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Of Counsel to Plaintiffs

12 **UNITED STATES DISTRICT COURT**
 13 **FOR THE CENTRAL DISTRICT OF CALIFORNIA**
 14

15 TWENTIETH CENTURY FOX FILM
 16 CORPORATION, a Delaware
 17 corporation; UNIVERSAL CITY
 18 STUDIOS LLLP, a Delaware limited
 19 liability limited partnership; WALT
 20 DISNEY PICTURES, a California
 21 corporation; WARNER BROS.
 22 ENTERTAINMENT INC., a Delaware
 23 corporation; and PARAMOUNT
 24 PICTURES CORPORATION, a
 25 Delaware corporation,

Plaintiffs,

v.

24 GOWELL ELECTRONIC LIMITED, a
 25 China Corporation,

Defendant.

Case No. 2:08CV04074 FMC (RZx)

**PERMANENT INJUNCTION
 PURSUANT TO STIPULATION**

1 WHEREAS Plaintiffs Twentieth Century Fox Film Corporation, Universal
2 City Studios LLP, Walt Disney Pictures, Warner Brothers Entertainment Inc., and
3 Paramount Pictures Corporation, (collectively “Plaintiffs”) filed the above-captioned
4 action against Defendant Gowell Electronic Limited (“Defendant”) on or about June
5 19, 2008 (the “Action”);

6 WHEREAS, Plaintiffs and Defendant (collectively “the Parties”) promptly
7 initiated discussions in an effort to resolve this dispute without unnecessary
8 expenditure of time or money and without any admission of liability or an admission
9 of the merit or lack of merit of any of the claims or defenses asserted;

10 WHEREAS, as a result of those discussions, the Parties have reached an
11 agreement for the settlement and dismissal of the Action, the full terms and
12 conditions of which are set forth in a document entitled “Settlement Agreement and
13 Mutual Releases” dated as of September 22, 2008 (the “Settlement”);

14 WHEREAS, the Parties’ Settlement is conditioned upon entry by the Court of
15 a permanent injunction on the terms and conditions set forth herein; and

16 WHEREAS, the Parties stipulate and agree that this Court has jurisdiction to
17 enter a permanent injunction on the following terms and conditions and that the
18 Court shall have continuing jurisdiction for purposes of enforcing this injunction and
19 the Parties’ Settlement;

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THEREFORE, the Parties hereby stipulate and agree and request that the Court enter the attached [Proposed] Permanent Injunction Pursuant to Stipulation (“Permanent Injunction”).

IT IS SO STIPULATED.

DATED: _____, 2008

Respectfully submitted,

CALDWELL, LESLIE, & PROCTOR PC

By _____
SANDRA L. THOLEN
Attorneys for Plaintiffs

DATED: _____, 2008

KAUTH, POMEROY, PECK & BAILEY, LLP

By _____
JOEL A. KAUTH
Attorneys for Defendant GOWELL
ELECTRONIC LIMITED

DATED: _____, 2008

GOWELL ELECTRONIC LIMITED

By _____
Its _____

1 Pursuant to the foregoing stipulation of the Parties and for good cause shown,
2 the Court hereby enters a Permanent Injunction as follows:

3 **PERMANENT INJUNCTION**

4 1. IT IS HEREBY ORDERED that Defendant Gowell Electronic Limited,
5 its agents, servants, directors, officers, principals, employees, representatives,
6 subsidiaries and affiliated companies, assigns, and those acting in concert with them
7 or at their direction (collectively "Gowell"), are hereby restrained and enjoined from
8 violating any term of the Content Scramble System ("CSS") licensing agreement
9 between Gowell and the DVD Copy Control Association (the "DVD CCA
10 License"), including, without limitation (a) section 6.2 of version 2.9 of the CSS
11 Specifications (effective January 24, 2007) as incorporated by section 4.2 of the
12 DVD CCA License and (b) any successor versions of the CSS Specifications that
13 relate to, augment or modify section 6.2 of the CSS Specifications (the "Copy
14 Protection Requirements").

15 2. IT IS FURTHER ORDERED that, commencing with the quarter
16 beginning October 1, 2008, and continuing for five years thereafter, Gowell shall,
17 within thirty (30) days of the end of each fiscal quarter, provide to Plaintiffs'
18 designated representative(s) quarterly reports, executed by an officer of Gowell
19 under penalty of perjury under the laws of the State of California (a) identifying, by
20 model number, each DVD Product incorporating the CSS technology that is released
21 by Gowell during that quarter; and (b) attesting that each such model properly
22 implements those Copy Protection Requirements mandated by the DVD CCA
23 License and the CSS Specifications. In the event Gowell releases a DVD Product to
24 which changes have been made that do not affect the functions governed by the CSS
25 Specifications and that is otherwise operationally identical in terms of software,
26 hardware and operations relating to functions governed by the CSS Specifications to
27 a DVD Product that has been previously submitted for testing under paragraphs 3

1 and 4 below, Gowell shall also identify by model number, the original DVD product
2 on which such product is based.

3 3. IT IS FURTHER ORDERED THAT for a period of two years from the
4 date this Permanent Injunction is entered, Gowell shall permit Plaintiffs' designated
5 representative(s) to review and test any new or re-engineered Gowell product that
6 incorporates CSS technology before such product is transferred to any third party
7 pursuant to any commercial transaction. For purposes of this paragraph and
8 paragraph 4 below, the term "new or re-engineered Gowell product" shall not
9 include DVD Products to which changes have been made that do not affect the
10 functions governed by the CSS Specifications and that are otherwise operationally
11 identical in terms of software, hardware and operations relating to functions
12 governed by the CSS Specifications, to a DVD Product that has been previously
13 submitted for testing under paragraph 4, so long as such product is identified in the
14 quarterly reports submitted by Gowell under paragraph 2. The term "new or re-
15 engineered Gowell product" shall include any DVD Product to which any new audio
16 or video output governed by the CSS Specifications has been added or modified. In
17 the event that Gowell updates or upgrades the software or firmware of a DVD
18 Product, and such update or upgrade affects functions governed by the CSS
19 Specifications, Gowell shall notify Plaintiff's designated representative(s) and make
20 such update or upgrade available to Plaintiffs' designated representative(s).

21 4. For purposes of Plaintiffs' testing and review under paragraph 3,
22 Gowell shall provide Plaintiffs' designated representative(s) with the results of
23 Gowell's own testing, if any, and at least two test samples of each new or re-
24 engineered Gowell product that incorporates CSS technology at least thirty days
25 before the product is transferred to any third party pursuant to any commercial
26 transaction. Plaintiffs' designated representatives shall complete the testing of each
27 test sample and provide the results of Plaintiffs' testing to Gowell within fifteen days
28 of the date such sample is received by Plaintiffs.

1 5. The submission of test samples and test reports shall be for the sole
2 purpose of permitting Plaintiffs to verify that the product complies with the DVD
3 CCA License and the CSS Specifications.

4 6. Unless otherwise defined herein, all terms in this Permanent Injunction
5 shall have the same meanings as are set forth in the DVD CCA License.

6 7. For purposes of this Permanent Injunction, Daniel Robbins, Jim C.
7 Williams and Andrea Avila (15301 Ventura Boulevard, Building E Sherman Oaks,
8 CA 91403) shall each be designated by Plaintiffs as their initial designated
9 representatives. Plaintiffs may change a designated representative at any time
10 without further order of the Court, by serving a notification of change of designated
11 representative upon Gowell in compliance with the notice provisions set forth in the
12 Parties' Settlement Agreement.

13 8. Absent a further order by this Court, this Permanent Injunction shall
14 expire and be of no further force and effect upon the earlier of (1) five years from the
15 date of entry of this Permanent Injunction; or (2) cancellation and/or revocation of
16 Gowell's DVD CCA License.

17 9. This Permanent Injunction shall be effective without the posting of any
18 bond or undertaking by Plaintiffs.

19 10. Notwithstanding the subsequent dismissal of this Action by Plaintiffs,
20 this Court shall retain continuing jurisdiction over the Parties and the Action for
21 purposes of modifying or enforcing this Permanent Injunction and/or enforcing the
22 Parties' Settlement Agreement.

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24 IT IS SO ORDERED:

25 DATED: 10/21/08



26 HONORABLE FLORENCE-MARIE COOPER
27 United States District Court Judge

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DATED: October 14, 2008

Respectfully submitted,

CALDWELL LESLIE & PROCTOR, PC
CHRISTOPHER G. CALDWELL
SANDRA L. THOLEN
HEATHER PEARSON

By _____ /s/
SANDRA L. THOLEN
Attorneys for Plaintiffs