



**FOR IMMEDIATE RELEASE**

September 30, 2008

## **MOTION PICTURE STUDIOS FILE LAWSUIT AGAINST REALNETWORKS**

Los Angeles – The nation’s top movie companies filed a lawsuit today asking a federal court to stop RealNetworks Inc. from distributing the company’s RealDVD software which allows movies to be copied illegally. In their complaint and motion for a temporary restraining order, the studios said that RealNetworks’ RealDVD violates the Digital Millennium Copyright Act (DMCA) because its software illegally bypasses the copyright protection built into DVDs that protect movies against theft.

“RealNetworks’ RealDVD should be called StealDVD,” explained Greg Goeckner, Executive Vice President and General Counsel for the Motion Picture Association of America (MPAA). “RealNetworks knows its product violates the law and undermines the hard-won trust that has been growing between America’s movie makers and the technology community. The major motion picture studios have been making major investments in technologies that allow people to access entertainment in a variety of new and legal ways. This includes online video-on-demand, download-to-own, as well as legitimate digital copies for storage and use on computers and portable devices that are increasingly being made available on or with DVDs. Our industry will continue on this path because it gives consumers greater choices than ever. However, we will vigorously defend our right to stop companies from bringing products to market that mislead consumers and clearly violate the law.”

The Content Scramble System (CSS) built into DVDs prevents the unauthorized reproduction and distribution of copyrighted material released in DVD format. The RealDVD software illegally circumvents this copyright protection system. Among other things, the RealDVD software enables users to engage in an illegal practice known as “rent, rip and return,” whereby a person rents a DVD from a legitimate business like Blockbuster or Netflix, uses the RealDVD software to make multiple permanent illegal copies of the movie, and returns the DVD, only to rent another popular title and make permanent copies of it, repeating the cycle of theft over and over again without ever making a purchase. On its own Web site, RealNetworks acknowledges that this behavior is illegal and that its software could be used in that manner.

Motion pictures and television programs require substantial investments of money, time, effort and creativity by hundreds or often thousands of people, which must be recouped through many individual exhibitions, sales and broadcasts of the works. DVD sales are a

major source of revenues that enable the studios to invest in and develop the wide range of entertainment options available to consumers. The RealDVD software would enable massive theft of creative content that would have a direct, negative impact on the delivery of movies, television shows and other entertainment to consumers through the home entertainment and digital distribution markets.

The lawsuit, filed today in U.S. District Court in Los Angeles asks for damages and injunctive relief against RealNetworks Inc. for violations of the Digital Millennium Copyright Act's (DMCA) circumvention provisions. The DMCA prohibits the manufacturing or trafficking of any technology or product, service or device that is designed for the purpose of circumventing measures that effectively protect copyrighted titles. In manufacturing and selling RealDVD, RealNetworks Inc., a CSS licensee, has attempted to leverage its license improperly by making a product that permits users to circumvent the protections of CSS. Such a product was never intended to be authorized by the CSS license.

The worldwide motion picture industry, including foreign and domestic producers, distributors, theaters, video stores and pay-per-view operators lose more than \$18 billion annually as a result of movie theft. More than \$7 billion in losses are attributed to illegal Internet distributions, while \$11 billion is the result of illegal copying and bootlegging.

***About the MPAA***

The Motion Picture Association of America, Inc. (MPAA) serves as the voice and advocate of the American motion picture, home video and television industries from its offices in Los Angeles and Washington, D.C. Its members include: Walt Disney Studios Motion Pictures; Paramount Pictures; Sony Pictures Entertainment; Twentieth Century Fox Film Corporation; Universal City Studios LLLP; and Warner Bros. Entertainment Inc.

# # #

For more information, contact:

MPAA – Los Angeles

Seth Oster or Elizabeth Kaltman  
(818) 995-6600