

Message

From: Ashish Pimplapure [Redacted@google.com]
Sent: 6/11/2016 12:10:14 AM
To: Jamie Rosenberg [Redacted@google.com]
CC: Jim Kolotouros [Redacted@google.com]
Subject: Re: KR in two weeks

Thanks Jamie.

MADA: Jay & Jennie are planning to meet with us next week in MTV to present their MADA proposal. They have not suggested a date or time yet. Jennie walked me through some of the proposed changes and I will share those in an email.

AFW / Knox: this has been a long standing discussion on same topics, and I have not seen a clear positioning from either team. Meanwhile, Samsung has pushed forward with Knox-only solutions in some of the B2B verticals. They have had specific asks of Google since last year (see [this](#) for example), we just need to ensure that both teams are aligned.

Samsung might bring up Comms at a Hiroshi level discussion, so I will add that as well.

In the past, HQ has refrained from discussing revenue share since GIC owns it. While they are underwhelmed with GIC's progress thus far, they will tow the party line and defer revenue share discussions to GIC.

Will prepare a draft doc and share it next week. (Need to sync with Samsung as well, for any items that they want to bring up.)

Regards,
Ashish.

On Fri, Jun 10, 2016 at 4:28 PM, Jamie Rosenberg <Redacted@google.com> wrote:
Hi Ashish,

I've decided to accompany you and Hiroshi from HK to Korea when you guys go back there after the OEM summit. I think it's important for continuity with some of the things we discussed this week.

For Samsung, can you pls give some thought to an agenda we can share with Hiroshi? Some initial ideas:

- * MADA -- this is a great forcing function to get Samsung to write down its feedback on MADA. Say that we want to have a discussion about their feedback in KR and need to get it in time to prepare. I am going to deliver this message to Jay when I see him early this week.
- * AfW/ Knox (depending on how next week's meetings in Suwon go). I'm worried that Injong's view of the world (AfW on top of Knox) is exactly opposite of the AfW team's view of the world.
- * PAI/ App Store follow-up
- * Emoji (per Hiroshi)

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- * S8 discussion
- * VR (depending on progress this week)
- * Music follow-up

Not sure if we want to address rev share -- it might be as simple as figuring out the one-line message we want DJ to hear about the GIC team being unreasonable.

Anything else? If you can put into a draft doc we can iterate.

Also, is the plan for Hiroshi to visit LG in Seoul as well, or just meet with them in HK?

Thanks,

Jamie

Meetings with Samsung

Date: April 29, 2015

Location: Samsung HQ, Suwon, S. Korea

Key Points:

- Samsung to decide if they want to separate RCS from IMS, follow-up with Hiroshi over email.
- Samsung wants Personal Broadcast as a USP for Note 5; will send over vision and requirements to YouTube team for evaluation.
- Google and Samsung to collaborate on ways to improve S6 performance in B2C.
- Google and Samsung to identify growth opportunities in B2B
- Samsung pushed back strongly on proposed terms for revenue share agreements; would like higher revenue share with no upgrade commitments and no exclusivity requirements.

Comment [1]: Samsung showed data that they were holding their own in B2C relative to Apple. However, in enterprise, Samsung share trails far behind Apple, so they feel B2B is the key place to focus.

Morning Session

Attendees:

Google: Hiroshi, Felix, Jongyeong, Ornella, Jim, and Ashish.

Samsung: DJ Koh, Injong Rhee, Hankil Yoon, Peter Koo, MS Schin, ES Chung and others.

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Afternoon Session

Attendees:

Google: Ornella, Jim, Felix, and Ashish

Samsung: Hankil Yoon, Peter Koo, and others.

Meeting Notes

Discussion on Revenue Share

TL;DR: Samsung pushed back strongly on i) coupling revenue share with upgrades, and ii) exclusivity requirements. They want:

- higher revenue share (30% vs 25%)
- revenue share on Tizen
- no upgrade commitments
- no exclusivity

<These are partial / condensed notes. Feel free to sync up offline on regulatory implications / other issues.>

- Samsung: We did market research on what revenue share is appropriate. Data is sketchy; got data points from antitrust cases, speculation on revenue share deals from Wall Street, etc. Our conclusion is that the proposed number is reasonable. It is not outrageous. However, tying revenue share to upgrade percentage is outside the norm.
- Samsung: Our perspective is that things are outside of our control. Coupling upgrades with revenue share is difficult to accept. Are you expecting same behavior change from operators? Are your other revenue share deals tied to upgrades?
- Google: structure is intended to align our goals and provide incentives. This has executive commitment. Not all partners get a revenue share.
- Google: proposal requires you to commit to just one major upgrade during the entire term, and the device will be eligible for higher revenue share for the entire term.
- Samsung: in that case, keep the incentive, lose the penalty. We have many models to upgrade. We cannot limit upgrades to open market. iOS is verticalized. We have to manage SoCs, operators, component manufacturers, etc. Also, users complain about upgrades.

Comment [4]: Redacted @google.com
have we found this to be true? If so, why?

- Google: if we look at this market by market... some markets matter more than others. What really matters is the premium market. We will pay you more in the more valuable markets. So you can prioritize your upgrades for appropriate markets.
- Google: we are aligning revenue share based on lifetime value of users. A user that upgrades has higher LTV than one that does not.
- Samsung: even then, tying revenue share to upgrades goes against our principles.
- AI: Samsung agreed to table this issue for now. They will i) revisit coupling of upgrades with revenue share and ii) take a look at 90-day window for upgrades.
- Samsung: other big concern is exclusivity in various markets (except EU and KR). Can we include RU? We have agreements with various companies in different territories.
- Google: we will revisit RU. Existing agreements can continue through their respective terms.
- *<extended discussion on potential implications of exclusivity. followed by additional discussion on challenges of upgrade revisiting similar points. >*

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