

Movie studios win lawsuit against Zediva

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The nation's biggest movie studios have won a copyright infringement lawsuit against video-streaming startup Zediva.

Zediva's founders thought they had discovered a [legal loophole](#) for online viewing of movies by having customers rent DVDs physically located in the Silicon Valley. That way, Zediva wouldn't have to wait for licensing deals with studios, which often withhold newer movies.

Judge John Walter, a federal judge in Los Angeles, disagreed. He issued a permanent injunction Friday prohibiting the company from continuing its service. The [Motion Picture Association of America](#) says Zediva's operators agreed to pay the studios \$1.8 million.

Zediva did not have an immediate comment on the ruling when contacted on Monday.

The MPAA, representing Hollywood studios, sued Zediva's parent company WTV Systems and founder and CEO Venkatesh Srinivasan in April.

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