

digital
rights
management
(drm)

white paper

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entertainment

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I. intro: what is digital rights management

The Internet, while offering great commercial potential, is often seen as dangerous ground for content producers. While content can be effectively streamed without piracy concerns, it has generally been impossible to distribute actual content files without facing mass piracy and theft. Files are too easily copied and distributed, either through file sharing services (like Morpheus or Kazaa), or shared via email and websites.

Yet, content producers have long sought to move beyond streaming into other viable Internet-enabled commercial ventures. The reasons aren't difficult to comprehend. Downloading media files is popular among Internet-savvy consumers because of the convenience it provides – no trip to the store, instant gratification 24-7. Media files also offer higher quality video than offered by streaming services. And people like to own their movies. That is why DVD and



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Video sales are so popular, even in a world with cable TV and premium movie channels.

There is huge potential in providing these consumers with the content they crave, without exposing intellectual property to mass piracy. And this potential can now be realized thanks to Digital Rights Management (DRM) technology. DRM technology offers the following:

- High security
- Broad compatibility
- Flexible Licensing Models
- Near-DVD quality
- New marketing opportunities

High Security

DRM uses sophisticated encryption to protect your digital content from unwanted piracy. The files themselves can be transported via any media, be it the web, CDs, DVDs, or anything else, yet the encryption information is never separated from the content. The only way to access the content is by purchasing a license, and that license is uniquely assigned to a single computer.

Broad Compatibility

NS Entertainment has chosen Microsoft's Windows Media Rights Manager. The media is played on the ubiquitous Windows Media Player – installed in more than 200 million PC and Macintosh computers, as well as in portable devices such as PDAs and, soon, cell phones.

Flexible Licensing Models

The DRM software gives content owners a wide variety of ways to license their content, such as "try before you buy", promotional previews, rentals based on play counts or expiration dates, subscriptions, and purchases for either streaming or downloaded media. The licensing process can be transparent to the user, eliminating the need for them to manually input the license key.



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Near-DVD Quality

Streaming services, while offering safe distribution of content online, are hampered by relatively poor quality. Even fast Internet connections are too slow to keep pace with the large size of video files. With DRM, that is no longer a concern. The user can download a high-quality version of the movie and store it to disk, then view it at his leisure under the terms of the license he has purchased. Bandwidth only affects how long it takes to download the file, not the size of the screen on his computer, nor the resolution of the video.

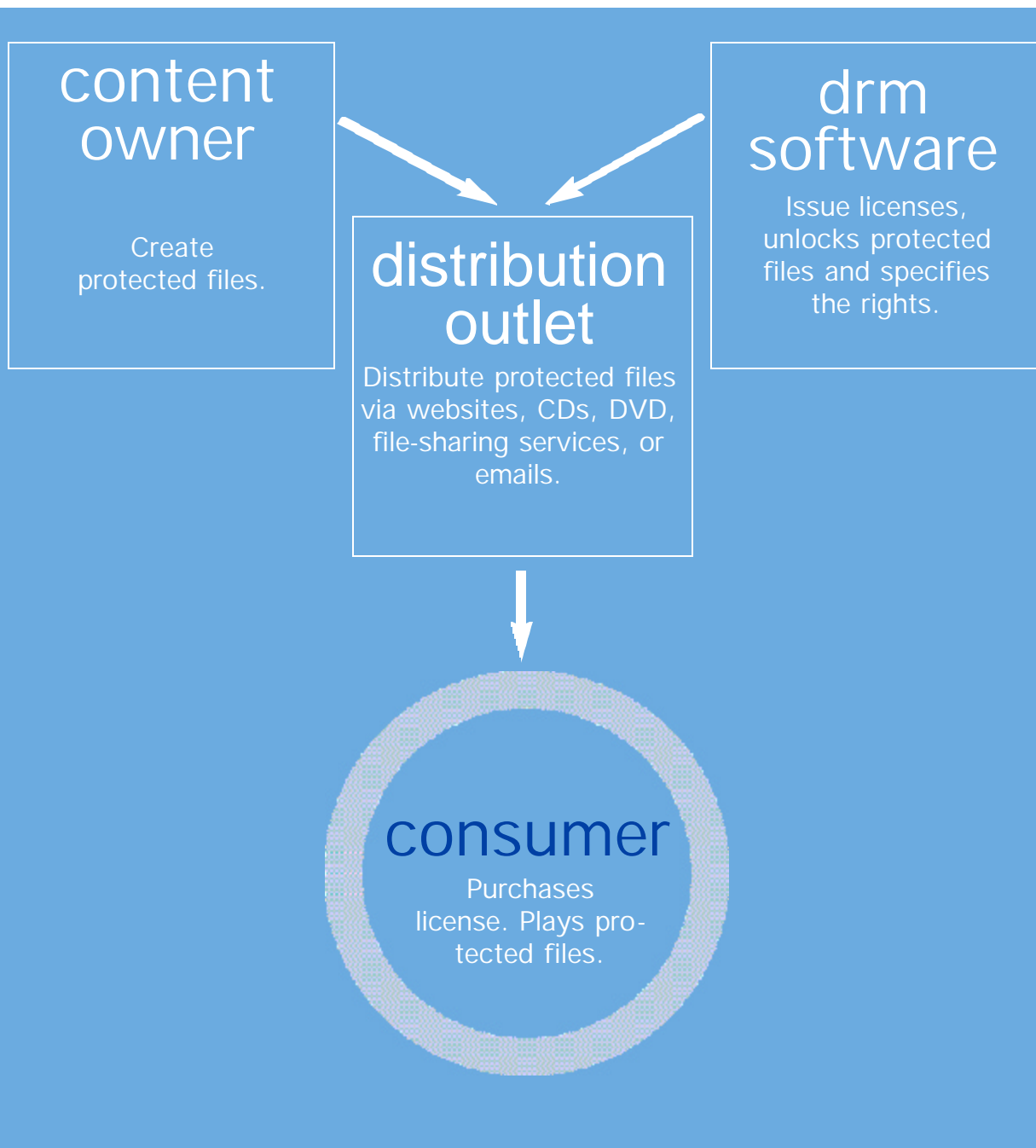
New Marketing Opportunities

There are multiple ways that DRM-managed media files can be used to market products. Studios can distribute their products via CD-ROM, DVD-ROM, websites, emails, and even file-sharing services. Studios can "rent" their videos on disposable CD-ROMS. Entire rev-share programs can be built around DRM-protected content.

II. NS Entertainment helps studios enable drm

NS Entertainment recognized the revolutionary aspects of DRM technology from its inception, and has invested considerable resources in adopting the technology for its customers' benefits. NS Entertainment offers a one-stop solution to your DRM needs, providing:

- DRM strategy consulting
- Encryption of media files
- Management of licensing process
- Marketing and distribution Strategies
- Technical support



III. uses for drm

Digital Rights Management allows content producers to distribute and sell their valuable intellectual property across a wide range of media, without worrying about pirating and mass sharing. The technology is highly customizable, and in effect allows the distribution of any content, on any media, under just about any restriction imaginable.

We have included some sample uses for DRM, but note that these are but a taste of what DRM can offer.

Digital Media Preview-and-Purchase

Your web site allows visitors to preview movies before buying. The visitor downloads an entire movie, yet can only view a 5-minute clip. The clip plays twice. The third time the visitor attempts to view the file, he is taken directly to your site where he is given instructions on how to purchase the movie.

Another scenario: You package several movies into a promotional CD, and package it as an insert to your product catalog. The CD offers 2-minute clips of each movie. A customer likes the second movie. He purchases a full license to the movie, which allows him unlimited access to the movie. He then burns a copy of the promo CD, and sends it to a friend. The friend can launch the CD, yet only view the 2-minute clips of each movie. The friend can then purchase his own licenses.



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Pay-Per-View Movies

A visitor visits a virtual video store, provides registration information and a credit card, and rents a movie to play on his PC. The movie is streamed to the consumer's computer. The stream cannot be recorded for further viewing or distribution, or otherwise saved.

Movie Rentals

Your website can offer convenient rentals to your customers. They want to "rent" one of your movies. They pay for a 3-day rental. You mail them a CD or DVD with the movie. They watch the movie for three days (starting on the day of the first viewing) before the license expires. They can then purchase another license, or discard the CD or DVD.



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Time-Limited Licenses

For \$20 a month, a subscriber gets unlimited access to a large collection of movies. He downloads a number of movies and plays them as often as he wants. You select the start and end dates of the license (say, the first and last days of the month). For each movie the subscriber selects, a license that expires on the last day of the month is pre-delivered to him. The next month, he can no longer play the movies because his monthly license has expired. He is automatically prompted to pay his monthly fee, after which he is issued new licenses for the following month.

One File, Different Licenses

A consumer finds a movie he likes at a website of promotional CD or DVD. During the purchase process, he is asked to choose the license he desires. For a small fee, he can play the movie for one week. For a larger fee, he can play the movie forever. He chooses the latter. The DRM software issues a license with no expiration date.

IV. conclusion

DRM offers content producers a way to derive new revenue streams from their content without fears of mass piracy. Consumers have shown their affinity for downloading media files. DRM allows studios to fulfill this need, while also creating a new marketing and distribution model for their products.