

CUNNINGHAM JOHN E IV
 Form 3
 July 18, 2012

FORM 3 UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL

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INITIAL STATEMENT OF BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
 Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

| | | | | | | |
|---|---------|----------|--------------------------------------|--|---|--|
| 1. Name and Address of Reporting Person * | | | 2. Date of Event Requiring Statement | | 3. Issuer Name and Ticker or Trading Symbol | |
| Â CUNNINGHAM JOHN E IV | | | (Month/Day/Year) | | REALNETWORKS INC [RNWK] | |
| (Last) | (First) | (Middle) | 07/12/2012 | | 4. Relationship of Reporting Person(s) to Issuer | |
| 2601 ELLIOTT AVENUE,Â SUITE 1000 | | | | | 5. If Amendment, Date Original Filed(Month/Day/Year) | |
| (Street) | | | | | (Check all applicable) | |
| SEATTLE,Â WAÂ 98121 | | | | | 6. Individual or Joint/Group Filing(Check Applicable Line) | |
| (City) | (State) | (Zip) | | | <input checked="" type="checkbox"/> Form filed by One Reporting Person <input type="checkbox"/> Form filed by More than One Reporting Person | |

Table I - Non-Derivative Securities Beneficially Owned

| | | | |
|------------------------------------|--|---|--|
| 1. Title of Security (Instr. 4) | 2. Amount of Securities Beneficially Owned (Instr. 4) | 3. Ownership Form: Direct (D) or Indirect (I) (Instr. 5) | 4. Nature of Indirect Beneficial Ownership (Instr. 5) |
|------------------------------------|--|---|--|

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

SEC 1473 (7-02)

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Table II - Derivative Securities Beneficially Owned (e.g., puts, calls, warrants, options, convertible securities)

| | | | | | |
|---|---|--|--|--|--|
| 1. Title of Derivative Security (Instr. 4) | 2. Date Exercisable and Expiration Date (Month/Day/Year) | 3. Title and Amount of Securities Underlying Derivative Security (Instr. 4) | 4. Conversion or Exercise Price of Derivative Security | 5. Ownership Form of Derivative Security: Direct (D) or Indirect (I) | 6. Nature of Indirect Beneficial Ownership (Instr. 5) |
| | Date Exercisable | Expiration Date | Title | Amount or Number of Shares | |

(Instr. 5)

| | | | | | | | |
|-----------------------------|---------------------------|------------|--------------|-------|---------------------|---|---|
| Stock Option (Right to Buy) | 08/12/2012 ⁽¹⁾ | 07/12/2019 | Common Stock | 1,563 | \$ 7.88 | D | Â |
| Restricted Stock Unit Award | 08/12/2012 ⁽²⁾ | 07/12/2019 | Common Stock | 1,428 | \$ 0 ⁽³⁾ | D | Â |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|---------|-------|
| | Director | 10% Owner | Officer | Other |
| CUNNINGHAM JOHN E IV 2601 ELLIOTT AVENUE SUITE 1000 SEATTLE, WA 98121 | Â X | Â | Â | Â |

Signatures

/s/ John E.
Cunningham, IV

07/18/2012

**Signature of Reporting Person

Date

Explanation of Responses:

- * If the form is filed by more than one reporting person, *see* Instruction 5(b)(v).
- ** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).
- (1) The options will vest and become exercisable in 3 substantially equal installments until the options become fully vested and exercisable on October 12, 2012, provided that the reporting individual continues to serve as a director of the issuer through such date.
The restricted stock units will vest in three substantially equal monthly installments until the restricted stock units become fully vested on October 12, 2012, provided that the reporting individual continues to serve as a director of the issuer through such date.
- (2) The share distribution date applicable to the restricted stock units is the sooner to occur of (1) October 12, 2012, or (2) the date of separation from the Board.
- (3) Converts into Common Stock on a unit-for-share basis on the share distribution date.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *See* Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.