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UNITED STATES DISTRICT COURT  
CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

Case No. CV07-5897 JZ (PLAx)

ECHOSTAR SATELLITE L.L.C.,  
ECHOSTAR TECHNOLOGIES  
CORPORATION, and,  
NAGRASTAR L.L.C.,

Plaintiffs,

v.

PANAREX, INC.,  
WON TAK KIM,  
DOES 1-9, and  
GLOBAL TECHNOLOGIES,  
INC.

Defendants.

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PANAREX, INC.,

Third-Party Plaintiff

v.

GLOBAL TECHNOLOGIES,  
INC., and  
DOES 1-10

Third-Party Defendants.

**AGREED FINAL JUDGMENT  
AND PERMANENT  
INJUNCTION AGAINST  
DEFENDANTS PANAREX, INC.  
AND WON TAK KIM**



1 computers used in conjunction with Plaintiffs' satellite receivers to descramble or  
2 decrypt DISH Network's satellite signals to allow viewing of the copyrighted  
3 programming transmitted in those signals.

4 DISH Network provides its access cards to customers for use with EchoStar  
5 receivers for the purpose of enabling authorized access to DISH Network  
6 Programming. Absent a subscription, DISH Network will not provide a consumer  
7 an access card or authorize access to encrypted DISH Network Programming.  
8 Subscribers are not authorized to modify or tamper with the Access Card, which are  
9 clearly marked as property of DISH Network and must be returned upon request.  
10 The DISH Network Access Card is essential to the operation of the receiver  
11 because it contains a secure embedded microprocessor that essentially functions as  
12 a security computer, with proprietary keys and software that contain technology  
13 codes ("Nagra Software") used to communicate with the receiver and descramble  
14 DISH Network Programming. Nagra Software is licensed from Plaintiff  
15 NagraStar.

16 The Nagra Software within each DISH Network Access Card is supported by  
17 two code segments of memory: Read-Only-Memory ("ROM"); and Electronically  
18 Erasable Programmable Read-Only-Memory ("EEPROM"). Generally, the ROM  
19 code segment contains the intimate knowledge and information regarding Plaintiffs'  
20 Security System and how it works; whereas the EEPROM code segment contains  
21 the secret keys enabling the decryption of DISH Network Programming. The ROM  
22 code segment provides detailed instructions and commands to DISH Network  
23 Access Cards and receivers in the normal operation of Plaintiffs' Security System.  
24 The EEPROM code segment stores data and command codes that have been written  
25 to DISH Network Access Cards which the ROM code reads from to perform its  
26 calculation and operation functions. Moreover, the EEPROM code segment  
27 contains secret keys including, but not limited to "transmission" keys and "pairing"  
28 keys (collectively known as "Security Keys"). The Security Keys are used, among

1 other things, to encrypt and decrypt the communications between the DISH  
2 Network Access Card and the receiver. In addition, the Security System also  
3 includes the International Data Encryption Algorithm "IDEA". NagraStar's parent  
4 company owns the patent on IDEA and licenses its use to Plaintiffs for the DISH  
5 Network Security System.

6 Plaintiffs' Security System effectively controls access to the copyrighted  
7 materials that comprise DISH Network Programming. In addition, the Security  
8 System ensures that the protection afforded to such copyrighted works, such as  
9 limitations on the dissemination and use in accordance with DISH Network's  
10 contractual agreements with content providers, is preserved.

11 Defendants Panarex, Inc. and Won Tak Kim ("Defendants") are involved in  
12 the importation, promotion, and distribution (through a network of "authorized  
13 dealers") of Pansat branded satellite receivers. From 2004 to 2008 the Pansat  
14 Receivers distributed by Defendants were manufactured by Defendant Global  
15 Technologies, Inc. in Seoul, Korea. These Pansat receivers were specifically  
16 designed to accept and execute piracy software that enables the receivers to  
17 circumvent DISH Network's Security System and included a variety of codes,  
18 components, features and functionality that served no legitimate purpose or use for  
19 unencrypted free-to-air ("FTA") programming but which were included primarily  
20 for the purpose of allowing Pansat Receivers to be used for piracy of DISH  
21 Network Programming. By way of example, these Pansat Receivers contained  
22 embedded firmware designed specifically to emulate the functions of DISH  
23 Network Access Cards used in Plaintiffs' Security System. Versions of this  
24 factory-installed firmware, which was also distributed on Panarex's website,  
25 [www.pansatusa.com](http://www.pansatusa.com), included near identical images of the proprietary ROM and  
26 EEPROM codes used in DISH Network's Security System. There is no legitimate  
27 purpose for these ROM and EEPROM images to be included in Pansat Receivers  
28 and nor did Defendants possess any authorization or license for the use of these

1 codes. Instead, they were included in Pansat receiver firmware primarily for the  
2 purpose of allowing those receivers to emulate Plaintiffs' access cards and gain  
3 unauthorized access to DISH Network programming.

4 In addition to Plaintiffs' ROM and EEPROM codes, the Pansat receivers  
5 also contained unauthorized copies of proprietary keys used by DISH Network in  
6 their Security System but which have no legitimate purpose or use in a supposed  
7 "FTA receiver". The factory firmware embedded within these Pansat Receivers  
8 (and distributed on Panarex's website, [www.pansatusa.com](http://www.pansatusa.com)) also contained  
9 explicit reference to Plaintiffs and their Security System. These references  
10 included: "Nagra Box Key", "ECM main, global", "auto roll", "EchoStar" and  
11 "NagraVision". Finally, the Pansat receivers included unauthorized  
12 implementations of NagraVision's patented International Data Encryption  
13 Algorithm ("IDEA"). IDEA is a block cipher used for subkey generation in DISH  
14 Network's security system and is licensed to Plaintiffs for that use by  
15 NagraVision. There is no legitimate need for Pansat receivers to include an  
16 implementation of IDEA for FTA purposes; rather, it was included primarily for  
17 the purpose of allowing those Pansat receivers to be used for DISH Network  
18 piracy.

19 Based on the foregoing, The Court hereby ORDERS as follows:

20 (1) Defendants Panarex, Inc. and Won Tak Kim ("Defendants") and  
21 anyone acting in concert with, or at the direction or control of  
22 Defendants are hereby PERMANENTLY ENJOINED from:

23 (a) offering to the public, providing, or otherwise trafficking in any  
24 satellite television receivers or set-top-boxes, software, firmware, or  
25 any other device, component, or technology, or part thereof, through  
26 any means including Internet key sharing (also known as Control  
27 Word Sharing), that:  
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1 (i) is primarily designed or produced for the purpose of  
2 circumventing Plaintiffs' Security System, including the  
3 encryption and access control protection contained in the  
4 software on DISH Network Access Cards, or any other  
5 technological measure adopted by Plaintiffs that controls access  
6 to copyrighted programming on the DISH Network platform;

7 (ii) have only a limited commercially significant purpose or  
8 use other than to circumvent Plaintiffs' Security System,  
9 including the encryption and access control protection contained  
10 in the software on DISH Network Access Cards, or any other  
11 technological measure adopted by Plaintiffs that controls access  
12 to copyrighted programming on the DISH Network platform;

13 (iii) is marketed by Defendants and/or others acting in concert  
14 with Defendants for use in circumventing Plaintiffs' Security  
15 System, including the encryption and access control protection  
16 contained in the software on DISH Network Access Cards, or  
17 any other technological measure adopted by Plaintiffs that  
18 controls access to copyrighted programming on the DISH  
19 Network platform; and

20 (b) assembling, modifying, selling, importing and/or distributing any  
21 satellite receivers, set-top-boxes, software, firmware, or other  
22 device, technology or part thereof knowing or having reason to  
23 know that such device, technology or part thereof is primarily of  
24 assistance in the unauthorized decryption of direct-to-home  
25 satellite services through any means including any internet  
26 websites;

27 (c) assembling, modifying, selling, importing and/or distributing any  
28 satellite receivers, set-top-boxes, software, firmware, or other

1 device, technology or part thereof knowing or having reason to  
2 know that such device, technology or part thereof contains the  
3 proprietary ROM, EEPROM or encryption/decryption keys used  
4 in DISH Network security system or the International Data  
5 Encryption Algorithm (“IDEA”) without a valid licensing  
6 agreement with NagraStar or NagraVision;

7 (d) receiving Plaintiffs’ electronic communications without  
8 Plaintiffs’ authorization through any means;

9 (e) assisting others in receiving Plaintiffs’ electronic  
10 communications without Plaintiffs’ authorization through any  
11 means including Internet websites; and

12 (f) Testing, analyzing, reverse engineering, manipulating or  
13 otherwise extracting codes or other technological information or  
14 data from Plaintiffs’ satellite receivers, access cards, data stream  
15 or any other part or component of Plaintiffs’ security system or  
16 other technology used to gain access to DISH Network  
17 programming.

18 (2) This Permanent Injunction takes effect immediately.

19 (3) Should Defendants breach any part of this Final Judgment or  
20 permanent injunction, they shall be subject to damages in the amount of \$110,000  
21 for each such breach or violation, which is the maximum statutory damages  
22 permitted per violation under 47 U.S.C. § 605(e)(3)(C)(i)-(ii).

23 (4) The Court further ORDERS judgment in favor of Plaintiffs DISH  
24 Network L.L.C. (f/k/a EchoStar Satellite L.L.C.), EchoStar Technologies L.L.C.  
25 and NagraStar LLC on each of Plaintiffs’ claims under 17 U.S.C. § 1201, 47 U.S.C.  
26 § 605, 18 U.S.C. § 2511(1)(a) (Counts 1-6 in Plaintiffs’ SAC) in the aggregate  
27 amount of one hundred twenty one million, six hundred ninety nine thousand, eight  
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1 hundred Dollars (\$121,699,800.00) against Defendants Panarex, Inc. and Won Tak  
2 Kim jointly and severally.

3 (5) The Court further ORDERS judgment in favor of Plaintiffs DISH  
4 Network L.L.C. (f/k/a EchoStar Satellite L.L.C.), EchoStar Technologies L.L.C.  
5 and NagraStar LLC on Plaintiffs' claims for unjust enrichment and violation of  
6 Section 17200 of California's Business and Professions Code prohibiting unfair  
7 competition (Counts 7-8 in Plaintiffs' SAC) and awards the permanent injunctive  
8 relief set forth in section one above.

9 (6) Pursuant to 17 U.S.C. § 1203(b)(4)-(5) and 47 U.S.C. §  
10 605(e)(3)(B)(iii), the Court further awards Plaintiffs DISH Network L.L.C. (f/k/a  
11 EchoStar Satellite L.L.C.), EchoStar Technologies L.L.C. and NagraStar LLC full  
12 costs of suit, including non-taxable costs, and attorneys' fees in the amount of five  
13 million, five hundred thousand dollars (\$5,500,000.00).

14 (7) The Court retains jurisdiction to enforce this Final Judgment and  
15 Permanent Injunction.

16 (8) This is a final judgment. Any and all relief not expressly granted  
17 herein is denied.

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19 So ORDERED AND SIGNED this 30<sup>th</sup> day of March 2010.

20  
21 s/ Jack Zouhary  
22 United States District Court Judge  
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