representing the recording industry worldwide
Beyond the Perfect Storm

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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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    <breed>
      serpent
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      1
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</eden>
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
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
**DRM Benefits**

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

- Interop with Two DRMS
- Interop with Many DRMS

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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
DRM Interoperability
Coral Consortium

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

CD

ISRC identifies tracks

EAN/UCC identifies products

Sold

ifpi
Now - Packages

Music + Notes, Lyrics + Screensavers

Video + Photos
IP Bundle or Release

= Intellectual Property Bundle
Global Release Identifier (GRid)

A1 - 2425G - ABCD1234002 - M
Infrastructure

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

• Prospect:
  – 4 Trade bodies
  – 210 Authors’ Societies
  – 1450 Record Labels
  – 48 Record Industry Associations

Nightmare
Recently Launched

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

- EMI
- Sony BMG
- Universal Music
- Warner Music
- ASCAP
- Harry Fox Agency
- MCPS/PRS Alliance
- SGAE

- Apple
- Microsoft
- Real
- soon: SACEM
- and others
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
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
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