

## **DTLA IP Statement for DTCP**

A purpose of the Digital Transmission Licensing Administrator, LLC (“DTLA”) is to promote broad market acceptance of the Digital Transmission Content Protection technology, including DTCP and DTCP2 (collectively, “DTCP”). 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 5.1-5.4 of the Content Participant Agreement: Audiovisual Version (January 2018 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 DTCP 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.

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This IP Statement further applies to the encoding of DTCP for –

- (a) certain transmissions over a Protected Free-to-Air System, in accordance with the Encoding Rules set forth below in Exhibit A, Section 5.3. and
- (b) transmissions of certain types of content in accordance with the Encoding Rules set forth below in Exhibit A, Section 5.4.2.

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.

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Exhibit A

Prefatory Note

One recognized benefit of DTCP is the ability to protect content transmitted across home and personal networks to multiple types of devices, including set-top boxes, recorders, and displays. When first introduced, consumers and consumer electronics manufacturers relied on DTCP to facilitate reasonable and customary time-shift recording for personal use. The Encoding Rules, embodied in license agreements offered by DTLA and in previous versions of the DTLA IP Statement for DTCP, attempted to balance robust protection and historical consumer expectations.

DTLA and its Content Participants have agreed that these Encoding Rules should be revised to better reflect current consumer needs for time-shift recording in various geographic markets. Accordingly, encoding rules that remain important for consumer use in Major Recorder Markets (defined below) may be relaxed in geographic markets where such consumer needs are met through means, such as set-top boxes with internal recorders or cloud DVRs, that do not rely on DTCP-protected outputs for the ability to record.

**ENCODING RULES**

5.1 Encoding Rules. The following rules apply with respect to the encoding of Commercial Audiovisual Content, that is transmitted or distributed via either Defined Business Models or Undefined Business Models that are Comparable to such Defined Business Models, in either case only as distributed or transmitted in Japan, any member state of the European Union, the United Kingdom, Australia, or New Zealand (each a “Major Recorder Market”):

(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, except that if government or quasi-government regulations or rules allow further copy restriction, such rules may apply; 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.

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(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);

(ii) Content Participant may encode, or direct to be encoded, using EPN, any Defined Business Models other than Other EPN Eligible Broadcast Television and any Undefined Business Models that are Comparable to such Defined Business Models, in each case in accordance with the terms of paragraphs (A)-(C) of this Section 5.1(b)(ii):

(A) Content Protection Indicators shall be set to assert EPN in accordance with the Specification.

(B) CGMS-A, if present, shall be encoded as “Copy Freely” in accordance with the CGMS-A specifications contained in IEC 61880 (for inclusion on Line 20) or in CEA-608-B (for inclusion on Line 21) or in CEA-805-A (for inclusion on Line 41), as applicable.

(C) APS trigger bits, if present, shall be encoded so as not to trigger the application of the Automatic Gain Control and Colorstripe copy control system, in accordance with the document entitled “Specification of the Macrovision Copy Protection Process for DVD Products, Revision 7.1.D1, September 30, 1999.”

(iii) Content Participant may, solely as expressly authorized under Section 5.2, encode, or direct to be encoded, using EPN:

(A) Other EPN Eligible Broadcast Television and

(B) Undefined Business Models that are Comparable to Other EPN Eligible Broadcast Television.

(c) Content Participant may not encode, or direct to be encoded, using the Digital Only Token or the Analog Sunset Token, Commercial Audiovisual Content except--

(i) in the case of Video-on-Demand in a particular country, any Program until the earlier of (x) 120 days from the first application of DOT by any Video-on-Demand service for such Program or (y) the retail release in such country of such Program in any pre-recorded format except if such pre-recorded format both (a) is designed to prevent all products from outputting such Program in analog format (whether output from a product then-manufactured or distributed or from any legacy product) and (b) includes an indicator requiring the Source Device to set the DOT to asserted for such Program, if such Program can be output via DTCP,

(ii) to the same extent in any country of the world as is allowed in the United States by the FCC Waiver Order, or,

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(iii) any Program on Prerecorded Media, or delivered via an Undefined Business Model that is Comparable to Prerecorded Media unless such model is also a Defined Business Model other than Prerecorded Media or an Undefined Business Model that is Comparable thereto.

(d) Content Participant may encode, or direct to be encoded with a Number of Permitted CC Copies content that is permitted to be, and is, encoded with copy control information as Copy Never or Copy One Generation, provided that any encoding of a Number of Permitted CC Copies must be accompanied by the permitted copy control information carried in Content Protection Indicators. For purposes of clarity, such encoding is not permitted for content that is encoded, or is directed to be encoded, as EPN.

(e) For purposes of this Agreement, to “encode, or direct to be encoded, using DTCP” means to cause or direct the inclusion of particular copy control information in the Content Protection Indicators, or in such other location so as to cause DTCP (including, for avoidance of doubt, EPN and the Image Constraint Token) to be used to protect the Commercial Audiovisual Content carried in such data stream. For avoidance of doubt, “to encode, or direct to be encoded, using the Image Constraint Token” (as defined in Section 5.1(f)) and “to encode, or direct to be encoded, using EPN” are included in the definition of “to encode, or direct to be encoded, using DTCP.”

(f) 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 (a) via a digital transmission technology which is licensed solely for transmission for display purposes (e.g., DVI) or (b) 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

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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(f) and not otherwise defined in this Agreement shall have the meaning given to such terms in the Compliance Rules to the Form Adopter Agreement.

(g) 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 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.

(h) Where it is not clear whether a transmission and/or delivery of Commercial Audiovisual Content owned or licensed by Content Participant is (1) Conditional Access Delivery, (2) falls within one of the Defined Business Models, or (3) is an Undefined Business Model that is Comparable to any Defined Business Model as stated in the applicable subsections of this Section 5.1(a), Content Participant and Licensor shall cooperate in good faith to determine the appropriate Encoding Rules that should apply to such transmission and/or delivery so as to apply the intention and spirit of the Encoding Rules thereto.

(i) The provisions of this Agreement shall not be taken or offered by any party as a waiver or license of any copyright interest or an admission of the existence of infringement (or not) of a copyright interest, but represents a technical accommodation with respect to DTCP. Without limiting any term or condition of this Agreement, this Agreement shall not be construed to limit Content Participant's right to seek to protect Commercial Audiovisual Content through means other than DTCP, and the Encoding Rules apply only with respect to the application of DTCP.

5.2 Protection Against Internet Retransmission of Content for Which Copy Control is Not Asserted. Content Participant may encode, or direct to be encoded, using EPN, any service, Program, or schedule or group of Programs, delivered or transmitted in the form of Other EPN Eligible Broadcast Television.

5.3 Encoding for Protected Free To Air System Transmissions. Notwithstanding the provisions of Section 5.1, for transmissions over a Protected Free to

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Air System, Content Participants may not encode, or direct to be encoded, using DTCP Commercial Audiovisual Content so as to prevent or limit copying thereof, except as follows:

5.3.1. Copy One Generation. Content Participant may encode, or direct to be encoded, using DTCP Copy One Generation encoding:

(a) content that previously has been available only in theatrical release and/or on Prerecorded Media in any country of the world, and has not previously been licensed for television broadcast in any country of the world; or,

(b) content that --

i. was transmitted in North America, Japan, any Western European country, Australia, or in any country constituting a major market for such audiovisual programming (each a “Major Market”), by or under license from a person or entity authorized to license such transmission, and each such transmission has been made over Video on Demand, Pay-Per-View, Subscription-on-Demand, or Undefined Business Models that are comparable to the foregoing, or Pay Television Transmissions, and

ii. either—

A. has not been lawfully transmitted in any Major Market in greater than Standard Definition format without using one or more digital copy protection methods (*i.e.*, methods that impose numerical copy restrictions), including by way of example DTCP encoding and display-only methods, or,

B. is a version created specifically for the market covered by a Protected Free-to-Air System, other than by minor editing processes typically performed for English-speaking foreign-produced programs re-broadcast in such market, of a program that was broadcast or is scheduled to be broadcast in another country; or,

(c) content that is co-produced by Content Participant and one or more other entities and is scheduled to be transmitted in a Major Market by or under license from one or more of the other co-production partners using a method of delivery set out in b(i) above and satisfies the condition set out in b(ii)(A), or,

(d) content that was permitted to be transmitted, and was transmitted, by another Protected Free-to-Air system using DTCP Copy One Generation encoding in accordance with this Section 5.3.1, provided that such content also continues to satisfy the condition set forth in Section 5.3.1(b)(ii)(A).

5.3.2 Encryption Plus Non-assertion (“EPN”) Encoding. Content Participant may encode, or direct to be encoded, using DTCP EPN encoding any content that is broadcast over the Protected Free-to-Air System, except that EPN encoding may not be applied to content that is broadcast (a) over another service, in the same market as the Protected Free-to-Air System, in High Definition, (b) at or about the same date as the

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broadcast over the Protected Free-to-Air System, (c) without using one or more digital protection methods (*i.e.*, methods that impose numerical copy restrictions, restrictions upon retransmission, or both), including by way of example DTCP EPN encoding.

5.3.3 Copy Never. For the avoidance of doubt, Content Participant may not encode, or direct to be encoded, using DTCP Copy Never encoding content for transmission over a Protected Free-to-Air System.

#### 5.4 Parity Rules for DTCP; Certain Settings for DTCP2

5.4.1 Content Participant may not encode, or cause to be encoded, using DTCP, Commercial Audiovisual Content so as to prevent or limit copying or retransmission thereof in Licensed Products in a manner that is more restrictive in circumstances than Content Participants permits for a link content protection technology comparable to DTCP, as the case may be, for a means of distribution of particular Commercial Audiovisual Content.

5.4.2 For purposes of this Section 5.4.2, the phrase “to encode, or direct to be encoded, using DTCP2” means to cause or direct the inclusion of particular copy control information in the Content Usage Indicators, or in such other location so as to cause DTCP2 (including, for avoidance of doubt, EPN and the Image Constraint Token) to be used to protect the Commercial Audiovisual Content carried in such data stream:

- (a) Content Participant may not encode, or direct to be encoded, using DTCP2, Commercial Entertainment Content so as to assert the HDR Token for an Enhanced Image with High Dynamic Range, except where Content Participant concurrently makes available an option to view or record such Commercial Entertainment Content either as an Enhanced Image with Standard Dynamic Range or as an HD Audiovisual Work.
- (b) Content Participant may not encode, or direct to be encoded, using DTCP2, Commercial Entertainment Content so as to assert the Enhanced Image Token for Commercial Entertainment Content that is not an Enhanced Image.
- (c) Content Participant may not encode, or direct to be encoded, using DTCP2, Commercial Entertainment Content so as to assert the L2 Only Token where one or more other content protection technologies are capable of being applied to such Commercial Entertainment Content received concurrently over the same distribution channel, if less stringent protection over such content is asserted using any such other content protection technology.