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IN THE UNITED STATES DISTRICT COURT  
FOR THE EASTERN DISTRICT OF TEXAS  
TYLER DIVISION

SMARTFLASH LLC and )  
SMARTFLASH TECHNOLOGIES ) DOCKET NO. 6:13cv447  
LIMITED )

-vs-

) Tyler, Texas  
) 1:16 p.m.  
APPLE INC. ) February 16, 2015

TRANSCRIPT OF TRIAL  
AFTERNOON SESSION  
BEFORE THE HONORABLE RODNEY GILSTRAP,  
UNITED STATES DISTRICT JUDGE

A P P E A R A N C E S

FOR THE PLAINTIFFS:

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24 Proceedings taken by Machine Stenotype; transcript was  
25 produced by a Computer.

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1 your first witness.

2 MR. CALDWELL: Thank you, Your Honor.

3 The Plaintiff calls Mr. Patrick Racz. And while  
4 Mr. Racz is walking to the witness stand, may I --

5 THE COURT: Before he walks to the witness stand,  
6 he needs to be sworn in.

7 MR. CALDWELL: Perfect.

8 THE COURT: Or what do you have, Counsel?

9 MR. CALDWELL: I was just going to ask permission  
10 to pass a notebook to opposing counsel and take some  
11 materials to the witness stand.

12 THE COURT: You have leave to circulate that while  
13 the witness is sworn.

14 MR. CALDWELL: Thank you, Your Honor.

15 (Witness sworn.)

16 THE COURT: Now if you'll have a seat on the  
17 witness stand, please.

18 All right. Counsel, you may proceed.

19 MR. CALDWELL: Thank you, Your Honor.

20 Would the Court like or the Court Reporter or  
21 anyone like a copy of the witness's witness binder?

22 THE COURT: If you want to pass it up, that's  
23 perfectly fine. If you don't, it's your call.

24 MR. CALDWELL: I'm certainly willing to, just in  
25 case it helps with spellings or anything like that.

1 May I approach, Your Honor?

2 THE COURT: You may.

3 MR. CALDWELL: May it please the Court.

4 THE COURT: Proceed.

5 PATRICK RACZ, PLAINTIFFS' WITNESS, SWORN

6 DIRECT EXAMINATION

7 BY MR. CALDWELL:

8 Q. Would you please introduce yourself to the jury?

9 A. Yes. My name is Patrick Racz.

10 Q. Why are you here, Mr. Racz?

11 A. I'm one of the inventors of the patents-in-suit.

12 Q. What did you invent that is at issue in this case?

13 A. I invented particular devices and methods for combining  
14 payment functionality, secure downloading, storage, and rules  
15 for the use of content on one portable device that you would  
16 carry with you.

17 Q. Could that be a phone or an MP3 player?

18 A. It would include those, sir, yes.

19 Q. Who benefits from your invention, Mr. Racz?

20 A. Content developers, publishers, artists, songwriters,  
21 device manufacturers, and users.

22 Q. We will go through your invention in detail momentarily,  
23 but I'd like to introduce you to the jury.

24 How old a man are you?

25 A. I'm 54 years old.

1 Q. Married?

2 A. I am, sir, yes. Married to Carol. I have two children:  
3 Jake, who is 19, and Luke, who is 14.

4 Q. Where did you grow up, Mr. Racz?

5 A. I grew up on the island of Jersey, which is a small  
6 island in the English channel. I'm not from there  
7 originally. My parents moved there when I was about three  
8 years old to buy a farm, settle down and bring up their  
9 children.

10 Q. Tell me about your educational background. Do you have  
11 a high school or college education?

12 A. No, I don't, sir, no.

13 Q. Why not?

14 A. I actually left home and school at a very early age. It  
15 would be the equivalent of 8th grade here in the United  
16 States.

17 Q. What did you do when you left home?

18 A. I went to live on a neighboring island of Guernsey. I  
19 worked in a commercial greenhouse learning about propagation  
20 and growing plants, a greenhouse nursery.

21 Q. Did you eventually get some college education?

22 A. I did sir, yes. When I returned to Jersey, I attended  
23 Highlands College for horticulture, advanced education. I  
24 learned about commercial horticulture.

25 Q. How were you able to pay for your education, sir?

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