

The Impact of DRM Patents on REL Research and Standards



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Indicare Article



- Guth, S. & Iannella, R.
- Critical review of MPEG LA software patent claims
- INDICARE, March 2005
- http://www.indicare.org/tiki-read_article.php?articleId=90

DRM Industry



- **DRM Industry stalled for many years due to**
 - **Technology**
 - user fear
 - lack of standards
 - difficulty of building “open” end2end desktop DRM solution
 - (eg compare to Mobile devices)
 - **Patents**
 - many DRM related patents causes uncertainty
 - impact on business model
- **Early 2000 DRM Startups became IP Companies today**

Standards Saga



- **Ongoing “battle” between ODRL and XrML at various standards bodies**
 - **MPEG, OMA, OpenEBook, IEEE**
- **ODRL “won” the key battle at OMA and it is fast becoming the most widely implemented DRM system**
- **Hence - of key interest to DRM IP owners**
- **Have used the MPEG Licensing Authority (MPEG-LA) to “claim” patents over OMA DRM implementations**
 - **Members includes ContentGuard (MS, TW, Thompson) and InterTrust**

ContentGuard Patent 1994



- “System for controlling the distribution and use of digital works ... utilizing a usage rights grammar”
 - US Patent 5,715,403
 - EP 0 715 244 B8
- CG claim it covers “any” REL
- What is a “rights grammar”
 - access control (eg RWX on Unix?)
 - Should you pay CG if you “chmod” ?
- Only if you are making BIG dollars...

Patent Characteristics



- Technical Character
 - How can it apply to *any” REL - even future implementations?
- Technical Contribution
 - What is it? Pre XML days?
- Non-Obvious
 - Access control has been around a while
- New (no Prior Art)
 - Xanadu Project (1980s) and EU projects

'403 Patent Claims



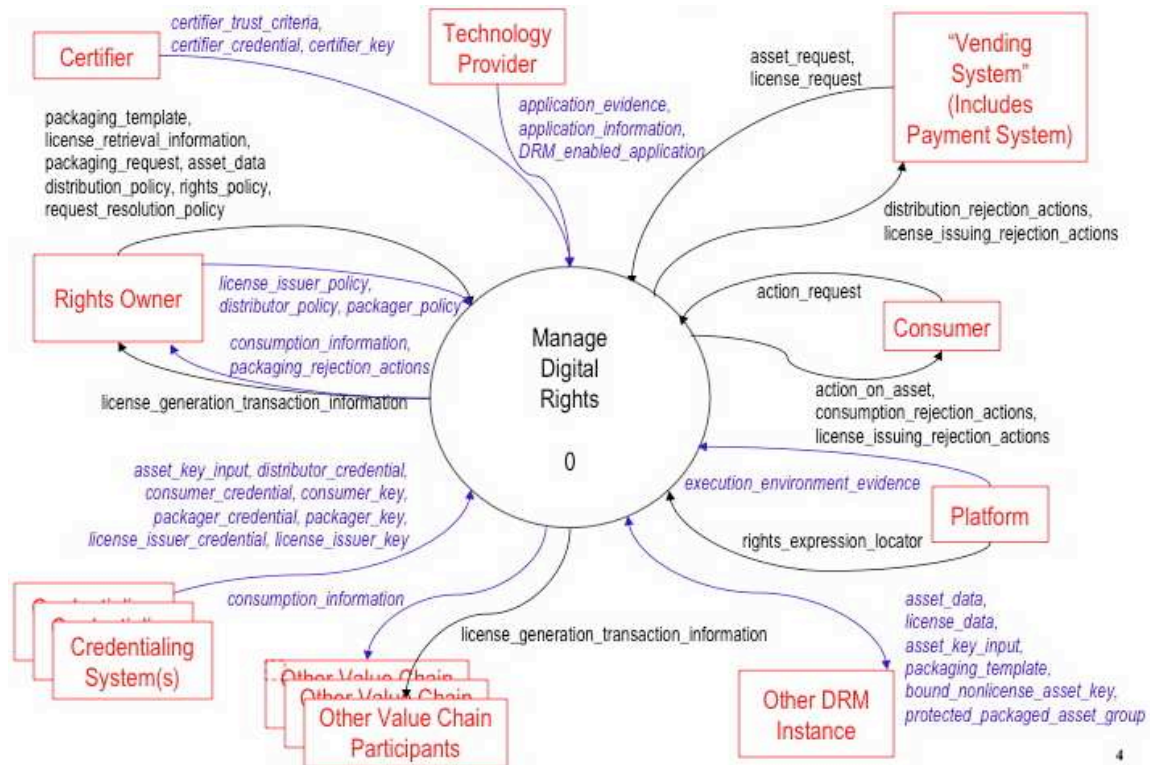
- “Digital works and their attached usage rights are stored in repositories”
- “The enforcement elements of the present invention are embodied in repositories”
- “A key feature of the present invention is that usage rights are permanently attached to the digital work”
- “It is fundamental to the present invention that the usage rights are treated as part of the digital work.”

Current Situation



- MPEG-LA have “reduced” their royalty schedule
 - Was \$US1/device and 1% of all transactions
 - Now \$US0.65/device and \$US0.25/per year/per content subscriber
- Still not acceptable from industry groups
 - GSM Assoc, Mobile Entertainment Forum
- Still “uncertainty” in the industry
- Who has to “prove” that the patents cover essential parts of the OMA DRM specification?
- Lawyers?

MPEG-LA DRM Reference Model



Bottom Line



- **Serious consequences to the industry**
- **Lack of DRM implementations/deployments**
 - only by the BIG companies?
 - what about open content DRM solutions
 - eg education sector?
- **A "tax" on creativity**
- **lack of research activities**
- **Non acceptance of royalty-bearing standards**
- **Reference case on software patents**