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## Media Wonk

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### Getting Real on managed-copy - September 8, 2008

The DVD Copy Control Assn. will hold its regular bi-monthly meeting in Los Angeles on Sept. 29-30, where it is scheduled to consider and vote on a proposal to amend the CSS license to permit consumers to copy their DVDs to a hard drive or portable device under DRM-controlled conditions. The organization has been wrestling with the question of so-called managed-copy for the better part of two years, so far with little to show for it beyond the weariness and frustration of those directly involved in the discussions. But this month's meeting is likely to prove livelier than most thanks to RealNetwork's announcement on Monday that it will launch a new software product in October to allow consumers to copy their DVDs to a hard drive or portable memory device under DRM-controlled conditions. And according to Real, it already has all the approval it needs from DVD-CCA by virtue of by a CSS licensee.

Taking a cue from Kaleidescape Inc.'s victory over DVD-CCA last year in a lawsuit over Kaleidescape's home-media servers, Real maintains that its system for copying falls within the scope of the current CSS license. No amendment needed. "We studied the Kaleidescape case very closely, from both a legal and engineering perspective and we're sure that we're fully compliant with the existing CSS license," Real's VP of video product development Jeff Chasen told Media Wonk.

The original idea behind CSS-managed copy was to develop an industry-standard method for allowing limited, licensed copying of DVDs before some unlicensed method (such as the Kaleidescape system) became the de facto standard, or before the individual studios each went their own way by offering their own, mutually incompatible versions of "Digital Copy." The original proposals for a managed-copy system came from the IT industry, one of three industry groups represented within DVD-CCA, but were rejected by the studios. (The DVD-CCA board consists of the six major studios, plus three members each from the IT and consumer electronics industries).

Over the past year, however, and in particular since the verdict in the Kaleidescape system, the most managed-copy proposals within DVD-CCA have come from the studios. In part, those have been aimed at fixing what the studios see as a loop-hole in the existing license agreement that allows Kaleidescape to build servers that enable users to transfer DVDs to a hard drive for playback without the original disc being present in the tray. The studios want to be able to license those copies individually and selectively, presumably to preserve the right to charge users for the right to make them. So far, the studios' proposals have all been shot down by the IT and CE companies has too restrictive.

The proposal on the table for this month's meeting, however, comes from the IT industry. It would require the studios to make 95% of their releases, both legacy and new releases, available for managed copy. Allowances would be made for cases in which rights clearances prevent authorizing managed copy, but the default setting would be that all DVDs are subject to managed-copy unless specifically designated otherwise.

All that has now been thrown into chaos by the Real announcement, however. The studios were clearly gobbled up by the announcement, as was evident from the two-sentence statement issued yesterday by the MPAA: "The MPAA and its member companies were made aware of RealNetwork's plan to release new software that would enable consumers to make copies of commercial DVDs late last week. We are continuing to look into it."

I'll bet they are. More on their options in a future post.

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