International Federation of the Phonographic Industry, IFPI

- Non-profit organisation representing the producers and distributors of sound recordings & music videos worldwide
- over 1400 members in about 75 countries
- registered in Zurich Switzerland, in 1934
- IFPI's headquarters located in London
- Regional offices in Miami (Latin America) Brussels (EU and Eastern Europe Affairs) Moscow (CIS) and Hong Kong (Asia and the Pacific)
- Affiliated with RIAA (USA)
- Consultative status with UNESCO, ILO, WIPO, WTO, Council of Europe, WCO, Interpol
IFPI Affiliated Local Groups in Asia Pacific Region

- Australia Recording Industry Association (ARIA)
- Recording Industry Assc of Japan (RIAJ)
- Indian Music Industry (IMI)
- IFPI Hong Kong Group
- Recording Industry Assc of Malaysia (RIM)
- Recording Industry Assc of New Zealand (RIANZ)
- Philippine Association of the Recording Industry (PARI)
- Recording Industry Assc of Singapore (RIAS)
- IFPI Members’ Foundation in Taiwan (IFPI Taiwan)
- Thai Entertainment Content Association (TECA)

Role of IFPI

- Promote the value of recorded music - develop rights of members, represent the industry
- Safeguard the rights of members - enforcement of members’ rights
  - Anti-Piracy enforcement actions, both physical and online environment
  - Collective Licensing of members’ communication, broadcasting & public performance rights
- Public Awareness, Education, Training
- Development & Assessment of Industry Standards for New Technologies
TYPES OF MUSIC OFFERINGS

- Internet downloads
- Internet subscription services
- Internet webcasting and simulcasting
- Mobile downloads
- Mobile ringtones
- 4 million songs available to download legally
- Over 500 legitimate online services worldwide
- In Asia – mobile is overall much bigger than Internet

INTERNET DOWNLOADS SERVICES

- Download service
- Pay per track or album
DOWNLOADS + MOBILE

INTERNET SUBSCRIPTION SERVICES
- Monthly payment
- Unlimited access to database of songs
SIMULCASTING

WEBCASTING

Pandora
- Personalized Internet radio service
- User enters the name of an artist he likes and the service creates a play list with selections that are musically similar

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WPPT

Article 13
Obligations concerning Technological Measures

Contracting Parties shall provide adequate legal protection and effective legal remedies against the circumvention of effective technological measures that are used by performers or producers of phonograms in connection with the exercise of their rights under this Treaty and that restrict acts in respect of their performances or phonograms, which are not authorized by the performers or the producers of phonograms concerned or permitted by law.

Article 19
Obligations concerning Rights Management Information

(1) Contracting Parties shall provide adequate and effective legal remedies against any person knowingly performing any of the following acts knowing, or with respect to civil remedies having reasonable grounds to know, that it will induce, enable, facilitate or conceal an infringement of any right covered by this Treaty:

(a) to remove or alter any electronic rights management information without authority;

(b) to distribute, import for distribution, broadcast, communicate or make available to the public, without authority, performances, copies of fixed performances or phonograms knowing that electronic rights management information has been removed or altered without authority.

(2) As used in this Article, "rights management information" means information which identifies the performer, the performance or the phonogram or producer of the phonogram, the phonogram, the owner of any right in the performance or phonogram, or information about the terms and conditions of use of the performance or phonogram and any numbers or codes that represent such information, when any of these items of information is attached to a copy of a fixed performance or a phonogram or appears in connection with the communication or making available of a fixed performance or a phonogram to the public.

Digital Rights Management (DRM)

- DRM is a system of IT components and services, along with corresponding law, policies and business models, which strive to distribute and control intellectual property and its rights.
- Product authenticity, user charges, terms-of-use and expiration of rights are typical concerns of DRM.
- Allows record companies to make music available through new business models, such as subscription services.
- Enables variable pricing for variable uses.
- Protects against theft/unauthorized reproduction.

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Digital Rights Management (DRM)

- DRM used for copyright protection is an measure that acts as a barrier to prevent infringement of a copyright work. Such measures may include access control measures or copy control measures.

- The measures, broadly known as digital rights management (DRM), may also encompass the narrower concepts of technological protection measures (TPM).

Digital Rights Management (DRM)

- Article 18 of WPPT requires countries to provide adequate legal protection and effective legal remedies against act of circumvention.

- If the legal protection is to be effective, it must outlaw the provision of devices or services that enable consumers themselves to engage in wide scale acts of circumvention.
Digital Rights Management (DRM)

Many CE & IT companies have developed proprietary DRM systems

- Apple: “FairPlay” system (iTunes and iPods)
- Microsoft: WMA and Janus (download stores, subscription services, devices)
- Apple and Microsoft DRM systems not compatible with each other

Interoperability

- IFPI’s view: Neutral – not particularly support for government intervention
- Interoperability is a key industry goal
- Can be achieved while maintaining ability to use effective DRM
- Cross-industry solutions both possible and preferable to government intervention
- Such solutions require agreement by technology providers
EU Pressure
- European governments and consumer protection agencies seeking to force Apple or other DRM developers to permit interoperability.
- Based on either
  - application of existing consumer contract or competition law (Norway) or
  - amendments to copyright law (France)

Apple's reaction
- Steve Jobs' "Thoughts on Music"
  - Lack of interoperability is the fault of the record companies
  - Record companies should sell their music online DRM-free

Coral Consortium
- Group of content and technology companies working on a standard interoperability framework for audio and video
- Open letter to Jobs:
  - CORAL framework enables proprietary DRM systems to work with each other without revealing trade secrets or requiring cross-licensing
  - Invited Apple to join

Rights Management Information (RMI)
- Rights management information means information which identifies the producer of the phonogram, the phonogram, the owner of any right in the phonogram, or the terms and conditions of use of the copyright work (or recording of the performance).
- Such information is generally attached to the recording or otherwise appears when the recording is made available to the public through the Internet/electronic devices.
Rights Management Information (RMI)

• RMI often takes the form of an electronic watermark placed in protected content. Watermarks can exist on their own simply as a rights owner's 'label'.

• Watermarks may also interact with devices that receive or play content and determine the conditions of use of such content. They may provide the basis for additional user services, such as information accompanying a radio broadcast that gives artist, track and purchase details about particular songs.

Rights Management Information (RMI)

• Rightsholders need RMI to label their works, and to let users identify the works and their conditions of use—particularly in the digital environment where activities move quickly and often leave few residual traces.

• RMI also benefits consumers. Digital watermarks give consumers confidence in the authenticity of the source of a work or phonogram, and certainty as to the conditions for its use. The manipulation of RMI can lead consumers to draw wrong conclusions about permitted uses, and thus can have an economic effect equivalent to common fraud.
IFPI Model Legislation for RMI

1. It shall be unlawful to remove, alter or add rights management information without authority knowing, or with respect to civil remedies having reasonable grounds to know, that this will induce, enable, facilitate or conceal an infringement of copyright or neighbouring rights.

2. It shall be unlawful to distribute, export, import for distribution, broadcast, communicate or make available to the public without authority copies of works, fixed performances or phonograms knowing that rights management information has been removed, altered or added without authority and knowing, or with respect to civil remedies having reasonable grounds to know, that this will induce, enable, facilitate or conceal an infringement of copyright or neighbouring rights.

3. It shall be unlawful to manufacture, import, distribute, export, sell, rent, possess for commercial purposes, offer to the public, advertise, communicate or otherwise provide without authority any device, product or component that is designed or adapted to remove, alter or add rights management information.

IFPI Model Legislation for RMI

4. 'Rights management information' means
   (a) information that identifies the work or other protected matter, the author, the performer, the producer of a phonogram or any other rights owner, or
   (b) information about the terms and conditions of use of the work, phonogram or performance, and
   (c) any number or code that represents such information, when any of these is attached to a copy of a work, phonogram or fixed performance, or appears in connection with the broadcast, communication or making available to the public of the work, phonogram or fixed performance.
Misconception of the use of DRM and RMI

- This subject has recently become controversial, with fears being voiced about the possible use of DRM to cause a variety of ills.
- These range from blocking access to content, to endangering computer security, misleading users, threatening privacy, frustrating interoperability, or eliminating exceptions to copyright.
- None of these potential problems are inherent in DRM systems and RMI, however, and record companies seek to deploy DRM in commercially sensible ways that do not lead to such results.

Thank You

representing the recording industry worldwide

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