

RealNetworks will stop selling DVD copying product

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(AP) -- RealNetworks Inc. said Wednesday that it will stop selling technology that lets consumers copy DVDs to their computer hard drives, settling a handful of lawsuits filed against the company by Hollywood's six major movie studios.

Under the [settlement](#) terms, RealNetworks is barred from selling its RealDVD product or other similar technology, the company said.

The Seattle-based digital entertainment company will pay \$4.5 million to the studios for litigation costs and refund purchases of about 2,700 customers who bought the product.

The Walt Disney Co.'s Disney Studio, Sony Corp.'s Sony Pictures and several others sued RealNetworks in 2008, arguing RealDVD is an illegal pirating tool that would stop consumers from buying movies on DVD that they could cheaply rent, copy and return.

RealNetworks lawyers had argued the software had piracy protections that limited a DVD owner to making a single copy, and said RealDVD gave consumers a legitimate way to back up copies of movies legally purchased.

U.S. [District Court Judge](#) Marilyn Hall Patel initially barred sales of RealDVD on a temporary basis in October 2008 - a few days after the \$30 software began selling - saying it appeared to violate federal law against [digital piracy](#). She ordered detailed court filings and a trial.

Then, in August, the judge ruled in favor of the studios by granting a preliminary injunction against RealDVD, pending a full trial.

And in January, the judge dismissed a RealNetworks counterclaim alleging antitrust violations.

RealNetworks was appealing the injunction against selling RealDVD; as part of the settlement it will withdraw the appeal.

The company hopes to "find mutually beneficial ways" to harness its technology to share movies with users, RealNetworks President and acting-CEO Bob Kimball said in a statement.

Daniel Mandil, general counsel and chief content protection officer for the Motion Picture Association of America, said in a statement that the group is "gratified" by the ruling.

"Judge Patel's rulings and this settlement affirm what we have said from the very start of this litigation: It is illegal to bypass the copyright protections built into DVDs designed to protect movies against theft," he said.

[RealNetworks](#) shares fell 7 cents in after-hours trading, after finishing regular trading down 9 cents at \$4.84.

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