



Digital Rights Management Forum NAB 2004

Blake White, NTC
Vice President of Strategic Services

NationalTeleconsultants®

NAB
THE WORLD'S LARGEST
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Critical Industry Issues

- Security of digital workflow within the virtual studio and among outsourced partners
- Convergence of digital broadcast infrastructure and IT infrastructure risks
- Piracy is a serious problem
 - At least 1.58 billion files/yr downloaded and/or swapped without payment (Source: Pew)

Conflicting Research, but Agreement that a Problem Exists

■ Film & Video

- 500,000+ digital movies are exchanged on the web
 - (Source: Microsoft)
- AT&T – 77% “insiders” 5% consumers
- MPAA disagrees – Less than 13% from industry
 - \$3B physical piracy
- Broadcast flag mandate

■ Music

- RIAA - \$4B physical piracy + huge online problem
- Harvard-UNC - P2P negligible sales impact
- 200+ million KaZaa users
- 99% of music files exchanged on the web are pirated
 - (Source: WIPO)

Segment the Problem Space

- Enterprise (B2B)
 - Within the Studio Workflow
 - Among Business Partners, Sub-contractors, and Service Providers

- Media Commerce (B2C)
 - Enable Customers who are Willing to Pay
 - Protect Against Information “Anarchists” who Refuse to Pay
 - Legal Remedies Against Commercial Pirates for Profit

Define the Problem Scope and Parameters

- What is acceptable piracy rate?
- What is the size and timing of the payback?
- How can we build invisible DRM systems that improve customer willingness to opt-in to marketing programs?
- How can content owners make such compelling content that we improve the 'uptake' rate?

Balance Business Enablement and Content Protection

Our goal is ... “protecting content against theft and illegal redistribution, while protecting the thrilling advances and digital abilities to which we are accustomed.”

-- Peter Chernin

President & COO, News Corporation

Chairman & CEO of Fox Group

Keynote address at 2003 COMDEX