



**MOTION PICTURE ASSOCIATION
OF AMERICA, INC.**

1600 EYE STREET, N.W.
WASHINGTON, DC 20006
202.293.1966

Contact: Troy Dow (dowt@mpaa.org)

Digital Rights Management: Promoting Consumer Choices and Content Security

Digital technologies promise exciting opportunities for consumers and creators. Studios want to harness their potential to deliver movies to more people in more ways. For consumers, this means better quality and more choices, including more titles, product choices and delivery options. For creators, it means better production tools, expanded distribution alternatives and a worldwide audience.

MPAA member companies are all actively engaged in efforts to make digital video-on-demand a reality, over digital cable systems and the Internet. All are hopeful that these efforts will be met with the same consumer embrace as was the DVD, now the fastest growing consumer electronics platform in history. Effective Digital Rights Management (DRM) tools are key to these efforts in two ways. First, effective DRM tools enable more choices for consumers – such as greater content portability and more ways of accessing content at reasonable prices. Such choices wouldn't exist in a world with potentially unlimited copying and retransmission. Second, effective DRM tools are key to keeping piracy at bay and out of the mainstream of American culture. Without effective DRM systems, unchecked growth of digital piracy threatens not only to thwart the vitality of a legitimate market for online digital entertainment, but also to choke off the offline market for those works.

For these reasons, MPAA is committed to the development of DRM tools that facilitate a robust digital entertainment market while fulfilling consumers' expectations and providing meaningful protections for copyright owners. To achieve this goal, MPAA believes that the information technology (IT), consumer electronics (CE) and copyright industries must focus on the following three goals:

1. Adoption and implementation of a "broadcast flag" to prevent unauthorized redistribution of unencrypted over-the-air digital television broadcasts. This is the focus of the Broadcast Protection Discussion Group (BPDG) of the open, cross-industry Copy Protection Technical Working Group (CPTWG). The agreement of this group will require narrow legislative and/or regulatory action.
2. Plugging the "analog hole" that results from the fact that digital devices are not generally designed to respond to current analog protection mechanisms. As a result, protected content, including content that originated in protected digital format but was stripped of its digital protections in the digital-to-analog conversion (such as when it is passed out an analog output to a television set), is left unprotected when converted to a digital format. The primary means to address this issue is via detection and response to embedded watermarks. As with the "broadcast flag," government assistance will also be necessary to achieve this result.
3. Stemming unauthorized peer-to-peer file distribution of copyrighted works. The first step to address this problem is to create a forum for dialogue with the affected industries to examine this problem and its potential solutions in detail. Recent statements by IT, CE and Copyright industry leaders are a good foundation for further progress among interested parties. To date, no cross industry meetings have been held and none are currently scheduled. MPAA is hopeful that such a dialog can be embarked upon quickly and real progress made on this critical issue.