



July 22, 2009

VIA FACSIMILE AND FEDERAL EXPRESS
503-644-6708

USB Implementers Forum, Inc.
Board of Directors
c/o Jeff Ravencraft, Chairman and President
3855 SW 153rd Drive
Beaverton, Oregon 97006

Re: Notice of Improper Use of USB Vendor ID Number

Dear Directors:

I am writing on behalf of Palm Inc., a member company of the USB-IF, to notify you of what Palm believes is an improper use of the USB Vendor ID number by another member company.

In early June, Palm launched the Palm® Pre™, the first phone built on Palm's innovative Palm webOS™ platform. One popular feature of the Palm webOS is media sync, which provides consumers with seamless access to their music, photos, videos, and other content stored in iTunes. With this feature, consumers simply plug the Palm Pre into a USB port, select the Palm media sync feature, and automatically transfer their content from iTunes to their phones.

On July 15, however, Apple released an update to its iTunes software application that utilizes the USB Vendor ID number to prevent iTunes from automatically transferring content to any non-Apple USB device. When a USB device recognized by the host computer attempts to connect with iTunes, iTunes now checks the Vendor ID number included in the USB device descriptor. If the Vendor ID number is anything other than Apple's Vendor ID number, iTunes will limit access. In response, Palm will shortly issue an update of its webOS operating system that uses Apple's USB Vendor ID number for the sole purpose of restoring the Palm media sync functionality. For all other purposes, the Palm Pre will continue to use Palm's USB Vendor ID.

Principles Underlying the USB-IF

One of the primary objectives of the USB-IF is to foster interoperability among USB-compliant products. This goal is reflected throughout the Restated Articles of Incorporation. For example, Article III provides that the USB-IF exists "[t]o develop

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and distribute specifications and other documents that augment, enhance or extend the USB Primary Specifications for the purposes of enabling and promoting increased interoperability and reliability among USB products”; “[t]o provide a forum and environment whereby the members of the corporation may meet to review requirements for product interoperability and general usability”; and “[t]o protect the needs of consumers, promote ease of use, and increase competition among vendors by supporting the creation and implementation of reliable, uniform, industry-standard compliance test procedures and processes which support the interoperability of USB-based products and services” (emphasis supplied). Interoperability is central to any standard-setting organization because, without widespread interoperability, many of the benefits of using standardized (as opposed to proprietary) technologies are lost.

A related, and equally important, objective of the USB-IF is “[t]o foster competition in the development of new products and services based on USB Primary Specifications, in conformance with all applicable antitrust laws and regulations.” The USB-IF Antitrust Guidelines further provide that “USB-IF and Participants, in connection with their participation in USB-IF, shall not attempt to prevent any person from gaining access to any market or customer for goods and services, or attempt to prevent any person from obtaining a supply of goods or services or otherwise purchasing goods or services freely in the market.” The Antitrust Guidelines are expressly incorporated in the USB-IF Code of Conduct, which applies to all members of the USB-IF. Through these Guidelines, the USB-IF encourages fair competition between producers of USB-compliant products.

Apple’s Use of Its USB Vendor ID as a Lockout Code

Over the years, those that have implemented the USB standard have clearly benefited from the interoperability and competition among devices fostered by the standard. For example, the explosive growth of the market for Apple iPods and iPhones has been attributed in significant part to Apple’s decision to implement the USB standard for these products, rendering them compatible with PCs as well as Apple computers. However, benefits such as these will be short-lived if member companies turn to using USB protocols for other than their intended purpose. Unfortunately, Apple has done just that, opting to use its USB Vendor ID number to limit access to iTunes, in effect turning the USB Vendor ID number into a lockout code. This exclusionary use is not contemplated by the USB standard, which is clearly intended to facilitate interoperability between USB devices, not to regulate the content that flows between them. Moreover, it is inconsistent with the letter and the spirit of the USB-IF Membership Agreement, including the Antitrust Guidelines. Neither the USB standard nor the Membership Agreement should be interpreted or enforced to allow use of the

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USB Vendor ID number to limit access to applications on USB-compliant devices or to hamper competition among them.

Palm brings this matter to your attention in the interest of furthering the purposes of the USB-IF and because we believe the USB-IF should be aware of any attempt to use the USB standard, and in particular the USB Vendor ID number, in a manner contrary to the purposes of this organization.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Kevin Morishige", with a horizontal line extending to the right.

Kevin Morishige
Senior Director, Product Technologies

cc: Eric Anderson (Apple, Inc.)