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The Honorable Ricardo S. Martinez

UNITED STATES DISTRICT COURT  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

MICROSOFT CORPORATION, a  
Washington corporation,

Plaintiff,

v.

IMMERSION CORPORATION, a  
Delaware corporation,

Defendant.

No. 2:07-cv-936RSM

**DECLARATION OF WENDY E. LYON  
IN SUPPORT OF MICROSOFT'S  
OPPOSITION TO IMMERSION'S  
MOTION FOR PARTIAL SUMMARY  
JUDGMENT REGARDING  
MICROSOFT'S CLAIM OF BREACH  
OF THE IMPLIED COVENANT**

Noted for Consideration:  
August 8, 2008

I, Wendy E. Lyon, declare as follows:

1. I am one of the attorneys in the law firm of Riddell Williams, P.S.,  
counsel for Plaintiff Microsoft Corporation. I make this declaration based on  
personal knowledge.

2. Attached as Exhibit 1 is a true and correct copy of the Sublicense  
Agreement ("SLA"), dated July 25, 2003, that was produced during discovery in  
this case. [FILED UNDER SEAL]

3. Attached as Exhibit 2 is a true and correct copy of excerpts of the  
deposition of Stephen McGrath taken on 6/16/08. [FILED UNDER SEAL]

DECL. OF LYON IN SUPPORT OF MS' OPP. TO IMM'S MOTION RE  
MS' BREACH OF IMPLIED COVENANT (No. 2:07-CV-936RSM)- 1  
4830-7298-9186.01  
080408/1428/20363.00411

Riddell Williams P.S.  
1001 FOURTH AVENUE  
SUITE 4500  
SEATTLE, WA 98154-1192  
206.624.3600

1           4.       Attached as Exhibit 3 is a true and correct copy of excerpts of the  
2 deposition of Barry Spector taken on 4/15/08. [FILED UNDER SEAL]

3           5.       Attached as Exhibit 4 is a true and correct copy of excerpts of the  
4 deposition of Ken Lustig taken on 4/30/08. [FILED UNDER SEAL]

5           6.       Attached as Exhibit 5 is a true and correct copy of excerpts of the  
6 deposition of Victor Viegas taken on 5/22/08. [FILED UNDER SEAL]

7           7.       Attached as Exhibit 6 is a true and correct copy of excerpts of the  
8 deposition of Martin Smith taken on 5/20/08. [FILED UNDER SEAL]

9           8.       Attached as Exhibit 7 is a January 6, 2007 letter from Stephen  
10 Ambler, CFO of Immersion, to David Edgar of the United States Securities and  
11 Exchange Commission ("SEC"), that was produced during discovery in this case.  
12 Ambler Dep. Ex. 138. [FILED UNDER SEAL]

13          9.       Attached as Exhibit 8 is a true and correct copy of excerpts of the  
14 deposition of Stephen Ambler taken on 6/12/08. [FILED UNDER SEAL]

15          10.      Attached as Exhibit 9 is a true and correct copy of a January 23,  
16 2007 letter from Stephen Ambler, CFO of Immersion, to Brad Skinner of the SEC,  
17 that was produced during discovery in this case.. Ambler Dep. Ex. 140. [FILED  
18 UNDER SEAL]

19          11.      Attached as Exhibit 10 is a true and correct copy of excerpts of the  
20 deposition of Jennifer Liu taken on 12/20/07 and 1/23/08. [FILED UNDER SEAL]

21          12.      Attached as Exhibit 11 is a true and correct copy of a March 15,  
22 2007 email from Jennifer Liu to Richard Birnholz. [FILED UNDER SEAL]

23          13.      Attached as Exhibit 12 is a true and correct copy of a March 16,  
24 2007 email from Richard Birnholz attaching the corrected Order Dismissing  
25 Appeals that was produced during discovery in this case. [FILED UNDER SEAL]

26

1           14. Attached as Exhibit 13 are true and correct copies of  
2 correspondence between Microsoft and Immersion regarding Microsoft's attempt  
3 to obtain a copy of the Sony/Immersion Agreement.

4           15. Attached as Exhibit 14 is a true and correct copy of excerpts of the  
5 deposition of Laura Peter taken on 3/21/08. [FILED UNDER SEAL]

6           16. Attached as Exhibit 15 is a true and correct copy of excerpts of the  
7 deposition of Alan Gordon taken on 6/11/08. [FILED UNDER SEAL]

8           I declare under penalty of perjury under the laws of the State of  
9 Washington that the foregoing is true and correct.

10 Executed on August 4, 2008 at Seattle, Washington.

11   /s/ Wendy E. Lyon  
12   \_\_\_\_\_

13 Wendy E. Lyon  
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1 CERTIFICATE OF SERVICE

2 I, Margaret R. Friedmann, declare as follows:

3 I am over 18 years of age and a citizen of the United States. I am  
4 employed as a legal secretary by the law firm of Riddell Williams P.S.

5 On the date noted below, I electronically filed the foregoing document titled

6 **DECLARATION OF WENDY E. LYON IN SUPPORT OF MICROSOFT'S**  
7 **OPPOSITION TO IMMERSION'S MOTION FOR PARTIAL SUMMARY**  
8 **JUDGMENT REGARDING MICROSOFT'S CLAIM OF BREACH OF THE**  
9 **IMPLIED COVENANT [ALL EXHIBITS FILED UNDER SEAL]**

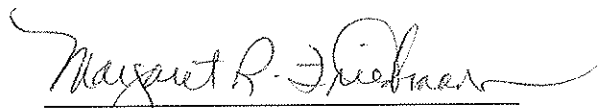
10 with the Clerk of the Court using the CM/ECF system which will send notification  
11 of such filing to the following counsel for Immersion Corporation:

12 Bradley S. Keller  
13 Jofrey M. McWilliam  
14 Email: [bkeller@byrneskeller.com](mailto:bkeller@byrneskeller.com)  
[jmcwilliam@byrneskeller.com](mailto:jmcwilliam@byrneskeller.com)

Richard M. Birnholz  
Morgan Chu  
Alan J. Heinrich  
David R. Kaplan  
Email: [rbirnholz@irell.com](mailto:rbirnholz@irell.com)  
[mchu@irell.com](mailto:mchu@irell.com)  
[aheinrich@irell.com](mailto:aheinrich@irell.com)  
[dkaplan@irell.com](mailto:dkaplan@irell.com)

15 I declare under penalty of perjury under the laws of the State of  
16 Washington that the foregoing is true and correct.

17 Executed at Seattle, Washington this 4<sup>TH</sup> day of August, 2008.

18 

19 Margaret R. Friedmann  
20 Legal Secretary, Riddell Williams P.S.  
21 1001 Fourth Avenue, Suite 4500  
22 Seattle, WA 98154  
23 Phone: (206) 624-3600  
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