

## COPYRIGHT PROTECTION AND TECHNOLOGY MANDATES

Information technology companies recognize the critical importance of intellectual property and effective anti-piracy technologies. The software industry alone loses more than \$11 billion in sales to piracy. The IT industry is committed to the development of solutions that protect content, consumer choice, and technological innovation.

Our companies have worked diligently, voluntarily, and collaboratively with motion picture producers to develop effective and technologically viable systems that deter piracy. Technology companies have a continuous history of support for intellectual property. For example, we are strong proponents of the Digital Millennium Copyright Act of 1998 ("DMCA"). The industry has invested substantial financial and engineering resources to develop copyright protection technologies and continues to participate in numerous multi-industry discussions.

Developments over the past five years demonstrate that when industries work together, voluntary multi-industry groups can advance and deploy effective copy protection systems for commercial products that consumers will buy. Voluntary, multi-industry groups, with participation by **all** affected industries, have successfully developed digital products and copy protection systems. For example, DVD technology, subject to the CSS protection measure, is the fastest growing consumer electronics product in history.

We welcome governmental encouragement of voluntary, multi-industry dialogues, but oppose any process where government – rather than the market – develops or chooses, and then mandates a technology or standard. Government-imposed solutions will stifle innovation, degrade computer performance and politicize what would otherwise be business decisions. Competitive innovation and voluntary, multi-industry dialogues are the most effective means of developing technologies and standards to protect copyrighted digital movies, music, software and other materials.

### HISTORY OF MARKET-BASED APPROACHES

- **DVD (1996 – 1998)** Multi-industry discussions began in 1996 through the Copy Protection Technical Working Group (CPTWG) and produced the "CSS" technology in 1998, now used by every major studio to protect DVD movies.
- **"5C" (1996 – 2001)** Discussions to find a technology for securely sharing between computers, set-top boxes, TVs and other devices in the home network began in 1996 and produced the "5C" technology in 1998, which was been adopted by two major studios in 2001.
- **Broadband Internet (2000 to present)** Many companies offer secure "digital rights management" software for online distribution music and video content.
  - **"Intertainer.com"** is already rolling out broadband video-on-demand in 35 markets, with content from MGM, Universal Pictures, Warner Brothers, 20<sup>th</sup> Century Fox, and Dreamworks SKG.
  - **"CinemaNow.com"** offers movie downloads from MGM and numerous independent studios.
  - **"MovieLink.com"** and **"Movies.com"** have announced Internet-based video on demand services that will include content from all the major studios.
- **Digital TV (2001 to present)** Multi-industry discussions began in December 2001 to agree on technology to prevent DTV broadcasts from being shared over the Internet.

**Contact Brian Adkins with ITI @ 202-626-5744 or Joe Keeley with BSA @ 202-530-5125**