

**EXHIBIT “E2”  
TO  
CSS LICENSE AGREEMENT**

**ASSOCIATE LICENSE AGREEMENT FOR RESELLERS  
Version 1.2**

Company Name of Associate	
Address:	
Contact Name	
Title:	
Division:	
Telephone Number:	
Facsimile Number:	
E-mail address:	

This **CSS ASSOCIATE LICENSE AGREEMENT FOR RESELLERS** (“Agreement”) is made and entered into as of \_\_\_\_\_ (the “Effective Date”) by and between: (i) **DVD COPY CONTROL ASSOCIATION**, a Delaware non-profit corporation having offices located at 380 Tennant Avenue, Unit 4, Morgan Hill, CA 95037 USA (“Licensor”); and (ii) the company named above (“Associate”). This Agreement includes this document and accompanying Attachment documents labeled A and B.

**Background**

The Content Scramble System (“CSS”) is a technical method for protecting the rights of copyright owners in digital materials stored on DVD media. It relies on scrambling the materials and on requiring companies that wish to make devices to descramble and view the materials to follow certain rules in the design and distribution of their products.

To preserve the integrity of CSS, certain components which perform critical functions such as descrambling and authentication may only be distributed to parties who agree to use and distribute them as required by this Agreement.

**Agreement**

In consideration of the above and of being authorized (1) to receive certain components related to CSS and (2) to distribute such components in accordance with this Agreement, Associate agrees and promises as follows:

1 Definitions.

1.1 “Schedule 1 Products” are defined and identified on Attachment A to this Agreement which is hereby incorporated by reference and made a part of this Agreement, and are subject to the requirements of this Agreement.

1.2 “Schedule 2 Products” are defined and identified on Attachment A to this Agreement which is hereby incorporated by reference and made a part of this Agreement, and are subject to the requirements of this Agreement.

2 Handling Schedule 1 and Schedule 2 Products.

2.1 Modifications. Associate shall not rework, modify, or reverse engineer any Schedule 1 or Schedule 2 Products, and shall not assemble or combine any Schedule 1 or Schedule 2 Products with each other or any other product.

2.2 Redistribution.

2.2.1 Schedule 1 Products may be distributed only to CSS Licensees authorized to receive such products or other Associate Licensee Resellers subject to this Associate License for Resellers.

2.2.2 Schedule 2 Products may only be distributed to CSS Licensees or other Associates License Resellers or Associate License Assemblers to be used and distributed only under the terms and restrictions of their respective licenses.

Associate agrees not to distribute Schedule 1 or Schedule 2 Products to any other person.

2.3 Other Licensees. Licensor will make available a list of CSS Licensees and other Associates; Associate shall not distribute Schedule 1 or Schedule 2 Products to any other person or entity not on such list and authorized to receive such products.

3 Modification of Product Definitions. By written notice given no less than 18 months in advance, the definitions in Attachment A may be modified by Licensor as required for consistency with other CSS licenses.

4 Liability for Violation. Failure to comply with the terms of this Agreement, including but not limited to distribution of Schedule 1 or 2 Products in violation of this Agreement, will subject Associate to legal liability, including injunctions, damages and termination of Associate’s status. Licensee acknowledges that in the event of breach of its obligations hereunder money damages alone will not adequately compensate an injured party, including an injured third party beneficiary, and that injury to such party will be irreparable. In the event of any breach, Licensor and/or other CSS Licensees, including owners of the copyright rights in content protected by CSS, shall be entitled to bring an action at law or in equity against Associate to enforce the terms of the Agreement and in any such action to specific performance or other temporary, preliminary or permanent injunctive relief. Further, Licensor may sue for damages. In addition, third party beneficiaries are entitled to bring an action for equitable relief under the terms of the CSS License Agreement and to reimbursement of actual and reasonable costs of mitigation of the harm caused by Associate’s breach, provided that such reimbursement shall be no more than \$100,000 for all Eligible Licensees joining in any Beneficiary Claim. In addition, the prevailing party in relation to the contractual claims of a third party beneficiary shall be entitled to an award of its reasonable attorney’s fees and related costs of up to \$100,000, except that the court may award up to \$2 million in attorney’s fees in any case in which the court determines that the breach was material and willful or malicious. Nothing contained in this

Section is intended to limit remedies or relief available pursuant to statutory or other claims that a CSS Licensee may have under separate authority not contained in this Agreement.

- 5 Access to Intellectual Property. Associate agrees to comply with the provisions of Attachment B, which are incorporated hereby as part of this Agreement.
- 6 General Terms.
- 6.1 *Entire Agreement.* This Agreement may not be modified except by written agreement dated subsequent to the date of this Agreement and signed by both parties.
- 6.2 *Other Licenses.* This Agreement only permits Associate to receive certain parts manufactured under license from Licensor. Neither Licensor nor any other party shall be responsible for other permissions or licenses which may be needed in the manufacture or sale of any product.
- 6.3 *Assignment.* Associate shall not assign or transfer any rights or obligations under this Agreement without the prior written consent of Licensor. Licensor may assign or transfer this Agreement and/or any of its rights or obligations hereunder.
- 6.4 *Notices.* Associate's address for notices under this Agreement shall be the address set out on the first page hereof. Licensor's address for notices hereunder is:
- DVD Copy Control Association  
380 Tennant Avenue, Unit 4, Morgan Hill CA 95037 USA  
Attn: DVDCCA-Services  
Fax: +1 408-779-9291
- 6.5 *Governing Law; Jurisdiction.* This agreement shall be governed by and construed in accordance with the laws of the State of California, United States of America, excluding that body of law relating to conflicts of law principles. Associate irrevocably consents to the exclusive jurisdiction and venue in the federal and state courts located in California and to the effectiveness, execution and enforcement of any order or judgment of such court throughout the world.
- 6.6 *Term.* The license granted under this Agreement shall be effective upon Effective Date and thereafter until this Agreement is terminated.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**DVD COPY CONTROL ASSOCIATION**

**ASSOCIATE:**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**ATTACHMENT “A”  
TO  
ASSOCIATE LICENSE AGREEMENT**

**CSS CONTROLLED PRODUCTS AND SCHEDULE 3 PRODUCTS**

**Definitions:**

**“Schedule 1 Products”:**

CSS Compliant Products that (a) are not Schedule 2 or Schedule 3 Products or (b) that are (i) Authenticators, (ii) Descramblers, (iii) CSS Decryption modules or partial implementations thereof, or (iv) any other device which has an output which is not permitted in a Schedule 2 or Schedule 3 product, or (c) is a CSS Disc Formatter.

**“Schedule 2 Products”:**

DVD products that are CSS Compliant Products except that such products are not Protected and which output descrambled CSS Video Data only in decompressed form.

**“Schedule 3 Products”:**

CSS Compliant Products which output CSS Data only in a Protected manner, or a DVD Disc.

**“Protected”**

A configuration in which a data stream or signal is not output except (1) via encrypted, scrambled, or otherwise secure link or method authorized hereunder either through a device’s or component’s authorized output or to the next component or device which in turn has an authorized output; or (2) directed as uncompressed video data to a graphics subsystem via an internal computer path in a manner consistent with Section 6.2 of the CSS Procedural Specifications. For purposes of this definition, authorized outputs and methods hereunder are those compliant with the requirements contained in Section 6.2 of the CSS Procedural Specifications, including any upgrades or modifications thereto adopted in accordance with Sections 4.2 and 10.7 of the CSS License Agreement. By way of example and not of limitation, the following CSS Compliant Products, if so configured, would be considered to be Protected.

Examples of Schedule 1 Products:

- Chips that perform CSS authentication and/or descrambling but do not perform MPEG decompression.
- CSS Decryption Modules that output MPEG compressed video.

Example of Schedule 2 Products:

- A chip or software which has as its input CSS Scrambled data, and has as its output descrambled decompressed video in digital form.

Examples of Schedule 3 Products:

- A DVD player in which the only video output is an NTSC port with the mandated analog protection system. Other outputs may also be present if they are “protected” as defined here.
- A PC add-in card having NTSC outputs as above and descrambled decompressed video directed toward the target computer’s graphics subsystem.

- A computer which releases CSS Video Data only via Protected outputs and otherwise meets the requirements of the Assembly Specification.

**ATTACHMENT “B”  
TO  
ASSOCIATE LICENSE AGREEMENT**

**ACCESS TO INTELLECTUAL PROPERTY**

- (a) Absolutely Necessary Claim. Associate shall not, and shall cause each of its Controlled Companies not to, assert any Absolutely Necessary Claim(s) reading on those portions of the CSS Specifications which are required to implement CSS, against Licensor or any CSS Licensee (including its Permitted Sublicensees) or vendor, distributor, purchaser or other person in the chain of distribution for the manufacture, use, distribution, offer to sell, sale, import, or other transfer of a CSS Compliant Product which was made under license from Licensor or under a CSS Interim License Agreement entered into by a CSS Licensee, provided that this Attachment B only applies to those aspects of such CSS Compliant Product which are required and used for compliance with the portion of the CSS Specifications pertaining to CSS and which cannot be implemented without infringing (but for this covenant) the Absolutely Necessary Claim(s) and, further provided, that this covenant shall not apply in favor of any entity and any of its Controlled Companies, if such entity or any of its Controlled Companies is asserting an Absolutely Necessary Claim against Associate.
- (b) Disc Immunity. Associate shall not, and shall cause each of its Controlled Companies not to, assert any claim(s) based on Disc IP against any CSS Licensee which is a Content Provider, Authoring Studio, or DVD Disc Replicator or vendor, distributor, purchaser or other person in the chain of distribution for the manufacture, use, distribution, offer to sell, sale, import, or other transfer of a DVD Disc that: (i) is a CSS Compliant Product; and (ii) was made under license from Licensor or under a CSS Interim License Agreement entered into by a CSS Licensee, provided that (1) this paragraph only applies to those aspects of such DVD Discs which are present for the purpose of complying with the portions of the CSS Specifications which are required to implement CSS; and (2) this paragraph shall only apply to DVD Discs themselves, and shall not apply to any apparatus for the manufacture thereof.
- (c) Termination of Suits.
- (i) If Associate or any of its Controlled Companies asserts any Absolutely Necessary Claim(s) or Disc IP claim(s) in violation of the above provisions, Associate shall terminate or cause to be terminated such assertion of claim, provided that this obligation shall not arise with respect to any assertion by a Controlled Company alleged to be in violation of such section unless Licensee has received a written notice of such assertion.
- (ii) In the case of an entity which is not a Controlled Company but in which Associate or any of its Controlled Companies holds any voting, security or any other ownership interest (a “Partially Owned Company”), Associate shall not knowingly vote, and shall cause each Controlled Company not to knowingly vote, any voting, security or ownership interest in any such Partially Owned Company in favor of asserting any claim which Associate would be prohibited from asserting hereunder. Associate agrees to use reasonable efforts to vote, and use reasonable efforts to cause each Controlled Company to vote, all voting securities and ownership interests in each Partially Owned Company to terminate any such claim(s). The termination of any such claim(s) under Absolutely Necessary Claim(s) or Disc IP claim(s), as the case may be, shall relieve Associate of all

liability for any failure to comply with its obligations pursuant to this paragraph.

- (d) Patent License Offer. Upon request by a CSS Licensee, Associate shall offer, and shall cause its Controlled Companies to offer, a patent license for any of its/their claims for which Relatively Necessary Claim(s) exist, provided that such license may be limited to Relatively Necessary Claim(s) that are within the scope of the other CSS Licensee's license from Licensor. Such license shall be made available on reasonable and non-discriminatory terms to any CSS Licensee in good standing and/or its Permitted Sublicensees with respect to a CSS Compliant Product that is or was made under license from Licensor or under a CSS Interim License Agreement entered into by a CSS Licensee. To the extent that a Relatively Necessary Claim that would otherwise be governed by this paragraph is subject to the Disc Immunity governed by Section (b), above, such Relatively Necessary Claim shall be governed by Section (b), above, rather than this paragraph.
- (e) Applicability.
- (1) The provisions of this Attachment B regarding Absolutely Necessary Claims, Disc IP, and Relatively Necessary Claims shall be limited to CSS as such system was described in the CSS Specifications on the date this Agreement is entered and does not include any amendments to the CSS Specification that are made after the date of this Agreement, unless Licensee has agreed in writing that the provisions of this Attachment B shall apply to such amendment.
  - (2) The covenant shall remain in effect for the life of any patent issued throughout the world with a first priority date prior to or during the term this Agreement.
  - (3) Any executed patent license entered into pursuant to Section (d), above, shall survive the termination of this Agreement in accordance with its terms.
  - (4) Notwithstanding the termination of this Agreement, the obligation to offer a patent license under Section (d), above, shall continue after such termination with respect to CSS Compliant Products that were made prior to, or are in production as of, the date of such termination for a license period ending not earlier than one (1) year after the termination of this Agreement.
- (f) Definitions.
- (1) "Absolutely Necessary Claim" shall mean any claim(s) of patent(s) or patent application(s) which are infringed by the manufacture, import, use or sale of CSS Compliant Products because: (i) those portions of the CSS Specifications which are required to implement CSS are read on by such claim(s); or (ii) such CSS Compliant Products, solely because of the requirement to implement the portions of the CSS Specifications which are required to implement CSS, cannot be manufactured, used, distributed, offered to be sold, sold, imported, or otherwise transferred without infringing such claim(s).
  - (2) "Controlled Company" shall mean (i) any Affiliate, or (ii) any other entity that controls, is controlled by, or is under common control with another entity. For purposes of this Section, "control" means possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity with respect to the matters set out in this Attachment B, whether through the possession of voting power or by contract encompassing such matters. In determining whether any entity is included in (ii) above, where (x) an Associate's control does not extend to directing the commencement or

termination of legal actions as described herein, or (y) where causing such entity to take a particular action would constitute a breach of Associate's fiduciary obligations to such entity, "control is deemed not to be present.

- (3) "Disc IP" shall mean any copyright, trade secret, or other intellectual property inherent in the CSS Specifications pertaining to CSS, or any patent claim(s) (including but not limited to any Absolutely Necessary Claims or Relatively Necessary Claims) that are infringed by any implementation of CSS in any DVD Disc.
- (4) "Relatively Necessary Claim" shall mean, any claim(s) of patent(s) or patent application(s), that: (i) are not Absolutely Necessary Claims; and (ii) with respect to which the implementation of all or any portions of the CSS Specifications pertaining to CSS involves a design-around to such patent claim(s) which would have a commercially significant effect on performance, manufacturability or manufacturing cost, although the cost of designing-around itself shall not be taken into account. Relatively Necessary Claims shall not include claims which if licensed by Licensor to Associate or by Associate to another CSS Licensee or Associate would require a payment of royalties or other fees by Licensor or Associate, as appropriate, to unaffiliated third parties.