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June 16, 2011

**VIA FAX AND FEDEX**

Timothy M. Kowalski, Esq.  
Lead Intellectual Property Counsel  
Motorola Mobility, Inc.  
600 North U.S. Highway 45  
Libertyville, IL 60048-1286

Re: Arnouse Digital Devices Patent Portfolio

Dear Mr. Kowalski:

This is a follow up to my letter to you dated May 16, 2011.

On February 7, 2011, Michael Arnouse, President of Arnouse Digital Devices Corp. (“ADD”) sent a letter to Mr. Sanjay Jha, Motorola Mobility CEO, concerning the possible licensing of ADD patents relating to the new ATRIX products, in particular U.S. Patents Nos. 7,533,408 and 7,516,484, and published U.S. Patent Application No. 2009/0200367.

A week later, on February 15, 2011, you responded to Mr. Arnouse with an indication that it “is Motorola Mobility’s long-standing policy to respect the intellectual property rights of others and to properly investigate licensing opportunities. We have initiated an investigation into this matter.” You also requested an explanation regarding how ADD’s patents are relevant to Motorola Mobility, and asked for a claim chart.

On February 17, 2011, Michael Arnouse sent you a letter and accompanying claim chart, explaining the relevance of an ADD patent and two ADD patent applications. Four months later, and 30 days after my follow up letter to you of May 16, 2011, we still have not received a reply. The analysis required to respond substantively to the information accompanying the February 17<sup>th</sup> letter only requires a few weeks to complete, not four months. Consequently, the

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only reasonable conclusion we can draw is that Motorola is not interested at this time in entering into licensing discussions.

It is clear to ADD that Motorola Mobility has needs under at least U.S. Patent No 7,516,484, and will have further needs under patents maturing from certain pending applications of ADD. Accordingly, on June 16, 2011, we filed a complaint for patent infringement with the U.S. District Court for the District of Vermont, a copy of which is enclosed. Because ADD remains interested in licensing its patents to Motorola Mobility, ADD will refrain from serving the complaint for a thirty-day period, i.e., until July 16, 2011, to give the parties a further opportunity to discuss licensing opportunities.

As mentioned in my letter to you of May 16, 2011, ADD is willing to explore an exclusive patent license agreement with Motorola Mobility that includes sublicense rights and the right to sue unlicensed parties for infringement. ADD is also willing to discuss non-exclusive licensing opportunities.

This may be a matter that can only be resolved through the courts. In the event, however, that Motorola Mobility is interested in exploring a licensing solution, we look forward to receiving a substantive reply to the February 17<sup>th</sup> letter from Mr. Arnouse well in advance of July 16th.

Very truly yours,

DOWNS RACHLIN MARTIN PLLC

  
Lawrence Meier

Enclosure

Cc: Mr. Michael Arnouse

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