

IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

Applicant : James H. Jannard, et al.
 Reexam Control No. : 90/012,550
 Reexam Filed : September 13, 2012
 Patent No. : 8,174,560
 For : VIDEO CAMERA
 Examiner : Henry N. Tran
 Art Unit : 3992
 Conf No. : 1159

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DECLARATION OF JAMES H. JANNARD UNDER 37 C.F.R. §1.132

Commissioner for Patents
 P.O. Box 1450
 Alexandria, VA 22313-1450

Dear Sir:

I, James H. Jannard, declare that:

I. BACKGROUND

1. I am the Founder and Chairman of the Board of Red.com, Inc. (dba Red Digital Camera) (“RED”), the assignee of U.S. Patent No. 8,174,560 (“the 560 patent”), which is the subject of the present reexamination proceeding. I am also the first listed inventor on the ‘560 patent and an inventor on four additional issued patents which belong to RED.

2. I was a camera enthusiast for decades before founding RED. For instance, I was previously the Founder and President of performance eyewear, electronically enabled eyewear and sports equipment manufacturer Oakley, Inc. During my first 20 years at Oakley, I personally shot photographs for most of Oakley’s print advertisements and marketing materials as well as motion

RED.COM Ex. 2012
 Apple v. RED.COM

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video for Oakley's televised commercials. I also collect cameras, and own over 1000 still and motion cameras.

3. At Oakley, I invented various technologies and devices in fields including optical systems, eyeglasses, goggles and component parts, telecommunications enabled eyewear, head worn audio/video systems, and heads up displays among others. I am an inventor on over 600 patents worldwide.

4. At RED, I have been intimately involved in the process of designing and building all of our camera models from the ground up. Moreover, in my role as Chairman of the Board of RED, I have gained a deep understanding of the professional camera market.

5. I founded RED in about 2005, with the objective of developing the world's best cameras. Based upon the investment of an enormous amount of effort and resources, we created the first ever digital cinematography camera which was capable of capturing and recording compressed RAW image data, on board, at 2k and higher resolution images, and at a frame rate of at least about 23 frames per second. Specifically, our cameras compress and record raw digital image data having a resolution of at least 2k (including 4k) into a storage device of the camera (e.g., carried on or within a portable housing of the camera) at a frame rate of at least about twenty-three frames per second, where the data remains substantially visually lossless upon decompression. Captured by the claims of the '560 patent, this technology enabled for the first time, digital cinematography cameras and related systems which exhibited stunningly superior quality and ease of use compared to the prior art systems. In only a few years, this invention has revolutionized the cinematography market and the way movies are made.

6. RED started shipping the cinema-ready RED ONE® video camera in 2007, followed by RED EPIC® and SCARLET® cameras in 2010 and 2011, respectively.

7. All of the cameras sold by RED are covered by the claims of the '560 patent.

8. RED has enjoyed tremendous success in making and selling cinema-ready video cameras. RED's total revenues from sales of those cameras since 2007 are over \$500 million.

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Over \$225 million of this amount is from direct sales of RED ONE, RED EPIC, and SCARLET cameras. Moreover, substantially all of the remaining revenues are derived from sales accessories to those cameras, including sales of camera upgrades, digital camera storage, lenses, etc.

9. Top directors and cinematographers, who have in the past resisted adoption of digital cameras, have recently embraced the RED technology and filmed numerous feature length productions using RED's cameras. Productions shot on RED's cameras have generated retail ticket sales revenue in excess of \$7.4 billion. Roughly 3600 productions have been shot on RED's cameras

10. The following list includes a selection of recent and notable major motion pictures that have either been shot on RED cameras or are currently being shot on RED cameras:

300: Rise of an Empire**	The Sessions
The Hobbit: The Desolation of Smaug**	Werewolf: The Beast Among Us
Thor 2: The Dark World**	My Amityville Horror
Ender's Game**	Dredd
Elysium**	Unconditional
Pacific Rim**	Super Cyclone
The Bling Ring*	Resident Evil: Retribution
Star Trek Into Darkness*	Fire with Fire
The Great Gatsby*	Bachelorette
42*	Nitro Circus: The Movie
Oz: The Great and Powerful*	Total Recall (2012)
Jack the Giant Slayer	Step Up Revolution
The Hobbit: An Unexpected Journey	The Amazing Spider-Man
Flight	Bad Kids Go To Hell
Prometheus	Magic Mike
The Girl with the Dragon Tattoo	Katy Perry Part of Me
Contagion	That's My Boy
The Social Network	Snow White and the Huntsman
I, Frankenstein**	Maniac
Walking with Dinosaurs 3D**	Crooked Arrows
The Monkey King**	LOL
Patriot Act**	Get the Gringo
Grown Ups 2**	Because I Love You
Sons of Liberty	Future Weather
Much Ado About Nothing*	Think Like a Man
20 Feet From Stardom*	Bad Ass
This is the End*	Wrath of the Titans
12 Rounds: Reloaded	Ghost Rider: Spirit of Vengeance

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<p>The Kings of Summer*</p> <p>Once Upon a Time in Brooklyn</p> <p>Caroline and Jackie</p> <p>Pain & Gain*</p> <p>Love Sick Love</p> <p>King's Faith</p> <p>Cloned: The Recreator Chronicles</p> <p>Pawn</p> <p>Oblivion*</p> <p>Filly Brown</p> <p>The Lords of Salem</p> <p>Dark Circles</p> <p>To the Wonder</p> <p>Brilliant Mistakes</p> <p>Buck Wild</p> <p>The Shift</p> <p>The ABCs of Death</p> <p>The Secret Village</p> <p>Detour</p> <p>Cleaver Family Reunion</p> <p>Mental</p> <p>A Resurrection</p> <p>Love and Honor</p> <p>23 Minutes to Sunrise</p> <p>Phantom</p> <p>Along the Roadside</p> <p>Snitch</p> <p>The Power of Few</p> <p>White T</p> <p>Side Effects</p> <p>Girls Against Boys</p> <p>John Dies at the End</p> <p>Movie 43</p> <p>Parker</p> <p>V/H/S/2</p> <p>Sound City</p> <p>Stand Up Guys</p> <p>The Baytown Outlaws</p> <p>Texas Chainsaw 3D</p> <p>Universal Soldier: Day of Reckoning</p> <p>Hitchcock</p> <p>Death Race: Inferno</p> <p>LUV</p> <p>Maximum Conviction</p> <p>The Man with the Iron Fists</p>	<p>California Solo</p> <p>The First Time</p> <p>Haywire</p> <p>Underworld: Awakening</p> <p>Breathless</p> <p>Curfew</p> <p>Legend of the Red Reaper</p> <p>The Muppets</p> <p>October Baby</p> <p>Exhumed</p> <p>Dorfman in Love</p> <p>Margin Call</p> <p>Red State</p> <p>Our Idiot Brother</p> <p>Fright Night</p> <p>Beginners</p> <p>Pirates of the Caribbean: On Stranger</p> <p>Tides</p> <p>Hesher</p> <p>The Lincoln Lawyer</p> <p>Samuel Bleak</p> <p>Drive Angry</p> <p>State of Emergency</p> <p>Blue Valentine</p> <p>Rabbit Hole</p> <p>Skyline</p> <p>Jackass 3D</p> <p>Fair Game</p> <p>Hatchet II</p> <p>Leaves of Grass</p> <p>Winter's Bone</p> <p>MacGruber</p> <p>The Happy Poet</p> <p>Green Zone</p> <p>Solitary</p> <p>Inside Job</p> <p>The Final</p> <p>The Book of Eli</p> <p>The Lovely Bones</p> <p>Splinterheads</p> <p>The Informant</p> <p>Beyond a Reasonable Doubt</p> <p>Gamer District 9</p> <p>Labor Pains</p> <p>The Girlfriend Experience</p>
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Silent Hill: Revelation 3D Chasing Mavericks	Angels & Demons Knowing My Bloody Valentine 3D Jumper
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*Currently in theaters, as of June 25, 2013.

**Currently in production or otherwise not yet released, as of June 25, 2013.

II. THE USE OF FILM MOVIE CAMERAS

11. Before the introduction of cinema-ready digital movie cameras, all major motion pictures and many other productions were shot with film cameras. Such film cameras presented a number of long standing problems. For example, (A) immediate, on-set playback of recorded film footage was impossible (B) the equipment associated with film was bulky, and costly to operate and transport, and (C) digital editing of emulsion film footage required chemically developing the emulsion film and scanning from film to digital before digital editing, among other drawbacks.

A. On-Set Playback

12. Generally speaking, shooting video with a film camera is like flying blind; one cannot be sure of what has been captured on film until the film has been developed. Developing one reel of film, from the moment the reel is removed from the camera, usually requires at least several hours up to days, for example, when shooting in remote locations. Thus, when working with film, production teams work very hard and use their best photographic practices in the hopes of obtaining film that can be used for final production, with no or minimal postproduction editing requirements to compensate for errors made during shooting.

13. In order to provide production teams with some idea of what had been captured by a film camera, parallel electronic recording systems have been used for many years. One type of system is known as “video assist”. In some known video assist systems, an optical “video tap” was used to digitally record the images channeled through the eyepiece of the camera, on to video tape.

14. Such video tape recordings generally showed the same scene as what has been captured on film, but they may not and often do not provide an accurate representation of the detail, tone, and colorimetry of the images captured on the film. The resulting resolution of the

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