

October 9, 2018

VIA FEDERAL EXPRESS AND E-MAIL
(hmewes@apple.com)Heather Mewes
Principal Counsel, IP Transactions
IP & Licensing Group
Apple, Inc.
1 Infinite Loop, MS 169-3IPL
Cupertino, CA 95014**Re: Maxell's Smartphone and Streaming Device Related Patents**

Dear Ms. Mewes,

Thank you very much for your May 24, 2018 letter. My apologies for the delayed response. I was in trial on behalf of Maxell against ZTE in Texas with post-trial briefing just concluding, and I am still getting caught up on matters.

As I am sure you are aware, the ZTE litigation was very favorable for Maxell, resulting in a \$43.3 million verdict on seven patents in its portfolio, including U.S. Patent Nos. 6,748,317 (“317 Patent”); 8,339,493 (“493 Patent”); 8,736,729 (“729 Patent”); 6,408,193 (“193 Patent”); 6,329,794 (“794 Patent”); 6,816,491 (“491 Patent”); and 8,098,695 (“695 Patent”). In addition to the favorable verdict, each of these asserted patents also survived IPR petitions filed by ZTE. We encourage you to review these matters. For example, Apple’s iPhone and iPad products, incorporate many of the same components that were at issue in the ZTE case and operate in the same infringing manner. Accordingly, Apple would benefit from a license. We encourage you to take another look at the patents and your analysis in view of the recent ZTE litigation as well as some of the family member patents that have since issued addressing some of the very issues and prior art raised in your letter.

With respect to your letter, we appreciate but were a little surprised by your representation that Apple had assumed the negotiations had concluded. Since your last correspondence, Maxell and Apple have tried to separately and on multiple occasions negotiate a business arrangement between the parties, which Maxell believed would coincide with (if ever consummated) a payment to Maxell to license its patents consistent with prior offers. We understand that such negotiations were handled by a separate Apple business unit, but Maxell certainly considered these a continuation of its negotiations with Apple and assumed Apple did as well given that such business solutions were discussed at a higher level with Mr. Jeff Risher during the parties’ licensing negotiations. Further, such business negotiations continued for a long period of time and Apple attempted to have Maxell enter into non-disclosure agreements and Apple’s Master

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Development and Supply Agreement that would require Maxell to license its intellectual property rights to Apple as part of the business arrangement.

As to the substance of your arguments and positions in the letter, Maxell is more than willing to enter into productive conversations but would prefer not to continue with a protracted, drawn out back and forth where the parties continuously exchange positions regarding infringement and validity to no end. Apple is a very sophisticated company with substantial resources. It has undeniably reviewed Maxell patents and assessed the tremendous value that a license from Maxell holds, and Maxell does not believe continuing to go back and forth with respect to a portfolio of thousands of patents is productive. That said, we encourage you to take another look at the patents and your analysis in view of the recent ZTE litigation as well as some of the family member patents that have since issued addressing many of the very issues and prior art raised in your 2015 letter.

In addition to the patents we identified previously, Maxell would like to also call your attention to the following additional U.S. patents or applications (whose claims have now been allowed) that we believe are being infringed by Apple's products:

No.	U.S. Pat. No.	Claims	Accused Product(s)	No.	U.S. Pat./ Appl. No.	Claims	Accused Product(s)
81	9,159,368	1-5	iPhone, iPad, iPod Touch	88	9,066,058	1, 2, 4, 5	iPhone, iPad, iPod Touch
82	6,697,563	1, 3, 5, 7, 9, 10	iPhone, iPad, iPod Touch	89	9,369,761	1, 2, 5, 6, and 9	iPhone, iPad, iPod Touch
83	8,005,960	1, 3	iPhone, iPad, iPod Touch	90	8,571,392	1-6	iPhone, iPad, iPod Touch
84	6,484,034	1, 8, and 9	iPhone, iPad	91	10,057,371	1-12	iPhone, iPad, iPod Touch, MacBook, iCloud
85	7,072,673	1-4, 9, and 15	iPhone, iPad	92	10,070,099	1 and 6	iPhone, iPad, iPod Touch
86	9,723,268	1-4	iPhone, iPad, iPod Touch	93	15/208,886	1-10	iPhone, iPad, iPod Touch, Apple Watch
87	10,084,991	1-16	iPhone, iPad, iPod Touch	94	13/874,535	1, 3-5, 8, 10, and 12-25	iPhone, iPad, iPod Touch, Apple Watch

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If Apple is interested in discussing licensing terms, please let us know. Maxell is prepared to offer Apple a world-wide license on friendly terms.

I look forward to your reply and the opportunity to discuss these matters with you or your representative.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Beaber', written over a light gray background.

Jamie B. Beaber

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