Media, tech firms probe possible high-def DVD hack

By Gina Keating
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LOS ANGELES (Reuters) - The companies behind an encryption system for high-definition DVDs are looking into a hacker's claim that he has cracked the code protecting the new discs from piracy, a spokesman for one of the companies said on Thursday.

A hacker known as Muslix64 posted on the Internet details of how he unlocked the encryption, known as the Advanced Access Content System, which prevents high-definition discs from illegal copying by restricting which devices can play them.

The AACS system was developed by companies including Walt Disney Co. (NYSE:DIS - news), Intel Corp. (Nasdaq:INTC - news), Microsoft Corp. (Nasdaq:MSFT - news), Toshiba Corp. (6502.T) and Sony Corp. (6758.T) to protect high-definition formats, including Toshiba's HD-DVD and Sony's Blu-ray.

Muslix64 posted a video and decryption codes showing how to copy several films, including Warner Bros' "Full Metal Jacket" and Universal Studios' "Van Helsing," on a popular hacker Internet blog and a video-sharing site.

The vulnerability could pose a threat to movie studios looking for ways to boost revenue as sales of standard-format DVDs flatten. In 2005, U.S. DVD sales generated some $24 billion for the movie industry.

If the encryption code has been cracked, then any high-definition DVD released up to...
now can be illegally copied using the Muslix64 "key," according to technology experts.

Jeff Moss, organizer of Defcon, the world's largest hacking convention, said in an interview that Muslix64 appears to have found a real breach in the encryption system.

"Everybody is talking like it worked, and apparently it's not that hard," said Moss, whose annual convention draws thousands of security researchers, government workers and hackers. "This will be the first trial run of how this (AACS) is going to work whenever a compromised player comes out."

Adrian Kingsley-Hughes, a UK-based technology expert and author of Internet blog PC Doctor, wrote in a Thursday posting on technology site ZDNet.com that Muslix64's source code "seems genuine enough."

He said the hack would not necessarily make much of a difference in the battle for supremacy between the new HD DVD and Blu-ray formats.

"What's interesting here is that while this hack might give HD-DVD a temporary advantage amongst enthusiasts who want to backup discs ... in the long run it won't give either format an advantage because both HD-DVD and Blu-ray use the now cracked AACS," he wrote.

Warner Bros. is a unit of media conglomerate Time Warner Inc. (NYSE:TWX - news) and Universal Studios is part of NBC Universal, controlled by General Electric Co. (NYSE:GE - news).