Apple's sales of e-books and devices and (2) settlements and acquisitions related to other Apple trademarks. On August 1, 2012, Your Honor denied Plaintiffs' request for this information. Further, on August 8, 2012, Your Honor denied Plaintiffs' request to file a "fully-briefed motion to compel," stating that if "Plaintiffs believe that their [discovery] requests . . . remain valid following a ruling on the [summary judgment] motions, they shall meet and confer with defense counsel. . . ."⁶ Thus, discovery into these damages issues is not proper at this time. In order to respond properly to the Green Opinion, however, Apple will be required to disclose information about (1) its sales of e-books and devices and (2) settlements and acquisitions for other trademarks, which would frustrate Your Honor's August 8, 2012 Order.

Thus, Apple requests that it be given permission to adjourn the time by which it must respond to the Green Opinion.⁷ If the Court determines, after summary judgment, that the sales and trademark acquisition information is relevant and must be disclosed, Plaintiffs can amend the Green Opinion based on this discovery and Apple can submit a rebuttal to the amended report. This solution is consistent with Your Honor's prior rulings and will ensure the efficient use of the parties' and the Court's time and resources. This approach also addresses the fact that Mr. Green's report is "preliminary in nature" and gives Plaintiffs the opportunity to amend the report after summary judgment, if the case is still pending.

This is the first time a request that the time for Apple to rebut the Green Opinion be adjourned has been made. Your Honor previously denied requests to extend expert discovery and other deadlines generally. Apple respectfully suggests that this is a different type of request, narrowly drawn to be in keeping with Your Honor's prior discovery orders.

Plaintiffs have no objection to putting off any further discovery concerning Mr. Green until such time as the Court definitively rules on the applicable motions concerning damages discovery that have been adjourned pending disposition of any summary judgment motions. However, Plaintiffs cannot join in the content of Kirkland & Ellis's submission as they believe it to be argumentative and one sided when there is no need for that to occur where, as here, there is agreement concerning the substance of the request.

Granted.
Denise L. Cote
September 1, 2012

Sincerely,
Dale M. Cendali
Dale M. Cendali

cc: All Counsel of Record

⁶ See Endorsed Letter, Aug. 8, 2012.

⁷ The parties have agreed that Plaintiffs must produce any documents upon which Green relied that have not yet been produced before the close of discovery.