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10 UNITED STATES DISTRICT COURT
11 CENTRAL DISTRICT OF CALIFORNIA
12 WESTERN DIVISION

13
14 WARNER BROS. ENTERTAINMENT
INC., COLUMBIA PICTURES
15 INDUSTRIES, INC., DISNEY
ENTERPRISES, INC., PARAMOUNT
16 PICTURES CORPORATION,
TWENTIETH CENTURY FOX FILM
17 CORPORATION, and UNIVERSAL
CITY STUDIOS PRODUCTIONS
18 LLLP,

19 Plaintiffs,

20 vs.

21 WTV SYSTEMS, INC. and WTV
SYSTEMS, LLC d/b/a ZEDIVA, and
22 VENKATESH SRINIVASAN,

23 Defendants.

CASE NO. **CV 11-02817** JFW(ER)
**COMPLAINT FOR COPYRIGHT
INFRINGEMENT**

DEMAND FOR JURY TRIAL

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1 The Court has original subject matter jurisdiction over all claims pursuant to
2 17 U.S.C. §§ 101, *et seq.* and 28 U.S.C. §§ 1331 and 1338(a). Plaintiffs Warner
3 Bros. Entertainment Inc., Columbia Pictures Industries, Inc., Disney Enterprises,
4 Inc., Paramount Pictures Corporation, Twentieth Century Fox Film Corporation,
5 and Universal City Studios Productions LLLP (collectively, “Plaintiffs” or
6 “Studios”), by their attorneys, for their complaint against WTV Systems, Inc. and
7 WTV Systems, LLC d/b/a Zediva (“Zediva”), and Venkatesh Srinivasan
8 (collectively, “Defendants”) allege, on personal knowledge as to themselves and
9 information and belief as to others, as follows:

10 NATURE OF THE ACTION

11 1. Defendants operate a commercial video-on-demand (“VOD”) service—
12 found at <http://www.zediva.com>—that streams Plaintiffs’ movies on demand to
13 paying customers over the Internet. Defendants promote their service as bringing
14 “new release and popular movies to the Internet”¹ and focus their marketing pitch on
15 the fact that Zediva users can “instantly watch new movies much earlier (often
16 several weeks or months)” than they can on authorized services such as Netflix.²

17 2. Unlike Netflix and other licensed online services, Defendants’ business
18 is based on infringing Plaintiffs’ rights. Defendants transmit performances of
19 Plaintiffs’ copyrighted works to members of the public without Plaintiffs’
20 authorization. Defendants thereby infringe Plaintiffs’ exclusive rights to perform
21 their works publicly, 17 U.S.C. §§ 101, 106(4). Plaintiffs and their affiliates invest
22 billions of dollars in creating copyrighted motion pictures. Defendants exploit that
23 investment without any authorization from Plaintiffs, while pocketing all of the
24 money Defendants charge Zediva users for unauthorized performances of Plaintiffs’
25 works.

26
27 ¹ <http://www.zediva.com/about> (last visited Apr. 1, 2011).

28 ² <http://www.zediva.com/faq> (last visited Apr. 1, 2011).

1 3. Defendants claim they do not have to obtain a license from and
2 compensate Plaintiffs for exploiting their rights because Zediva purportedly is a
3 “movie rental service,” which involves a user “renting both a DVD and DVD player
4 in [Defendants’] data center,”³ and Zediva transmitting the movie to the user “over
5 the Internet using streaming technologies.”⁴

6 4. Defendants’ comparison of the Zediva service to a rental store is
7 disingenuous, and Defendants are attempting to rely on technical gimmicks in an
8 effort to avoid complying with U.S. Copyright Law. Defendants operate an online
9 VOD service, not a neighborhood rental store. Unlike Zediva, rental stores do not
10 transmit performances of movies to the public “over the Internet using streaming
11 technologies.”⁵ A rental store or any other establishment would also need a license
12 to do so.

13 5. Under the plain language of the Copyright Act, Defendants are
14 exercising Plaintiffs’ exclusive rights to publicly perform their copyrighted works.
15 Defendants’ transmissions of the performances of Plaintiffs’ works are to the public
16 regardless of whether Defendants’ users receive those performances “in the same
17 place or in separate places and at the same time or at different times.” 17 U.S.C.
18 § 101 (definition of “[t]o perform ... a work ‘publicly,’” clause (2)). Exercising
19 Plaintiffs’ exclusive rights without their permission—something Defendants do not
20 have and claim they do not need—is copyright infringement.

21 6. Defendants’ flagrant violation of Plaintiffs’ exclusive rights directly
22 undermines Plaintiffs’ present and continuing development of a legitimate market for
23 the exploitation of Plaintiffs’ rights.

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³ <http://www.zediva.com/faq> (last visited Apr. 1, 2011).

26 ⁴ Letter from Venkatesh Srinivasan to Julius Genachowski, FCC Chairman at 1
27 (Dec. 10, 2010) (“FCC Letter”), <http://www.zediva.com/ZedivaFCCLetter-12102010.pdf> (last visited Apr. 1, 2011).

28 ⁵ FCC Letter at 1.

1 **THE PARTIES**

2 7. Plaintiff Warner Bros. Entertainment Inc. is a corporation duly
3 incorporated under the laws of the State of Delaware with its principal place of
4 business located in Burbank, California.

5 8. Plaintiff Columbia Pictures Industries, Inc. is a corporation duly
6 incorporated under the laws of the State of Delaware with its principal place of
7 business located in Culver City, California.

8 9. Plaintiff Disney Enterprises, Inc. is a corporation duly incorporated
9 under the laws of the State of Delaware with its principal place of business located in
10 Burbank, California.

11 10. Plaintiff Paramount Pictures Corporation is a corporation duly
12 incorporated under the laws of the State of Delaware with its principal place of
13 business located in Los Angeles, California.

14 11. Plaintiff Twentieth Century Fox Film Corporation is a corporation duly
15 incorporated under the laws of the State of Delaware with its principal place of
16 business located in Los Angeles, California.

17 12. Plaintiff Universal City Studios Productions LLLP is a limited liability
18 limited partnership duly organized under the laws of the State of Delaware with its
19 principal place of business located in Universal City, California.

20 13. Plaintiffs and/or their affiliates own or control the copyrights and/or the
21 relevant exclusive rights in the works at issue in this case under the United States
22 copyright laws. Plaintiffs or their licensors have obtained Certificates of Copyright
23 Registration from the Register of Copyrights for their works. Attached hereto as
24 Exhibit A is a list of certain of Plaintiffs' copyrighted works that Defendants have
25 infringed by the acts complained of herein. Exhibit A identifies by number the
26 Certificates of Copyright Registration issued to Plaintiffs or their licensors.

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1 20. Plaintiffs own or have the exclusive rights in the United States to,
2 among other things, publicly perform the copyrighted works at issue in this action,
3 including by means of streaming those works over the Internet to the public.
4 Defendants have not received any authorization, permission or consent to publicly
5 perform the Plaintiffs' copyrighted works at issue in this lawsuit.

6 21. Plaintiffs, either directly or through their affiliates and/or licensees,
7 distribute and publicly perform their copyrighted works in various forms, including,
8 without limitation, for exhibition in theaters; through television broadcasts; through
9 cable and direct-to-home satellite services (including basic, premium, "pay-per-
10 view" and "video on demand" services); and through authorized, licensed Internet-
11 based services such as Netflix, Apple iTunes, Amazon VOD services, Microsoft
12 Xbox LIVE Marketplace, Blockbuster On Demand, CinemaNow, and the Sony
13 Playstation Network. Plaintiffs also distribute their works to the home viewing
14 market, including by selling copies of the motion pictures on tangible products, such
15 as DVDs and Blu-ray discs, and by licensing digital downloads through various
16 services.

17 22. Plaintiffs have invested (and continue to invest) substantial sums of
18 money and effort each year to develop, produce, distribute and publicly perform their
19 motion pictures which are protected under copyright and other laws. Defendants'
20 illegal actions, as described herein, infringe upon Plaintiffs' exclusive rights and
21 deprive Plaintiffs of the economic value of those rights.

22 **The Zediva Service**

23 *Defendants Transmit Plaintiffs' Copyrighted Content to the Public*

24 23. Defendants operate Zediva, a web site located on the Internet at [http://](http://www.zediva.com)
25 www.zediva.com. Defendants officially launched their service on March 16, 2011.⁶
26

27 ⁶ <http://zedivamovies.blogspot.com/2011/03/weve-launched.html> (last visited Apr.
28 1, 2011).

1 24. Defendants describe their service as a way to “watch new movies
2 online. Just pick the movie you want to watch and enjoy.”⁷ As Defendant
3 Srinivasan states, “[o]ur goal is to have the top 100 movies of the last 12 months at
4 any time,” providing “immediate access to the most current and popular
5 blockbusters.”⁸ Defendants’ “Terms & Conditions of Use” refer to Plaintiffs as
6 purported “third party content providers”⁹ whose content is critical to Defendants’
7 business.

8 25. Defendants’ advertising clearly shows they offer to transmit
9 performances of popular motion picture releases:



25 ⁷<http://www.facebook.com/apps/application.php?id=163946686950855#!/apps/application.php?id=163946686950855&sk=info> (last visited Apr. 1, 2011).

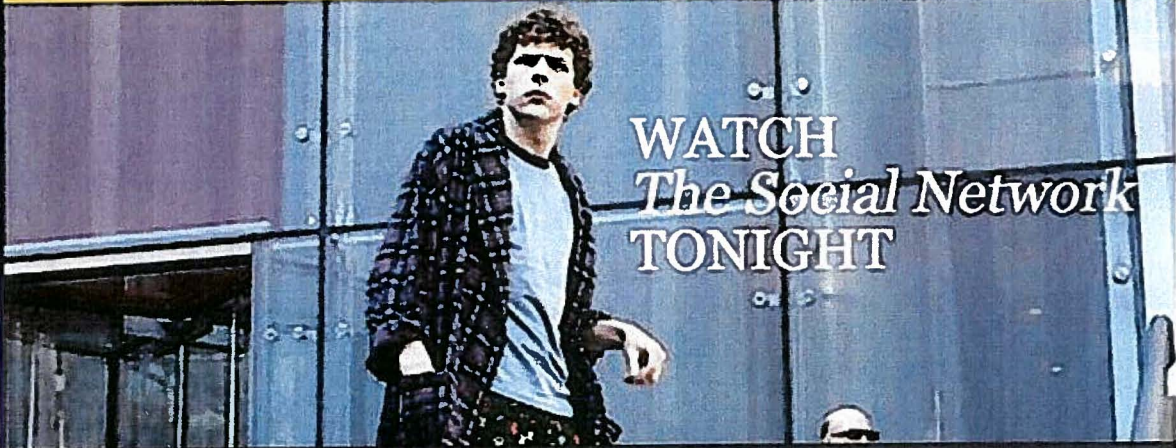
26 ⁸ <http://alltopstartups.com/2011/03/23/zediva-is-the-new-netflix-with-a-controversial-twist/> (last visited Apr. 1, 2011); <http://www.xconomy.com/san-francisco/2011/03/16/zediva-launches-online-dvd-viewing/> (same).

27 ⁹ <http://www.zediva.com/tou> (last visited Apr. 1, 2011).

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ZEDIVA
NEW MOVIES NOW

[Browse Selections](#) [Pricing](#) [How It Works](#)



WATCH
The Social Network
TONIGHT

Watch the latest DVDs over the internet right now!

ZEDIVA Like 173 Movies My Account

NEW MOVIES NOW

New Releases

Top 10

All DVDs

Coming Soon

Jackass 3 in 2D



Rent Now

Morning Glory



Rent Now

The Next Three Days



Rent Now

Burlesque



Rent Now

10

¹⁰ <http://w1.zediva.com/splash/index.php> (last visited Apr. 1, 2011);
<http://w1.zediva.com/splash/works.html> (same).

1 26. Defendants promote their unauthorized service as allowing users to
2 watch new movies much earlier—“often several weeks or months”—than they could
3 with authorized online services. Defendants currently charge as little as a dollar per
4 streamed work, when a user purchases a “bundle” of streams of 10 different
5 movies.¹¹ Defendants’ prices may be half (or less than half) of the prices that
6 licensed services charge.

7 27. As *Time Magazine* noted on its “Techland” blog, the reason that
8 Defendants can “shave[] down” their pricing is because they “cut[] movie studios out
9 of the equation” and do not “negotiat[e] streaming rights.”¹²

10 28. Defendants digitally transmit content to members of the public through
11 Internet streaming, much the same as authorized services that have licensed these
12 rights from Plaintiffs.

13 29. Defendants stream performances of Plaintiffs’ copyrighted works from
14 the same DVD to numerous different members of the public.

15 30. By way of example, Defendants’ website describes a basic “rental”
16 period of 14 days. The user has access to the movie on the DVD for four hours at a
17 time, or until the user’s playback is paused for an extended time period; in either
18 event, Defendants’ service deems the particular DVD to be “returned” and available
19 for streaming to other users.¹³

20 ***Defendants’ Announced Plans to Expand Their Service***

21 31. Defendants plan to expand their user base by increasing the number of
22 devices to which they will stream Plaintiffs’ works. Defendants state that the Zediva
23 service is “limited to PC, MAC and Google TV” and handheld, cellular “Android
24

25 ¹¹ <http://www.zediva.com/faq> (last visited Apr. 1, 2011);
<http://w1.zediva.com/splash/pricing.html> (same).

26 ¹² <http://techland.time.com/2011/03/16/zedivas-movie-rentals-are-50-cheaper-than-itunes/#ixzz1HqSGXafx> (last visited Apr. 1, 2011).

27 ¹³ <http://www.zediva.com/faq> (last visited Apr. 1, 2011). Defendants say that this
28 “is out of consideration to other users who may be waiting to rent the DVD.” *Id.*

1 devices,” and is “working hard to add support for iPhone/iPad and game consoles
2 like Xbox, PS3,” and “hope[s] to quickly expand the number of platforms and
3 devices we can serve in 2011.”¹⁴

4 ***Zediva Founder and CEO Venkatesh Srinivasan’s Active Participation in***
5 ***and Control of Zediva’s Infringing Activities***

6 32. Defendant Srinivasan is Zediva’s Founder and CEO. Srinivasan directs,
7 controls, ratifies, and participates in Zediva’s infringing activity.

8 33. Srinivasan has been personally involved in and personally responsible
9 for (a) Zediva’s decision to stream the Plaintiffs’ copyrighted works over the Internet
10 without Plaintiffs’ consent; (b) the development of Zediva’s business model and
11 technological systems employed by Zediva in the infringement of Plaintiffs’
12 copyrights; (c) the solicitation of financial support for the infringing Zediva service;
13 (d) the widespread promotion of Zediva’s infringing service through public
14 appearances and statements to the press and others; and (e) the decision to continue
15 and to expand Zediva’s infringing activity despite widespread reports regarding the
16 service’s illegal nature. Srinivasan spent several years leading a team that developed
17 the infringing Zediva service; he has personally supervised, and has a direct and
18 personal financial interest in, its infringing activities.

19 34. As Srinivasan personally posted on Zediva’s blog,
20 <http://zedivamovies.blogspot.com/>, he created and developed Zediva’s infringing
21 business model, and the “rest as they say is history. We set out to build that service -
22 and with a few tweaks here, and a modification there, Zediva was born.”¹⁵
23 Srinivasan played a central role in the development of Zediva’s technology which
24 facilitates its infringing conduct. He is listed as an “inventor” on the patent
25

26 ¹⁴ <http://www.zediva.com/about> (last visited Apr. 1, 2011);
27 <http://www.zediva.com/faq> (same).

28 ¹⁵ <http://zedivamovies.blogspot.com/2011/03/genesis-of-zediva.html> (last visited
Apr. 1, 2011).

1 application for the technology underlying the Zediva service.¹⁶ Indeed, in many
2 respects, Zediva and Srinivasan are one and the same. According to Zediva's own
3 SEC "Form D" filing, Defendant WTV Systems, LLC (along with WTV Systems,
4 Inc., "Zediva") and Defendant Srinivasan share the same address.

5 35. Srinivasan plays a core, central role in Zediva's infringing activities.
6 Zediva's website lists five key employees, and Srinivasan is at the top of even that
7 short list.¹⁷ Srinivasan is intimately involved in the company's day-to-day
8 operations. After Zediva's servers crashed when the company launched out of beta,
9 Srinivasan personally posted on Zediva's blog that the company's news blitz "drove
10 huge volumes of traffic our way, and our servers got overwhelmed," but that they
11 were "back in business just after midnight" and will "build the service you want, and
12 get you off that waiting list as soon as we can."¹⁸

13 36. Srinivasan has been quoted in a flurry of press on Zediva's recent
14 launch. Srinivasan repeatedly (and erroneously) has compared Zediva to using a
15 long remote control over the Internet.¹⁹ Srinivasan also has promoted the Zediva
16 service as allowing users to avoid "pay[ing] premium prices" for online streaming,²⁰
17 and as allowing users to watch movies earlier than other streaming sites because "we
18 are not party" to those "contractual agreement[s]" that the Studios have with
19 authorized streaming services.²¹

20 ¹⁶ Remote Rental of Digital Content Peripheral Storage Entities, U.S. Patent
21 Application No. US 2010/0125529 AI, at 1 (filed May 20, 2010)..

22 ¹⁷ <http://www.zediva.com/about> (last visited Apr. 1, 2011).

23 ¹⁸ <http://zedivamovies.blogspot.com/2011/03/launch-day-recap.html> (last visited
24 Apr. 1, 2011).

25 ¹⁹ [http://www.washingtonpost.com/blogs/faster-forward/post/zediva-offers-new-
26 approach-to-online-movies/2011/03/16/AB3sX6e_blog.html](http://www.washingtonpost.com/blogs/faster-forward/post/zediva-offers-new-approach-to-online-movies/2011/03/16/AB3sX6e_blog.html) (last visited Apr. 1,
27 2011) ("It's like watching with a long cable and a long remote control."); FCC
28 Letter at 1 (Zediva like "a really really long video cable and really long remote
control cable connected to the DVD player.").

²⁰ [http://hollywooddaily.us/2011/03/17/zediva-streams-new-releases-before-
netflix-and-redbox/](http://hollywooddaily.us/2011/03/17/zediva-streams-new-releases-before-netflix-and-redbox/) (last visited Apr. 1, 2011).

²¹ <http://business.financialpost.com/2011/03/16/zediva-launches-netflix-rival/> (last
visited Apr. 1, 2011).

1 37. Srinivasan has been and is the primary actor in the activities of Zediva
2 that give rise to Plaintiffs' claims; he has had knowledge of, consented to and
3 exercised control over Zediva's infringing activities.

4 ***Defendants' Conduct Causes Immediate and Irreparable Harm to***
5 ***Plaintiffs***

6 38. The significant harm caused by Defendants' conduct is both immediate
7 and irreparable to Plaintiffs' exclusive rights protected under federal law. The
8 Zediva service directly supplants and undermines Plaintiffs' and their authorized
9 licensees' offering of digital Studio content to consumers, including authorized
10 online streaming services, video-on-demand channels, DVD rentals, and other
11 platforms. Indeed, in a recent letter to the FCC, Srinivasan conceded that Zediva
12 "may be perceived to directly compete with the Video-on-Demand service,
13 PayPerView or other PayTV services offered by cable providers and, in some cases,
14 the providers of fiber networks and wireless networks."²² Defendants' illegal service
15 threatens to undermine these present and potential legitimate channels, at significant
16 cost to Plaintiffs and their licensees.

17 39. By characterizing Zediva as a legitimate and lawful competitor to
18 licensed online services and as "fully compliant with the law,"²³ Defendants threaten
19 to confuse customers and the public and drive up early and immediate adoption of
20 the Zediva service by numerous additional end users, causing even greater immediate
21 and irreparable injury to Plaintiffs.

22 **FIRST CAUSE OF ACTION**

23 **(Copyright Infringement, 17 U.S.C. §§ 106(4) and 501)**

24 40. Plaintiffs incorporate herein by reference each and every averment
25 contained in paragraphs 1 through 39 inclusive.

26 ²² FCC Letter at 1.

27 ²³ [http://www.sfgate.com/cgi-](http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2011/03/22/BU6Q1IE40J.DTL&type=tech)
28 bin/article.cgi?f=/c/a/2011/03/22/BU6Q1IE40J.DTL&type=tech (last visited Apr.
1, 2011).

Exhibit A

Plaintiff	Title	U.S. Copyright Registration Number
Warner Bros. Entertainment Inc.	Book of Eli, The	PA 1-659-118
Warner Bros. Entertainment Inc.	Cop Out	PA 1-703-015
Warner Bros. Entertainment Inc.	Dark Knight, The	PA 1-606-857
Warner Bros. Entertainment Inc.	Hereafter	PRE000003929
Warner Bros. Entertainment Inc.	Invention of Lying, The	PA 1-647-143
Warner Bros. Entertainment Inc.	Invictus	PA 1-684-663
Warner Bros. Entertainment Inc.	Life As We Know It	PA 1-709-859
Warner Bros. Entertainment Inc.	Sherlock Holmes	PA 1-656-999
Warner Bros. Entertainment Inc.	Yogi Bear	PRE000004120
Columbia Pictures Industries, Inc.	Bounty Hunter, The	PA 1-667-359
Columbia Pictures Industries, Inc.	Eat Pray Love	PA 1-689-770
Columbia Pictures Industries, Inc.	Grown Ups	PA 1-682-702
Columbia Pictures Industries, Inc.	How Do You Know	PA 1-712-186
Columbia Pictures Industries, Inc.	Karate Kid, The	PA 1-680-527
Columbia Pictures Industries, Inc.	Other Guys, The	PA 1-689-167
Columbia Pictures Industries, Inc.	Salt	PA 1-687-265
Columbia Pictures Industries, Inc.	Social Network, The	PA 1-698-016
Columbia Pictures Industries, Inc.	Tourist, The	PA 1-712-189
Disney Enterprises, Inc.	Alice in Wonderland	PA 1-675-924
Disney Enterprises, Inc.	Last Song, The	PA 1-679-726
Disney Enterprises, Inc.	Prince of Persia: The Sands of Time	PA 1-689-164
Disney Enterprises, Inc.	Secretariat	PA 1-706-963
Disney Enterprises, Inc.	Sorcerer's Apprentice, The	PA 1-691-405
Disney Enterprises, Inc.	Toy Story 3	PA 1-688-323
Disney Enterprises, Inc.	When in Rome	PA 1-667-869
Disney Enterprises, Inc.	You Again	PA 1-702-216
Paramount Pictures Corporation	Jackass 3D	PA 1-700-556
Paramount Pictures Corporation	Last Airbender, The	PA 1-683-283
Paramount Pictures Corporation	Morning Glory	PA 1-706-205
Paramount Pictures Corporation	Paranormal Activity 2	PA 1-701-514
Paramount Pictures Corporation	Shutter Island	PA 1-663-207
Twentieth Century Fox Film Corporation	127 Hours	PA 1-705-419

Plaintiff	Title	U.S. Copyright Registration Number
Twentieth Century Fox Film Corporation	A-Team, The	PA 1-679-727
Twentieth Century Fox Film Corporation	Avatar	PA 1-395-488
Twentieth Century Fox Film Corporation	Crazy Heart	PA 1-655-279
Twentieth Century Fox Film Corporation	Date Night	PA 1-669-165
Twentieth Century Fox Film Corporation	Diary of a Wimpy Kid	PA 1-667-079
Twentieth Century Fox Film Corporation	Knight and Day	PA 1-681-723
Twentieth Century Fox Film Corporation	Love and Other Drugs	PA 1-706-799
Twentieth Century Fox Film Corporation	Marmaduke	PA 1-678-666
Twentieth Century Fox Film Corporation	Predators	PA 1-683-294
Twentieth Century Fox Film Corporation	Ramona and Beezus	PA 1-687-191
Twentieth Century Fox Film Corporation	Unstoppable	PA 1-705-418
Twentieth Century Fox Film Corporation	Vampires Suck	PA 1-689-743
Twentieth Century Fox Film Corporation	Wall Street: Money Never Sleeps	PA 1-693-817
Universal City Studios Productions LLLP	American, The	PA 1-697-735
Universal City Studios Productions LLLP	Babies	PA 1-690-561
Universal City Studios Productions LLLP	Charlie St. Cloud	PA 1-690-720
Universal City Studios Productions LLLP	Despicable Me	PRE000003604
Universal City Studios Productions LLLP	Get Him to the Greek	PRE000003528
Universal City Studios Productions LLLP	It's Complicated	PA 1-656-395
Universal City Studios Productions LLLP	Kids Are All Right, The	PAu 3-457-290
Universal City Studios Productions LLLP	Love Happens	PA 1-644-272
Universal City Studios Productions LLLP	MacGruber	PA 1-685-732
Universal City Studios Productions LLLP	My Soul to Take	PA 1-703-035
Universal City Studios Productions LLLP	Robin Hood	PRE000003429
Universal City Studios Productions LLLP	Scott Pilgrim vs. the World	PA 1-692-200