

Hollywood studios sue online film service Zediva

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The Motion Picture Association of America have filed a lawsuit charging Zediva.com with violating film copyrights by using a DVD rental "sham" to disguise what it argued is actually a video-on-demand Internet movie service.

Hollywood studios went to court to derail a startup that sidesteps paying film licensing fees by streaming movies online from "rented" DVD players.

The [Motion Picture Association of America](#) filed a lawsuit charging Zediva.com with violating film copyrights by using a DVD rental "sham" to disguise what it argued is actually a video-on-demand Internet movie service.

"Zediva's mischaracterization of itself is a gimmick it hopes will enable it to evade the law and stream movies in violation of the studios'

exclusive rights," MPAA associate general counsel Dan Robbins said in a release.

"Courts have repeatedly seen through the facade of this type of copyright-avoidance scheme, and we are confident they will in this case too."

Film streaming services such as Amazon, iTunes, Xbox Live and Netflix pay to license movies streamed to online viewers, but Zediva reasons that it is exempt from that cost because it is essentially a remote DVD rental shop.

Zediva users pay to rent DVDs and players at the startup's data center and can watch the movies on their personal computers, Macintosh machines or [Google](#) TVs. Films can be routed from computers to large-screen televisions.

[Movies](#) rented from Zediva can be viewed for as little as one or two dollars a piece.

The Sunnyvale, California-based firm was such an instant hit that its system crashed from the demand after the service officially launched on March 16.

The lawsuit goes on to specifically targets founder Venkatesh Srinivasan, charging that the former NASA scientist plays a "core, central role in Zediva's infringing activity."

MPAA lawyers are calling on a Los Angeles federal court to order Zediva to stop its online film service and pay \$150,000 for every movie streamed.

Disney, Paramount, Warner Brothers and Twentieth Century Fox are

among the MPAA members concerned.

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