

Now legalese free!

# DRM: One layman's perspective

i.e. One not involved in the development of DRM technologies or the sale of content protected by DRM technologies

# An Introduction to DRM

- DRM (Digital Rights Management) is a content creators tool to prevent the piracy of digital intellectual property
- Based upon my observations, the systems are as follows:
  - Controlled # of installs
  - Controlled file format/encryption
  - Product key + online activation
  - Local authentication systems (knowingly or subversively installed on a users computer)
  - Regional Filtering
  - Controlled operating environments
  - I assume other systems exist, however, these seem to be the most prevalent.
- Although several systems exist, the important point is that DRM intends to control the buyer's use of the product in order to prevent piracy.
- Keep in mind the following:
  - What is piracy? As a consumer, I have come to believe that piracy is enjoying content that I have not paid for. I do not believe it is piracy when I enjoy content I have paid for through an alternative mechanism.

# Pros and Cons

Pros	Cons
Controlling content guarantees creators are paid for their work	No DRM system exists that has not been broken. It is unknown if one can be built.
Reducing or eliminating piracy may lower costs for consumers	DRM may impede upon fair use rights, the first sale doctrine, and other rights
	DRM may be cumbersome and expensive for consumers

- As each DRM system operates differently, each system must be evaluated as to whether the buyers rights have been violated.
- Keep in mind the following:
  - What are the fair rights when purchasing digital content? For example: as a consumer, I have come to believe purchasing a CD means I am purchasing the content, not the physical medium on which the content exists. To me, this means I should have the capability to move that content to a more convenient medium should I choose to.

# Different systems create confusion

- Fundamentally, it is right to protect the rights of content creators, however, confusion in the market place should not be tolerated.

My DVD only plays on Windows?? What if it won't play on my Panasonic?

Region 5 Only...  
What's a Region and why does that matter?

WMV, iTunes, PlaysForSure... Which can I buy?

iPhone, Android, Blackberry... Do I have to be worried about this now too?

# My opinions on the music industry

- Piracy has not and will not destroy the music industry.
- Standard and appropriate responses to piracy (shut down of Napster) in addition to the convenient availability of online music (iTunes, eMusic, Wal-Mart) has resulted in a new revenue stream for content producers.
- Convenience of distribution and ease of replication means costs for content producers will go down, likely offsetting lost revenues when comparing decreasing CD sales vs. online music sales.
- DRM has not prevented nor slowed down piracy. Convenient legal options and the loss of convenient illegal options has slowed down piracy.

# My opinion of DRM in general

- Music, Movie, and Software industry executives aren't stupid... they must know all DRM systems created have been broken.
  - Why do they continue to insist on spending money on developing new systems?
  - Content producers may be trying to force me to purchase multiple copies of the same content because they know they can.
- Everyone knows creating multiple copies of data has effectively no cost.
  - What if content producers simply made the content so cheap and easily available it was more convenient for me to buy a copy than pirate a copy? Maybe they would actually make more money.
  - DRM seems like a way for content producers to inflate the price of their content above its actual value.
- DRM is generally ineffective
  - Since all known DRM schemes have been broken, those seeking to pirate content can readily do so.
- Convenience and safety are the best deterrents to piracy.
  - Many are willing to pay for convenience and already do so. Even more will do so if DRM were removed.
  - Pirated material may contain viruses. Threat of infection deters piracy.

# Response to some things I've read

- Consumers do not need to be protected when DRM systems are discontinued since new technologies have always rendered older ones obsolete.
  - Consumers are purchasing the underlying content and if the technology of the underlying content becomes obsolete then the above argument becomes relevant.
- Fair use is not impeded because end users can request source materials from content producers
  - This introduces an unreasonable burden on the end user give that traditionally the end user has not needed to request source materials.
  - Will content producers respond in a timely fashion?
  - Who will pay for additional resources needed to full fill these requests?
- Purchasing a CD only allows the user to play music on approved listening devices (i.e. CD players, not MP3 players)
  - Consumers assume they are purchasing the underlying content, not the medium on which it is provided. Such Draconian rules should (if allowed) be clearly printed on any and all packaging and advertisements. Maximum penalties should also be clearly included.

# Conclusions/The Future

- Cheaply and conveniently providing authorized content is a far more effective deterrent against piracy than any form of policing ever will be.
- DRM technologies are likely expensive to develop and are usually broken before widespread consumer acceptance of the new technology.
- Content producers appear to use DRM to inflate the value of their content despite decreasing costs due to improvements in technology.
- If DRM technologies are to be used, clear and effective labeling must be used in order to protect end users.
- Consumers are demanding DRM free content. Controversies relating to DRM software (i.e. Spore) indicate as much.
- Competition appears to be driving some industries towards DRM free content. (Wal-Mart, iTunes, eMusic now offer DRM free content)