

DTLA IP Statement

A purpose of the Digital Transmission Licensing Administrator, LLC (“DTLA”) is to promote broad market acceptance of the DTCP technology. In furtherance of this purpose, DTLA represents that DTLA will not bring suit, and each of the Founders represents that it will not bring suit, for infringement of any of its Necessary Claims against (i) any content owner that is not a Content Participant or Affiliate thereof (“Non-Participating Content Owner”), or (ii) any system operator or distributor of content that is not a Content Participant or Affiliate thereof (“Non-Participating System Operator”), for “encod[ing], or direct[ing] to be encoded, using DTCP” (as such phrase is defined in the Content Participant Agreement), if such Non-Participating Content Owner or Non-Participating System Operator, in encoding its content or directing its content to be encoded, using DTCP, encodes such content in a manner that complies with the principles regarding appropriate use of the DTCP technology embodied in Sections 5.1(a), (b), (d) and (e) of the Content Participant Agreement: Audiovisual Version as set out in Exhibit A to this DTLA IP Statement (hereinafter the “Encoding Rules”), provided that (a) such representation made by DTLA shall not extend to any entity that asserts, or whose Affiliate asserts, a claim of infringement under any Necessary Claim against DTLA or any licensee of DTLA; (b) such representation made by a Founder shall not extend to any entity that asserts, or whose Affiliate asserts, a claim of infringement under any patent claim against such Founder or any of its Affiliates and (c) such representation made by DTLA and the Founders does not extend to the use of the Non-Assertion Bit (“NAB”) or Encryption Plus Non-Assertion (“EPN”) in terrestrial broadcast television signals or other content delivered by means other than Conditional Access Delivery, or any other supplemental aspects of DTCP that DTLA may specifically identify on its website from time to time.

Non-Participating Content Owners and Non-Participating System Operators are hereby notified that DTLA may amend the Encoding Rules from time to time without consultation with or notice to any Non-Participating Content Owner or Non-Participating System Operator. DTLA will post such revised versions of the Encoding Rules on the DTLA website. Should any Non-Participating Content Owner or Non-Participating

System Operator cause DTCP to be used in a manner that does not comply with the Encoding Rules attached hereto or as may be amended, then DTLA and Founders reserve the right to pursue any legal action and remedy it or they deem(s) necessary to protect its or their intellectual property following such Non-Participating Content Owner's and/or Non-Participating System Operator's failure to cure within thirty (30) days following notice, except that no notice shall be required and no opportunity to cure shall be available for any non-compliance with an amended version of the Encoding Rules if such non-compliance occurs more than one hundred twenty (120) days after the posting by DTLA to the DTLA website of such amended version of the Encoding Rules. The above representation is subject to the Non-Participating Content Owner's or Non-Participating System Operator's continued compliance with the Encoding Rules attached hereto or as may be amended. No other representations or waivers of rights are made or implied as part of this representation, and this statement does not constitute a license to use DTCP or a license under any Founder's or DTLA's intellectual property right, by implication, estoppel or otherwise. Except as otherwise provided in Exhibit A, capitalized terms used in this IP Statement and not otherwise defined herein shall have the meaning given in the Digital Transmission Protection License Agreement posted on the DTLA website.

ENCODING RULES

5.1 Encoding Rules.

(a) Content Participant shall not encode, or direct to be encoded, using DTCP, Commercial Audiovisual Content so as to prevent or limit copying thereof in Licensed Products except as follows:

(i) to prevent or limit copying of Prerecorded Media, Video on Demand, Pay-Per-View, Subscription-on-Demand, and Undefined Business Models that are Comparable to any of the foregoing; and

(ii) to prevent or limit copying, other than such first generation of copies as are permitted under the Compliance Rules, of Pay Television Transmissions, Non-Premium Subscription Television, Free Conditional Access Delivery, and Undefined Business Models that are Comparable to any of the foregoing.

(b) Content Participant shall not encode, or direct to be encoded, using DTCP, Commercial Audiovisual Content so as to prevent or limit the retransmission thereof except as follows:

(i) Content Participant may encode, or direct to be encoded, using DTCP, Commercial Audiovisual Content pursuant to Section 5.1(a); and

(ii) Content Participant may encode, or direct to be encoded, using EPN, any Defined Business Models other than EPN Eligible Non-Conditional Access Delivery, and any Undefined Business Models that are Comparable to such Defined Business Models.

(d) Content Participant shall not encode, or direct to be encoded, using the Image Constraint Token, Commercial Audiovisual Content so as to prevent or limit any Sink Device from outputting such content in High Definition Analog Form or any unprotected digital equivalent thereof, except with respect to Prerecorded Media, Pay Television Transmissions, Video-on-Demand, Subscription-on-Demand, Pay-Per-View, an Undefined Business Model that is Comparable to any of the foregoing, or any other Conditional Access Delivery of a Program that had a theatrical release, or was released direct-to-video, and is transmitted or delivered uninterrupted by Commercial Advertising Messages. Notwithstanding the foregoing, Content Participant shall not so encode, or direct to be encoded, using the Image Constraint Token, any Commercial Audiovisual Content that Content Participant causes or permits to be transmitted or delivered to a device that incorporates a Source Function if Content Participant permits such Commercial Audiovisual Content to be substantially simultaneously output from such device in an unprotected High Definition Analog Form or any unprotected digital

equivalent (unless (i) via a digital transmission technology which is licensed solely for transmission for display purposes (e.g., DVI) or (ii) via any computer video output referenced in Section 4.3.3 of Part 1 of Exhibit B to the Form Adopter Agreement during the time period in which Licensed Products incorporated into Computer Products are permitted under such section to pass to such output Decrypted DT Data other than as a Constrained Image via such output) and such content, when received by such device, is not DT Data. For purposes of this Section 5.1 to “encode, or direct to be encoded, using the Image Constraint Token” means to direct or cause the setting of the Image Constraint Token so as to cause a Sink Device that outputs Decrypted DT Data to a High Definition Analog Output or an unprotected digital equivalent thereof to so output such Decrypted DT Data as a Constrained Image. Capitalized terms used in this Section 5.1(d) and not otherwise defined in this IP Statement shall have the meaning given to such terms in the Compliance Rules to the Form Adopter Agreement.

(e) With respect to any Commercial Audiovisual Content delivered or transmitted in the form of Video-on-Demand, Pay-Per-View or Subscription-on-Demand, or an Undefined Business Model that is Comparable to any of the foregoing, in each case that Content Participant encodes or directs to be encoded, using DTCP, so as to prevent or limit a recipient authorized to receive such delivery or transmission from making a such first generation of copies as are permitted under the Compliance Rules, Content Participant shall encode, or direct to be encoded, such content so as to cause the Retention State Indicator associated with such content to be set so as to permit Sink Devices to retain such content for at least ninety (90) minutes. Notwithstanding the foregoing, if the amount of time that such content may be retained in any Source Device is determined pursuant to rules, standards or obligations that were developed under an open-standards process, Content Participant shall not encode, or direct to be encoded, such content so as to cause the Retention State Indicator associated with such content to be set so as to prevent a Sink Device from retaining such content for such period of time specified in the Specification that is closest to, but not exceeding, the period of time that such Source Device is permitted to retain such content.