

EXHIBIT 1



November 8, 2012

BY OVERNIGHT & EMAIL

Kent Walker
Senior Vice President and General Counsel
Google Inc.
1600 Amphitheater Parkway
Mountain View, CA 94043

Dear Kent,

I wanted to follow up on your recent public offer to submit our dispute over the licensing of standards essential patents ("SEPs") to binding arbitration. Apple's goal has always been to find a mutual and transparent process to resolve this dispute on terms that are fair, reasonable and non-discriminatory ("FRAND") without the threat or taint of exclusionary remedies. Your offer to arbitrate made before Judge Crabb on November 5, 2012 was therefore welcome news. We agree to arbitrate the value of mutual licenses to our respective SEP portfolios. To ensure this process is effective, efficient and consistent with our FRAND obligations, we propose the following guidelines:

- 1) Litigation Stand Down. Neither party should seek to obtain or enforce injunctions, exclusion orders or court-ordered royalty rate setting (including the ongoing Orange Book process in Germany) based on patents held by either party that have been declared essential to an industry standard and that are subject to a FRAND licensing obligation.
- 2) Worldwide Scope. The arbitration should cover all FRAND-encumbered SEPs in our mutual portfolios. This would ensure an efficient process that avoids piecemeal resolution. The ultimate outcome of the arbitration should be a worldwide standard essential patent cross-license.
- 3) Common Base. The royalty base between the parties should be common and bear the closest possible relationship to the actual functionality covered by the standard in question.
- 4) Timely Resolution. It is in both parties' interest to resolve these issues quickly as our licensing dispute has lingered for several years. An ample record has been developed in our various litigations that could be used to streamline this process. We should commit to a hearing in four months which would then allow the arbitrator to reach a decision in six months time.

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Binding arbitration on these terms will give us the best opportunity to reach a worldwide standard essential patent cross-license that comports with our FRAND obligations. We look forward to your response.

A handwritten signature in black ink, appearing to read "Bruce Sewell". The signature is fluid and cursive, with the first name "Bruce" written in a larger, more prominent script than the last name "Sewell".

Bruce Sewell
Senior Vice President and General Counsel

CC: David Drummond, Google Inc.