



“Too much attention is already being paid to the cross-licensing deal with Quantum. This is a non-event that is standard practice in the IT world, which is used to avoid costly and ill-considered legal battles that will only end up increasing two law firm’s bank accounts.”

-- Enterprise Strategy Group
Data Domain Company Brief
May 2007

FAQ

Data Domain / Quantum Patent Cross-licensing Agreement May 2007

What happened between Data Domain and Quantum?

A: In the fourth quarter of 2006, Data Domain received an inquiry from Quantum Corporation regarding our interest in licensing certain patents that Quantum believed we may have previously incorporated into our products or may incorporate in the future. As a result of our discussions with Quantum, which commenced in 2006, we entered into a patent cross-license agreement with Quantum in March 2007, with an effective date of January 1, 2007.

What is the effect of this cross-licensing of patents?

A: The patent license covers data storage and data transmission patents, excluding tape-based patents. It means that both companies agree not to sue each other if there is a concern of patent infringement of these patents by either Company’s independent products.

Will Data Domain and Quantum share or transfer any products or technologies to each other?

A: No. All products and technologies of the companies are separate, developed separately, and have separate features, benefits and limitations. There are no deliberately common components between them.

Is there any Data Domain–designed software or hardware in a Quantum product?

A: No.

Will Data Domain and Quantum engineering and product teams be initiating joint development projects?

A: No, not as a result of this agreement.

Does this mean Data Domain or Quantum products directly benefit from the developments of the other company?

A: No. We have no technology sharing or product exchange.

Are any monies or assets exchanging hands as part of the agreement?

A: Under the terms of the cross-license, Data Domain issued Quantum 390,000 shares of Data Domain common stock in March 2007.

Does this mean Data Domain and Quantum are selling the same product? Or is there an OEM agreement in place?

A: Data Domain cannot sell Quantum products, and Quantum cannot sell Data Domain products. Data Domain and Quantum will continue to compete in the marketplace just as before.

Why did Data Domain enter into the agreement?

A: Because we wanted to avoid patent litigation.