

1 you, okay?

2 A. Yes, sir.

3 Q. Is it correct that you were not at Apple during the  
4 early days of the development of the iTunes Store?

5 A. Yes, sir, this is correct.

6 Q. You joined Apple in April of 2005, correct?

7 A. Correct, sir.

8 Q. And how soon after -- I believe it was April 11th, 2005?

9 A. Yes, sir.

10 Q. How soon after that did you meet Mr. Muller?

11 A. Very soon.

12 Q. Within a day or two?

13 A. I don't recall.

14 Q. Probably a few days or a week?

15 A. Probably. I don't recall.

16 Q. What about Mr. Mirrashidi that we may hear from later in  
17 the case? Did you meet him pretty soon?

18 A. Yes, sir.

19 Q. Now, when you were hired at Apple, you were hired  
20 straight into the title of director of DRM technologies,  
21 correct?

22 A. Yes, sir.

23 Q. When you first got hired at Apple, that was your first  
24 job in the field of digital rights management, correct?

25 A. Yes, sir.

1 Q. And as of April of 2005, just prior to starting with  
2 Apple, you had not very much background in digital content  
3 security, correct?

4 A. No, sir.

5 MR. CALDWELL: Mr. Mortensen, can we pull up Mr.  
6 Farrugia's July 2nd, 2014 deposition, Page 28, Lines 8  
7 through 13?

8 Q. (By Mr. Caldwell) Mr. Farrugia, you were under oath at  
9 your deposition, correct?

10 A. Yes, sir.

11 Q. And when I asked you at your deposition: As of April of  
12 2005, just prior to starting with Apple, tell me what your  
13 background in digital content security was?

14 You answered: Not very much. I didn't work on the  
15 digital rights management before. It was my first job on the  
16 digital rights management. Correct?

17 A. Correct, sir.

18 Q. And so, Mr. Farrugia, is it fair to say that you learned  
19 DRM at Apple?

20 A. No, sir.

21 Q. In the time you've been at Apple, you've received a  
22 promotion now to level of senior director of DRM, correct?

23 A. This is correct, sir.

24 Q. And now you're only about three rungs down from the CEO,  
25 Mr. Tim Cook, correct?

1 A. Yes, sir.

2 Q. Mr. Farrugia, would you say that you were Apple's most  
3 knowledgeable person about FairPlay updates since you joined  
4 Apple?

5 A. I don't understand the question.

6 Q. Okay. In the time since you've joined Apple, are you  
7 the person most knowledgeable about updates and redesigns of  
8 FairPlay?

9 A. Yes, sir.

10 Q. Are you familiar with buying and using content through  
11 the App Store or the iTunes Store?

12 A. Yes, sir.

13 Q. Do you agree that an Apple ID corresponds to a piece of  
14 data known as a DSID or an account ID?

15 A. Yes, sir.

16 Q. And you use that Apple ID to make purchases, correct?

17 A. Yes, sir.

18 Q. Sir, FairPlay is developed in your department, correct?

19 A. Yes, sir.

20 Q. And FairPlay is the DRM, or digital rights management,  
21 technology that protects content sold from the iTunes Store?

22 A. Yes, sir.

23 Q. When you first began working at Apple, FairPlay was  
24 designed for the purposes of protecting music; is that right?

25 A. Yes, sir.

1 Q. And it is now used with movies, TV shows, apps, and  
2 books, correct?

3 A. Yes, sir.

4 Q. Those products, movies, TVs, apps, and books are  
5 encrypted when you download them from the Apple servers,  
6 correct?

7 A. No, sir.

8 Q. They're not encrypted?

9 A. Yes, sir.

10 Q. I'm sorry. What was wrong with my statement?

11 A. They're not coming from the Apple servers.

12 Q. We'll talk about that in just a few minutes.

13 You agree that the content downloaded, movies, TV shows,  
14 apps, and books are encrypted when downloaded, correct?

15 A. Yes, sir.

16 Q. And when you buy content, like movies, TVs, apps, and  
17 books, that content is -- excuse me -- is tied to the DSID or  
18 account ID, correct?

19 A. Sorry. I don't understand the question.

20 Q. The encrypted content downloaded is tied to or  
21 correlated to a particular account ID, correct?

22 A. Yes, sir.

23 Q. And that keeps people from sharing content like apps  
24 because, for example, if I bought some content, it might not  
25 run on your iPhone, correct?

1 A. Yes, sir.

2 Q. And FairPlay is also useable to enable rental  
3 functionality, isn't it?

4 A. Yes, sir.

5 Q. Like movie rentals?

6 A. Yes, sir.

7 Q. And that way you can get the same exact content, like  
8 movie content, at a lower price than the purchase price,  
9 correct?

10 A. I -- yes, sir.

11 Q. There's no dispute that the content itself, in other  
12 words, that the data for the movies, for example, is  
13 identical between the purchased version and the rental  
14 version, correct?

15 A. Yes, sir.

16 Q. There -- there -- we do not disagree about that,  
17 correct?

18 A. Yes, sir.

19 Q. The difference is in the rules of how long you have to  
20 watch it, right?

21 A. Yes, sir.

22 Q. Had people worked on FairPlay and digital rights  
23 management at Apple before you joined April 11th, 2005?

24 A. Yes, sir.

25 Q. When you joined in April of 2005, FairPlay, the DRM

1 system, had real problems, didn't it?

2 A. Yes, sir.

3 Q. In fact, the first folks that worked on it before you  
4 got there did not have the right solution, did they?

5 A. Security-wise, yes, sir.

6 Q. In terms of security?

7 A. Yes, sir.

8 Q. Would you agree that the design of the FairPlay security  
9 was pretty terrible before you got to Apple?

10 A. It had vulnerabilities.

11 Q. Vulnerabilities, correct?

12 A. Yes, sir.

13 Q. You would agree it was designed all wrong?

14 A. Yes, sir.

15 Q. In fact, when you got to Apple in April of 2005, you are  
16 not aware of Apple having anyone prior to you who had  
17 experience in digital content security, correct?

18 A. Yes, sir.

19 Q. Is FairPlay DRM valuable to Apple?

20 A. Yes, sir.

21 Q. In fact, book publishers insist on it, correct?

22 A. I don't know that, sir.

23 Q. Do you believe that to be true?

24 A. I believe, but I don't know.

25 Q. Movie studios insist on protection for their movies,

1 don't they?

2 A. I believe.

3 Q. Do you also agree that it is important for FairPlay and  
4 the digital rights management system at Apple to be simple?

5 A. Yes, sir.

6 Q. Are you familiar with any online digital content stores  
7 that existed prior to iTunes?

8 A. Yes, sir.

9 Q. They weren't very good, were they?

10 A. I cannot comment on that, sir.

11 Q. And then even in 2003, Apple had trouble building a good  
12 digital content store in terms of the security aspects,  
13 correct?

14 A. That I learned after that, yes, sir.

15 Q. I'm sorry?

16 A. I learned when I was at Apple. In 2003, I was not at  
17 Apple.

18 Q. Absolutely. And you joined in 2005, correct?

19 A. Yes, sir.

20 Q. And you could tell by looking at the solution Apple had  
21 in place then that they'd had trouble designing a secure  
22 system prior to you getting there, correct?

23 A. Yes, sir.

24 Q. And you made some changes to FairPlay in 2005 in just a  
25 few months after you got there, right?