



November 11, 2011

*Via eMail to legal@etsi.org
Confirmation Via Overnight Mail*

Luis Jorge Romero Saro
ETSI Director-General
ETSI
650, route des Lucioles
F-06921 Sophia Antipolis Cedex
France

Dear Mr. Romero Saro:

Apple owns a portfolio of cellular standards essential patents relevant to certain cellular standards of ETSI and other standards setting organizations.

Apple made its first cellular declaration to ETSI in 2007, the same year Apple introduced the iPhone. And when it did, Apple committed to license its cellular standards essential patents under Fair, Reasonable and Non-Discriminatory terms ("FRAND").

It is apparent that our industry suffers from a lack of consistent adherence to FRAND principles in the cellular standards arena. Apple believes the industry would benefit from a more consistent and transparent application of FRAND, especially related to the licensing of cellular standards essential patents. To this end, Apple is committed to a FRAND licensing framework for cellular standards essential patents based on three basic elements – appropriate royalty rate, common royalty base and no injunction. Apple is committed to this framework, provided that other parties reciprocate.

Appropriate Royalty Rate: A party who made a FRAND commitment to license its cellular standards essential patents or otherwise acquired assets/rights from a party who made the FRAND commitment must license those patents at an appropriate rate. An appropriate rate is one that is reflective of the party's portfolio of cellular standards essential patents and patent applications as compared to the total, industry-wide pool of such patents and applications. This commitment should guide each party's initial offer, as well as the final terms of any license.

Common Royalty Base: A party who made a FRAND commitment to license its cellular standards essential patents or otherwise acquired assets/rights from a party who made the FRAND commitment must apply its appropriate rate to a common base. This common base, as between two negotiating parties, should be no higher than the industry average sales price for a basic communications device that is capable of both voice and data communication.

No Injunction: A party who made a FRAND commitment to license its cellular standards essential patents or otherwise acquired assets/rights from a party who made the FRAND commitment must not seek injunctive relief on such patents. Seeking an injunction would be a violation of the party's commitment to FRAND licensing.

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As a follow-up to its 2007 disclosure, Apple recently took the initiative to submit a supplemental disclosure to ETSI. Apple's supplemental disclosure identifies 140 Apple patents and patent applications that may be or may become essential to LTE, UMTS, EDGE, GPRS, and GSM. This collection includes newly issued Apple patents and published applications, as well as assets acquired from third parties.

Apple's supplemental disclosure reflects its good faith commitment to timely disclose patents and patent applications it owns or controls that may be or may become essential to certain cellular standards. We expect others to do the same, and we encourage ETSI and its members to abide by the foregoing FRAND licensing framework.

Best regards,



Bruce H. Watrous, Jr.
Vice President and Chief IP Counsel
Intellectual Property and Licensing

BHW/vb

Enclosure: Apple's IPR Licensing Declaration Forms

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