

EXHIBIT 7

Capital Reporting Company
Blair, Ph.D., Edward, 03-03-2010

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IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF
ALEXANDRIA DIVISION

-----x*
ROSETTA STONE, LTD., :
 :
 :
 Plaintiff, :
 :
 :
 vs. : Case No.
 : 1:09-CV-00736
 : (GBL/TCB)
 :
 :
 :
 Defendant. :
-----x

Washington, D.C.

Wednesday, March 3, 2010

Deposition of:

EDWARD ALLEN BLAIR, Ph.D.

called for oral examination by counsel for
Plaintiff, pursuant to notice, at 1440 New York
Avenue, N.W., before Monica A. Voorhees, of Capital
Reporting, RPR/CSR, a Notary Public in and for the
District of Columbia, beginning at 9:12 a.m., when
were present on behalf of the respective parties:

(866) 448 - DEPO

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1 Q. Did you speak with anyone at Google
2 about your deposition today?

3 A. No.

4 Q. When were you retained for this
5 engagement?

6 A. I think mid-December of '09, 2009.

7 Q. And who contacted you?

8 A. If I recall correctly, it was a woman
9 named Cheryl Galvin.

10 Q. And she's an attorney with Quinn,
11 Emanuel?

12 A. That's my understanding.

13 Q. And what did she, what did she ask you?

14 A. You know, I don't really recall. She, I
15 mean she said they had a lawsuit, probably asked me
16 if I had any conflicts. I don't really recall that
17 for sure, described maybe the nature of the lawsuit,
18 asked about my availability.

19 Q. Did she explain your assignment?

20 A. At that time probably not.

21 Q. Okay. When do you, did you receive your
22 assignment in this engagement?

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1 A. Well, I'll return to something I said
2 earlier, that I don't understand this litigation to
3 be, for example, Amazon versus Wikipedia.

4 I understand this to be Amazon, or
5 whoever, being served as advertising, so I
6 understand it to be not the content of those links
7 or those particular links, not who those links are
8 for, not the fact that they even refer to a Rosetta
9 Stone software, per se, but the fact that they
10 appear as advertising versus appearing as organic
11 results.

12 Q. And so to try to summarize what you
13 said, the issue that we're trying to isolate is the
14 paid search section of the Web search pages?

15 A. I --

16 MS. CARUSO: Objection.

17 THE WITNESS: I, I think the issue is
18 whether material appearing as page search versus
19 organic creates a problem.

20 BY MR. LELAND:

21 Q. Okay.

22 A. From a confusion point of view, mind

1 you.

2 Q. And so Dr. VanLiere is trying to assess
3 the extent to which these sponsored links on the
4 Google search pages caused confusion, consumer
5 confusion, correct?

6 A. Correct.

7 Q. So taking those fundamental principles
8 of survey design and control group design, do you
9 agree that the appropriate thing to do is to remove
10 the paid search section from the test stimulus to
11 render the control stimulus?

12 A. I have no, I'd, I'd have to think
13 through it, but as I sit here today, I have no
14 objection to removing the paid search stimulus, as
15 you just called it the sponsored links, I have no
16 objection to removing that.

17 Q. Okay, I guess another way of asking it,
18 do you have any objections to this control stimulus?

19 A. I do.

20 Q. And what, what are your specific
21 objections to the control stimulus?

22 A. Well as, as stated in my report, I think

1 you have two things, when you make this comparison I
2 think you have two things moving at once.

3 You are comparing the sponsored links or
4 links that appeared as sponsored links with links
5 that appear as organic or natural search, which is
6 of interest, but at the same time the, the nature of
7 the links that you're comparing is changing. You're
8 also comparing links that talk about Rosetta Stone
9 software with links that in the main talk about
10 Rosetta Stone historical artifact.

11 Q. How would you remedy this situation if
12 you were designing a study to test consumer
13 confusion in this matter?

14 MS. CARUSO: Objection.

15 THE WITNESS: You know, I'd have to
16 think more about it, but my initial response is that
17 I would take the links that are shown as sponsored
18 links and simply relocate them to the organic search
19 section, so that you've got the same information,
20 the only difference is whether it's, whether you've
21 got sponsored links versus organic.

22 BY MR. LELAND:

1 Q. But that would violate these fundamental
2 principles because the control would no longer
3 mirror the stimulus except for the offending
4 portions of the test stimulus?

5 A. Well I'm not going to agree with you on
6 violating these principles. Again, the control is
7 not uncommonly a constructed stimulus. We talked
8 earlier about me doing E Visa versus E passport.

9 In this case E passport, there is no
10 Website called E passport. The point was to isolate
11 the issue, which was the use of E visa as a name.

12 The, the construction of the control,
13 the whole point of the control is to isolate the
14 issue at interest.

15 Q. Would you change the ad text of these
16 sponsored links at all before inserting them into
17 the organic section of the control?

18 MS. CARUSO: Objection.

19 THE WITNESS: You know I, I would, I'd
20 really have to think about that. I doubt that I
21 would, but I'd really have to think about that.

22 BY MR. LELAND:

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1 CERTIFICATE OF NOTARY PUBLIC

2 I, MONICA A. VOORHEES, the officer
3 before whom the foregoing deposition was taken, do
4 hereby certify that the witness whose testimony
5 appears in the foregoing deposition was duly sworn
6 by me; that the testimony of said witness was taken
7 by me in stenotype and thereafter reduced to
8 typewriting under my direction; that said deposition
9 is a true record of the testimony given by said
10 witness; that I am neither counsel for, related to,
11 nor employed by any of the parties to the action in
12 which this deposition was taken; and further, that I
13 am not a relative or employee of any counsel or
14 attorney employed by the parties hereto, nor
15 financially or otherwise interested in the outcome
16 of this action.

17 MONICA A. VOORHEES
18 Notary Public in and
19 for the District of Columbia

20 My Commission expires:

21 May 31, 2010

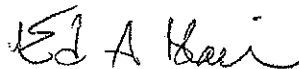
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**ERRATA FOR EDWARD BLAIR'S DEPOSITION TRANSCRIPT
 (March 3, 2010)**

Page	Line(s)	From	To	Reason
42	22	from	from according to Dr. Van Liere's methodology.	Clarification
47	7	searched	served	Transcription error
56	14	Confusion	Confusion as measured by Dr. Van Liere	Clarification
63	18	searched	served	Transcription error
65	3	Pimsleur Fluenz	Pimsleur or Fluenz	Transcription error
65	9, 10	Pimsleur Fluenz	Pimsleur	Transcription error
67	18-20	Yes, I believe that's correct, if I understand you correctly	Yes, I believe that's correct as to whether I deem Amazon to be a "channel member" for purposes of my report, if I understand you correctly	Clarification
71	14	customers. It	customers it	Transcription error
75	15	Rosetta Stone software.	Rosetta Stone software, based on what I know now, but based on the appearance of the ads alone, it appeared others did, too.	Clarification
79	10	confusion	confusion as measured by Dr. Van Liere	Clarification
80	11	would	based on what I know now would	Clarification
81	19	not.	not based on what I know now, but based on the appearance of the ads alone, it appeared others did, too.	Clarification
82	16-17	Right. Well you're -- you're welcome to say that.	Right, but based on the appearance of the ads alone, it appeared others did, too. You're welcome to characterize that as you have, but I disagree.	Clarification
88	12	correct.	correct in the context I described.	Clarification
91	2	No.	Not in detail, but my understanding is that Rosetta Stone is generally opposed third parties bidding on their marks as keywords.	Clarification
94	11	confused --	confused according to Dr. Van Liere's counting methodology --	Clarification
94	21	confused.	confused according to Dr. Van Liere's counting methodology.	Clarification
97	18	testing	test	Transcription error
98	18	page	paid	Transcription error

106	9	they're	there	Transcription error
106	11	relevant where	relevant. Where	Transcription error
108	15	Exactly.	Exactly, and that would be confusion as measured by Dr. Van Liere.	Clarification
117	5	advising,	advertising	Transcription error
117	18	that	confusion as measured by Dr. Van Liere	Clarification
119	15	No.	No and that would be confusion as measured by Dr. Van Liere.	Clarification
120	3	confusion.	confusion as measured by Dr. Van Liere, but as I already said, this is an empirical question.	Clarification
135	20	sales	sale	Transcription error
149	7	questions	questions, and their incorrect response that the Wikipedia software site sells Rosetta Stone products suggests that they were confused.	Clarification
149	20	asked and	asked, and have incorrectly identified the Wikipedia software site as one that sells Rosetta Stone products which suggests that they were confused, and	Clarification
150	8	counted.	counted as confused according to Dr. Van Liere's methodology, which included all respondents in the denominator of the confusion calculation.	Clarification
151	1	respondents.	respondents as "confused" if I were Dr. Van Liere.	Clarification
152	2	results	result	Transcription error
155	5	yes.	yes, that was Dr. Van Liere's intent.	Clarification
167	13	confusion or how much confusion	confusion or how much confusion as measured by Dr. Van Liere	Clarification
174	9	acute	a cued	Transcription error
200	4	that	that after the respondents have already given an incorrect answer.	Clarification
201	18	judgment.	judgment as to the endorsement question.	Clarification
201	19	else.	else regarding the target links.	Clarification
204	3	questions.	questions regarding the target links.	Clarification
205	1	I would,	I would, if I were Dr. Van Liere,	Clarification
205	15	response.	response under Dr. Van Liere's counting methodology.	Clarification
208	17	confusion	confusion as measured by Dr. Van Liere	Clarification

I have read the transcript of my deposition which took place on March 3, 2010, and subscribe to its accuracy, with the corrections or amendments noted above.

Handwritten signature of Edward A. Blair in cursive script.

Edward A. Blair, Ph.D.