

# Exhibit 2

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JOHN GARLAND - 11/02/2018

1                   IN THE UNITED STATES DISTRICT COURT  
2                   FOR THE NORTHERN DISTRICT OF CALIFORNIA  
3                   SAN FRANCISCO DIVISION

4  
5   FINJAN, INC., a Delaware        )  
6   Corporation,                    ) Case No.  
7                   Plaintiff,                    ) 3:17-cv-05659-WHA  
8                   vs.                            )  
9   JUNIPER NETWORKS, INC., a     )  
10   Delaware Corporation,         )  
11                   Defendant.                    ) (Pages 1-326)  
12   -----)

13                   THIS TRANSCRIPT IS DEEMED  
14                   HIGHLY CONFIDENTIAL  
15                   OUTSIDE ATTORNEYS' EYES ONLY  
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17                   REPORTER'S TRANSCRIPTION  
18                   OF THE VIDEOTAPED DEPOSITION OF  
19                   JOHN GARLAND  
20                   FRIDAY, NOVEMBER 2, 2018

21  
22  
23   TRANSCRIBED BY:  
24                   SUSAN NELSON  
25                   C.S.R. No. 3202

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JOHN GARLAND - 11/02/2018

Pages 82..85

Page 82	Page 84
<p>1 Q. And that starts with the date of notice and 2 continues until five years after the expected date of 3 execution of a license. Is that correct? 4 MR. KASTENS: Objection. Form. 5 THE WITNESS: Yes. 6 BY MR. KAGAN: 7 Q. And Finjan will make an estimate of 8 projection of what the revenues will be during that 9 time period. Is that correct? 10 MR. KASTENS: Objection. Form. 11 THE WITNESS: Yeah, it's the impact of 12 products, yes. 13 BY MR. KAGAN: 14 Q. And then it will apply a rate of 8 percent 15 for hardware or 16 percent of software to those 16 affected revenues during that time period. 17 Is that correct? 18 A. Correct. 19 MR. KASTENS: Objection. Form. 20 BY MR. KAGAN: 21 Q. I'm sorry? 22 A. Correct. 23 Q. And that is the opening offer that Finjan 24 will make in negotiations with prospective licensees? 25 A. Yes.</p>	<p>1 BY MR. KAGAN: 2 Q. Do you think the industry is aware that this 3 is the consistent approach that Finjan takes with its 4 licensees? 5 MR. KASTENS: Objection. Form. 6 THE WITNESS: I don't know how to answer 7 that. 8 BY MR. KAGAN: 9 Q. Has Finjan ever had an occasion where the 10 licensees simply accepted the opening offer of 11 Finjan? 12 A. I don't recall that ever happening in my 13 25-year career, but, no, I don't. I'm -- speaking 14 for Finjan, I don't think -- I -- in the negotiations 15 I've been in, I don't think so. 16 Q. So this is an opening offer that Finjan 17 makes in its discussions with licensees. 18 Is that correct? 19 A. It's not being offered, but it's not padded 20 or any way. I mean it's basically a straight-up 21 calculation. 22 Q. The licensees generally have some type of 23 counteroffer that they make to Finjan. 24 Is that right? 25 A. Some, yes.</p>
<p>1 Q. Is the license that Finjan offers in those 2 circumstances a perpetual license, or does it only go 3 for the -- till five years after the date of the 4 execution of the agreement? 5 A. It's open for negotiation. They could put a 6 term in place. We could make it a paid-up license. 7 We've -- we don't dictate which way it has to be. 8 We're open for -- every negotiation we start, we're 9 open for discussion and communication. 10 Q. Is Finjan transparent with its prospective 11 licensees about the approach it takes to licensing 12 negotiations? Strike that. 13 MR. KASTENS: Objection. 14 BY MR. KAGAN: 15 Q. Strike that. 16 Does Finjan explain to its licensees that 17 this is the process it uses to come up with its 18 opening offer? 19 MR. KASTENS: Objection. Form. 20 THE WITNESS: Yes. 21 BY MR. KAGAN: 22 Q. And does Finjan explain that this is a 23 consistent approach that it takes with all licensees? 24 MR. KASTENS: Objection. Form. 25 THE WITNESS: Yes.</p>	<p>1 Q. And right now, I'm talking about the cases 2 where you actually enter into a license agreement. 3 A. Okay, yes. 4 Q. In cases where you don't agree -- 5 A. Yeah. 6 Q. -- obviously, you don't reach agreement. 7 But I'm still focused on situations where Finjan 8 actually enters into a license agreement. 9 So Finjan makes the opening offer that you 10 described. Is that correct? 11 MR. KASTENS: Objection. Form. 12 THE WITNESS: Yes. 13 BY MR. KAGAN: 14 Q. And the licensee will, in those cases, come 15 back with some type of counteroffer that's lower than 16 the number Finjan had proposed. Is that right? 17 MR. KASTENS: Objection. Form. 18 THE WITNESS: Generally. Yes. 19 BY MR. KAGAN: 20 Q. And you usually end up somewhere between 21 Finjan's opening number and the licensees's opening 22 number. Is that right? 23 MR. KASTENS: Objection. Form. 24 THE WITNESS: They usually try to negotiate, 25 yes.</p>

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JOHN GARLAND - 11/02/2018

Pages 110..113

<p style="text-align: right;">Page 110</p> <p>1 negotiation back and forth the numbers agreed upon, 2 but it could be -- there's been installments and 3 other structures. 4 We have looked at and proposed, you know, 5 when they're -- when we're in the negotiation, 6 proposed other things in terms of per scans, a number 7 of threats that are identified on a per-year basis, 8 the number of users, percentage of top line revenue. 9 I mean, and we're -- we're flexible and 10 open. It's -- it's not like we're requiring parties 11 to do it. A lot of companies just like finality of 12 it. I don't know if it's driven by the finance 13 organization or not, but just like to know that, you 14 know, there's -- if there's a payment, what the 15 payment amount is and when it will be made as 16 scheduled. 17 BY MR. KAGAN: 18 <b>Q. So is it fair to say that the -- your</b> 19 <b>initial offer of 8 percent or 16 percent will often</b> 20 <b>yield to a different structure during the</b> 21 <b>negotiations?</b> 22 MR. KASTENS: Objection. Form. 23 THE WITNESS: It's not clear whether it 24 leads to another structure or not. 25 BY MR. KAGAN:</p>	<p style="text-align: right;">Page 112</p> <p>1 <b>Q. Have any of Finjan's licensees taken a</b> 2 <b>license on the basis of a per-scan rate?</b> 3 MR. KASTENS: Objection. Form. 4 THE WITNESS: No. 5 BY MR. KAGAN: 6 <b>Q. So these were items which we discussed,</b> 7 <b>but --</b> 8 A. Yeah, these are explored because, you know, 9 if -- if we're at -- you know, if there's a gap 10 between the way the two parties are seeing it, it's 11 just -- it's just, is there another way we can look 12 at this that maybe brings us closer together. 13 BY MR. KAGAN: 14 <b>Q. Finjan has never made an opening offer based</b> 15 <b>on a per-user rate. Is that correct?</b> 16 MR. KASTENS: Objection. Form. 17 THE WITNESS: I haven't, but I don't -- I 18 don't like the word "never," so. 19 BY MR. KAGAN: 20 <b>Q. Fair enough. You're not aware of any</b> 21 <b>negotiation where Finjan started the negotiation by</b> 22 <b>asking for a per-user rate. Is that correct?</b> 23 MR. KASTENS: Objection. Form. 24 THE WITNESS: I haven't asked that specific 25 question, so I don't know. I -- I -- just not -- I'm</p>
<p style="text-align: right;">Page 111</p> <p>1 <b>Q. So you -- you mentioned that you -- that --</b> 2 <b>strike that.</b> 3 You mentioned that Finjan consistently 4 starts with an offer based on royalty rates of 5 8 percent and 16 percent and projections based on a 6 certain period of time. Correct? 7 A. Correct. 8 MR. KASTENS: Objection. Form. 9 THE WITNESS: Sorry. 10 Correct. 11 BY MR. KAGAN: 12 <b>Q. And then you indicated that there -- Finjan</b> 13 <b>has considered other structures as well, such as per</b> 14 <b>scan or per user royalty. Is that right?</b> 15 A. Yes. 16 <b>Q. When Finjan has considered another</b> 17 <b>structure, is that the result of discussions between</b> 18 <b>Finjan and the potential licensee?</b> 19 MR. KASTENS: Objection. Form. 20 THE WITNESS: Yes. 21 BY MR. KAGAN: 22 <b>Q. Is it -- strike that.</b> 23 <b>Have any of Finjan's licensees taken a</b> 24 <b>license based on a per-user rate?</b> 25 A. No.</p>	<p style="text-align: right;">Page 113</p> <p>1 not aware, but it doesn't mean that it hasn't 2 occurred. 3 BY MR. KAGAN: 4 <b>Q. I -- I know. This is one of the limitations</b> 5 <b>of a deposition. Finjan's put you forward and said</b> 6 <b>this is the guy who can answer the questions.</b> 7 A. That's fine. 8 <b>Q. You've got to answer to the best of your</b> 9 <b>ability, but I -- you know, I -- I have to get</b> 10 <b>whatever information you have.</b> 11 A. I understand. 12 <b>Q. So, you know, if you are aware of Finjan</b> 13 <b>opening a negotiation by asking for a per-user rate,</b> 14 <b>I have a right to know that.</b> 15 A. Yes. 16 <b>Q. But if you don't, that's okay. It's just</b> 17 <b>how the depositions work.</b> 18 A. I understand. 19 <b>Q. Are you aware of Finjan opening a</b> 20 <b>negotiation by asking for a per-scan rate?</b> 21 MR. KASTENS: Objection. Form. 22 THE WITNESS: Same answer. I'm not aware, 23 but I haven't asked this question. 24 BY MR. KAGAN: 25 <b>Q. You mentioned that Finjan is currently</b></p>

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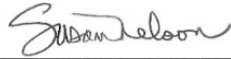
1 STATE OF CALIFORNIA )  
2 COUNTY OF LOS ANGELES ) ss.  
3 I, SUSAN NELSON, C.S.R. 3202, in and for the  
4 State of California, do hereby certify:

5 That said videotaped recording was taken  
6 down and transcribed by me stenographically, to the  
7 best of my ability, and the same is a true, correct  
8 and complete transcription of said videotaped  
9 recording;

10 I further certify that I am not interested  
11 in the event of the action.

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Witness my hand this 7th day of December,  
2018.



Susan Nelson, C.S.R. No. 3202  
Certified Shorthand Reporter  
State of California