

1 REGINALD D. STEER (SBN 056324)  
 rsteer@akingump.com  
 2 MARIA ELLINIKOS (SBN 235528)  
 mellinikos@akingump.com  
 3 **AKIN GUMP STRAUSS HAUER & FELD LLP**  
 580 California Street, 15th Floor  
 4 San Francisco, California 94104-1036  
 Telephone: (415) 765-9500  
 5 Facsimile: (415) 765-9501

6 EDWARD P. LAZARUS (SBN 212658)  
 elazarus@akingump.com  
 7 STEPHEN MICK (SBN 131569)  
 smick@akingump.com  
 8 MICHAEL SMALL (SBN 222768)  
 msmall@akingump.com  
 9 **AKIN GUMP STRAUSS HAUER & FELD LLP**  
 2029 Century Park East, Suite 2400  
 10 Los Angeles, California 90067-3012  
 Telephone: (310) 229-1000  
 11 Facsimile: (310) 229-1001

WILLIAM SLOAN COATS (SBN 94864)  
 wcoats@whitecase.com  
 MARK WEINSTEIN (SBN 193043)  
 mweinstein@whitecase.com  
 MARK F. LAMBERT (SBN 197410)  
 mlambert@whitecase.com  
**WHITE & CASE LLP**  
 3000 El Camino Real  
 5 Palo Alto Square, 9th Floor  
 Palo Alto, California 94306  
 Telephone: (650) 213-0300  
 Facsimile: (650) 213-8158

12 Attorneys for Defendant and Counterclaimant  
 13 DVD COPY CONTROL ASSOCIATION, INC.

14 UNITED STATES DISTRICT COURT  
 15 NORTHERN DISTRICT OF CALIFORNIA

16 REALNETWORKS, INC., a Washington  
 Corporation; and REALNETWORKS HOME  
 17 ENTERTAINMENT, INC., a Delaware corporation,

18 Plaintiffs,

19 v.

20 DVD COPY CONTROL ASSOCIATION, INC., a  
 Delaware nonprofit corporation, et al.

21 Defendants.  
 22

Case No. C08 04548 MHP  
 Related Case No. C08 CV 04719 MHP

**DECLARATION OF ANDREW  
 PARSONS IN SUPPORT OF DVD  
 COPY CONTROL ASSOCIATION,  
 INC.'S MOTION FOR PRELIMINARY  
 INJUNCTION**

23 AND RELATED CASES  
 24

1 I, Andrew Parsons, declare:

2 1. I am the Senior Vice President of Advanced Product Development at Pioneer  
3 Electronics, USA Incorporated (“Pioneer”) and a member of the Board of Directors for the DVD Copy  
4 Control Association, Inc. (“DVD CCA”). I have personal knowledge of the facts contained in this  
5 Declaration and, if called as a witness, I could competently testify as to its contents.

6 2. Pioneer is a consumer electronics company that specializes in the manufacture,  
7 sale and distribution of entertainment products such as display devices (including flat panel plasma  
8 televisions), stereo equipment, DVD players and other devices. I have been with Pioneer for more than  
9 24 years. My job responsibilities at Pioneer include identifying and following technology trends in the  
10 marketplace that can be incorporated into Pioneer products. My responsibilities at Pioneer for more  
11 than the past twelve years have focused on DVD-based products, such as DVD players and DVD  
12 drives for computers. More recently, my responsibilities have focused on the development and  
13 promotion of products that support the newer Blu-ray Disc (BD) format.

14 3. I have served as a member of the Board of Directors for the DVD CCA for more  
15 than four years. The DVD CCA is a non-profit corporation that administers the license for the Content  
16 Scramble System (“CSS”), a technology for preventing copying of DVD content by consumers. The  
17 DVD CCA licenses this technology to entertainment, consumer electronics and information technology  
18 companies that wish to implement CSS in their products. CSS is licensed by the DVD CCA under a  
19 contract that requires all licensees to adhere to detailed restrictions intended to safeguard CSS-  
20 protected content.

21 4. The CSS technology grew out of a series of meetings of a group known as the  
22 Copy Protection Technical Working Group (“CPTWG”). The CPTWG is a public forum for motion  
23 picture companies, technology providers and other interested persons to come together and discuss  
24 copy protection technologies. During a series of meetings that began in approximately the mid-1990s,  
25 representatives from the motion picture, consumer electronics and information technology industries all  
26 recognized the common benefit to be gained in adopting a single and standard format, the DVD, for  
27 delivering digital content to the public. The motion picture studios, however, were concerned with the  
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1 distribution of copyrighted motion pictures on DVD because it provided a high-quality *digital* format.  
2 Because a digital copy of a motion picture is identical to its original, a potentially infinite number of  
3 digital copies of a motion picture could be made and distributed, with each copy, each copy-of-a-copy,  
4 and so forth, being identical in quality to the original. The motion picture companies were  
5 understandably reluctant to distribute their copyrighted content on DVD unless a system was  
6 developed to prevent it from being copied by consumers. The consumer electronics and information  
7 technology companies, for their part, needed a content protection system that could be implemented  
8 without adding significantly to the cost of their products. Following numerous meetings and enormous  
9 effort from these three industry groups, the DVD video format was adopted and CSS was developed  
10 and made available for licensing.

11           5.       The DVD video format and CSS have been extraordinarily successful  
12 throughout the past decade. More than 300 companies have licensed CSS from the DVD CCA, many  
13 in the business of making DVD players or computer software for playing back DVDs. CSS has been  
14 implemented in millions of DVD players and computers worldwide and is used to protect the content  
15 on hundreds of millions of DVDs. This success is attributable in large part to the fact that the DVD  
16 CCA, through the uniform CSS license it administers, fostered an environment of cooperation in which  
17 content providers could release their copyrighted motion picture titles on DVD knowing that the  
18 products used to play them back will protect the content. Consumer electronics and information  
19 technology companies have likewise benefited by being able to sell inexpensive devices that are able to  
20 play a wide range of available DVD titles, which in turn has benefited consumers.

21           6.       This environment of cooperation is possible only because each company that  
22 obtains a license from the DVD CCA agrees to comply with the uniform set of rules set forth in the  
23 CSS license that are designed to prevent copying of DVD content. It is critical, therefore, that DVD  
24 CCA have the ability to enforce the CSS license by obtaining injunctions against non-compliant  
25 products sold by its licensees. If the DVD CCA were unable to force its licensees to remove non-  
26 compliant products from the market, it would encourage other licensees to introduce similar products.  
27 This would, in turn, cause content providers to lose confidence in whether the protections embodied in  
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1 the CSS License can be enforced, threatening the effectiveness of the license and the continued  
2 existence of the DVD CCA.

3 7. In the present case, I believe that the DVD CCA will be irreparably harmed if the  
4 court were to determine that RealDVD violates the CSS license, but nonetheless allows RealNetworks  
5 to continue selling non-compliant products. RealNetworks could flood the market with hundreds of  
6 thousands of copies of its software (if not more) during the time this case awaits trial. This would no  
7 doubt encourage other CSS licensees to jump into the market with new products that work just like  
8 RealDVD. This software could, in turn, be used to make a potentially unlimited number of copies of  
9 CSS-protected motion picture DVDs, including DVDs that are rented or borrowed. The end result  
10 would likely be loss of the content providers' confidence in the enforceability of the CSS License,  
11 which has been essential to the DVD video format, its commercial success and the benefits it has  
12 afforded to consumers for more than ten years.

13  
14 I declare under penalty of perjury that the foregoing is true and accurate and that this  
15 Declaration was executed on this 17th day of March 2009 at \_\_\_\_\_, California.

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17 \_\_\_\_\_  
Andrew Parsons  
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14  
15 Declaration was executed on this 17th day of March 2009 at <sup>Lowie</sup> BEACH, California.

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17   
18 Andrew Parsons

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