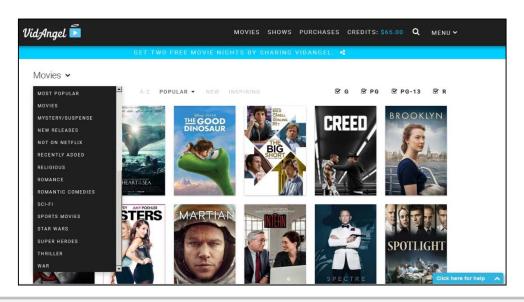


Plaintiffs Disney Enterprises, Inc. ("Disney"), Lucasfilm Ltd. LLC 2 ("Lucasfilm"), Twentieth Century Fox Film Corporation ("Fox"), and Warner Bros. 3 Entertainment Inc. ("Warner Bros.") ("Plaintiffs"), through their undersigned 4 counsel, hereby bring this Complaint against VidAngel, Inc. ("Defendant" or 5 "VidAngel") for infringing Plaintiffs' exclusive rights under the Copyright Act (17) 6 U.S.C. § 101 et seq.) and for violating the Digital Millennium Copyright Act 7 (§ 1201 et seq.) ("DMCA"). This Court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331, 1338(a), and 17 U.S.C. §§ 501(b), 1203(a). Plaintiffs allege, on 8 9 personal knowledge as to themselves and information and belief as to others, as 10 follows:

INTRODUCTION

- VidAngel operates a video-on-demand ("VOD") service that streams popular movies and television shows. VidAngel charges users for watching that content but has no authorization and pays nothing for the rights it exploits. At its core, VidAngel is no different from many other unlawful online services. Plaintiffs bring this action to stop VidAngel's infringement of their rights.
- VidAngel's VOD service looks and feels very similar to licensed 2. services such as Netflix, Hulu, and iTunes. Users can search for copyrighted motion picture content by popularity, genre or categories (e.g., "New Releases"):





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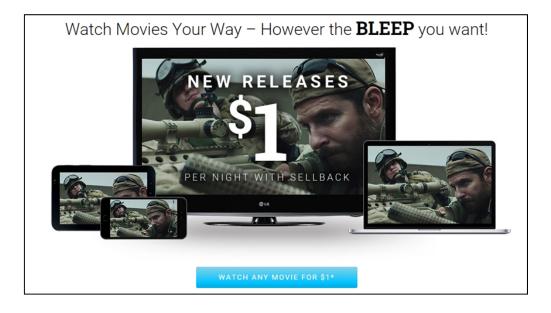
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And, like these other services, VidAngel streams movies via computer, mobile device (e.g., a smartphone, iPad, or tablet), or internet-connected television (e.g., through Apple TV, Chromecast or Roku).

- 3. But there is a fundamental difference between VidAngel and licensed VOD services: VidAngel does not have permission to copy Plaintiffs' movies and television shows or to stream them to VidAngel's users. Instead, VidAngel appears to circumvent the technological protection measures on DVDs and Blu-ray discs to create unauthorized copies and then uses those copies to stream Plaintiffs' works to the public without authorization.
- 4. By running this service without a license, VidAngel blatantly violates the Copyright Act and confers on itself unfair and unlawful advantages vis-à-vis licensed services in the VOD marketplace. First, by cutting out payments to copyright owners, VidAngel is able to offer prices that undercut licensed services and charge only \$1 for daily access to movies in standard definition format. VidAngel emphatically touts its below-market pricing:



 Second, because VidAngel absolves itself of having to abide by contractual restrictions, VidAngel offers content that is not available on licensed VOD services. For example, VidAngel makes many newly released titles available

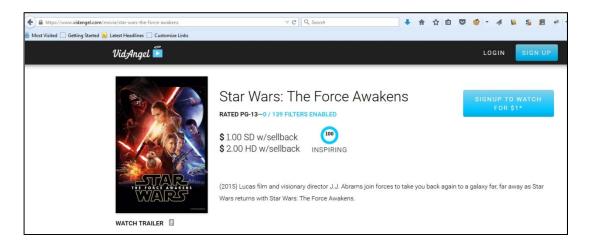


1 for streaming well before they are available via licensed VOD services. Recently,

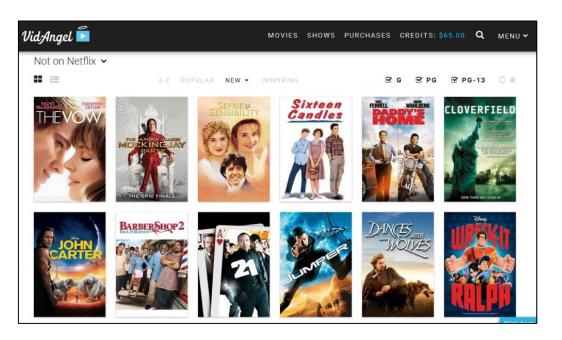
VidAngel exploited this competitive advantage to offer Star Wars: The Force

Awakens for \$1 a day at a time when lawful VOD services did not yet have the right

4 to offer that work for single-day access at all:



VidAngel also flaunts this unfair competitive advantage by expressly promoting a selection of titles that are available on VidAngel but "Not Available on Netflix":



6. VidAngel publicly defends its unlicensed activities with legally and factually false claims. For example, VidAngel insists that it has the right to bypass copyright owner consent because VidAngel says it is "selling," not renting, movies



- to its users. It does not matter whether VidAngel sells or rents movies. In either case, VidAngel would need copyright owner consent to circumvent access controls 3 on protected discs, make copies of that content, and stream performances of the content to the public. VidAngel does not have consent to do any of these things. 4 And, VidAngel is not "selling" movies. VidAngel is simply providing an unauthorized dollar-a-day VOD rental service.
 - 7. VidAngel also asserts that the Family Movie Act of 2005 ("FMA") justifies its unlicensed activities because VidAngel offers its users the ability to skip and mute words and images that VidAngel thinks its users may find objectionable. The FMA does not justify VidAngel's violation of Plaintiffs' rights. The FMA narrowly permits technology that "mak[es] imperceptible," at a home user's direction, limited portions of content during playback "from an authorized copy" of a motion picture. 17 U.S.C. § 110(11). Nothing in the FMA gives VidAngel the right to copy or publicly perform Plaintiffs' copyrighted content without authorization. Nor does the FMA give VidAngel the right to circumvent the technological protection measures on DVDs and Blu-ray discs that safeguard access to Plaintiffs' content. This Complaint does not challenge the FMA or businesses acting lawfully under it. This Complaint does challenge VidAngel's operation of a business that goes far beyond conduct allowed under the FMA and that is based on the unlawful exploitation of Plaintiffs' rights.

THE PARTIES

- 8. Plaintiff Disney Enterprises, Inc. is a corporation duly incorporated under the laws of the State of Delaware with its principal place of business in Burbank, California. Disney owns and controls the copyrights and exclusive rights in the content that it or its affiliates produce or distribute ("Disney's Copyrighted Works").
- 9. Disney has obtained Certificates of Copyright Registration for the Copyrighted Works. The attached Exhibit A includes several of Disney's



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