

**AACS RED LASER ADDENDUM FOR CPRM-COMPATIBLE OPTICAL DISC MEDIA
TO THE AACS FINAL ADOPTER AGREEMENT**

WHEREAS, Adopter desires to use AACS to record content securely onto red laser recording media,

WHEREAS, in relation to technology contained in the AACS Specification to adapt AACS Technology to secure recording of audiovisual content onto red laser recording media, a portion of such technology requires the use of technology and associated intellectual property developed and owned by 4C Entity, LLC (“4C”) and the 4C Founders,

WHEREAS, 4C has licensed the copyrights and trade secrets for the technology referenced in the previous clause to AACS LA, giving AACS LA the right to sublicense such copyrights and trade secrets, and AACS LA is providing such sublicense through this addendum,

NOW, THEREFORE, for in consideration of the foregoing premises and the covenants and agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

- 1. DEFINITIONS. All capitalized terms not separately defined below shall have the same meaning as in the AACS Adopter Agreement.**
 - a. “4C Adopter” means any entity that has executed the 4C CPRM/CPDM License Agreement and is in good standing as a licensee thereunder and shall include that entity’s Affiliates.
 - b. “4C CPRM Device Key” means the cryptographic value used to decrypt portions of a 4C CPRM Media Key Block in order to calculate a 4C Media Key, as defined in the AACS Red Laser Specifications.
 - c. “4C Media Key” means a cryptographic value calculated by processing a 4C CPRM Media Key Block using 4C CPRM Device Keys as provided in the AACS Red Laser Specifications.
 - d. “4C CPRM Media Key Block” means the encrypted block of keys which is provided by 4C Entity, LLC for use with 4C Technology and for use in relation to AACS Technology as defined in the AACS Red Laser Specification.
 - e. “AACS Red Laser Licensed Components” means that portion of a component, other than an Evaluation Licensed Component, such as an integrated circuit, circuit board, or software module, which (i) is manufactured under the licenses pursuant to this AACS Red Laser Addendum; (ii) is designed solely to be and, except in the case of an AACS Red Laser Robust Inactive Product, is assembled into an AACS Red Laser Licensed Product, or is sold or otherwise distributed to a Fellow Red Laser Adopter or
 - f. “AACS Red Laser Necessary Claims” means those claims of patents or patent applications as may issue that are necessarily infringed by Licensed Products,

Robust Inactive Products or Licensed Components or Managed Copy Services which implement the AACS Red Laser Specification. A claim in a patent (or patent application) is “necessarily infringed” if (i) the claim reads on the AACS Red Laser Specification and (ii) there are no alternatives for implementing the applicable portion(s) of the AACS Red Laser Specification that do not infringe such claim or any other claim of such patent (or such patent application as may issue). “Necessary Claims” shall not include any claims: (1) that read solely on any implementations of any portion of the AACS Red Laser Specification that are not within the bounds of the scope of use set forth in Section 2.4; (2) which, if licensed, would require a payment by the licensor to third parties that are not Affiliates of the licensor; (3) that relate to semiconductors and semiconductor manufacturing technology; or (4) that relate to aspects of any technology, standard or product that is an Optional part of the Specification or is not itself disclosed with particularity in the Specification (even though such technology, standard or product may otherwise be mentioned or required by the AACS Red Laser Specification), including claims: (i) that relate to aspects of any technology, codec, standard or product, including compression, encoding or decoding ability, tamper resistance, or other copy protection technologies; (ii) that relate to any technology that may be necessary to develop, design, manufacture, sell or use any product or portion thereof that complies with the AACS Red Laser Specification (examples of such technologies include, without limitation, optical disk technology -- including materials and materials-based methods that enable high data storage densities and/or distinguish genuine optical disks from counterfeit optical disks, relying, at least in part, on a determination of the material composition of such optical media); (iii) that relate to commercially available applications, application programming interfaces and user interfaces, including the technology used to generate, display such user interfaces or interact with a user through such interfaces, programming languages, compiler technology, object-oriented technology, basic operating system technology, middleware technology, database technology, networking, intranet, extranet, web services and Internet technology; (iv) that relate to content formats; and (v) that relate to watermarking and data embedding technology.

- g.** “AACS Red Laser Player” means that portion of a Licensed Player that is configured to play back content that has been recorded in AACS Recordable form onto optical media from which data are read using a red laser.
- h.** “AACS Red Laser Recorder” means that portion of a Licensed Recorder that is configured to record content in AACS Recordable form onto optical media to which data are recorded using a red laser.
- i.** “AACS CPRM Compatible Red Laser Specification” means the document entitled “CPRM Media Verification Book.”
- j.** “AACS Red Laser Technology” means AACS Technology that has been applied for use in relation to optical media that is recorded onto and read from using red lasers.

- k. “ACCS Red Laser Recorder Robustness Rules Applicable to 4C Highly Confidential Information (4C CPRM Device Keys) and 4C Confidential Information (4C Secret Constants)” means the requirements designated as such in the document with that name, as may be amended by AACCS LA from time to time.
- l. “Fellow Red Laser Adopter” means any Adopter that has entered into an AACCS Red Laser Addendum with AACCS LA and Licensors in order to use and implement the AACCS Red Laser Specification licensed pursuant to such AACCS Red Laser Addendum and shall include its Affiliates.
- m. “Specification” or “Specifications” has the same meaning as in the AACCS Adopter Agreement except that for purposes of this Addendum only, shall include the AACCS CPRM Compatible Red Laser Specification.

2. LICENSES GRANTED – Upon execution of this Addendum:

- a. Licenses, Non-Assertion Covenants, License and Non-Assertion Limitations and Suspension Rights, and Proper Use. The licenses granted, non-assertion covenants made, and license and non-assertion limitations and suspension rights, and proper use agreements with respect to the licenses and non-assertion covenants, each as provided in Section 2 of the Adopter Agreement, are hereby extended to, and are effective as to, AACCS Red Laser Necessary Claims, to use the AACCS CPRM Compatible Red Laser Specification and 4C CPRM Device Keys within the AACCS Red Laser Scope of Use and subject to the requirements and limitations contained in Section 2 of the Adopter Agreement to make, have made (under contract with Adopter pursuant to Adopter’s design and for the sole Account of Adopter, subject to Section 6.2.2. and 6.3.2 of the Adopter Agreement), use, offer to sell, sell and import AACCS Red Laser Licensed Components, AACCS Red Laser Robust Inactive Products, AACCS Red Laser Recorders and AACCS Red Laser Players, provided however that AACCS Red Laser Licensed Components shall not be offered for sale, sold, distributed or otherwise transferred other than (i) in a manner consistent with Section 2.3.4 of the Adopter Agreement; or (ii) to Fellow Red Laser Adopters for incorporation into Licensed Products; or (iii) to Authorized Resellers to be identified by AACCS LA pursuant to Section 6.8 of the Adopter Agreement solely for resale and/or redistribution in accordance with the terms and conditions of the Reseller Agreement; or (iv) to an end user in the course of a Periodic Update.
- b. Non-Assertion Covenant for 4C and 4C Founders. In addition to the parties to which Adopter extends its non-assertion covenant under Section 2.a., above, Adopter hereby covenants not to assert or maintain, and shall cause each of its Affiliates not to assert or maintain, against 4C or 4C Founders and Affiliates thereof any claim of infringement under Adopter’s or its Affiliates’ patents, patent applications, trade secrets or copyrights for the operation of the key generation facility and the provision of 4C CPRM Device Keys and, under Adopter’s Red Laser Necessary Claims, for other services necessary to the administration of the licenses for 4C Keys and 4C Technology and the

distribution and licensing of the 4C Specifications and 4C Technology pursuant to such licenses.

- c. AACS Red Laser Scope of Use. The licenses and non-assertion covenants under Sections 2.a. shall extend only to the use of the 4C CPRM Device Keys and AACS CPRM Compatible Red Laser Specification for the protection of Digital Entertainment Content in compliance with the Compliance Rules, only in Evaluation Licensed Products, Evaluation Licensed Components, Licensed Components, Robust Inactive Products and/or Licensed Products and/or Evaluation Managed Copy Services, in each case which implement the AACS Red Laser Technology and AACS Red Laser Specifications solely to the extent disclosed with particularity in the AACS Red Laser Specifications; and exclude the use of AACS Red Laser Technology and/or AACS Red Laser Specifications in any portion of any product and any combinations thereof, or for any purpose or function that is not required by the mandatory portions of the AACS Red Laser Specifications. For the avoidance of doubt, neither the licenses granted under Sections 2.a nor the non-assertion covenants under Sections 2.a extend to any Digital Entertainment Content contained in a Licensed Content Product. For purposes of this Agreement, the “mandatory portions of the AACS Red Laser Specifications” include such portions of the AACS Red Laser Specifications that are required to be implemented for any particular feature or functionality described in the AACS Red Laser Specifications.

3. OBTAINING 4C CPRM DEVICE KEYS

- a. If Adopter is a 4C Adopter and is using the 4C CPRM Device Keys pursuant to this Addendum in an AACS Red Laser Recorder that is also a 4C Licensed Recorder (both recorders together, “AACS-4C Combination Product”), then Adopter may use the 4C CPRM Device Key for that AACS-4C Combination Product for the purposes of implementing the AACS Red Laser Specification.
- b. If Adopter is using the 4C CPRM Device Keys pursuant to this Addendum in an AACS Red Laser Recorder that is not also a 4C Licensed Recorder (i.e., the AACS Red Laser Recorder in which the 4C CPRM Device Key is to be used is not part of an AACS-4C Combination Product), the Adopter may order 4C CPRM Device Keys by placing such order with AACS LA.
- c. For avoidance of doubt
 - i. 4C CPRM Device Keys may be ordered for use in AACS Red Laser Recorders as Type A, Type B, or Type C pursuant to the AACS Addendum 4C CPRM Device Key Appendix.
 - ii. 4C CPRM Device Keys are not required to be used (and are not authorized by this Addendum to be used) in AACS Red Laser Players.

4. COMPLIANCE WITH AACS RED LASER RECORDER ROBUSTNESS RULES APPLICABLE TO 4C HIGHLY CONFIDENTIAL INFORMATION (4C CPRM DEVICE KEYS) AND 4C CONFIDENTIAL INFORMATION (4C SECRET CONSTANTS)

With respect to 4C Highly Confidential Information and 4C Confidential Information, Adopter shall comply with the AACS Red Laser Recorder Robustness Rules Applicable to 4C Highly Confidential Information (4C CRPM Device Keys) and 4C Confidential Information (4C Secret Constants) in accordance with the terms of that document.

5. Key Fees.

- a. If Adopter obtains all of its 4C CPRM Device Keys as provided in Section 4.a., above, (i.e., if Adopter is a 4C Adopter and obtains its 4C CPRM Device Keys for use pursuant to this Addendum in only AACS-4C Combination Products), then Adopter shall be subject to no AACS key fees for its orders of 4C CPRM Device Keys.
- b. If Adopter obtains some or all of its 4C CPRM Device Keys as provided in section 4.b., above, (i.e., by ordering such 4C CPRM Device Keys through AACS LA), then Adopter shall be subject to the AACS-4C Key fees as set forth in the AACS Fee Schedule.

6. EXPIRATION OF 4C CPRM DEVICE KEYS. Adopter understands and agrees that expiration of 4C CPRM Device Keys is a matter to be handled by 4C pursuant to the circumstances and process set forth in the AACS Addendum 4C CPRM Device Key Appendix. Adopter further understands and agrees that if 4C determines that circumstances warranting expiration of such 4C CPRM Device Keys or 4C CPRM Device Key Sets exist, all devices incorporating said 4C CPRM Device Key Set shall be Expired.

7. DISCLAIMER AND LIMITATION OF LIABILITY. The disclaimers and limitations of liability as set forth in the Adopter Agreement shall apply to the activities licensed pursuant to this Addendum, provided that for purposes of this Addendum only, 4C and 4C Founders shall be included within those disclaimers and limitations of liability as if they were AACS and AACS Founders, respectively.

8. RELATIONSHIP OF ADDENDUM TO ADOPTER AGREEMENT. All of the provisions of Adopter's Adopter Agreement shall remain in full force and effect, provided that this Addendum provides supplemental licenses, authorizations, and requirements and all provisions of the Adopter Agreement shall apply to the use of those supplemental licenses, authorizations, and requirements by Adopter except as specifically provided in this Addendum. For avoidance of doubt, the third party beneficiary provisions of the Adopter Agreement shall apply to AACS Red Laser Recorders made pursuant to this Addendum as if such Licensed Products were made under the main Adopter Agreement.

9. **TERM AND TERMINATION.** The term of this Addendum shall be co-terminous with the term of Adopter's Adopter Agreement and shall be subject to the same termination provisions as are provided in the Adopter Agreement, provided that a material breach of the provisions of this Addendum shall be grounds to terminate the Adopter's Adopter Agreement pursuant to the "termination for breach" provisions of such Adopter Agreement.

Signatures next page.

SO AGREED AS OF THE DATE FIRST BELOW WRITTEN.

This Agreement may be executed in multiple counterparts.

AACS LA:

By: _____
Name: _____
Title: _____

Adopter:

By: _____
Name: _____
Title: _____

Addresses for notices

AACS LA LLC:
c/o AACS Administration
3855 SW 153rd Drive
Beaverton, Oregon 97006 USA

Adopter:

Intel GF Inc.
2200 Mission College Boulevard
Santa Clara, California 95052 USA

International Business Machines Corp.
New Orchard Road
Armonk, New York 10504 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Panasonic Intellectual Property
Corporation of America
One Panasonic Way
Secaucus, NJ 07094 USA

Microsoft Corporation
1 Microsoft Way
Redmond, Washington 98052 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

SCA IPLA Holdings, Inc. (Sony)
550 Madison Avenue, 27th Floor
New York, NY 10022 USA

Toshiba America Information Systems, Inc.
9740 Irvine Boulevard
Irvine, California 92618 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

Signatures continued next page.

Disney Technology Operations
and Licensing
500 S. Buena Vista Street
Burbank, California 91521 USA

Warner Brothers Entertainment, Inc.
4000 Warner Boulevard
Los Angeles, California 91522 USA

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

By: _____
Name: _____
Title: Attorney-in-fact
Date: _____

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