

1 improvement in computer hardware; APPLE would, further, be forced into price competition with  
2 other Mac OS Capable Computer Hardware System manufacturers.

3  
4 **The Demise of the Clone Program**

5 27. On information and belief, PSYSTAR alleges that in or around 1995, APPLE launched an  
6 official clone program (the “Clone Program”). On information and belief, PSYSTAR alleges that  
7 as a part of APPLE’s Clone Program, Macintosh ROMs and system software were licensed to other  
8 computer hardware manufacturers who agreed to pay a royalty for each ‘cloned’ computer sold.

9 28. On information and belief, PSYSTAR alleges that from 1995 to 1997, it was possible to buy  
10 a PowerPC-based computer running the Mac OS from, at the least, Power Computing Corporation.  
11 On information and belief PSYSTAR alleges that other licensees and members of the Clone  
12 Program included Motorola, Radius, APS Technologies, DayStar Digital, and UMAX.

13 29. PSYSTAR, on information and belief, alleges that in what was to be the start of a trend of  
14 increasingly anticompetitive conduct with respect to excluding others in the marketplace from  
15 selling computer hardware systems capable of operating the Mac OS and otherwise evidencing  
16 APPLE’s distaste for legitimate competition in the hardware marketplace, APPLE elected to end  
17 the Clone Program in or about 1997. **APPLE’s election to end the Clone Program accelerated at**  
18 **about the same time as the return of Steve Jobs to APPLE as its Chief Executive Officer.**

19 30. On information and belief, PSYSTAR alleges that the APPLE Clone Program came to a *de*  
20 *facto* end with the release of Mac OS 8, which, unlike certain prior iterations of the Mac OS, had no  
21 official licensee program.

22 31. On information and belief, PSYSTAR alleges that APPLE further sought to discontinue the  
23 Clone Program through the purchase of Power Computing Corporation, a very successful and  
24 viable manufacturer of a computer hardware system capable of running the Mac OS.

25 32. On information and belief, PSYSTAR alleges that the Mac OS 9 was released on or about  
26 October 23, 1999 without any official licensee program. On information and belief, PSYSTAR  
27 alleges that updates to the Mac OS 9—up to and including Mac OS 9.2.2 on December 6, 2001—  
28 were also released without any official licensee program.