Press Release

2:2012-cv-0803 CAS (VBKx) Iviewit v. Time Warner, et. al.: CEO Lamont Addresses Iviewit Shareholders after Completion of Motion Practice.

Armonk, N.Y. October 29/PRNewswire-FirstCall/ -- On October 15, Defendants Time Warner Inc. and Warner Bros. Entertainment Group Inc. filed a Motion to Dismiss the Complaint in United States District Court for the Central District of California.

Earlier today, we filed an Opposition to Defendants Time Warner Inc.'s and Warner Bros. Entertainment Group Inc.'s Motion to Dismiss refuting each and every defense that included:

- **THE "REAL" FACTUAL BACKGROUND**

  Defendants TW and WB began their Motion by stating that Plaintiff "is attempting to litigate a claim that is eleven years old" which is equally incorrect as the willful violations by TW and WB are continuous and occur every day of every week of every year.

- **OPPOSITION TO NEITHER TIME WARNER NOR WARNER BROS. USE THE PURPORTED TECHNOLOGY**

  In a February 15, 2001 Binding Term Sheet, Defendants WB and TW DID BEGIN TO USE the knowledge transfers and technology disclosures made under NDA. Where Defendant WB contracted to use the technologies, and still use it to this day, clearly, significant revenues and lower expenses were and are realized by Defendant WB utilizing Plaintiff's technologies according to three executed NDAs.

  The unauthorized use of Plaintiff's knowledge transfers and technology disclosures have become a way of life for TW and WB, and where in Defendants' words it constitutes "…an extraordinarily broad [range] of Defendants' ongoing commercial activities." These are the facts of the instant action as plead by Plaintiff and as replied by the Defendants, they use the technologies "broadly".

- **OPPOSITION TO NO SUBJECT MATTER JURISDICTION EXISTS**

  Proceeding under diversity of citizenship, TW is incorporated in Delaware, but TW has no businesses as TW in and of itself certainly not in New York and produces no revenues, but only under wholly owned subsidiaries: Warner Bros. Entertainment Inc. in

Burbank, Turner Broadcasting Systems, Inc. in Atlanta, Home Box Office, Inc. and Time Inc. in New York, which are all run independently with their own Executive Officers and Boards of Directors.

- **OPPOSITION TO PLAINTIFF LACKS STANDING**

As of the latest date, and to assure Plaintiff's direct, personal interest in the claims of the instant action, in a Corporate Resolution dated August 10, 2012 it was RESOLVED that on August 30, 2012 all confidentiality agreements, retainer agreements, and contracts of any shape or form from any Iviewit entity were assigned to holders of the capital shares of Iviewit Holdings, Inc., giving Plaintiff, individually, and as Nominee a direct, personal interest in the claims of the instant action.

- **OPPOSITION TO PLAINTIFF'S BREACH OF CONTRACT CLAIM IS LEGALLY INSUFFICIENT**

  - **Opposition to Plaintiff's Claim is Time Barred**

In *Armstrong Petroleum Corp. v. Tri-Valley Oil & Gas Co.*, 116 Cal. App. 4th, the court stated that only when there is a continuing wrong with "periodic new injury to the plaintiff" may a "continuing accrual" theory apply, such that more than one breach of the contract may be at issue. Following along, the court in Armstrong Petroleum stated that in the "context of continuing—that is, periodic—accrual for periodic breach is to be distinguished from that of a single breach or other wrong which has continuing impact. . . "

Iviewit maintains that due to the economics of the motion picture industry, both "periodic new injury to the plaintiff" and "accrual for periodic breach" occur where the continuing violations of TW and WB satisfy the holding in Armstrong Petroleum.

At all times relevant to the Complaint, the value chain of a feature film consists of production, marketing, distribution, exhibition, DVD, overseas release, pay television, web streaming, network television, and re-release.

From the time of production to re-release, as stated above, there are a host of other release windows where such continuing wrong with "periodic new injury to the plaintiff," and across three separate and distinct value propositions, satisfies the holding in *Armstrong Petroleum*.

- **Opposition to Plaintiff Fails to State a Claim for Breach of Contract**

  David Colter, formerly VP of Advanced Technology of WB states that "At the time of the first meeting, we also identified On2 [Technologies, Inc. acquired by Google Inc.] along with…[Plaintiff] as two solid players could deliver full screen full frame rate web video;"

  In Plaintiff's Motion for Order for a Preliminary Injunction Against Time Warner Inc. and Warner Brothers Entertainment Inc., Plaintiff states that "What Colter was probably not aware of, is that there is a Confidentiality Agreement between Plaintiff and On2 that pre-dates the time period inferred from the Colter Email (August 2000, or later);

  Accordingly, it is far from conclusory to claim, at this juncture, that there was only one "solid player" delivering full screen, full frame rate web video and it was Plaintiff: as a Vice President of Advanced Technology, Colter was charged with scouring the globe for technologies that would make WB more competitive; and, lastly

  We have seen, now see, and shall always see Defendants TW and WB delivering full screen, full frame rate video at www.warnerbros.com, by right clicking on any trailer and seeing the delivery of full screen, full frame rates of 24 to 30 frames per second in any action scene, presently masked by their use of Flash Player (an Adobe Systems, Inc. property), which merely scripts, uploads, and renders the video encoded according to Plaintiff's knowledge transfers and technology disclosures to TW and WB; combine these facts with the February 15, 2001 Binding Term Sheet, Defendants TW and WB use Plaintiff's techniques "broadly."

This hoped for precedent setting case will, from the start, be about far more than just the billion plus dollars in unpaid royalties the Iviewit shareholders have been denied. With the subsequent decision of any jury, a clear message will be sent: content owners, content transmitters, and content decoders of all these Iviewit knockoffs have been given ample fair warning.

For us this lawsuit has always been about something much more important than patents or money. It's about values. The jury will eventually have the opportunity to speak. We will applaud them for finding Time Warner's behavior willful and for sending a loud and clear message that stealing isn't right. At the motion hearing on November 19, 2012 values will win and I hope the whole world listens.

P. Stephen Lamont
Chief Executive Officer