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UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF CALIFORNIA

DISH NETWORK, L.L.C., *et al.*,  
Plaintiffs,  
v.  
VICXON CORPORATION, *et al.*,  
Defendants.

Case No. 12-cv-9-L(WVG)  
**ORDER GRANTING PLAINTIFFS’  
UNOPPOSED MOTION FOR  
SUMMARY JUDGMENT [DOC. 57]**

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On January 3, 2012, Plaintiffs DISH Network, L.L.C., EchoStar Technologies L.L.C. (“EchoStar”), and NagraStar L.L.C. filed their complaint against Defendants Vicxon Corporation, a Korean corporation, and Soo Jong Yeo, a Korean citizen, alleging violations of the Digital Millennium Copyright Act (“DMCA”), the Federal Communications Act (“FCA”), and the Electronic Communications Privacy Act (“ECPA”). Now pending before the Court is Plaintiffs’ unopposed motion for summary judgment.

The Court found the motion suitable for determination on the papers submitted and without oral argument. *See* Civ. L.R. 7.1(d.1). (Doc. 58.) For the following reasons, the Court **GRANTS** Plaintiffs’ motion for summary judgment. (Doc. 57.)

//

1 **I. BACKGROUND**

2 **A. Plaintiffs' Subscription-Based Satellite TV Programming**

3 DISH Network, EchoStar, and NagraStar operate various elements of the DISH Network  
4 satellite television distribution system. DISH Network is a multi-channel provider that delivers  
5 video, audio, and data services via a direct broadcast satellite system to authorized subscribers  
6 throughout the United States. (Duval Decl. ¶ 4 [Doc. 57-2].) EchoStar designs, develops, and  
7 distributes receiver systems, satellite dishes, and other digital equipment for use in the DISH  
8 Network system. (*Id.* ¶ 9.) NagraStar provides DISH Network with “smart cards” that are used  
9 in EchoStar’s satellite receivers to facilitate the decryption of DISH Network’s programming  
10 signals. (*Id.* ¶ 13.)

11 DISH Network contracts for and purchases the distribution rights for the copyrighted  
12 programming it broadcasts from outlets such as network affiliates, cable networks, motion-  
13 picture distributors, sports leagues, event promoters, and other holders of programming rights.  
14 (Duval Decl. ¶ 6.) It uses high-powered satellites to broadcast, among other things, movies,  
15 sports, and general entertainment services to consumers who have been authorized to receive  
16 such services after payment of a subscription fee, or in the case of a pay-per-view movie or  
17 event, the purchase price. (*Id.* ¶ 5.) DISH Network then digitally encodes and scrambles the  
18 broadcast signals using NagraStar’s encryption technology, and delivers the scrambled signals  
19 via satellite to the EchoStar dishes and receivers owned or leased by authorized subscribers. (*Id.*  
20 ¶ 8.)

21 Plaintiffs use an encryption system to restrict access to their signals such that only  
22 authorized subscribers can decrypt the signals. (*See* Duval Decl. ¶ 11.) To effectuate this  
23 decryption system, Plaintiffs use smart cards that carry a secured embedded microprocessor  
24 provided by NagraStar. (*Id.* ¶¶ 9, 12.) The microprocessor contains information that provides  
25 instructions and commands to the smart card in the everyday operation of the NagraStar security  
26 system as well as decryption keys. (*Id.* ¶ 12.) The EchoStar receiver possesses an incoming  
27 DISH Network satellite signal by locating an encrypted part of the transmission, known as the  
28 entitlement control message, and then forwards that message to the smart card. (*Id.* ¶ 13.) If the

1 subscriber is tuned to a channel he is authorized to watch, the smart card uses its decryption keys  
2 to unlock the message, uncovering a control word. (*Id.*) The control word is then transmitted  
3 back to the receiver in order to decrypt the DISH Network satellite signal. (*Id.*) Then the  
4 receiver and smart card convert DISH Network’s encrypted satellite signal into viewable  
5 programming that can be displayed on the attached television of an authorized DISH Network  
6 subscriber. (*Id.*)

7  
8 **B. Piracy of DISH Network Programming Using Free-To-Air Receivers**

9 Satellite television pirates have developed several means of circumventing the DISH  
10 Network security system and intercepting DISH Network satellite broadcasts using Free-To-Air  
11 (“FTA”)<sup>1</sup> satellite receivers. (Duval Decl. ¶ 15.) In one method of circumvention, the pirates  
12 created software which was programmed onto the FTA receiver so as to mimic a DISH Network  
13 smart card. (*Id.* ¶¶ 15–16.) Once the FTA receivers were programmed with the card-hack  
14 software, the “modified” receiver could decrypt DISH Network’s signals without authorization.  
15 (*Id.* ¶ 16.) This method requires the piracy software to be regularly updated in order to  
16 overcome countermeasures employed by DISH Network, such as changing the decryption keys  
17 required to access proprietary information. (*Id.* ¶ 17.)

18 Recently, pirates have developed a new method of obtaining DISH Network’s signals  
19 without authorization called Internet Key Sharing (“IKS”). (Duval Decl. ¶ 18.) IKS uses  
20 internet-enabled FTA receivers. (*Id.* ¶ 19.) In IKS piracy, the decoding keys that allow the  
21 decryption of DISH Network’s signals are captured from a computer server (“IKS server”) that  
22 connects with multiple subscribed NagraStar smart cards. (*Id.* ¶ 20.) Control words obtained  
23 from the authorized smart cards are sent from the IKS server over the internet to unauthorized  
24 receivers, where they are used to decrypt DISH Network’s satellite signal and view its

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26  
27 <sup>1</sup> FTA satellite receivers were originally designed to receive free satellite television  
28 channels that carry unencrypted programming. FTA programming is mostly limited to ethnic,  
religious, business, music, information, or advertising content, rather than the subscription-based  
content offered by satellite providers such as DISH Network.

1 programming without paying the subscription fee. (*Id.*) In short, IKS servers allow the  
2 decoding keys to be shared over the internet such that internet-enabled FTA receivers  
3 programmed with modified FTA/IKS piracy software can use these decoding keys to decrypt  
4 DISH Network’s signals without authorization. Furthermore, because IKS is based on the  
5 trafficking of control words obtained from subscribed DISH Network receiving equipment, this  
6 method of satellite piracy remains effective even after DISH Network’s transition to “Nagra 3,”  
7 the latest generation security technology that was recently introduced by NagraStar. (*Id.* ¶ 21.)  
8

9 **C. Evidence of Defendants’ Distribution of Piracy Devices and Piracy Software**

10 **1. Vicxon Corporation and Soo Jong Yeo**

11 Vicxon is the exclusive manufacturer of Sonicview-branded satellite receivers and add-on  
12 dongles. (Yeo Decl. ¶ 8 [Doc. 33-2].) Plaintiffs previously filed suit against Sonicview USA,  
13 Inc. for the distribution of the equipment manufactured by Vicxon. This Court granted  
14 Plaintiffs’ motion for summary judgment in that action. *See DISH Network, L.L.C. v. Sonicview*  
15 *USA, Inc.*, No. 09-CV-1553-L WVG, 2012 WL 1965279 (S.D. Cal. May 31, 2012). Vicxon  
16 manufactures receivers and dongles, referred to as iHubs, for Sonicview. The receivers include  
17 the following models: SV-HD8000, SV-360 Elite, SV-360 Premier, and SV-4000. From  
18 January 2009 to August 2009, Vicxon distributed at least 111,291 receivers to Sonicview,  
19 consisting of 27,500 SC-360 Elites, 84,910 SV-360 Premiers, and 8,881 SV-HD8000s. (Hagan  
20 Decl. ¶¶ 6–7, Ex. 5.) From May 2009 to August 2009, Vicxon distributed at least 17,500 iHubs  
21 to Sonicview USA. (*Id.* ¶¶ 6, 8.)

22 Mr. Yeo is the President and Chief Executive Officer of Vicxon. (Yeo Decl. ¶ 8.)  
23 Sonicview dealt exclusively with Mr. Yeo as the main point of contact at Vicxon, and ordered  
24 Sonicview-branded products solely from him. (Sanz Dep. 73:13–74:5.) Mr. Yeo visited  
25 California multiple times to conduct business with Sonicview, and served as the lead in  
26 marketing and giving product demonstrations of Sonicview receivers and iHubs during his visits.  
27 (Yeo Decl. ¶ 30.) Additionally, all of Vicxon’s invoices to Sonicview were endorsed with Mr.  
28 Yeo’s signature. (Second Yeo Decl. ¶ 3 [Doc. 42-1]; Hagan Decl. ¶ 6, Ex. 5.)

1                   **2.     Expert Analysis of Vicxon’s Devices**

2                   **a.     Vicxon’s Receivers and iHubs, and the A-1 Modules**

3                   Plaintiffs’ expert, Dr. Aviel Rubin, through his company Independent Security Evaluators  
4 (“ISE”), analyzed a sample of Sonicview-branded receivers’ factory firmware for the models  
5 SV-HD8000, SV-360 Elite, and SV-360 Premier. (Rubin Decl. ¶¶ 1–3.) Each model analyzed  
6 contained more than one exact match of the proprietary code and data that resides on Plaintiffs’  
7 smart card, a particular algorithm important for encrypting and decrypting DISH Network  
8 satellite signals, and a graphical user interface. (*Id.* ¶¶ 5–8.) There were strong similarities  
9 between the Sonicview-branded receivers’ firmware and that of existing piracy firmware. (*Id.* ¶  
10 9.) Dr. Rubin concluded that Sonicview-branded receivers “have multiple elements that serve  
11 no legitimate purpose or use in a receiver intended solely for [FTA] applications,” and all of  
12 these elements are related to piracy of the DISH Network satellite signal. (*Id.* ¶ 10.)  
13 Furthermore, Dr. Ruben concluded that strong similarities exist between the factory and pirate  
14 versions of the Sonicview receiver firmware, suggesting a cooperative relationship between the  
15 factory and pirate firmware developers. (*Id.*)

16                   Another expert, Nigel Jones, through his company R.M.B. Consulting (“R.M.B.”),  
17 analyzed the Sonicview-branded iHub and A-1 module in conjunction with Sonicview-branded  
18 receivers. (Jones Decl. ¶ 2.) According to Mr. Jones, the iHub is a serial Ethernet adapter  
19 promoted by Sonicview for use with its receivers in order to automatically update receiver  
20 firmware, download images and music, and play games. (*Id.* ¶ 4.) However, the iHub lacks  
21 software support for firmware updates, and it is particularly impractical for such updates because  
22 it costs around \$100 per device and updates are infrequent. (*Id.* ¶ 6.) The iHub is also  
23 impractical for downloading images and music, and for playing interactive games because of its  
24 low bandwidth. (*Id.* ¶ 7.) It comes with a 16-digit code that enables the Sonicview-branded  
25 receiver to access the IKS server through the dongle, which in turn allows for the piracy of DISH  
26 Network programming when loaded with the piracy software. (*Id.* ¶ 9.) For the Sonicview  
27 piracy software to make access to the IKS server contingent on entry of a valid iHub code, the  
28 developers of the piracy software and the persons responsible for the IKS server must have a list

1 of valid iHub codes. (*Id.*) Thus, Mr. Jones concluded that “the iHub is designed for and has no  
2 practical use other than DISH Network piracy,” and “the suppliers of iHub are working closely  
3 with the persons responsible for Sonicview receiver piracy software and the IKS server  
4 supporting Sonicview receivers.” (*Id.* ¶ 10.)

5         When Mr. Jones analyzed the A-1 module, he found that the module works in conjunction  
6 with SV-HD8000—when loaded with piracy software—to receive DISH Network’s high-  
7 definition programming. (Jones Decl. ¶ 14.) The A-1 module contains same principal integrated  
8 circuit, the Broadcom BCM4500 demodulator, as the set-top boxes supplied by EchoStar for the  
9 DISH Network system. (*Id.* ¶¶ 11, 13.) Mr. Jones concluded that “the A-1 module is designed  
10 to receive DISH Network’s high-definition programming, and has no legitimate commercial  
11 purpose or use,” and that “the A-1 module and Sonicview receivers are originating from a  
12 common supplier.” (*Id.* ¶ 16.) He further concluded that the SV-HD8000, SV-360 Elite, SV-  
13 360 Premier, iHub, and A-1 module are each designed, produced and may be used for  
14 circumventing the DISH Network security system and receive DISH Network programming  
15 without authorization. (*Id.*)

#### 16 17                     **b.         The Piracy Software**

18         Sonicview operated [www.sonicviewusa.com](http://www.sonicviewusa.com), which contained piracy software—software  
19 intended for use with Sonicview-branded receivers to decrypt DISH Network’s satellite  
20 television programming—available for download. (*See* Rogers Decl. ¶¶ 1, 6.) Vicxon provided  
21 the piracy software to Sonicview to post on their website. (Sanz Dep. 118:17–119:2;  
22 123:7–124:25.) These piracy software files were made available for download after certain  
23 Sonicview-branded receiver models were mentioned on the website. (McMullen Decl. ¶¶ 8–10.)  
24 A NagraStar security technician tested at least one Sonicview-branded receiver by loading it  
25 with the corresponding piracy software downloaded from Sonicview’s website. (*Id.* ¶ 8.) He  
26 found that the piracy software enabled the receiver to circumvent the NagraStar security system  
27 and receive DISH Network programming. (*Id.* ¶ 10.)

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1 On January 3, 2013, Plaintiffs commenced this action. In the complaint, they assert six  
2 claims against all defendants for: (1) violation of the DMCA, 17 U.S.C. § 1201(a)(1); (2)  
3 violation of the DMCA, 17 U.S.C. §§ 1201(a)(2) & (b)(1); (3) violation of the FCA, 47 U.S.C. §  
4 605(a); (4) violation of the FCA, 47 U.S.C. § 605(e)(4); and (5) violation of the ECPA, 18  
5 U.S.C. § 2511(1)(a). On June 12, 2013, Plaintiffs filed a motion for summary judgment. (Doc.  
6 57.) To date, Defendants have not opposed the motion.

7  
8 **II. LEGAL STANDARD**

9 Summary judgment is appropriate under Rule 56(c) where the moving party demonstrates  
10 the absence of a genuine issue of material fact and entitlement to judgment as a matter of law.  
11 *See Fed. R. Civ. P. 56(c); Celotex Corp. v. Catrett*, 477 U.S. 317, 322 (1986). A fact is material  
12 when, under the governing substantive law, it could affect the outcome of the case. *Anderson v.*  
13 *Liberty Lobby, Inc.*, 477 U.S. 242, 248 (1986); *Freeman v. Arpaio*, 125 F.3d 732, 735 (9th Cir.  
14 1997). A dispute about a material fact is genuine if “the evidence is such that a reasonable jury  
15 could return a verdict for the nonmoving party.” *Anderson*, 477 U.S. at 248.

16 A party seeking summary judgment always bears the initial burden of establishing the  
17 absence of a genuine issue of material fact. *Celotex*, 477 U.S. at 323. The moving party can  
18 satisfy this burden in two ways: (1) by presenting evidence that negates an essential element of  
19 the nonmoving party’s case; or (2) by demonstrating that the nonmoving party failed to make a  
20 showing sufficient to establish an element essential to that party’s case on which that party will  
21 bear the burden of proof at trial. *Id.* at 322-23. “Disputes over irrelevant or unnecessary facts  
22 will not preclude a grant of summary judgment.” *T.W. Elec. Serv., Inc. v. Pac. Elec. Contractors*  
23 *Ass’n*, 809 F.2d 626, 630 (9th Cir. 1987).

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1 “The district court may limit its review to the documents submitted for the purpose of  
2 summary judgment and those parts of the record specifically referenced therein.” *Carmen v. San*  
3 *Francisco Unified Sch. Dist.*, 237 F.3d 1026, 1030 (9th Cir. 2001). Therefore, the court is not  
4 obligated “to scour the record in search of a genuine issue of triable fact.” *Keenan v. Allen*, 91  
5 F.3d 1275, 1279 (9th Cir. 1996) (citing *Richards v. Combined Ins. Co. of Am.*, 55 F.3d 247, 251  
6 (7th Cir. 1995)). If the moving party fails to discharge this initial burden, summary judgment  
7 must be denied and the court need not consider the nonmoving party’s evidence. *Adickes v. S.H.*  
8 *Kress & Co.*, 398 U.S. 144, 159-60 (1970).

9 If the moving party meets this initial burden, the nonmoving party cannot defeat summary  
10 judgment merely by demonstrating “that there is some metaphysical doubt as to the material  
11 facts.” *Matsushita Electric Indus. Co., Ltd. v. Zenith Radio Corp.*, 475 U.S. 574, 586 (1986);  
12 *Triton Energy Corp. v. Square D Co.*, 68 F.3d 1216, 1221 (9th Cir. 1995) (“The mere existence  
13 of a scintilla of evidence in support of the nonmoving party’s position is not sufficient.”) (citing  
14 *Anderson*, 477 U.S. at 242, 252). Rather, the nonmoving party must “go beyond the pleadings”  
15 and by “the depositions, answers to interrogatories, and admissions on file,” designate “specific  
16 facts showing that there is a genuine issue for trial.” *Celotex*, 477 U.S. at 324 (quoting Fed. R.  
17 Civ. P. 56(e)).

18 When making this determination, the court must view all inferences drawn from the  
19 underlying facts in the light most favorable to the nonmoving party. *See Matsushita*, 475 U.S. at  
20 587. “Credibility determinations, the weighing of evidence, and the drawing of legitimate  
21 inferences from the facts are jury functions, not those of a judge, [when] he [or she] is ruling on  
22 a motion for summary judgment.” *Anderson*, 477 U.S. at 255.

### 23 24 **III. DISCUSSION**

#### 25 **A. Liability Under the Digital Millennium Copyright Act**

26 Section 1201(a)(2) of the Digital Millennium Copyright Act prohibits “manufactur[ing],  
27 import[ing], offer[ing] to the public, provid[ing], or otherwise traffic[king] in any technology,  
28 product, service, device, component, or part thereof, that—



1 (A) is primarily designed or produced for the purpose of circumventing  
2 a technological measure that effectively controls access to a work  
3 protected [by copyright];

4 (B) has only limited commercially significant purpose or use other than  
5 to circumvent a technological measure that effectively controls access  
6 to a work protected [by copyright]; or

7 (C) is marketed by that person or another acting in concert with that  
8 person with that person's knowledge for use in circumventing a  
9 technological measure that effectively controls access to a work  
10 protected [by copyright].

11 17 U.S.C. § 1201(a)(2). In order to establish liability under this section, plaintiffs need only  
12 establish that defendants violated one of the three prongs. *See* 17 U.S.C. § 1201(a)(2).

13 Moreover, potential lawful or fair use is not a defense to § 1201(a) when its requirements are  
14 established. *See Realnetworks, Inc. v. DVD Copy Control Ass'n*, 641 F. Supp. 913, 942 (N.D.  
15 Cal. 2009); *Sony Computer Entm't Am., Inc. v. Divineo, Inc.*, 457 F. Supp. 2d 957, 965 (N.D.  
16 Cal. 2006) (“[D]ownstream customers’ lawful or fair use of circumvention devices does not  
17 relieve [the defendant] from liability for trafficking of such devices under DMCA.”).

18 Plaintiffs contend that Vicxon receivers and iHubs are designed and produced to  
19 circumvent DISH Network’s security system, and used primarily for that purpose. (Pls.’ Mot.  
20 17:11–23:2 [Doc. 57-1].) To support their contention, Plaintiffs rely on the same evidence used  
21 in their action against Sonicview, including: (1) ISE’s and R.M.B.’s expert reports that conclude  
22 that the Vicxon-manufactured receiver and iHub have several firmware and hardware  
23 components that serve limited or no legitimate purpose other than circumvention of DISH  
24 Network’s security system; (2) R.M.B.’s determination that the receivers and corresponding  
25 piracy software originated from Vicxon; (3) the substantial number of piracy software  
26 downloads to support Sonicview receivers. (*See id.*)

27 Section 1201(a)(2) addresses products that circumvent a technological measure that  
28 effectively controls access to a copyrighted work. Under the statute, “‘circumvent a  
29 technological measure’ means to descramble a scrambled work, to decrypt an encrypted work, or  
30 otherwise to avoid, bypass, remove, deactivate, or impair a technological measure without  
31 authority of the copyright owner.” 17 U.S.C. § 1201(a)(3)(A). “[A] technological measure

1 ‘effectively controls access to a [copyrighted] work’ if the measure, in the ordinary course of its  
2 operation, requires the application of information, or a process or a treatment, with the authority  
3 of the copyright owner, to gain access to the work.” *Id.* § 1201(a)(3)(B). The undisputed  
4 evidence shows that Plaintiffs employed measures to control access to copyrighted works, and,  
5 as discussed further below, that Defendants manufactured receivers and dongles designed to  
6 circumvent Plaintiffs’ security measures. Furthermore, Plaintiffs use complex security measures  
7 to prevent unauthorized access to the copyrighted programming that they broadcast, including  
8 encrypting the signals and providing equipment necessary for lawful users to decrypt the signals.  
9 (Duval Decl. ¶¶ 4–13.)

10 Plaintiffs also present evidence that shows that Defendants’ receivers are designed and  
11 produced to circumvent Plaintiffs’ security measures. Plaintiffs’ experts found that the receivers  
12 are structurally altered to accommodate pirating devices, such as the iHub and A-1 module. The  
13 combination of a Sonicview receiver and iHub—both of which Vicxon manufactures—along  
14 with the A-1 module permits unauthorized access to DISH Network’s satellite programming by  
15 circumventing Plaintiffs’ security measures when loaded with the piracy software. If these items  
16 were manufactured individually, it is imaginable that it may simply be a mere coincidence that  
17 the these products are being used to avoid Plaintiffs’ security measures. However, there is  
18 undisputed evidence that Vicxon supplied all of the necessary components—the piracy software,  
19 dongle and receiver—which in combination allows to access DISH Network’s programming  
20 without permission.

21 Plaintiffs’ evidence also shows that the Defendants’ receivers and iHubs are primarily  
22 used for piracy. There have been more than 2.5 million downloads of the piracy software that is  
23 tailored to operate on Sonicview-branded receivers, and Vicxon has distributed at least 138,791  
24 Sonicview receivers. Also, the receivers include proprietary information from DISH Network  
25 smart cards and a decryption algorithm used in DISH Network’s security system that serve no  
26 legitimate purpose. Similarly, R.M.B. found that the iHub is impractical, if not unable, for use in  
27 any capacity when connected with a Sonicview receiver unless it is loaded with piracy software.  
28 From these facts, it is reasonable to infer that the receivers and iHubs served the limited purpose

1 of circumventing Plaintiffs' security measures. Thus, the Court concludes that Defendants also  
2 violated the second prong of § 1201(a)(2).

3 In sum, the Court finds the Defendants liable for violations of § 1201(a)(2).  
4

5 **B. Mr. Yeo's Individual Liability for Vicxon's Violations of the DCMA**

6 The Ninth Circuit has held that "a corporate officer or director is, in general, personally  
7 liable for all torts which he authorizes or directs or in which he participates, notwithstanding that  
8 he acted as an agent of the corporation and not on his own behalf." *The Comm. for Idaho's High*  
9 *Desert, Inc. v. Yost*, 92 F.3d 814, 823 (9th Cir. 1996) (quoting *Transgo, Inc. v. Ajac*  
10 *Transmission Parts Corp.*, 768 F.2d 1001, 1021 (9th Cir. 1985)). The Ninth Circuit has also  
11 noted that "[c]ases which have found personal liability on the part of corporate officers have  
12 typically involved instances where the defendant was the 'guiding spirit' behind the wrongful  
13 conduct . . . or the 'central figure' in the challenged corporate activity." *Davis v. Metro*  
14 *Productions, Inc.*, 885 F.2d 515, 524 n.10 (9th Cir. 1989) (internal citations omitted). This  
15 principle has been by courts applied in copyright cases. *See e.g., Bangkok Broad. & T.V. Co.,*  
16 *Ltd. v. IPTV Corp.*, 742 F. Supp. 2d 1101, 1114 (C.D. Cal. 2010).

17 Plaintiffs contend that Mr. Yeo has been a "guiding spirit" and "central figure" in the  
18 trafficking of Sonicview receivers and iHubs, and therefore are liable for Vicxon's copyright  
19 infringement. (Pls.' Mot. 23:3–24:28.) They direct the Court to the fact that Mr. Yeo, in his  
20 position as Chief Executive Officer and President of Vicxon, participated in running Vicxon's  
21 day-to-day operations, such as selling products to Sonicview, endorsing invoices to Sonicview,  
22 and visiting California on multiple occasions to conduct business with Sonicview. (*Id.* at  
23 24:1–10.) These are uncontroverted facts that demonstrate Mr. Yeo is the "guiding spirit"  
24 behind Vicxon's activities, including Vicxon's production of piracy devices and software.  
25 Accordingly, the Court finds Mr. Yeo individually liable for the Sonicview receivers and iHubs  
26 distributed by his company in violation of the DMCA.

27 //

28 //

1           **C.     Statutory Damages Under the DMCA**

2           The DMCA provides for “statutory damages for each violation of section 1201 in the sum  
3 of not less than \$200 or more than \$2,500 per act of circumvention, device, product, component,  
4 offer, or performance of service, as the court considers just.” 17 U.S.C. § 1203(c)(3)(A). “The  
5 court in its discretion may reduce or remit the total award of damages in any case in which the  
6 violator sustains the burden of proving, and the court finds, that the violator was not aware and  
7 had no reason to believe that its acts constituted a violation.” *Id.* § 1203(c)(5)(A); *see also Peer*  
8 *Int’l Corp. v. Pausa Records, Inc.*, 909 F.2d 1332, 1336 (9th Cir.1990) (“[T]he court has wide  
9 discretion in determining the amount of statutory damages to be awarded, constrained only by  
10 the specified maxima and minima.”). Courts may award statutory damages for each device sold.  
11 *Sony Computer Entm’t America, Inc. v. Filipak*, 406 F. Supp. 2d 1068, 1074. (N.D.Cal.2005)  
12 (“[Section] 1203(c)(3)(A) authorizes a separate award of statutory damages for each device  
13 sold”); *Craigslist, Inc. v. Naturemarket, Inc.*, 694 F. Supp. 2d 1039, 1064 (N.D.Cal.2010)  
14 (treating each unit sold as a violation).

15           Plaintiffs seek damages for the number of devices—including receivers and  
16 iHubs—distributed by Defendants. This calculation of damages amounts to \$27,758,200 for the  
17 at least 138,791 Sonicview receivers and iHubs distributed in violation of the DMCA at \$200  
18 per device. (Pls.’ Mot. 26:10–21.) The evidence establishing the numbers associated with the  
19 devices distributed is undisputed, and that consequently establishes Vicxon’s DCMA violations.  
20 Plaintiffs reasonably request the statutory minimum, and are not seeking damages for Vicxon’s  
21 distribution of piracy software. Accordingly, the Court awards Plaintiffs \$27,758,200 in  
22 statutory damages against Defendants. *See* 17 U.S.C. § 1203(c)(3)(A).

23  
24           **D.     Permanent Injunction**

25           Plaintiffs seek a permanent injunction enjoining Defendants’ unlawful conduct. Section  
26 1203(b)(1) of the DMCA authorizes the Court to “grant . . . permanent injunctions on such terms  
27 as it deems reasonable to prevent or restrain a violation.” The Court finds that under the facts of  
28 this case, Plaintiffs are entitled to a permanent injunction.

1 Defendants are enjoined from:

- 2 • manufacturing, importing, offering to the public, or otherwise trafficking in
- 3 Sonicview receivers, iHubs, software files, or any other technology or part thereof
- 4 used in circumventing Plaintiffs' security system or intercepting Plaintiffs'
- 5 programming;
- 6 • circumventing or assisting others in circumventing Plaintiffs' security system, or
- 7 otherwise intercepting or assisting others in intercepting Plaintiffs' signal;
- 8 • testing, analyzing, reverse engineering, manipulating, or otherwise extracting
- 9 codes, data, or information from Plaintiffs' satellite receivers, smart cards, satellite
- 10 data stream, or any other part or component of Plaintiffs' security system.


11 Additionally, Defendants are ordered to destroy all Sonicview-branded receivers, iHubs,  
12 and piracy software in their possession in accordance with 17 U.S.C. § 1203(b)(6). *See*  
13 *Autodesk, Inc. v. Flores*, No. 10-CV-1917-LHK, 2011 WL 337836, at \*11 (N.D. Cal. Jan. 31,  
14 2011).

15  
16 **IV. CONCLUSION & ORDER**

17 In light of the foregoing, the Court **GRANTS** Plaintiffs' unopposed motion for summary  
18 judgment. (Doc. 57.) The Clerk of the Court shall enter a judgment in favor of Plaintiffs in the  
19 amount of \$27,758,200 against Defendants. Furthermore, Defendants are also permanently  
20 enjoined as described above, and ordered to destroy all Sonicview receivers, iHubs, and piracy  
21 software in their possession.

22 **IT IS SO ORDERED.**

23  
24 DATED: July 25, 2013

25   
26 M. James Lorenz  
27 United States District Court Judge  
28