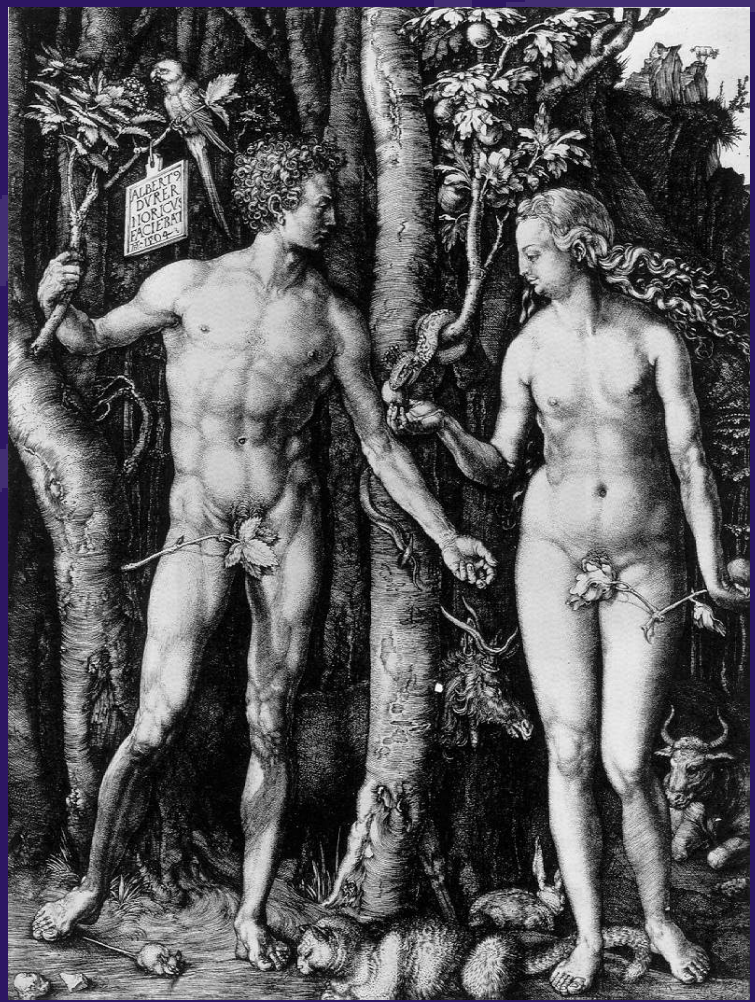
representing the recording industry worldwide

WWW2006
Edinburgh 23 May 2006

Beyond the Perfect Storm

Paul Jessop
Chief Technology Officer
IFPI

Genesis 2:19



And out of the ground the Lord God formed every beast of the field, and every fowl of the air; and brought them unto Adam to see what he would call them: and whatsoever Adam called every living creature, that was the name thereof

The World's Oldest Profession?

Metadata and Identifiers Specialist

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<eden>
    <beast>
        <breed>
            serpent
        </breed>
        <quantity>
            1
        </quantity>
    </beast>
</eden>
```

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Genesis 11:1

And the whole earth was of one language, and of one speech

Babel

Today

- The Perfect Storm
- Interoperability
- Metadata and Identifiers
- User Generated Content

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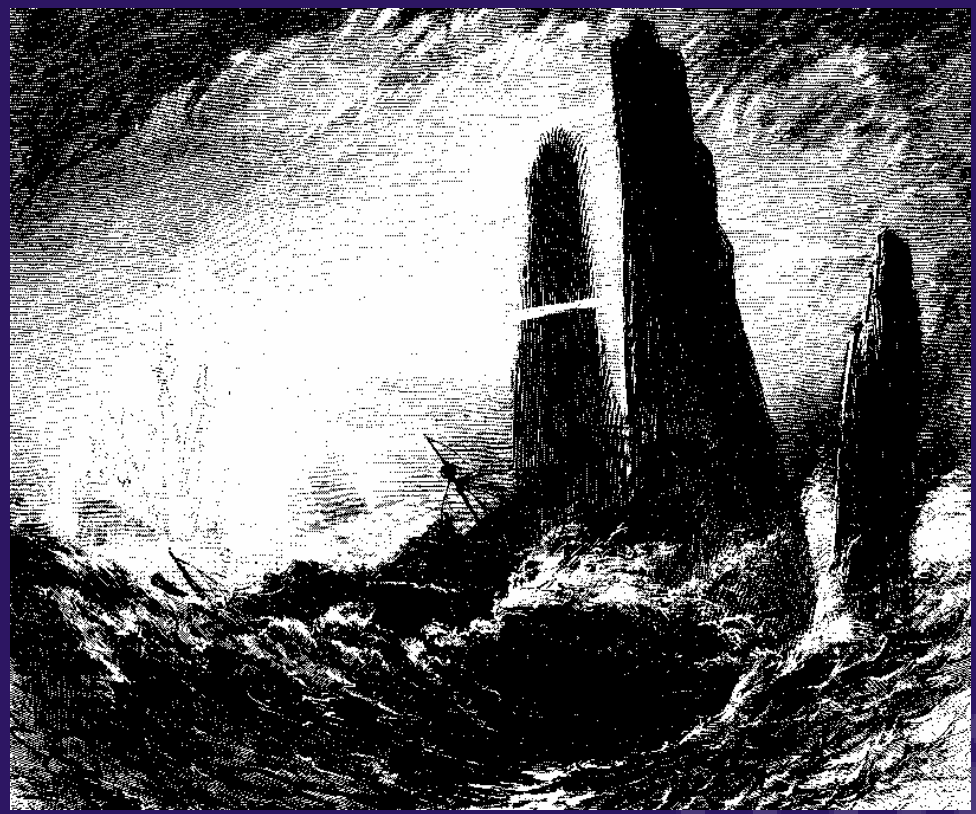
The Perfect Storm

- Broadband penetration
- Peer to Peer
- Perception of “free”
- Perception of immunity



The Tranquil Dawn

Where the action is…

- Fastest growing music sector
- 300 services worldwide
- $1.1 bn trade revenues
- Growth 180% in 2005
- 50:50 split online & mobile
- Digital revenues 5.5% of total revenue from recordings

Interoperability

DRM Interoperability

DVD VIDEO

DVD AUDIO

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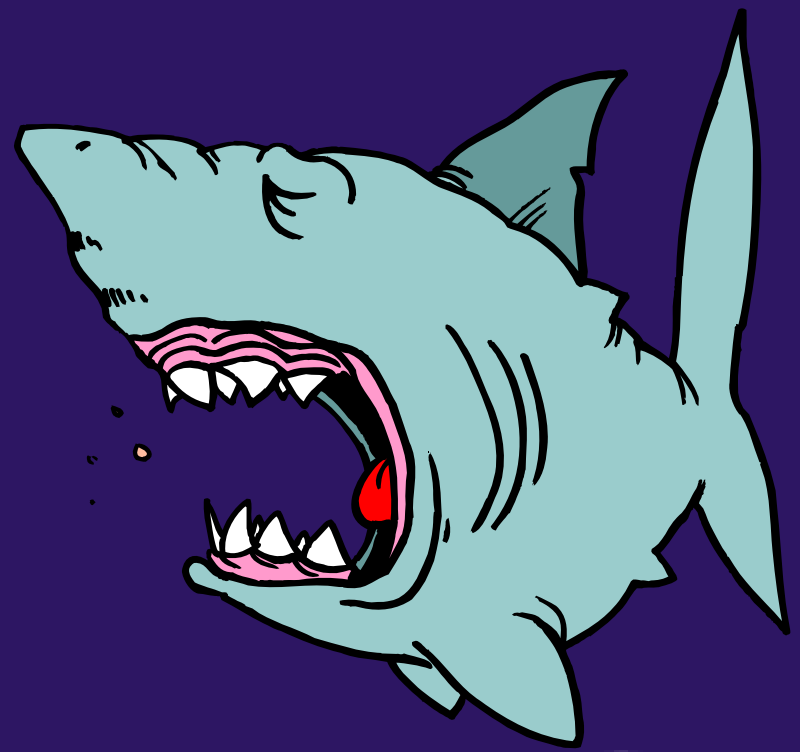
DRM Benefits

- Prevent casual piracy
- Regulate business models
- Create new features



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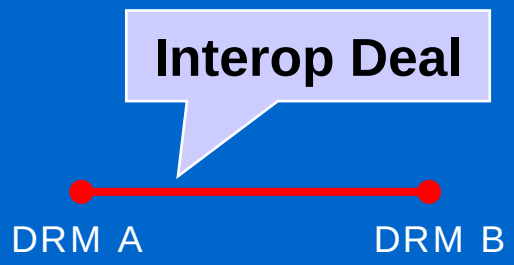
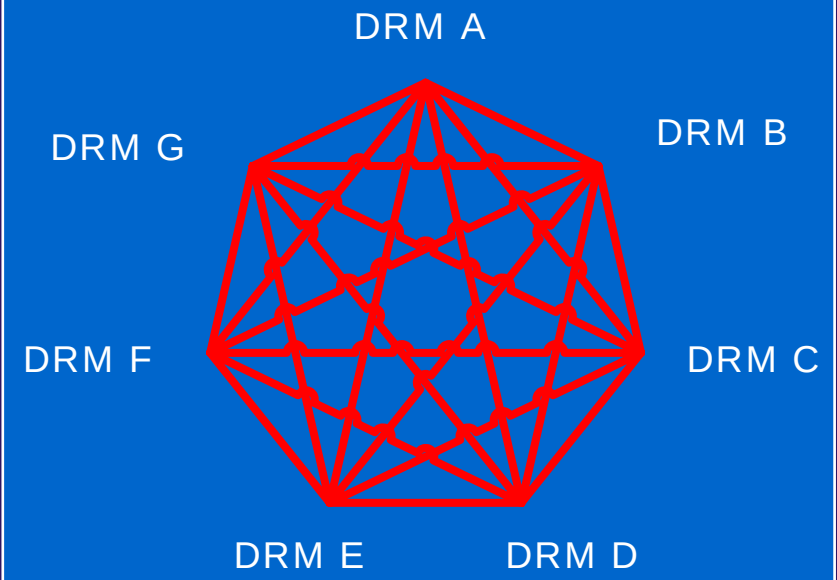
DRM Interoperability

- Interop with Two DRMS



- Interop with Many DRMS



DRMS	2	3	4	5	6	7	8	9	....
Deals	1	3	6	10	15	21	28	36	

OK

Impractical

DRM Interoperability French Style

- French Draft Copyright Law
- Require DRMs to reveal all secrets to “allow interoperation”
- New draft from French Senate much better

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DRM Interoperability
Coral Consortium

- Very broadly based consortium
  - Movies
  - Music
  - IT and Technology
  - Consumer Electronics
  - Service Provider

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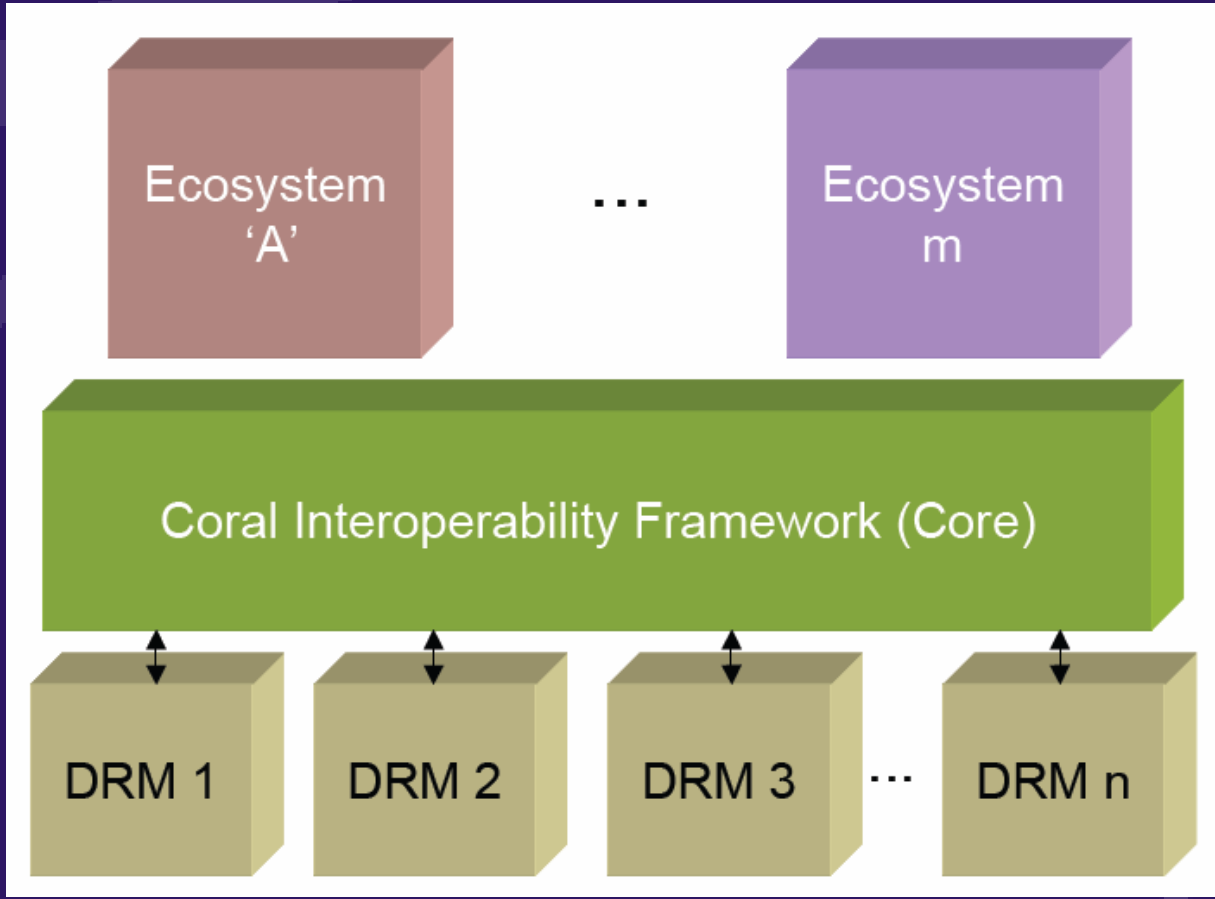
The Coral Approach



Other approaches

- Common file interchange format (Moebius)
- Open Standard DRM (DMP)
- Single Proprietary DRM
- Component approach (MPEG)
  - Rights Language
  - Data Dictionary

Metadata and Identifiers (and a touch of interoperability)

Yesterday

Sold

ISRC identifies tracks

EAN/UCC identifies products

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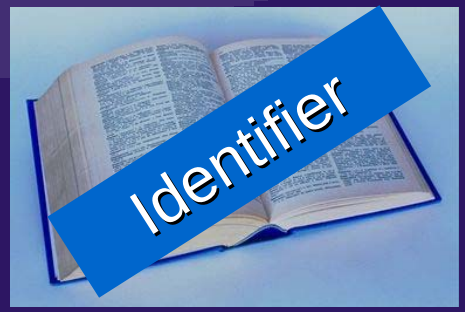
Now - Packages

Music

+



Notes, Lyrics

+

Screensavers

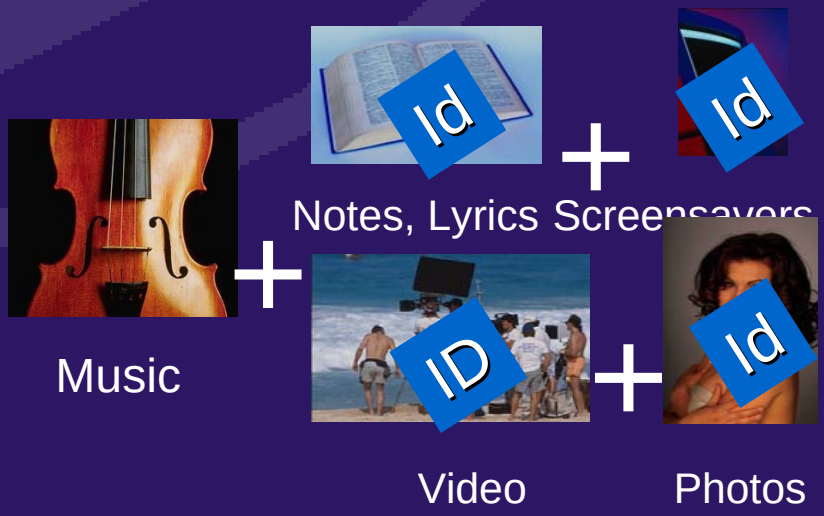
+

Video

+

Photos

IP Bundle or Release



= Intellectual Property Bundle

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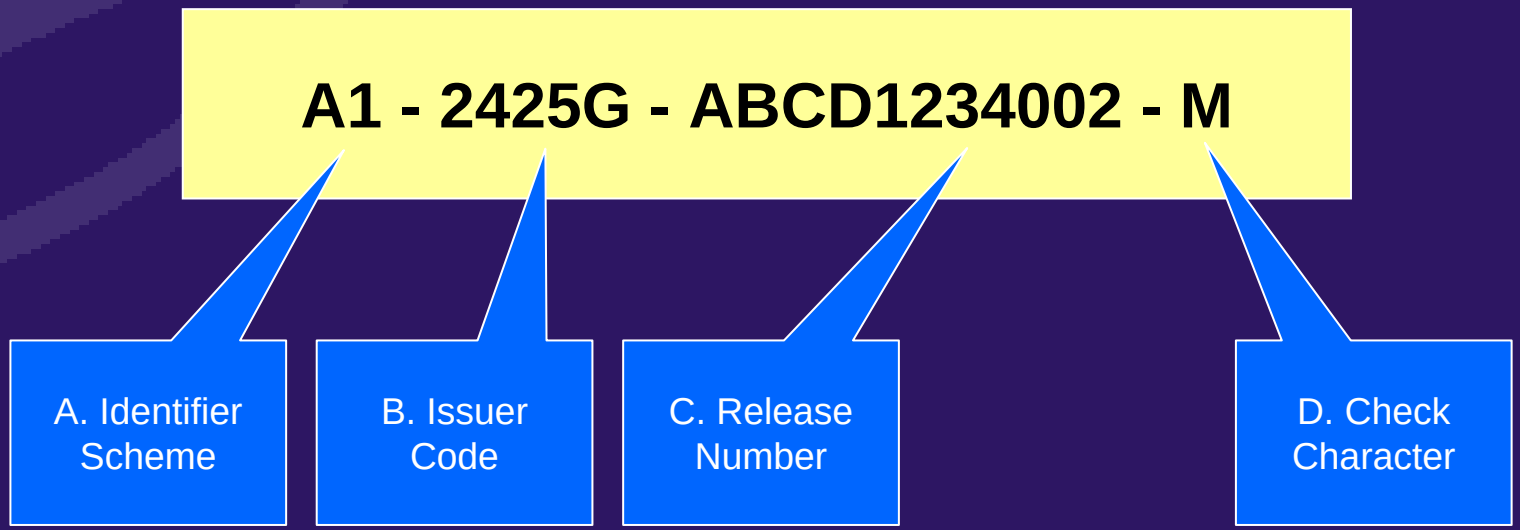
Global Release Identifier (GRid)



Infrastructure

- GRid
- Messages for communication between business partners
  - Release Notification
  - Sales Reporting
  - Licensing
- Licence Identifier (MWLI)
- Party Identifier
- Data Dictionary

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Governance

- Prospect:
  - 4 Trade bodies
  - 210 Authors' Societies
  - 1450 Record Labels
  - 48 Record Industry Associations

Nightmare

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Recently Launched

- Digital Data Exchange (DDEX)
- “dee-dex”
- Legal entity
- Has access to the Intellectual Property

DIGITAL DATA
DDEX
EXCHANGE

DDEX Charter Members

- EMI
- Sony BMG
- Universal Music
- Warner Music

- Apple
- Microsoft
- Real

- ASCAP
- Harry Fox Agency
- MCPS/PRS Alliance
- SGAE

- soon: SACEM
- and others

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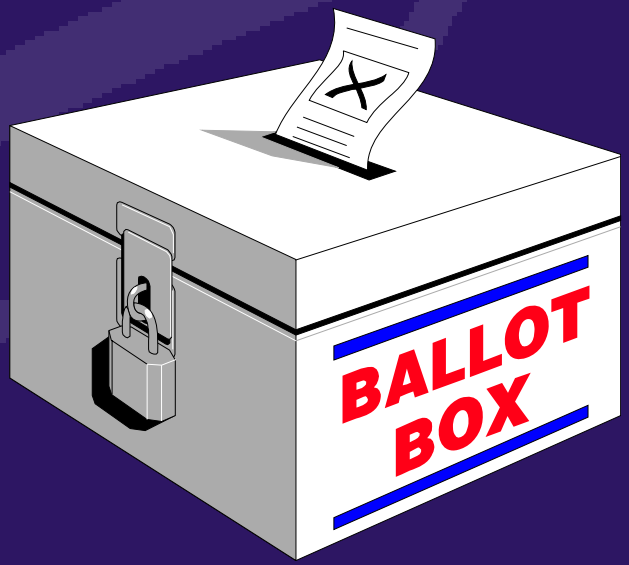
Other Members



- Contributing Members
  - Attend and vote
- Participating Members
  - Receive information

Recruiting Now!

DDEX Task

- Work within the law
- Develop and manage the old standards
- Create new ones
- Promote their adoption
  - Initially in recorded music

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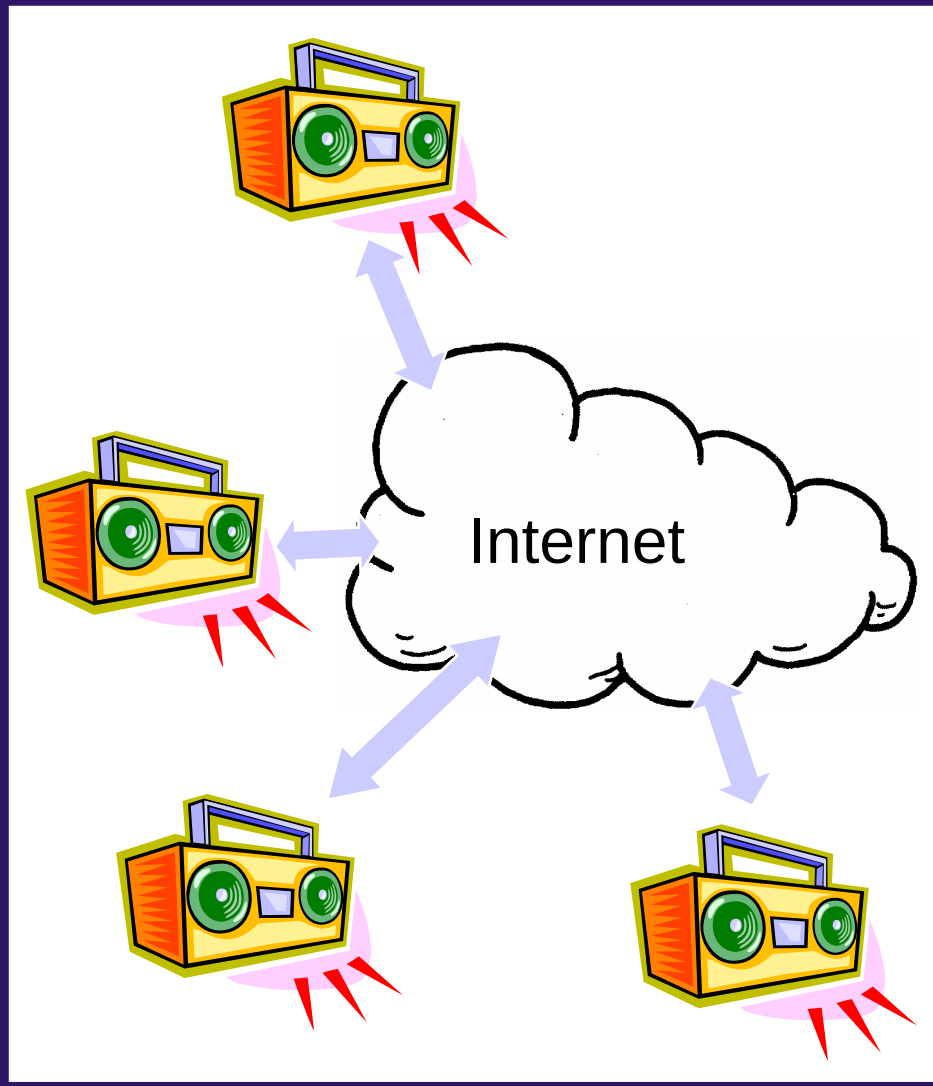
User Generated Content

Content Creation

- “Billions of creators”
- Very little creation used to happen
- Now:
  - Blog
  - Wiki
  - Social Networking sites

Community and Fandom

- Chat and Forum
  - Needs sensitive handling
- Recommendation
  - Blog hierarchy
- Consumption
  - Synchronism
  - Web radio
  - Mash up



Artist Generated Content

- What role for record companies?
  - Finance and risk taking
  - Marketing
  - Promotion
  - Administration

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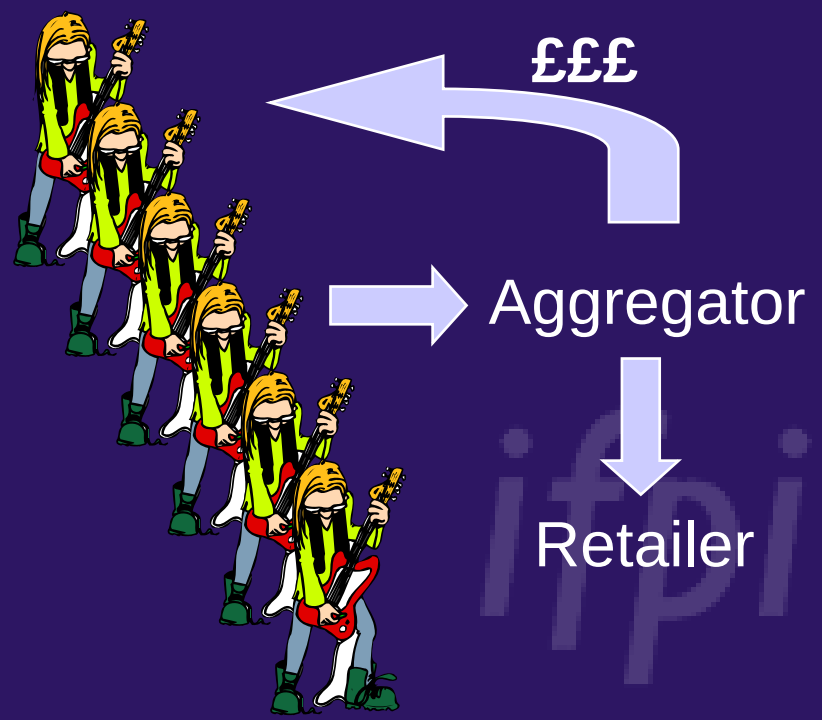
New Models

- Artist generated content
- Aggregators take on some roles
- Content Management
  - Including metadata
- Administration
  - Including metadata



Five/Ten Years Time

- People still listening to music
- Connections
  - Fan-Fan
  - Live-Recording
  - Track-Track
  - Artist-Artist
  - Fan-Artist
- Legal issues
- Technical Standards

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