

RealNetworks Permanently Barred from Manufacturing or Marketing RealDVD

DVD Copy Control Association and Major Motion Picture Studios Successfully Claimed RealDVD Illegally Made Copies of Protected DVDs

SAN FRANCISCO (March 3, 2010) – RealNetworks must permanently halt the manufacture and sale of RealDVD under a ‘stipulated consent judgment and permanent injunction’ approved today by Judge Marilyn Hall Patel of the United States District Court, Northern District of California. The order ends nearly a year and a half of legal action, during which the DVD Copy Control Association (DVD CCA) and the major motion picture studios successfully argued RealDVD violated the Content Scramble System (CSS) license agreement and made illegal permanent copies of copy-protected DVDs.

A temporary injunction stopping sales of RealDVD was imposed in September 2008, shortly after the product was introduced. At that time, DVD CCA and the studios alleged the product – which made permanent playable copies of DVDs – failed to comply with copy protection requirements to which RealNetworks had contractually agreed. Today’s order permanently prohibits RealNetworks from, among other things, “manufacturing, importing, marketing, offering to the public, providing or otherwise trafficking in RealDVD.” (The text of the complete order is attached.)

“Almost from the moment this product was introduced, it was clear RealDVD violated the CSS license,” said Jacob Pak, President of DVD CCA. “Now, after months of arguments from both sides, the legal message is clear: making a DVD copier is a breach of the CSS license. This case demonstrates how important it is to uphold legal agreements that are essential to fostering and maintaining a vibrant competitive industry.”

“We would always prefer to focus our efforts on working with licensees on the development of new or improved DVD products for consumers and our industry,” added Mr. Pak. “But such a cooperative approach requires licensees to respect the CSS license and its amendment process, which did not occur in this case. The CSS license, which allows licensees to develop and manufacture compatible products under common specifications and at low cost, enabled the birth and growth of a robust DVD industry, benefiting consumers and technology companies as well as those companies whose high-quality entertainment is protected on DVDs.”

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About DVD CCA and the Content Scramble System (CSS):

The DVD Copy Control Association (DVD CCA) is a not-for-profit corporation with responsibility for licensing the CSS (Content Scramble System) to manufacturers of DVD hardware, discs and related products. Licensees include the owners and manufacturers of the content of DVD discs; creators of encryption engines, hardware and software decrypters; and manufacturers of DVD Players and DVD-ROM drives.

The Content Scramble System (CSS) is the protection system that has enabled the owners of movie content to provide consumers access to high quality DVD movies for home viewing on their video systems and computers. CSS is made available to allow product manufacturers to offer exciting products for consumers to use to enjoy DVD motion pictures while also protecting those motion pictures from unauthorized duplication, protecting from infringement the intellectual property contributed by the many writers, directors, actors and producers who create such works.