

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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iCOPYRIGHT, INC.,	:	10 CV 8860 (NRB)
Plaintiff,	:	
-against-	:	
THE ASSOCIATED PRESS and PRESS	:	DECLARATION OF PAUL COLFORD
ASSOCIATION, INC.,	:	IN OPPOSITION TO PLAINTIFF'S
Defendants.	:	MOTION FOR PRELIMINARY
-----	X	INJUNCTION

PAUL COLFORD hereby declares the following pursuant to the provisions of 28 U.S.C. § 1746:

1. I am Director of Media Relations for defendant The Associated Press (“AP”). I make this declaration in opposition to the motion of plaintiff iCopyright, Inc. (“iCopyright”) for a preliminary injunction.

2. My responsibilities include responding to queries about AP from outside news media and blogs; promoting the journalism and business initiatives of the AP through the media, including social media networks; and interacting with vendors and other businesses that deal with AP so that announcements and corporate messaging have been properly reviewed and approved on behalf of AP.

3. I have read the Declaration of Andrew S. Elston, the CEO of Plaintiff, dated November 22, 2010. In paragraph 6 of that Declaration, Mr. Elston asserts that on September 11, 2008, I provided him with a “preview” of a comment that I “posted” to a story on the website paidContent.org. Mr. Elston states that in this comment “AP publicly declared that it ‘had not promoted the [iCopyright] service[s].’” Mr. Elston asserts that this is somehow “problematic

conduct” which violated an obligation of AP under its Content Services Agreement (“CSA”), effective April 15, 2008, with iCopyright. A copy of the CSA is attached as Exhibit 1.

4. Mr. Elston’s quotation and statement of the facts is truncated and thus highly misleading. This declaration is intended to correct the false impression left by Mr. Elston.

5. When AP enters into a continuing relationship with a vendor such as iCopyright, the vendor, or AP and the vendor jointly, will sometimes issue a press release announcing the establishment of the relationship. My duties at AP include helping to draft, review, and approve the text of such press releases, and supervising staff that undertake these tasks. It is very important to AP that the nature and true extent of its relationship with the vendor be accurately stated in press releases of this nature, as well as any other statements the vendor makes to the press regarding its relationship with AP. Sometimes, we will permit a vendor to provide an interview to the press where it speaks of its relationship with AP, but, again, we require prior notification and clearance of the text. Provisions requiring the vendor to submit releases and press statements for prior review are generally written into our agreements.

6. When AP and iCopyright entered into a limited licensing relationship under the CSA in April 2008, this procedure was followed. Section 5 of the CSA, headed “Promotion of Service and Public Announcements,” provided that “iCopyright and AP agree to . . . cooperate on developing collateral marketing materials and *public announcements subject to prior mutual agreement.*” (Emphasis added). Thus, it was clear to iCopyright from the beginning of the relationship that it was not to make public announcements about our relationship and the services to be provided by iCopyright to AP without AP’s prior agreement.

7. In order to announce the establishment of its relationship with AP, and to describe its limited rights acquired under the CSA, iCopyright drafted a press release. An AP employee

who reports to me reviewed and edited a draft of this press release before it was published by iCopyright. A copy of that press release, dated April 14, 2008, is attached as Exhibit 2.

8. paidContent.org is a web-based daily newsletter that specializes in stories about content publication on the Internet. It is widely read by publishers, website operators, and those who provide services to Internet publishers. It is considered highly influential within the publishing community.

9. On September 10, 2008, I learned that paidContent.org had published an article entitled "AP Asks More Publishers To Re-Sell Its Content, 50/50 Rev Share." A print-optimized copy of this article is attached as Exhibit 3.

10. The substance of this article was an interview by a paidContent.org reporter with Michael O'Donnell, then the CEO of iCopyright. Robert Andrews, the author of the article, stated that Mr. O'Donnell had said that the contractual relationship between iCopyright and AP, which was originally "available only to clients who **host AP content** themselves" was now "being extended to those who just take an AP feed, representing the majority of the wire's clients, iCopyright CEO Mike O'Donnell told me." (boldfaced in original) The article also said that "those who take an article from an AP customer can buy the rights outright . . . or use it for free with an embedded ad," and that "**AP is right now talking with Yahoo (NSDQ: YHOO), AOL (NYSE: TWX), Comcast (NSDQ: CMCSA), CBS (NYSE: CBS) and others to participate**, O'Donnell said." (boldfaced in original).

11. I was taken aback by this interview. First, I had received no prior notice from iCopyright that its CEO was speaking with a major industry publication, and announcing a supposed expansion of its relationship with AP. The failure of iCopyright to give AP prior notice of this interview, and the opportunity to first review what Mr. O'Donnell intended to

publicly announce about the AP-iCopyright relationship, violated the CSA and our established public relations procedures.

12. Second, I spoke with Bruce Glover, who managed and knew the details of the AP - iCopyright relationship. He advised me that there had not been any extension of iCopyright's relationship with iCopyright since the CSA became effective in April 2008, and that nothing in the CSA gave iCopyright any power to sell the rights in an AP article "outright." iCopyright was only permitted to issue licenses for limited reprint and republication uses of AP-hosted content. After talking to Mr. Glover, I realized that some of that Mr. O'Donnell's statements were not accurate and could mislead the public as to the nature of iCopyright's relationship with AP.

13. On September 11, 2008, the day after the article appeared, at 11:32 a.m., I sent an e-mail to Andrew Elston of iCopyright. A copy of that e-mail is attached as Exhibit 4.

14. I told Mr. Elston that AP had been "caught off-guard" by the published interview with Mr. O'Donnell and that "we need to talk. . . about our need to be in the loop." My reference was to the fact that iCopyright was in violation of its obligation to pre-clear statements about its relationship with AP with me. I then told him that "I'm preparing to post this postscript as a comment after the paidContent story:"

The AP's agreement with iCopyright hasn't been expanded since it was announced in April. All AP licensees have had the option to use iCopyright and share revenue with us from the start. No one can purchase 'rights outright' via iCopyright – all uses are limited. In addition, AP has agreed to make the service available to all its licensees – members and commercial customers – but *AP has not promoted the service to any particular customers.*

The April announcement of AP's relationship with iCopyright can be found here: https://info.icopyright.com/news_041408_ap.asp [the linked document is reproduced as Exhibit 2 herein]. (emphasis added).

15. Typically, where a source or subject quoted in an Internet publication submits a correction, the correction is appended as a comment to the original story. Because Internet publications are often updated, story links are often dropped from the home pages of a publication within a day or so and few readers see the story or its comments page after that time. Thus, if a correction is to be read by a significant number of people, it has to be sent to the publisher very promptly. Mr. Elston, as a manager of iCopyright, a web business, unquestionably knew this fact and knew that I would have to post my comment promptly.

16. After e-mailing Mr. Elston, I posted the comment to the paidContent.org site (along with an statement of my role at AP), and it was added to the comments section of the article. A copy of the article taken from the Internet, showing my comment, is attached as Exhibit 5.

17. Later that day, I received an e-mail from Mr. Elston. A copy of the e-mail is attached as Exhibit 6. Mr. Elston said that he had been unable to reach Mr. O'Donnell. Most importantly, Mr. Elston did not disagree with *any* of the statements in my correction to paidContent.org, including my statement that "AP has not promoted the [iCopyright] service to any particular customers." In fact, Mr. Elston provided his own draft of an acceptable clarification/correction by Mr. O'Donnell of the statements in the paidContent.org article, which "echo[ed]" the statements in my correction and stated that it was iCopyright's job, not AP's, to promote iCopyright's services:

I want to clarify the relationship between iCopyright and the AP. We are a technology provider to the AP as well as to many other publishers. iCopyright does not establish the licensing terms of any of our publishing clients nor the manner in which they are adopted or enforced . . . *Echoing Paul Colford's comment above,*

the iCopyright service as been available to clients who host AP content from the start of our relationship. *It is iCopyright's role, not the AP's, to get members and licensees to implement our licensing services according to the AP's terms.* (Emphases added).

18. Finally, the next day, Mr. Elston sent me an e-mail, saying that he had heard from Mr. O'Donnell late on the evening of September 11, and that "[w]e felt it was too late to make a further comment to the article." A copy of the e-mail is attached as Exhibit 7. Neither Mr. Elston nor Mr. O'Donnell questioned my comment that AP had not promoted the iCopyright service to any particular customers or suggested that this violated AP's obligations under the CSA.

19. Mr. Elston's current declaration and iCopyright's motion brief asserts that I admitted that AP did not perform promotional obligations under the CSA. As the facts above show, this is false. First, I did not say that AP "had not promoted the [iCopyright] service[s]," as Mr. Elston claims. As shown above, my actual statement was that "AP has not promoted the service to any particular customers." Second, Mr. Elston agreed that AP was not contractually required to promote the service to particular customers, and that it was iCopyright's "role" to "get [AP] members and licensees to implement [iCopyright] licensing services." Mr. O'Donnell, then the company CEO, also took no issue with my statement.

I declare under penalty of perjury that the foregoing is true and correct. Executed on December 2, 2010.


PAUL COLFORD

EXHIBIT 1

iCopyright Content Services Agreement

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This agreement (the "Agreement") is made as of April 15, 2008 ("Effective Date") by and between iCopyright Inc., a Washington corporation having its principal place of business at 4580 Klahanie Drive SE, Number 475, Issaquah, WA 90829, USA, ("iCopyright") and Press Association, a wholly owned subsidiary of the Associated Press, a New York corporation having its principal place of business at 450 West 33rd Street, New York, NY 10001 ("AP").

1. Service Implementation

1.1 Service Description. The iCopyright Service (the "Service") facilitates Instant Licenses, Custom Licenses, Advertising Supported Free Uses, and Content Services with regard to digital content delivered over the Internet as described in Schedule C. The Service is initiated when readers ("End Users") click on an iCopyright Tag that either AP has placed on its hosted news service displayed through AP Member web sites ("AP Hosted") or Publisher, as defined below, has placed on its web site in accordance with iCopyright's instructions. The "iCopyright Tag" is a hyperlink consisting of iCopyright's trademark logo design (as depicted in Schedule A) and a fragment of HTML or Javascript that, when clicked, redirects the End User to the iCopyright Service and displays in a new window the information (including information supplied by AP) needed to fulfill a variety of content licensing and content fulfillment services as set forth in Schedule C. The Service is co-branded with the AP's corporate and/or participating member logos, and with a "powered by iCopyright" mark.

1.2 Appointment. (a) AP, acting as the publisher of AP Hosted, hereby subscribes to the Service and appoints iCopyright as its exclusive agent to: (i) Transact and deliver content services as set forth in Schedule C initiated from the iCopyright tag on web pages of the Tagged Content, as defined on Schedule A attached hereto, displayed on AP Hosted; (ii) Manage and fulfill, by itself or in association with third-party reprint companies at its sole discretion, requests for Custom Licenses and other custom licensing services requiring human intervention initiated from the iCopyright Tag; and (iii) Insert advertisements into Advertising Supported Free Uses initiated from the iCopyright Tag, provided that the AP receives a share of the advertising revenue earned from this usage as outlined in Schedule B of this Agreement, and the advertisements are clearly separated from AP's content and do not appear to be endorsements by the AP. (b) AP grants to iCopyright the right to receive a feed of the content that is posted at <http://hosted.ap.org> to fulfill the Services set forth in Schedule C. (c) AP grants to iCopyright the right to promote AP content through the iCopyright Clip&Copy service as described in Schedule C; and, furthermore, (d) AP hereby permits any AP content published on a web site of an individual AP licensee or Member or other website legitimately displaying AP content ("Publisher") to be included by that Publisher, at such Publisher's sole discretion, as Tagged Content for distribution via the Service accessible to End Users from that Publisher's web site; provided, however, that each such Publisher shall first execute the "Terms of Use Agreement Between AP and Publisher" attached hereto as Schedule D, or an electronic version of said schedule in the iCopyright system, and enter into a Content Services Agreement with iCopyright. AP hereby approves and executes Schedule D, which shall be binding on both AP and a Publisher when signed by such Publisher either through signing the physical form or an electronic version in the iCopyright system (without any further action being required by AP). The rendering of iCopyright's "Best Practices Implementation" on Schedule D, for the online version of this form, shall be updated by iCopyright from time to time to match the form currently recommended by iCopyright. AP agrees to promote iCopyright as its preferred agent for managing the services set forth in Schedule C to such AP licensees, Members and websites.

1.3 End User License Agreement. AP shall provide iCopyright with an End User License Agreement, which iCopyright will display on AP Hosted and have End Users accept before licenses are granted and

delivered. AP will use iCopyright's default End User License Agreement unless it provides its own version. AP represents that it possesses full right and authority to grant the rights described in the End User License Agreement.

1.4 Business Rules. To make the Tagged Content available through the Service, AP agrees to the revenue sharing and business rules set forth in Schedules B and C, however, notwithstanding the above, AP shall have the right to approve the business rules for AP Hosted.

1.5 Tagging. AP shall affix, or arrange or approve to have affixed, iCopyright Tags at the top and bottom of each AP article displayed on AP Hosted in the format set forth in Schedule A on the Publications and websites identified in Schedule A. AP shall maintain the iCopyright Tags so that they link properly to iCopyright's servers. iCopyright grants to AP a worldwide, non-exclusive, royalty-free license to reproduce and display the iCopyright Tag, as provided by iCopyright, on the Publications. AP agrees not to use the iCopyright Tag for any other purposes, or knowingly allow any other party to use it, without written authorization from iCopyright; provided, however, that AP may apply the iCopyright Tag to distributed or syndicated copies of the Publications hosted by third parties with iCopyright's written approval in advance and in accordance with iCopyright's instructions.

1.6 Disputed Works. AP shall not apply the iCopyright Tag to content that AP knows or should know that its rights to such content are in dispute. AP shall promptly notify iCopyright of any dispute or changes in AP's rights to any previously Tagged Content. If previously Tagged Content is discovered by AP to be a disputed work, iCopyright and AP shall cooperate to minimize potential damages associated with such content and iCopyright shall have the right to remove such content from the iCopyright Service. Upon request of Publisher, iCopyright shall assist AP in notifying licensees of such content that their licenses are revoked. AP shall, upon reasonable request, provide iCopyright with proof of ownership or license in any Tagged Content.

1.7 Support. AP and iCopyright shall use commercially reasonable efforts to cooperate to ensure that the Service performs as contemplated. AP shall designate in Schedule A one or more contacts to be responsible for resolving open business or technical issues.

2. Service Access, Reporting and Fees

2.1 License Tracking. iCopyright will process and fulfill all requests for the services in Schedule C. Licenses will be granted to third party licensees by using the applicable Business Rules in Section 1.4 and in accordance with the End User License Agreement in Section 1.3. Completed transactions will be assigned a license tracking ID number and stored in the iCopyright License database. This database can be accessed via the Internet by AP from the Publisher Console and by the End Users that are granted licenses, as proof of license.

2.2 Access. iCopyright will not be responsible for lack of access to the Service or the availability of any site linked to the Service, but will use commercially reasonable efforts to insure that the Service and links continue to function properly. If the Service or the AP's content is not available for any reason, the End User will receive a "Content Not Available," notice.

2.3 Design and Custom Features. iCopyright shall use AP's logos, design, layouts, and any other graphical elements, in accordance with AP's Brand Guidelines, required to fulfill End User requests, as selected by AP or its authorized agent in the Publisher Console. Custom feature requests will be billed at iCopyright's prevailing rates upon prior written approval by AP of project specifications and cost estimates.

2.4 Caching. iCopyright may cache, or store, an exact digital copy of the Tagged Content accessed through the Service. iCopyright will also allow End Users to save a copy of AP's content in an iCopyright-hosted personal reading room. iCopyright will remove cached or stored content at any time upon AP's request.

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2.5 Reporting and Payments. In each of the twelve months following AP's implementation of the iCopyright Tags as described in Schedule A, iCopyright shall pay AP, each month, a Minimum Fee equal to \$15,000 ("Minimum Fee") or the total of all the revenue share due AP under the terms of this Agreement, whichever amount is greater. Beginning with the thirteenth month, the Minimum Fee shall be \$20,000 per month and beginning in the twenty-fifth month the Minimum Fee shall be \$30,000. iCopyright shall provide AP with monthly reports and a check for payments due AP under Schedule B, reflecting advertising revenue and completed licensing transactions, less taxes, allowances, credits and charge-backs. Records of revenues and licenses granted pursuant to this Agreement will be maintained for three years by both parties. Both parties shall be entitled to audit the other's records once per 12-month period to verify compliance with this Agreement, using an independent auditor, during normal business hours and upon reasonable notice to the party to be audited. The party requesting the audit shall bear all fees and expenses charged by such auditor unless the amounts paid by the other party are determined to be less than ninety-five percent (95%) of the amount payable under this Agreement, in which case the defaulting party shall be responsible for the payment of the reasonable fees and expenses actually incurred for such inspection. In addition, said defaulting party shall pay to the other one hundred and ten percent (110%) of any deficiency within 30 days of receipt of notice thereof.

3. Term and Termination

3.1 Term and Termination. The term of this Agreement will commence upon the Effective Date and shall continue for three (3) years and automatically renew for additional terms of one (1) year unless either party provides written notice of termination to the other party ninety (90) days prior to the automatic renewal date. Upon termination, both parties shall cease promoting the relationship between iCopyright and Publisher, and shall discontinue all uses of the other party's Marks; AP shall cease using the iCopyright Tags and promptly remove them from its content and web pages; iCopyright shall discontinue all uses of AP's content and shall, within thirty (30) days after the effective date of termination, purge the AP's content from iCopyright's computer system and certify destruction in writing of all versions of the AP's content in iCopyright's possession.

4. Confidentiality

4.1 "Confidential Information" means any information disclosed by either party to the other party, directly or indirectly, in writing, orally, or by inspection of tangible objects, that is designated as "Confidential," "Proprietary," or some similar designation. Information communicated orally will be considered Confidential Information if such information is confirmed in writing as being Confidential Information within a reasonable time after the initial disclosure. The Proprietary Technology and iCopyright's Technical Manual will be treated as iCopyright's Confidential Information, whether designated as Confidential or not. Publisher's proprietary technology, the terms of this Agreement, business practices of either party, and future business plans and services will be treated as Confidential Information, whether designated as Confidential or not. Revenue reports, lists of End User contact information and the content of any report provided under this Agreement will be treated as Confidential if marked "Confidential". Confidential Information will not include any information that (a) was publicly known and made generally available in the public domain prior to the time of disclosure by the disclosing party; (b) becomes publicly known and made generally available after disclosure by the disclosing party to the receiving party through no action or inaction of the receiving party; (c) is already in the possession of the receiving party at the time of disclosure by the disclosing party, as shown by the receiving party's files and records; (d) is obtained by the receiving party from a third party without a breach of such third party's obligations of confidentiality; or (e) is independently developed by the receiving party without use of or reference to the disclosing party's Confidential Information, as shown by documents or other competent evidence in the receiving party's possession. The terms and

conditions of this Agreement and any reports or other information delivered by iCopyright to the other party pursuant to this Agreement including revenue reports are Confidential Information of iCopyright.

4.2 Non-use and Non-disclosure. Neither party shall use the other party's Confidential Information for any purpose except to perform its obligations under this Agreement. Neither party shall disclose the other party's Confidential Information to third parties or to its employees or advisors, except to those employees or advisors of the receiving party who are required to have the information in order for that party to perform its obligations under this Agreement. The receiving party may disclose the other party's Confidential Information if required by law, provided that the receiving party gives the disclosing party prompt written notice of such requirement prior to such disclosure and assistance in obtaining an order protecting the information from public disclosure. iCopyright agrees that (i) AP may disclose the terms and conditions of this Agreement, and any reports or other information delivered by iCopyright to AP pursuant to this Agreement, to those employees of AP whose job functions involve accounting, tax, financial reporting or oversight of the business relationship set forth herein, and (ii) AP may use such information as necessary to maintain accurate books and records and prepare and file accurate financial reports and tax filings.

4.3 Maintenance of Confidentiality. Each party shall take reasonable measures to protect the secrecy of and avoid disclosure and unauthorized use of the other party's Confidential Information. Without limiting the foregoing, each party shall take at least those measures that it takes to protect its own most highly confidential information. Neither party shall make any copies of the other party's Confidential Information unless expressly permitted by this Agreement or approved in writing by the other party. Each party shall reproduce the other party's proprietary rights notices on any copies.

4.4 Return of Materials. All documents and other tangible objects containing or representing Confidential Information and all copies of the Confidential Information will be and remain the property of the disclosing party. Upon the other party's request, the receiving party shall promptly deliver to the disclosing party all Confidential Information, without retaining any copies.

All electronic files and other intangible objects containing or representing Confidential Information and all copies of the Confidential Information will be and remain the property of the disclosing party. Upon the other party's request, the receiving party shall promptly destroy or otherwise purge from their computer and/or other system(s) the Confidential Information (except to the extent needed to comply with legal and accounting requirements), certifying such in writing to the disclosing party without retaining any copies.

5. Promotion of Service and Public Announcements

5.1 iCopyright and AP each grant the other party a non-transferable, non-exclusive worldwide license to use and reproduce the other party's Marks on web sites and any other materials created to promote the relationship between AP and iCopyright and to direct prospective End Users to the Service. Use of the other party's Marks in marketing-related materials, other than to identify the party as a partner company, shall be subject to advance written approval, which shall not be unreasonably withheld. Both parties shall comply with all reasonable written guidelines, if any, concerning the use or reproduction of the other party's Marks. Neither party shall challenge or assist others to challenge the other party's ownership or registration of its respective Marks. iCopyright and AP agree to engage together in promoting the Service to AP Members and Publishers and to cooperate on developing collateral marketing materials and public announcements subject to prior mutual agreement.

6. Representations and Warranties

6.1 iCopyright. iCopyright represents and warrants that (a) it shall not use or display AP content in the Service in any manner that impugns

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the integrity of AP or AP content (b) it will appropriately operate the Service as specified in this Agreement in accordance with industry standards (c) the execution, delivery, and performance of this Agreement does not and will not violate rights granted by iCopyright to any third party, the provisions of any agreement to which it is a party, or any applicable law, rule or regulation, and (d) it will use industry standard measures to prevent transmission to AP of viruses, worms, Trojan horses or other code that manifests contaminating or destructive properties. Except as expressly provided in this Agreement, and notwithstanding the stated indemnification in Section 8 of this Agreement, the Service is provided "AS IS" and without any other warranties of any kind, either express or implied. iCopyright specifically disclaims the implied warranties of merchantability, fitness for a particular purpose, and title. iCopyright does not warrant that the use and operation of the Service will be uninterrupted or error-free.

6.2 AP. AP represents and warrants that (a) it has full power and authority to enter into the Agreement, to execute and deliver the Agreement and to carry out the terms of the Agreement; (b) the Agreement has been duly authorized by proper action on AP's part, and had been duly executed and delivered by an authorized officer or agent of AP; and (c) the Agreement constitutes the legal, valid and binding obligation of the AP, enforceable in accordance with the terms, subject to applicable bankruptcy, reorganization, fraudulent conveyance, moratorium, insolvency or similar laws now or hereafter in effect affecting the enforcement of creditor's rights generally.

7. Limitation of Liability

7.1 Liability Disclaimer. iCopyright expressly disclaims liability for inappropriate or illegal uses of copyrighted material obtained through the Service by End Users or other third parties and does not accept any responsibility to monitor or enforce any license that it grants through the Service.

7.2 No Consequential Damages. Neither party nor any of its employees, agents, successors, assigns, affiliates or service providers shall be liable to the other party or any third party for any indirect, incidental, special or consequential damages arising out of use of the Service, the inability to gain access to the iCopyright Web site or any other claim under this Agreement.

8. Third Party Claims—Indemnification

8.1 iCopyright. iCopyright will defend and hold AP harmless from and against any claim or action brought by a third party against AP that is based upon (a) a claim arising from, or relating to, iCopyright's breach of this Agreement, including but not limited to a breach of any of the representations and warranties of iCopyright in this Agreement, (b) that the Proprietary Technology infringes or misappropriates the copyright, trademark, patent or trade secret rights of a third party, or (c) iCopyright's wrongful use of AP's content or an error or omission in installing or incorporating the AP's content into the iCopyright Service or in caching, or creating digital copies of, the AP's content for the uses described in Section 2.4 of this Agreement.

9. Miscellaneous Provisions

9.1 Proprietary Rights. iCopyright is the exclusive owner and shall retain all right, title, and interest in its Tag and the proprietary technology, including all intellectual property rights therein and thereto. iCopyright will also own all information, data, compilations, and

processes resulting from iCopyright's operation of the Service. iCopyright does not grant to AP any right or license, express or implied, in the proprietary technology of the Service.

9.2 Severability and Survival. If any part or provision of this Agreement is held to be unenforceable for any purpose, the remainder of the Agreement shall remain valid and enforceable. The following provisions will survive any termination or expiration of this Agreement: Sections 4, 7, 8 and 9.

9.3 Relationship of the Parties. AP and iCopyright are independent contractors, and nothing in this Agreement will be construed to create a partnership, joint venture, or agency relationship between them. Neither has authority to enter into agreements on behalf of the other or to make any binding commitment on behalf of the other, except for the issuance of licenses as anticipated under this Agreement.

9.4 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of New York, without regard to conflicts of law principles. Venue and jurisdiction of any lawsuit arising out of or related to this Agreement exists exclusively in the state and federal courts in New York, New York.

9.5 Delay. If either party is unable to perform any of its obligations under this Agreement due to any cause beyond its reasonable control, such party's performance will be excused and, if performance is still possible, the time for performance will be extended for the period of delay, unless terminated under Section 3.1.

9.6 Notices. All notices required under this Agreement must be delivered in writing by certified mail, return receipt requested, postage pre-paid; or by a commonly recognized overnight delivery service, all delivery charges pre-paid, and addressed to the attention of the Notice party or parties named in Schedule A, with a duplicate copy forwarded to the attention of the General Counsel.

9.7 Assignment. This Agreement will be binding upon and inure to the benefit of iCopyright and AP and their successors and permitted assigns. Except in the case of a merger, acquisition, or sale of all or substantially all of the assets of a party, neither party may assign any of its rights or obligations under this Agreement without prior written consent of the other party, which shall not be unreasonably withheld or delayed.

9.8 Headings, Counterparts, Facsimile Signatures. Headings of the sections of this Agreement are for convenience of the parties only, and shall be given no substantive or interpretive effect whatsoever. This Agreement may be executed in counterparts and by facsimile.

9.9 Entire Agreement and Amendment. This Agreement, including all Schedules, contains the entire understanding of the parties with respect to its subject matter, and supersedes all previous and contemporaneous agreements and understandings concerning the subject matter. This Agreement can be amended only in writing, signed by an authorized representative of each of the parties, except that iCopyright may change the terms of Schedule A, Part 3 and Schedule C at any time by giving AP ninety (90) days written notice of such changes, whereupon AP may elect to decline such changes any time during such ninety (90) day period.

Executed and agreed to by the parties:

For iCopyright:
Name: Michael O'Donnell
Title: President & CEO
iCopyright Inc.
4580 Klahanie Drive SE, Number 475
Issaquah, Washington USA 98029
Phone: (206) 390-4918

For AP:
Name: Jane Seagrave, SVP
Title: The Associated Press
Company: 450 133rd St
Address: NY, NY 10001
City/State/Postal Code:
Phone: (212) 621-7567

iCopyright Content Services Agreement

Schedule A:

Content to be Tagged with iCopyright; AP Contacts

1. "Tagged Content" is defined as AP content in electronic form tagged by AP or Publishers and published on the Internet at the following locations:

AP Hosted (<http://hosted.ap.org>)

Web sites of Publishers that have executed the "Terms of Use Agreement Between AP and Publisher", either physically or by consenting to the equivalent online form.

2. AP Contacts for legal, business and technical issues under this Agreement:

- A. Legal Notices per Section 9.6:

Name: Sri Kasi
Title: General Counsel
Address: 450 West 33rd Street, NY 10001
Phone: 212.621.7993
Fax: 212.621.5488
Email: skasi@ap.org

- B. Business Issues:
Name: Bruce Glover
Title: Deputy Director Business Development
Address: 450 West 33rd Street NY 10001
Phone: 212.621.7447
Fax: 212.621.5488
Email: bglover@ap.org

- C. Technical Issues
Name: AP Digital Support
Title:
Address: 450 West 33rd Street NY 10001
Phone: 877-836-9477
Fax: 212.621.5488
Email: APDigitalSupport@ap.org

3. iCopyright Contacts for legal, business and technical issues under this Agreement:

- A. Legal Notices per Section 9.6:

Name: Michael O'Donnell
Title: CEO
Address: 4580 Klahanie Drive, No. 475, Issaquah, WA 98075
Phone: 206-484-8561
Fax: 425-391-9693, box 475
Email: mike@icopyright.com

- B. Business Issues:
Name: Andrew Elston
Title: Director, Publisher Services
Address: 4580 Klahanie Drive, No. 475, Issaquah, WA 98075
Phone: 206-839-8540
Fax: 206-470-1150
Email: Andrew@icopyright.com


- C. Technical Issues
Name: iCopyright Support

iCopyright Content Services Agreement


Address: 4580 Klahanie Drive SE, No. 475, Issaquah, WA 98075
Phone: 206-484-8561
Fax: 425-391-9693, box 475
Email: support@icopyright.com

3. The iCopyright Tags

At the top of each article on AP Hosted, the following iCopyright Tags shall be displayed:

 [E-mail](#) | [Print](#) | [Save](#) | [Post](#) | [Get Photos](#) | [Get Reprints](#) | [Reuse Options](#)

At the bottom of each article on AP Hosted, the following iCopyright Tag shall be displayed:

 [Click here for copyright permissions!](#)
Copyright 2008 Associated Press

iCopyright Content Services Agreement

Schedule B: Revenue Sharing

The following revenue-sharing provisions shall remain in effect throughout the Term of this Agreement.

Part 1. Revenue Sharing from Transactions initiated from AP Hosted:

- a) **Instant Licensing Revenues.** Eighty Percent (80%) of all Gross Revenue from Instant Licensing transactions processed by the Service through the Tag shall be paid to AP. iCopyright shall retain Twenty Percent (20%) of all Gross Revenue from Instant License transactions initiated or processed by the Service through the Tag; provided, however, that for Quality Quick Prints, AP and iCopyright shall share Gross Revenue on a 50% / 50% basis. For the purposes of this paragraph, "Gross Revenue" means the total revenue actually collected by iCopyright, less shipping, taxes, refunds and credits to End Users. "Net Revenue" means the amount of Gross Revenue paid to AP.
- b) **Custom Licensing Revenues.** Ten Percent (10%) of all Gross Revenue derived from custom reprint, eprint, and other Custom License transactions processed by the Service through the Tag will be retained by iCopyright, where "Gross Revenue" means the total revenue actually billed to licensees, less taxes, refunds, and shipping costs. Fifty Percent (50%) of the Net Revenue derived from custom reprint, eprint, and other Custom License transactions shall be paid to AP, with the remainder paid to iCopyright for serving as or paying costs of Reprint Provider. For the purpose of this paragraph, "Net Revenue" means the actual amounts billed to licensees, less iCopyright's Ten Percent share, taxes, refunds, and shipping costs, and shall include the full value of deferred compensation and non-cash consideration, including, but not limited to, bartered goods and services.
- c) **Advertising Revenues from Ad-Supported Free Uses.** (i) Fifty Percent (50%) of all Net Revenue from Advertising-Supported Free Uses of AP's content will be paid to AP. For the purpose of this paragraph, "Net Revenue" means the amounts actually collected by iCopyright, net of any fees paid to an intermediary, and shall include the full value of deferred compensation and non-cash consideration, including but not limited to, bartered goods and services

Part 2. Revenue Sharing from Transactions Initiated at Publisher Sites:

In each instance where AP content is made available on a Publisher's web site as part of the Service pursuant to subparagraph 1.2 (d), revenues shall be shared equally between AP and the Publisher, so that the Net Revenue share payable to AP shall be one-half of what it would be if calculated according to the relevant paragraph in Part 1 above. It shall be iCopyright's responsibility to pay to each Publisher its share of the revenue, as well as track and report all such revenue and any related usage information.

AP permits Publishers to use their own discretion in setting business rules parameters within iCopyright's consoles for selling AP content, so long as the pricing for AP content is not lower than the pricing for comparable content offered by Publisher for its own content and is commercially reasonable.

iCopyright Content Services Agreement

Schedule C iCopyright Service Categories and Offers

A. The iCopyright Service shall provide AP with an initial set of iCopyright Tags representing the Instant Licenses, Custom Licenses, and Advertising Supported Free Uses Service Categories—as defined in Paragraph B of this Schedule C, to be displayed on AP Hosted as of the Effective Date of this Agreement. Within each such Service Category, iCopyright shall provide an initial set of Service Types by which Tagged Content shall be made available on AP Hosted, as set forth in Paragraph B. Within each Service Type, specific Business Rules shall be established by iCopyright in consultation with AP for the transaction of Tagged Content on AP Hosted. “Business Rules” means the specific minimum and maximum quantities, minimum and maximum durations, pricing schedules, and Terms of Use that are entered into the Publisher Console for each Service Category and Service Type. The Initial Set of Service Categories, Service Types and Business Rules for Tagged Content available on AP Hosted may be adjusted in the Publisher Console at any time by AP for AP Hosted, provided further that any such adjustments by AP shall not materially constrain the ability of iCopyright to process Instant Licenses, Custom Licenses, and Advertising Supported Free Uses at a level that can reasonably generate a revenue share to AP contributing to the Minimum Fee set forth in Section 2.5 of this Agreement. Notwithstanding the foregoing, nothing shall prevent iCopyright or AP from making wording changes to the names and descriptions of the Initial Set of Service Categories or the Service Types that are designed to enhance End User compliance or understanding

B. The Initial Set of iCopyright Service Categories, Service Types, and Business Rules for AP Hosted Tagged Content shall be as set forth below:

1. **Instant Licenses Category.** Instant Licenses require no human intervention at the point of sale. Business Rules allow for individual pricing tables for standard, nonprofit, and educational End Users. Pricing tables may be established in flat-priced tiers or per-item tiers. Service Types in this category shall be:

- **E-mail Distribution.** Pricing based upon number of distributions.
- **Photocopy Permissions.** (Also known as “Instant Desktop Copies”). Pricing based upon number of copies.
- **Hosted e-Prints.** Formatted and hosted by iCopyright and priced based upon number of months hosted.
- **Excerpt Rights.** Pricing based upon number of words used.
- **Quality Quick Prints.** Uncustomized rendering of the content printed by iCopyright or its vendor and delivered to the customer by courier. Priced based upon number of pages in the order. (Nonprofit and educational pricing is not offered for this Service Type.)

2. **Custom Licenses.** Custom Licenses generate an e-mail exchange (a “Lead”) with iCopyright and/or its designated representative. From this Lead a customized order (a “License”) is processed with pricing and terms negotiated with End User based upon a schedule of fees, prices and other conditions approved in advance by AP, which schedule may be amended by AP from time to time. Service Types in this category shall be:

- **Customized Reprints.** Paper reprints of the original content with custom features such as the buyer's logo, reflowed text, and highlighted text, and other enhancements.
- **Customized e-Prints.** Electronic versions (PDF or other formats) of the original content with custom features such as the buyer's logo, reflowed text, and highlighted text.
- **Republication Rights.** Negotiated rights to republish the content.
- **Purchase Photos or Graphics.** Negotiated rights to obtain high-resolution images.
- **Permissions and Inquiries.** Invites the End User to submit a request for other licenses or services not offered through other categories or service types.

3. **Advertising Supported Free Uses.** Advertising is inserted into the pages and screens seen by End Users of each Service Type and by recipients of e-mailed articles. Advertising may be of two types, pay-per-click ads and impression ads. Ads shall be sold and placed into these Service Types by iCopyright. Advertising Supported Free Uses include active links to the Service Types in the Instant License and Customized Licenses categories. Service Types in this category shall be:

- **Print Article.** A maximum number of prints allowed may be defined.
- **Email Article.** A maximum number of distributions may be defined.

iCopyright Content Services Agreement

- **Save Article.** A maximum duration of the saved article may be defined
- **Web Posting.** Hosted by iCopyright; the maximum duration of posting may be defined.

4. Clip & Copy. Clip & Copy is a web-based alerting service operated by iCopyright to promote the Tagged Content and inform subscribers of new content that matches their keywords. From these alerts, End Users may view the full text in an ad-supported display that incorporates the Service Categories Service Types registered in the Publisher Console.

C. Publishers who have executed a Terms of Use Agreement as set forth in Schedule D shall be entitled to provide the same iCopyright Service Categories and Service Types as as provided on AP Hosted, however the Business Rules that a Publisher enters into its Publisher Console for each Service Type shall be done at the Publishers sole discretion, subject to any pricing guideline provisions set forth in the Terms of Use Agreement. Publisher shall be permitted to make wording changes to the names and descriptions of the Initial Set of Service Categories or the Service Types that are designed to enhance End User compliance or understanding. In the event AP adjusts the Service Categories or Service Types for AP Hosted, iCopyright shall ensure that Publishers make the same changes within 60 days by notifying publishers to make such a change or by making the adjustments itself, as agent, via each Publisher's Publisher's Console.

D. With respect to new Service Categories or Service Types introduced by iCopyright in the future, AP shall have the right to activate or modify the new services by using the Publisher Console for the AP Hosted. When AP has activated a new service in its Publisher Console Publishers may then deploy the same new service.

iCopyright Content Services Agreement

Schedule D

TERMS OF USE AGREEMENT BETWEEN AP AND PUBLISHER

This is a Terms of Use Agreement ("Agreement") between The Press Association ("AP") and "Publisher". "Publisher" refers to an AP licensee or Member or other party legitimately authorized to display AP content under the terms of a current license agreement. "Publisher Website" refers to websites where Publishers are authorized to display AP content. For this agreement to be effective between AP and a specific Publisher, a separate license agreement must exist between the parties authorizing Publisher to display on its websites content created by AP. It is the responsibility of Publisher to verify that such authorization exists before taking any action under this agreement.

NOTHING IN THIS AGREEMENT SHALL CONVEY ANY RIGHTS TO A PUBLISHER WHO DOES NOT ALREADY HAVE BASIC RIGHTS TO DISPLAY AP CONTENT AND THIS AGREEMENT SHALL NOT SURVIVE TERMINATION OF PUBLISHER'S SEPARATE LICENSE AGREEMENT TO DISPLAY AP CONTENT.

This Terms of Use Agreement (the "Agreement") is already authorized by AP, and shall be binding on Publisher and AP upon execution by Publisher. When executed by Publisher, this agreement authorizes Publisher to include content that it has obtained from AP (either directly from AP or indirectly via an aggregator) in its iCopyright Tagged Content and to offer iCopyright reuse permissions and services for AP content displayed on Publisher's Website.


Publisher shall ensure that the AP content is clearly identified as being sourced from AP in accordance with the terms of any agreement between AP and Publisher.

AP prefers that Publisher activate all the iCopyright services AP has deployed on its Hosted News Service located at <http://hosted.ap.org> ("AP Hosted") in order to maximize revenue, but grants to Publisher the discretion to implement whichever subset of iCopyright services it wishes and to implement its own business rules for the iCopyright services. Notwithstanding the foregoing, Publisher shall not deploy a service containing AP content that is not deployed for AP Hosted content and agrees that it shall remove any service not deployed on AP Hosted from its website, or permit iCopyright, as its agent, to make any such removal. Similarly, although AP grants to Publisher the discretion to implement the iCopyright tags as it wishes, AP prefers that Publisher deploy the Best Practices Implementation ("BPI") form of tags that is recommended by iCopyright to maximize revenue. The current BPI form of tags is:

At the top of each article the following iCopyright Tags shall be displayed:

 E-mail | Print | Save | Post | Get Photos | Get Reprints | Reuse Options

At the bottom of each article the following iCopyright Tag shall be displayed:

 [Click here for copyright permissions!](#)
Copyright 2008 Associated Press

iCopyright or its designee shall serve as Reprint Agent for AP content.

If Publisher enables the iCopyright Services on content it has created itself and offers such content alongside content from AP, Publisher agrees not to set prices any lower for content supplied by AP than it sets for self-created similar content. If instead Publisher is primarily in the business of publishing content created by others, it shall set prices in the iCopyright Services pricing grids that are commercially reasonable.

Publisher agrees to pay iCopyright as AP's agent not less than quarterly for all AP content it has licensed via the iCopyright Tags. To allow accurate tracking of monies owed to AP, Publisher will set-up AP content as a separate Publication within Conductor. For the End User License Agreement, Publisher may use the same form it uses for its own content.

AP shall be entitled to receive from Publisher one-half of what Publisher earns from each transaction involving AP content (50% of Publisher's share of Net Revenue as defined in Publisher's Content Services Agreement with iCopyright).

AP hereby authorizes Publisher to display Publisher's own masthead logo at the top of all AP content licensed via the iCopyright Tags. AP also authorizes Publisher to display AP's logo for attribution on content licensed via the iCopyright Tags.

This Agreement shall continue until terminated by either party. However, it shall (i) immediately and automatically terminate upon termination of Publisher's underlying authorization by AP to display AP content, (ii) terminate upon 30 days notice if AP or iCopyright notifies Publisher it elects to terminate this Agreement, and (iii) terminate immediately if Publisher no longer consents to the terms of this Agreement. Publisher's right to offer AP content via the iCopyright system shall terminate immediately upon termination of this agreement, and Publisher is solely responsible for ensuring it discontinues tagging AP content.

Nothing in this Agreement shall be construed to convey to Publisher the right to solicit licenses or reprints of AP content from parties who have not initiated an inquiry via the iCopyright tags. [End]

Name of Publisher: _____ Signed: _____ Date: _____

First Amendment to iCopyright Content Services Agreement

iCopyright, Inc. ("iCopyright") and Press Association, Inc. ("AP") are parties to that certain Content Services Agreement (the "Agreement") dated as of April 15, 2008.

iCopyright and AP desire to amend the Agreement, effective as of March 15, 2009 (the "Amendment Date"), so that the Minimum Fee owed by iCopyright shall not increase but remain flat at \$15,000 per month, as set forth in this First Amendment (this "Amendment") to the Agreement.

In consideration of the foregoing, iCopyright and AP hereby agree to amend, effective as of the Amendment Date, the Agreement as follows:

1. The following sentence shall be removed from section 2.5:

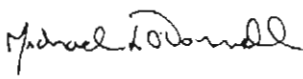
Beginning with the thirteenth month, the Minimum Fee shall be \$20,000 per month and beginning in the twenty-fifth month the Minimum Fee shall be \$30,000.
2. Except as expressly amended by the foregoing, all the terms and conditions of the Agreement shall remain in full force and effect.
3. This Amendment may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same document.

IN WITNESS WHEREOF, iCopyright and AP have executed this Amendment as of the Amendment Date.

PRESS ASSOCIATION, INC.

iCopyright, Inc.

By: 

By: 

Print Name: SUE CROSS

Print Name: Michael L. O'Donnell

Title: SVP

Title: CEO

EXHIBIT 2

iCopyright Named Licensing Agent for Reuse of Associated Press Content Published Online

Pact adds new article tools for online users, enhancing copyright protection and licensing of AP stories

SEATTLE, Washington, April 14, 2008 – iCopyright has entered into a digital content copyright protection and permission agreement with The Associated Press, providing online users of AP content with a Web-based method to license and share AP stories and photos for a variety of commercial and educational uses.

AP will display iCopyright links at the top and bottom of every AP-hosted story so users can easily use, share and license content instantly. AP will encourage subscribers to add the iCopyright tags to the AP stories they publish on their own websites. Publishers that deploy iCopyright tags earn revenue from reuse licenses while preserving copyrights and brand awareness.

"This online content reuse arrangement opens up a new source of revenue from rights, permissions and reprints of AP content while enhancing copyright protection and licensing," said AP Deputy Director/Business Development Bruce Glover. "iCopyright makes it easier to monitor copyright compliance and to identify pirated and misappropriated stories."

Mike O'Donnell, Founder and CEO of iCopyright, said, "We could not be more pleased and honored to be named the exclusive licensing agent for AP's hosted content. Online users will be able to click the Email | Print | Post | Save | License links at the top of AP stories to easily use and share the stories, while respecting AP's copyrights. By encouraging all of its members to also add the iCopyright tags, AP is helping to set a standard that the entire digital content industry can emulate."

"We are very pleased to be one of the first news organizations already using iCopyright services to leverage this exciting development," said Toby Leith, Content Licensing Manager for the Boston Globe. "For years, our customers have sought to create reprints based on AP content but with the Globe's logos and masthead for local use. Now, through iCopyright, they have a variety of service options to do just that!"

Jack Lail, Managing Editor/Multimedia for The Knoxville News Sentinel, who is already using the iCopyright links on Knoxnews stories and AP stories, said, "iCopyright is a hassle-free way of handling reprints. The customer gets instantaneous fulfillment. Everybody wins!"

iCopyright, the intelligent copyright service for online content, solves a problem that is common in online media. Allowing users to copy or redistribute desirable articles quickly and easily while protecting and tracking a publisher's proprietary content on the World Wide Web. Without erecting barriers to content, iCopyright makes it easy for consumers of content to be respectful of copyrights when they wish to share content with others. Reuse options include formatted group e-mail distributions, instant desktop copies, instant web reprints, quality quick prints delivered overnight, and a variety of high-end custom reprints and e-prints. These services are available in free advertising-supported formats as well as modestly priced versions that users may purchase by credit card online.

WHAT'S NEW AT ICOPYRIGHT?

- iCopyright named to EContent 100 List of "Companies That Matter Most" in Digital Content
- Bloggers & Other Publishers Using Wordpress Can Now Deploy iCopyright
- iCopyright Upgrades Corporate Account Service and Adds PayPal
- Four Million Copyright Licenses Fulfilled by iCopyright
- iCopyright Announces Sleek New "EZ Excerpt" Service for Web Content
- iCopyright Upgrades Discovery to Include Automated Notices

Top 10 Most Popular Stories

- Fanagan regrets WikiLeaks assassination remark
- FDIC Takes Gloves Off for Failed Bank Copies
- The rich really are getting richer
- Canadian miners predict 2011 to be year of the deal
- Harvesting wealth from oilfields waste
- NAR: The Real Estate Market Has Hit Bottom
- A long-term take on Canada's Big Five bank returns
- Coming: Gov't By Negotiation Instead Of Life
- Why Eric Sprott sees silver as the next big investing windfall
- Making a return on your mortgage

iCopyright Recognized in EContent Top 100 Companies that Matter Most in the Digital Content Industry.





Example of iCopyright licensing services for

AP articles, co-branded with the site that published the story

About iCopyright®

iCopyright (www.icopyright.com) is the intelligent copyright system for digital content. Founded in 1998, the Codie-Award winning service currently handles thousands of online permissions every day. iCopyright has generated millions of dollars in new licensing revenue for online publishers. iCopyright also markets Clip&Copy®, the media monitoring service that pushes iCopyright-tagged content to subscribers daily (www.clipandcopy.com). In 2007, iCopyright was named one of the Top 100 Companies that Matter Most in the Digital Content Industry by EContent magazine.

Media Inquiries to iCopyright: Mike O'Donnell, CEO, iCopyright; 206-484-8561; mike@icopyright.com

AP Subscriber Inquiries to iCopyright: Andrew Elston, Director of Publisher Services, 206-539-8540; andrew@icopyright.com, or click here for more information.

End

EXHIBIT 3

AP Asks More Publishers To Re-Sell Its Content, 50/50 Rev Share

Associated Press is to begin sharing advertising and syndication revenue with more of its subscribers, through an extension of a program that turns its *clients* in to *online sales affiliates*, according to iCopyright. AP already announced in April a deal that sees iCopyright links added to the wire's stories, inviting readers of AP customers' sites to themselves license out articles for new uses. But that deal was available only to clients who **host AP content** themselves - now it's being extended to those who just take an AP feed, representing the majority of the wire's clients, iCopyright CEO Mike O'Donnell told me.

See more of our latest Companies coverage
or add an alert for future coverage of Companies.

O'Donnell revealed some commercial details: those who take an article from an AP customer can buy the rights outright (\$750 per year for one article) or use it for free with an embedded ad, with the AP and its primary customer splitting clickthrough income 50/50. Also novel: newspapers will get to *co-brand* the subsequent story (eg. "AP via *East Valley Tribune*") and will get a link back to *their own* site from the re-used article.

The *Tribune*, *Globe And Mail* and *Toronto Star* (example here) are amongst the first to have implemented the program in the last fortnight. AP is right now talking with Yahoo (NSDQ: YHOO), AOL (NYSE: TWX), Comcast (NSDQ: CMCSA), CBS (NYSE: CBS) and others to participate, O'Donnell said.

It's an extension of AP's widely mocked blogger license policy, which sees iCopyright facilitate warnings to those who "steal" AP stories. If that warning was the stick, this scheme is the carrot, making options for legal reuse available at the point where articles are most stolen - from AP's customers. None of this is to suggest all AP's ills will be cured - there's little to stop infringing republishers from continuing to bypass this scheme and, despite iCopyright's monitoring, AP is thought reluctant to bring legal actions.

O'Donnell: "It provides a whole new revenue stream for the members. If copyright's to be relevant to the AP, it has to perpetuate on through to its members and *their* audience. Right now, AP content is one of the most cut-and-pasted, which is bad for the member and bad for AP because, when it's popped in to somebody's blog or website, the brand doesn't go, links don't go back. Right now, we have a *vicious* circle of piracy, we want to create a *virtuous* circle that leads back to the member." It's also thought Reuters or AFP, too, may be ready to adopt the program.

EXHIBIT 4

Colford, Paul

From: Colford, Paul
Sent: Thursday, September 11, 2008 11:32 AM
To: 'Andrew S. Elston'
Cc: Glover, Bruce; Hale, Ellen; Morris, Laurie
Subject: FROM PAUL AT AP RE PAIDCONTENT STORY
Attachments: iCopyright Blog Revision.htm

Hello again, Andrew:

We were caught off-guard by yesterday's AP-iCopyright story on paidContent.org.

We need to talk, as we did in June, about our need to be in the loop.

Meanwhile, I'm preparing to post this postscript as a comment after the paidContent story.

#

A postscript to this story from Paul Colford, Director of Media Relations with the Associated Press:
The AP's agreement with iCopyright hasn't been expanded since it was announced in April. All AP licensees have had the option to use iCopyright and share revenue with us from the start. No one can purchase "rights outright" via iCopyright -- all uses are limited. In addition, AP has agreed to make the service available to all its licensees -- members and commercial customers -- but AP has not promoted the service to any particular customers.

The April announcement of AP's relationship with iCopyright can be found here:

http://info.icopyright.com/news_041408_ap.asp

#

Thank you,

Paul

Paul Colford
Director of Media Relations
The Associated Press
450 W. 33rd St.
New York, NY 10001

pcolford@ap.org
(212) 621-1895
cell: (646) 703-2406

 Associated Press

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See more of our latest Companies coverage
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Related Stories

- Newspaper Roundup: AP; Gannett; WSJ; NYT; McClatchy; AH Belo; Express Newspapers
- Interview: Tom Brettingen, Chief Revenue Officer, AP: 'Returning \$20 Million To The Industry'

Robert Andrews

Sep 10, 2008 4:40 PM ET

 @robertandrews

Posted In: Companies, AP

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Paul Colford

09/11/2008 03:34 PM

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The April announcement of AP's relationship with iCopyright can be found here: http://info.icopyright.com/news_041408_ap.asp

Like



I have only one question to Mr. Colford: Why on earth you do not consider a simple pay-as-you-go system where it is the reader who pays (however a few cents a time) for AP articles and the AP and/or its affiliates/subscribers simply collect the money based on the number of downloads monthly? Naturally, the system might not be as simple as I describe it here, but the technology to license and then distribute/control (micro)paid content is there. I could show you how it works and how it can save or help to earn AP millions! (mdunin[at]mtm-consultants.com)

Like

Real-time updating is enabled. (Pause)

Add New Comment

DISQUS

You are commenting as a Guest. Optional: Login below.

Login Twitter

Type your comment here.

Name Website (optional)
Email Subscribe to all comments by email

post as guest

EXHIBIT 6

Colford, Paul

From: Andrew S. Elston <andrew@icopyright.com>
Sent: Thursday, September 11, 2008 3:56 PM
To: Colford, Paul
Subject: Paid Content article comment

Paul—

I have tried everything I know of to reach Mike O'Donnell today—as you know he's in London. He has not replied to multiple voice mails or e-mails. I think he must be wrapped up in meetings or maybe out of battery power! Not like him to be silent.

I wanted to run by him my words of comment to be sure he was OK with this before sending them to you for comment. I was proposing to him that he use my words but sign on and enter them himself so they are attributable to him. I do not want to post a comment myself without his approval.

Here is what I crafted—if you could let me know if this works for you, then I'll have one less step later when Mike weighs in.

"I want to clarify the relationship between iCopyright and the AP. We are a technology provider to the AP as well as to many other publishers. iCopyright does not establish the licensing terms of any of our publishing clients nor the manner in which they are applied or enforced. My comments about copyright and piracy are my own expression and should not be regarded as the views of AP. Echoing Paul Colford's comment above, the iCopyright service has been available to clients who host AP content from the start of our relationship. It is iCopyright's role, not the AP's, to get members and licensees to implement our licensing services according to the AP's terms."

Andrew Elston
Director, Publisher Services
iCopyright

Office: 206-839-8540
Mobile: 206-276-7676
andrew@icopyright.com

EXHIBIT 7

Timme, Nicole

From: Andrew S. Elston <andrew@icopyright.com>
Sent: Friday, September 12, 2008 11:40 AM
To: Colford, Paul
Subject: RE: Paid Content article comment

Paul—

I did finally hear from Mike late last night. We felt it was too late to make a further comment to the article. Let me know when would be a good time next week to review talking points. Mike will be back on Tuesday from London.

Andrew Elston
Director, Publisher Services
iCopyright

Office: 206-839-8540
Mobile: 206-276-7676
andrew@icopyright.com

From: Colford, Paul [mailto:PColford@ap.org]
Sent: Friday, September 12, 2008 4:02 AM
To: Andrew S. Elston
Subject: RE: Paid Content article comment

Thanks for trying, Andrew.

We'll revisit this shortly.

Paul

Sent from my GoodLink Wireless Handheld (www.good.com)

-----Original Message-----

From: Andrew S. Elston [<mailto:andrew@icopyright.com>]
Sent: Thursday, September 11, 2008 03:56 PM Eastern Standard Time
To: Colford, Paul
Subject: Paid Content article comment

Paul-

I have tried everything I know of to reach Mike O'Donnell today-as you know he's in London. He has not replied to multiple voice mails or e-mails. I think he must be wrapped up in meetings or maybe out of battery power! Not like him to be silent.

I wanted to run by him my words of comment to be sure he was OK with this before sending them to you for comment. I was proposing to him that he use my words but sign on and enter them himself so they are attributable to him. I do not want to post a comment myself without his approval.

Here is what I crafted-if you could let me know if this works for you, then I'll have one less step later when Mike weighs in.

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Andrew Elston

Director, Publisher Services

iCopyright

Office: 206-839-8540

Mobile: 206-276-7676

andrew@icopyright.com

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