



ContentGuard Files Suit Against Chinese Telecommunications Manufacturer ZTE Corporation for Infringement of Digital Rights Management Patents

El Segundo, Ca . (Business Wire) February 27, 2012 - ContentGuard, a subsidiary of Pendrell Corporation (NASDAQ: PCO) announced today that it has filed a complaint for patent infringement against ZTE Corporation and its subsidiary ZTE (USA) Inc. in the United States District Court for the Eastern District of Virginia. The lawsuit relates to ContentGuard patents covering technology that prevents piracy of content downloaded to mobile phones and other consumer electronics devices. The complaint alleges that ZTE has embedded digital rights management (DRM) solutions in consumer electronics devices sold in the United States that infringe ContentGuard's patents. ContentGuard was spun out of Xerox's Palo Alto Research Center in 2000, and has driven the innovations that enable much of today's DRM technologies.

"ContentGuard pioneered the development of DRM technology, and has accelerated the growth rate and expansion of the market for DRM-enabled systems for safeguarding music, movies, television shows, games, documents and other types of content from piracy. The global wireless industry has embraced ContentGuard's DRM technologies, with more than half of the handsets produced over the past several years benefitting from licenses to ContentGuard's inventions," commented Eddie Chen, chief technology officer for ContentGuard. "We believe ZTE is unlawfully profiting from the use of our patents. ZTE's ongoing infringement leaves us no alternative but to resort to the courts to defend our intellectual property rights. This is the first time ContentGuard has had to initiate litigation against a company for infringement. ContentGuard is committed to protecting its rights and the interests of its customers, copyright owners and content distributors."

Greg Arovos, who heads the intellectual property practice at Kirkland & Ellis LLP, is serving as lead outside counsel on behalf of ContentGuard in this action. Kirkland has one of the most respected intellectual property litigation practices in the country.

ZTE has stated that it became the fourth largest supplier of mobile terminals in the world in 2011. ZTE's consumer electronics devices are sold in the United States for use on AT&T, Verizon Wireless, Leap Wireless, MetroPCS and Sprint networks.

About ContentGuard

ContentGuard is an innovative leader in the development of digital rights management (DRM) technologies, with more than 260 patents issued and 160 pending patent applications worldwide. ContentGuard is a subsidiary of Pendrell Corporation. For more information, visit www.contentguard.com.

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