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INTERNET POLICY TASK FORCE

Developing the Digital Marketplace
for Copyrighted Works
Second Public Meeting

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MS. FERRITER: Good morning and welcome to the U.S. Patent and Trademark Office. I'm very glad to see so many with us here today in person. I'd like to also welcome those watching us via webcast and those joining us through the watch parties being held at the USPTO's regional offices in Detroit, Denver, and San Jose.

Today's meeting is hosted by the Department of Commerce's Internet Policy Task Force. The Task Force was formed in 2010 to review the policy and operational issues that affect the private sector's ability to spur economic growth and job creation through the internet.

The USPTO and NTIA have led its work on copyright policy issues, including the topic of how the government can facilitate the further development of a robust online licensing environment. We have held public meetings and received public comments on this topic, which was discussed in the Task Force's 2013 Green Paper on Copyright Policy, Creativity, and Innovation in the Digital Economy.
The Green Paper devoted a chapter to ensuring an efficient online marketplace. It looked at then-current examples of legal licensing options and noted some impediments to efficient licensing for online distribution. These included: the complexity of licensing in the online environment, in particular in the music licensing space; challenges with mapping old contracts to new uses; and licensing across borders.

Copyright owners continue to face challenges in today's digital world. Today's meeting -- building on one that the Task Force held in December 2016 -- has been organized to: facilitate a cross-industry dialogue among stakeholders on ways of promoting a more robust and collaborative digital online marketplace; provide updates on various technologies; and highlight new international initiatives.

We've brought together a number of experts today to discuss the developments in the identification of content, the future of registries, and issues surrounding licensing and monetization of content. And this year, we have added a fourth panel to discuss global initiatives, which underscores the international nature and scope of these important discussions. We are looking forward to a productive
exchange of ideas today, and we are grateful for your participation.

A few housekeeping notes: We'll start with two panels this morning before breaking for lunch. Our panelists are invited to have lunch in the room next door. Following lunch, we will have more panels, followed by breakout sessions. The breakout sessions will follow Chatham House rules. The moderator for each session will report back to the plenary just the key points of the sessions. Finally, we have built in time for discussion. Thank you again for being here.

I'd now like to introduce our first speaker, Bill Rosenblatt of GiantSteps Media. Bill is a globally recognized authority on technology issues pertaining to intellectual property in the digital age. He has contributed to standards initiatives related to content identification, metadata, and rights. Bill chairs an annual Copyright and Technology conference, and is the author of several books and journal articles related to digital media and copyright.

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KEYNOTE SPEAKER

ENABLING EFFICIENT AND FAIR MARKETS FOR CONTENT

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MR. ROSENBLATT: Good morning. Thank you very much. Thanks to Steve and Susan for inviting me here. It's really an honor to be here and to participate in this workshop, which I know was so productive last year, and I am looking forward to another productive day today.

I am from New York and I speak very fast, and this morning will be no exception. I have 20 minutes, and I thought, what can I do in 20 minutes? Well, first of all, just a little bit more about me. I've participated in a veritable alphabet soup of standards initiatives and with public policy organizations here in the U.S. and also abroad, in Europe and Asia and so forth, and you can just sort of read it yourself on the slides -- on the slide there. And so -- and this is in addition to the work that I do for companies as a consultant, but we're focusing here on standards, we're focusing here on policy issues, so that's what I'm highlighting here.

What we're talking about today is several topics under the umbrella of enabling fair and efficient content marketplaces, and specifically technical components thereof, and this is a list of a lot of the topics that we're going to discuss today:

color identification, rights holder identification,
metadata, rights information, information about the
rights being licensed or transacted. We're going to
talk a lot about registries and data repositories,
talk about the automation of licensing, and talk about
the processing of transactions, of royalties, and
other considerations for content licensing.

So where do these come from? It's useful to
sort of enumerate the sources of these things.
Industry conventions are a lot of it. How have we
done things in various segments of the industries for
a long time? Laws that underpin certain aspects of
rights and licensing, such as compulsory licenses
under Sections 114 and 115 of the Copyright Act,
technical standards, business standards, and also
entrepreneurship on the part of startups and
experimentation in established companies, which is
really important to emphasize as a source of progress
in these areas, and then sharing of best practices,
which is certainly something we're going to be doing
here today.

So, you know, I've been doing this kind of
thing for a while, and what I thought I'd do this
morning -- again, quickly, because I only have 20
minutes -- is to give you some lessons that I believe
we've learned over the past 20 years since I first
started doing this as a member of a committee in the Association of American Publishers, when I was working in the book publishing industry.

This is an actual slide that I made about 20 years ago or -- yeah, thereabouts, 20 years ago. I'm not going to go over this detail, but it just shows you the way we thought about this stuff back in the late 1990s, which is that you've got these various layers of technical components and potential standards, starting with the basic internet infrastructure, then going up through basic e-commerce infrastructure, then going up through things that are endemic to the content industry, such as identifiers and rights and metadata, and then going up to individual content providers who have things that are really their own competitive advantage rather than standards.

So I'll tell you one of the fundamental things we got wrong about this momentarily, but -- and I'm happy to share the slides for anyone who wants them, so put your cameras away, you don't need to take pictures -- but the lessons that we learned. Well, here -- there are many of them, but here's the four that I want to talk about this morning.

The first one is what we fundamentally got
wrong in that last slide, which is that we -- meaning
publishers in that time -- we don't control the vast
majority of the technical decisions. Publishers,
record labels, movie studios, et cetera, don't really
control much of the technical aspects of how content
gets out into the world.

The distributors have come to control that, and
one interesting piece of -- let's call it "anecdata"
-- that I came up with when looking at this a few
months ago for something I was doing is that the sum
total of revenue of music distributors in the United
States, the Spotifies, Apple Musics, Google Plays,
Rhapsody Title, et cetera, et cetera, has exceeded the
sum total of revenue in the recorded music industry,
and that crossover point took place about three, four
years ago, so that to me says a lot about the dynamics
of the industry that's going on. So that's the first
one. The remaining three lessons I'm going to talk
about in a little bit more detail.

The first is that standards and the market must
develop together. What hasn't worked is, okay, let's
get in a closed room and agree on every single last
detail before we let anyone implement anything. That
hasn't worked. Walled garden de facto standards
generally are not a good idea for reasons that are
fairly obvious. Two things that I think have worked
or have a lot of promise are entrepreneurs getting
involved in standards initiatives, and a place to look
for that is the Open Music Initiative.

We have Panos here from the Open Music
Initiative, among others, who can talk to you about
that, but one of the cool things about the Open Music
Initiative is that it's all about build, experiment,
iterate, rather than let's go and write specs and then
see if anyone wants to do anything with those specs.
It's a very exciting thing, and I think it's got a lot
of promise.

The other thing that I think is really
promising now in standards is this buzz phrase
"minimum viable," a "minimum viable set of minimum
data," "minimum viable interoperability," which is a
concept in the Open Music Initiative. The Open Music
Initiative is thinking this way. They're not the
first, though. How many of you are familiar with the
Dublin Core Metadata Standard? Okay, some of you.

Well, it's a minimum viable standard for
bibliographic metadata in -- that originated in the
library field but has fomented around various segments
of the media industry and has become very, very
influential, because it was minimum -- a minimum
viable set. That's a very powerful concept. People can extend that, as they've done for Dublin Core, and if you stick with a then minimum viable set, you will see it extended in various ways.

This is a test that I have for the likelihood of success of standards, and I've played around with the acronym, but the principles are kind of the same. My latest attempt at a cute acronym is it's the SAUCE test, and it stands for scope, adoptability, urgency, complexity, and equity. And so the five factors are scope, is the scope focused and clear or are we trying to solve world hunger? Adoptability, can this work with existing processes, tools, systems, conventions, or does this require wholesale replacement thereof? Urgency, are we looking at solving a known current practical problem that people care about, or are we just sort of trying to do something that would be nice so that people can all get along? Complexity, are we dealing with something relatively simple, life is not -- the real world is not that simple, but relatively simple, or are we dealing with something that is overengineered or a camel -- which, of course, is a horse designed by a committee? And then, finally -- and I feel like the most important one -- is equity, which is are the participants or those
potentially affected by this standard going to all
benefit or is this going to create inequities among
participants?

I don't want to name too many individuals,
because I don't want to offend people who have worked
very hard on certain things, but I think we all or
some of us might remember SDMI, and that failed for
equity reasons, among other things.

So the next lesson, we are talking today about
registries. There's a lot of talk about registries.
We still need them. We needed them 20 years ago. We
need them today. But what we also need, as we found
out, is incentives to build and maintain them
properly. You can't just say, okay, let's have a
database. Okay, we're done now. We have a database.

That's not how it works.

Data has to be accurate, complete, up to date,
it has to be true, people have to agree that it's
true. Repositories, whether they're databases or
whatever form they take, they must be accessible to
whoever needs to use them and hopefully to the general
public where it makes sense, they must be reliable,
and there must be a way of disputing -- sorry, of
resolving disputes among the data, such as who owns
this right in this work. All of this takes time and
money and people and resources. It doesn't come for free, you can't wave a magic wand and have all this stuff happen, and it requires an appropriate type of governance.

So there are a lot of databases and registries out there -- and I'm just pulling a couple examples from each category, this is absolutely not exclusive -- but there are a lot of governance models out there, and we still don't really know, in my opinion, which is the right model. There are private for-profit repositories of data, such as R.R. Bowker, which is in the book publishing industry in the United States; the Harry Fox Agency, which keeps a lot of information about mechanical rights of music and things of that nature. There are private nonprofit repositories, such as ASCAP and BMI. There are consortia that have been formed, whether by mandate or voluntarily that are nonprofit also, such as EIDR in the motion picture industry, which is an identifier registry based on the DOI standard, which I helped to create a million years ago. And then in Canada, there's something called CMRRA-SODRAC, which is a mechanical licensing agency that was sort of induced by a court decision up there, outcome of a lawsuit, and that's kind of interesting to look at.
The government runs repositories, such as the Copyright Office running the Database of Registered Copyrights, and then its equivalent in Canada, the Canadian Copyrights Database. Those are two examples. Then we come to the idea of a distributed repository, a/k/a blockchain. Dot Blockchain Media is an interesting startup that's building sort of basic-level architectural components for this as opposed to e-solution. They're more like a set of fundamental technologies for blockchain-based media licensing.

And then I just -- I put KODAKOne there. I just noticed -- I don't know if anyone's heard of this, but Kodak recently announced that they're doing an image licensing blockchain service with their own cryptocurrency, called KODAKCoin or something like that, and it will be interesting to see what -- there aren't very many details available about that, but that's certainly an interesting one to watch. And there are many others.

So I've looked a lot at blockchain and I've worked with a couple of blockchain initiatives, and there's a lot of good things about blockchain. You can distribute royalty transaction processing. You can distribute the idea of metadata registries and
basically get individual companies out of the business of having to maintain all of this data or at least somewhat out of that business. Instead of one company bearing all the costs for processing transactions and maintaining a database, those costs are shared.

You can use smart contracts. They have the potential for taking a lot of the grunt work out of licensing. You can automate, you know, relatively simple licensing tasks using smart contracts, potentially. Blockchain promises transparency, certainty, and traceability of transactions. Hold that thought for a moment, we'll get back to that. Perhaps the greatest thing about blockchain nowadays is hype, money, activity, and talent in the space. A lot of entrepreneurial energy, a lot of venture money is going into it, a lot of smart people, a great influx of all those things into our industry, and that can only lead to good things.

Now, however, there are also perils of blockchain. Blockchain doesn't -- just like any database technology or data technology, it doesn't fix the bad data problem. The garbage-in problem still exists no matter whether you're storing it in a relational database, a blockchain, file, a card catalog, whatever you're using. Efficiency and
scaleability are limitations with current blockchain technology, and you know there are companies working on this, but for now, that's an issue. It doesn't scale very well.

I happen to believe that blockchain -- that the various models for distributing content directly to consumers through blockchain, so I buy an e-book, let's say, and my property is on a blockchain somewhere, I don't think that's a viable model. I'm happy to argue with you offline about that, but I feel like if you're looking at that, you're taking your eye off the ball, where the ball is in all this rights licensing and transaction processing stuff, which is where all the promise is, I think.

And then let's get back to transparency, certainty, and traceability. There are some entities out there that don't like those things, and they will sort of hedge against movements in that direction. Okay, so much for blockchain.

Another lesson that we learned is identifiers are harder than we thought. I am not going to go down this list. This actually is a list taken from something that the book industry study group put out a couple years ago, which I helped -- I contributed to this, I'm one of many contributors to it, and it's a
list of all the relevant identifiers in the book publishing industry, some of which, of course, cross over into other media segments, such as ISRC for music recordings.

The point I want to make here is when we looked at this 20 years ago, we were looking at things like ISBNs for physical books, and when you start to get into identifiers for things in the digital world, it gets a little bit fuzzy exactly what are you trying to identify here. The scope of what you're trying to identify becomes sort of flexible, and it's not like, oh, here's a book, this is what I'm identifying, or here's a CD, here's what I'm identifying, here's a theatrical motion picture release being sent to such and such a cinema in Manhattan, you know, that's not what you're identifying.

What exactly you're identifying is a little hard to nail down sometimes. There's been talk, for example, in a BISG committee that I'm on now about sort of pure intellectual property identifiers, and we went through an exercise of let's see if we can come up with a pure intellectual property identifier for book publishing, to identify an abstract item of intellectual property.

Well, the conclusion that I'll say I came to --
I can't speak for the committee -- is there ain't no such thing, or at least if there is, it doesn't really serve any practical purpose, and furthermore, any identifier that anyone characterizes in that way isn't really a pure IP identifier in the first place. So identifiers need a lot of careful consideration. It's worth it, of course, but that's the lesson we learned. And the other thing I want to say about this -- and then I'm going to stop -- is there are identifiers and there are processes for assigning identifiers that are very detailed and very deliberate, but then there's a lot of content that's just out there that needs to be identified after it's kind of been out into the wild, and various technologies have emerged for coping -- how do you identify something that's out in the wild? And there are basically these two technologies out there, fingerprinting and watermarking. How many people understand what fingerprinting is?

(Show of hands.)

MR. ROSENBLATT: Okay, about half. So fingerprinting is a generic term for you look at the bits of a file, whether it's an e-book or a movie or a piece of music, recording music, an image, whatever, and you take a set of core characteristics
mathematically of that file, which is the fingerprint, and then you go look it up in a big database of fingerprints to see if there is a match.

And the good technologies that exist in the fingerprinting space are pretty accurate at identifying content for various purposes. They're not 100 percent accurate, but they do a pretty good job. And there have been various business models that have evolved sort of around the edges of the industry, so to speak, around the fingerprinting.

One is monetization, which is the Google content ID system, whereby if one uploads a piece of music or a video to Youtube, then the content ID system will look at it and see if there is a match, and if there is a match, the rights holder has an option of getting an ad revenue share from that content or of blocking it from being uploaded. That's one model, the monetization model.

Another model is to use fingerprinting for detecting potential infringements of copyright, and there are a lot of services out there, MarkMonitor, MUSO, a bunch of them that do this kind of -- that do this kind of work based on fingerprinting technology, among other things. And then fingerprinting is also used as one of the tools to solve the conundrum of
matching recorded music files to their underlying compositions, which is a dirty problem right now plaguing the music industry.

Watermarking is when you embed data into a file, typically an identifier because that's all you have room for given the technology. I list Dot Blockchain Media's prototype that they announced just a couple weeks ago -- it's very interesting -- with the indie distributor FUGA, and a recording artist named Stolar, using Digimarc's watermarking technology.

If I had time today, I would actually show you a demo of it, but I am not going to -- we can do that offline if you want, it's a cute little demo, but the point is you can look at the file, you can see by reading the watermark the file's address on a blockchain, which then can lead you to the latest and greatest data about its ownership, the rights, the metadata, the licensing, the transactions, whatever you want. This is guaranteed 100 percent accurate because someone put it there in the first place, and it travels immutably with the content, unlike some header metadata which can just be changed or deleted. It's a quite powerful concept that I feel deserves more air play -- pun intended -- than it's getting.
My point about these technologies is that they kind of exist at the fringes of licensing and data management, but I feel that they -- because they are, you know, way better than nothing -- let's put it that way -- they should be mainstreamed as part of the talk about identifiers in these deliberations about how to take the industry forward.

So, with that, I will stop, and I don't know whether we have a couple minutes for any questions. That was a lot to go over in 25 minutes, but any questions? Any comments? I'm happy to talk offline.

Yes, Mark?

MR. ISHERWOOD: The idea of standardizing (off mic.)

The idea of standardizing watermarking and fingerprinting kind of sets bells ringing in my head. You don't mean the technology itself, because they are -- they have to be proprietary in order to work, but what aspect of them do you exactly mean?

MR. ROSENBLATT: So, for example, that's -- that's -- I agree with that, and that's a good point. The technologies, with one exception, are proprietary. They are -- and, you know, the exception I have in mind is -- and I forget what it's called, but it's the one that MusicBrainz uses for fingerprinting of audio.
It's -- the name will come to me as soon as I walk down the steps here, but -- and I've looked at that technology, and I've evaluated it, and it's pretty good; it's pretty accurate.

So there are things that you can standardize on, and so one example is the RIAA created a watermark payload spec maybe ten years ago-ish, and that was going to embed identifiers in music in a standard way so that whatever watermarking technology you had, you could embed and then read in that same format, and that would get you at least part of the way.

It's kind of equivalent to when you've got a metadata scheme, but you don't have a standard way of associating that scheme with a piece of data. You do it however you are going to do it. In the area of associating metadata with a piece of content, the technology for doing that need not be complicated at all. This is fairly substantial technology. They are proprietary for the most part, but there are things that can be standardized that can help make this a mainstream piece of the identifier puzzle.


MR. PANAY: Just real quick, can you clarify the difference between fingerprinting and
watermarking?

MR. ROSENBLATT: Yes. The question from Panos Panay from Berklee College of Music is can I identify the difference between fingerprinting and watermarking? Well, first of all, I have a white paper that tells you all about that -- which I am happy to send you if you want -- but the short answer is fingerprinting is there's a file out there and some third party that's unaffiliated with the content takes an educated guess at what that content is based on some fancy algorithms.

Watermarking is some party involved in the creation or distribution of that content embeds an identifier into the content in a way that is hopefully -- well, possibly invisible, inaudible, whatever. In some cases you want it to be visible or audible or viewable, but it's really data embedded into the content that identifies it.

So there are two advantages of watermarking. The disadvantage, of course, is that you have to go to the trouble of doing this, and that takes some effort and expense and so forth. One advantage is that you can put whatever you want into the content. All fingerprints of a file that sounds the same are going to be the same, but you can have multiple copies of a
file with different watermarks for different purposes.

So this is a file with a watermark for, let's say, interactive streaming licensing, and this is another one for download licensing, this is one from the U.S. market, this is one for the UK market, et cetera, whatever it is. This is one that we're offering under a Creative Commons license. So those are the advantages of watermarking.

Fingerprinting really is best used when there's just a file out there and you have no other means of figuring out just what that file is.

Jim?

MR. GRIFFIN: So the best advantage of fingerprinting is that it works backwards. You can identify files already released and in the ecosystem, whereas watermarking only works going forward (off mic).

MR. ROSENBLATT: Right. So Jim Griffin just said fingerprinting is best thought of as working backwards with files that are already out there. Watermarking is best considered as a going-forward technology. That's pretty much what I said, and I absolutely agree. Yeah.

Any other questions? I think I'm out of time anyway. Thank you very much. I'm looking forward to
a lot of great discussions today.

(Applause.)

MS. ALLEN: So, thank you. If we could have

the first set of panelists come up, the first morning

session, panel session, is on Identification:

Capturing Content, People, and Permissions, and it

will be moderated by Evan Sandhaus, who is the

Executive Director of Knowledge and Metadata

Management at the New York Times. So, welcome, all.

MORNING PANEL SESSION 1:

IDENTIFICATION: CAPTURING CONTENT, PEOPLE, PERMISSION

MR. SANDHAUS: Hello, everybody. Good morning.

I am really excited to be here. I was something of a

last-minute addition to the agenda as the moderator of

this panel, but nonetheless, I think we're going to

have a really interesting conversation today. Just

some quick preliminaries. So you all know who I am, I

am Evan Sandhaus, and I am the Executive Director of

Knowledge and Metadata Management with the New York

Times. I spend most of my day wondering how it is the

New York Times can structure our content and then

consolidate our archives into that structure, which

leads me to a confession. I don't want to pass myself
off as an expert in the rights technology space. I have pretty deep experience in adjacent fields, but I am going to be asking lots of questions today to help inform my understanding of rights a little bit more.

I am -- I do have the privilege of being on the board of directors of a standards body called the International Press Telecommunications Council, so I know a fair bit about the technical standards that apply in the media space as they pertain to rights, but in listening to Bill's introduction, I was struck by something he said, because it resonates with me as a technologist.

My background is in computer science. I have been writing code for a living since I was 18 years old, and Bill told us that identification turned out to be harder than we thought, and it turns out that dovetails nicely with a statement that's become axiomatic in computer science, and that statement, for those of you who are technologists out there, should be familiar, and that is that there are two hard problems in computer science, cache invalidation and naming things. And I think naming things is a real challenge for us all in this room.

I was thinking, you know, even in the con -- like in the context of the music industry, if a piece
of content is associated with the creator Apple, that
has very different -- that can be extremely
significant if you're trying to figure out who it is
that owns the copyrights to the Beatles works or who
has distributed the Beatles works. Apple itself does
not make for much of a strong identifier in that
context.

So it seems to me -- and this is a problem in
the media space as well -- that one of the
foundational enabling technologies for solving the
rights attribution and flow problem is going to have
to be around strong global identifiers and not just --
strong identifiers within a particular ecosystem are
helpful, but unless they're shared across sectors and
industries, it strikes me that we're going to have a
challenging time solving some of these technical
problems.

So with that all said, we have a very great
panel assembled here to talk about these issues,
and -- sorry, I'm not checking my email, I have the
agenda here on my phone -- and I would like to ask, to
start things off, for the panel to introduce
themselves. Because you all already have the benefit
of their bios printed out in front of you, I am going
to ask that you keep that part of your introduction to
a minimum, but who you are, what you do briefly, but what I would like you all to expand on in your introductions is why solving these problems matters to your agency.

So I'm going to start out by asking Greg Cram, who is the Associate Director for Copyright and Information Policy at The New York Public Library to introduce himself.

MR. CRAM: Sure. So we're different -- I'm different than most of the folks in the room. I work at a library, which means that I deal with copyrighted works throughout their life span, throughout their copyrighted life span. So we have a little different perspective, and I think that's part of the reason why we're here, to help remind us that when we're talking about the use of copyrighted works, we're not talking just about solutions that will work during the commercial viability of that work, but during the entire life span of that work.

And like you all, I also work across different types of works. We're not talking just about commercial works that were produced solely for the purpose of making money. We're talking about things -- we're talking about those things, but we're also talking about photo albums, personal photo
albums, personal diaries that end up in our
collections. All of those things are protected by
copyright. So when we're thinking about licensing
schemas or standards, maybe we can work in some form
hopefully across the spectrum.

So a little bit about NYPL for a second and
then I'll pass it on. So NYPL is the largest public
library system in the country. We have got 88 branch
libraries, which are what you think of as neighborhood
libraries, as well as four research libraries, where
the bulk of the research work happens at the library.
We collect, preserve, and make accessible the record
of humanity, of knowledge, of creativity, essentially
of our cultural heritage, and I will come back to that
phrase quite a bit today.

Our interest in this topic is really to meet
the needs of our patrons, we have been digitizing our
content for at least the last 17 years. We have got a
collection of over 55 million objects at this point,
and we have -- all of them present a variety of
copyright issues. So I'll preview a few of those for
you.

In the archival space, I've got a lot of things
from a variety of time periods, some old, some new.
Depending on what we're talking about, we're looking
at different copyright problems for all of those things, and we'll get into that more in the panel. On the trade side, the neighborhood library side, the e-book side, that's a little bit more straightforward. When we talk about problems in the industry, the going-forward e-book issue may actually not be as bad as some of the other issues that we'll encounter.

So some of the things that we're really interested in getting out of today and having -- and continuing this conversation is thinking about working backwards when we can. How can we solve the problem of licensing information, of rights holder information, and copyright status information for works going backwards, and then figuring out how that would work going forward.

MR. SANDHAUS: Great. Mark?

MR. ISHERWOOD: Hi, good morning. My name is Mark Isherwood. I am here today representing Digital Data Exchange for DDEX. DDEX is a not-for-profit membership organization that develops standards for communicating data up and down the supply chain, the digital supply chain mainly, and mainly with a focus on the music industry, and we have been around now for 12 years. Anybody here from the music industry will
know what an uphill struggle it is to herd the cats, and I'm happy to say that, you know, 12 years is a short time in the music industry, and the standards that we have created are now very widely adopted.

DDEX is quite unique in the music industry in that it represents the whole value chain and not just silos from within the industry, which can very often cut itself up into sectors and never the 'twain shall meet. So it is quite a unique organization in that sense.

The reason, at its simplest, why this is important for that industry is we're no longer dealing in physical products. We're just dealing in bits and bytes. And so things like identification and descriptive metadata will actually be vital for the computers to be able to identify one thing from another, and also, just as importantly, to establish relationships between one thing and another, so establishing the relationship between a musical work and a sound recording, establishing the relationship between a musical work and its composers, a sound recording and its artists, and so on and so on.

So that is, at its core, why this is important. In the physical world, usually human beings were looking at things and could make decisions and make
judgments. Computers can't do that, and that's why
this stuff is so important as we move forward.

MR. SANDHAUS: Excellent. Next up, we have
Darren from -- Darren from -- Darren Briggs, the SVP
of Data and Product for SongSpace.

MR. BRIGGS: Good morning, everyone. I'm
representing SongSpace, which is a cloud-based
platform designed to support songwriters and
publishers in the -- when we talk about the supply
chain or the life cycle of -- the music life cycle.
We are at the beginning of the life cycle from the
point of song creation really up to the point of
propagation to society and so forth, where it becomes
the established life cycle of licensing and
accreditation.

So there is a whole overlooked part of that
chain that really is nebulous, and there aren't
identifiers when you're writing -- sitting down and
writing a song and you're not thinking, what is the
identifier for this song, for instance? So it's that
whole life cycle that is very ambiguous, but it's at
the point of creation of that whole data flow also
that that part of the business, the creative part of
the publishing business, for instance, and the
songwriters, typically is the last on the list of the
prioritization of budgets when they're developing systems in these companies.

I've worked my whole life in music rights with Sony/ATV and BMI, and I was CTO of the company that owned all the Shazam technology, so we developed a lot of different ways to track this life cycle of music, and why it's important to me, a lot of it is a personal driver. I grew up in a music family. I grew up in a recording studio as a kid, and helping to fill out AFM sheets, which is how musicians got paid for their -- for performing and sessions, all the way through to songwriting -- growing up with songwriters and watching many of them not be paid, not be accredited, not get recognition for their participation in songs that became big hits.

So early on I saw the holes in the work flows of remuneration and accreditation. So for me, a lot of it's personal, and also I'm a technologist, so the marriage of music rights and technology has been a natural marriage, in my mind, seeing it in the recording studio. It's taken a while in the administration world for those two sides to meet. They are often considered on polar opposite ends of the spectrum within the business, but for me, they are a natural fit, and working with Google and
infrastructures like DDEX with Mark, we've really come
a long way, especially with the embodied works and
the work flow management and identification of those
works, but there's a lot more to work on.

Mark and I were talking about, it's not just
about identifying the -- what we call the objects in
the data sense, but equal organizations, embodied
works, sound recordings, it's also the relationships
between those and the context of those relationships,
and that's where the real complexity comes in. Each
of the components in this work flow may be a subsystem
of business, and they may have different definitions
of the same person or the same object or the same
participant. We need to tie all of those together so
that there's a common lexicon across the full life
cycle, and that's really the larger goal for me and I
think for a lot of us.

MR. SANDHAUS: Thanks so much, Darren.

Last, but certainly not least, Stuart Myles,
Director of Information Management at The Associated
Press.

MR. MYLES: Good morning, everybody. Thanks,
Evan. Yes, I'm Stuart Myles, Director of Information
Management at The Associated Press, working in the
technology group. So amongst other things, I manage a
digital archive of around 300 million digital objects.

So one of the reasons that we're interested in rights is, as we do archive sales, it's often not until the point where somebody's ready to buy something, a video or something like that, that we do rights clearance, and often it has to be a manual process. So we're interested in solving that problem. We think standards are a great way to do that.

Another thing that we do at AP is we distribute around 200,000 items a day to our various customers and members around the world, and often there are restrictions associated with those photos or videos or text items, and the way we convey those restrictions today is still predominantly as a note, so an editor's note or a piece of context that somebody's meant to read to say, oh, we shouldn't be using this photo in Japan.

Unfortunately, there are fewer and fewer people in newsrooms, and so all of our customers want to move to fully automated systems where they can just process our feeds of content. So we need to have a way to convey those restrictions in a machine-readable way. So in addition to -- so sort of similar, in ways, to other people on the panel, just more focused on news and media, I suppose.
In addition to working for The Associated Press, I'm also Chairman of the Board of the IPTC, which is the news and media standards body that Evan mentioned, and as part of that, I'm working within that group on a standard called RightsML, which is working with WC3, another standards body, they have a standard called ODRL, Open Digital Rights Language, so we have already been working to see how do we solve those problems not just for AP, but, ideally, for news and media companies all around the world. So I'm excited to talk about that stuff and to learn from everybody here how to do those things.

MR. SANDHAUS: It strikes me that -- it wasn't on purpose, but this panel is book-ended by two directors from the IPTC, but...

So I want to put the spotlight on Stuart now for just a second. You've mentioned a couple acronyms, ODRL and W3C, and one name, RightsML, which are all technologies in the digital rights space. I was wondering if we could -- if I could trouble you for, like, maybe five minutes to give us a quick overview of sort of the current state of various rights technologies.

MR. MYLES: Sure. And actually, I think Bill gave us a really great foundation in his opening
remarks. I guess I think a useful way to -- a useful metaphor for what I see going on is the one of pioneers, settlers, and town planners. So I think there were pioneer rights-related standards, such as MPEG-21, Creative Commons, and PLUS licensing, which I think have paved the way to indicate that by focusing on particular areas, focusing on particular industries or media types or problems, that you can actually solve rights expression.

And I think we're moving into what I see as the settler state, where we're taking those -- that initial pioneering work and figuring out how to make it more practical. So I think the ODRL standard that I mentioned, which is W3C's Open Digital Rights Language, it's designed to work for all media types, all businesses, not just for the news industry, but for -- whether you're music or selling data and so on, but trying to create a way to express permissions and restrictions and duties in a way that can be machine-processable and could stand up legally.

And what RightsML is is IPTC's effort to indicate to the news and media industry how you would use ODRL to solve news and media rights and restrictions issues, but -- so the settler stage is trying to figure out, like, how do you make these
things work, what's the software you need to use, what's the work flow, how do you use these standards. We're not yet at what I call the town planning stage, which is where all of those sorts of things have been figured out and it's more a question of just sort of operating things as efficiently as possible. We're not there yet.

So a great example is identifiers. So how do you identify who is it that owns the copyright for this; what is the thing that's being copyrighted. So expanding again on what Bill said, it's really quite unclear what a video is. So is it the particular technical encoding of it? Is the transcript part of that video? What if he translated it into multiple different languages? What about different -- slightly different edits of that video? And so on.

So I'm optimistic that I think we're moving into this phase where we're starting to apply different technical standards, beginning to make them more practical, and I also think it's great that some organizations are starting to adopt things like the standards like ISNI. I think some of you may have seen that YouTube a couple days ago announced that they are going to start supporting a scheme for identifying who are the copyright owners of videos,
but I think there's still a lot of work to be done, and we're not quite yet in the town planning phase.

MR. SANDHAUS: Thank you, Stuart. That was extremely helpful. Now that I think you have given us sort of a sense of where we are technically, I'm interested in hearing from the other panelists where you feel that -- because I think it's important to establish a baseline for the rest of the conversation today, like where do you feel your industry is right now? Like, what is the current state of affairs in your industry? And I'm going to go to Darren to start.

MR. BRIGGS: Actually, music is surprisingly well formed in its standards in the context of a lot of IP, but if you dig down a little deeper, the challenges we have, one is the embodied works. So publishing the embodied work is more robust, I think, than the sound recording standards definition, though we have things like DDEX -- not to keep pointing it out and supporting Mark in every answer -- but that's a full supply chain that's well defined and has a lot of uptake and interest. And YouTube, for instance, replaced its proprietary XML format with the DDEX standard. So we're making great movement in there.

I think the challenge is there's still a lot of
legacy opinion and resistance for shared information.
So you have these compartmentalized segments of the
industry that have well defined standards, but it --
there are a lot of players who feel there's still an
all-or-nothing bridge to their data provision, so if
you're trying to create a streamlined, automated,
efficient, end-to-end life cycle, it's very
challenging if you have standards defined in step two
and step four, but those standards are only available
with a manual lookup on a website, for instance, or
maybe those identifiers aren't available at all unless
you're a member of a particular team or group. That
type of legacy gatekeeping I think is a challenge for
us.

The other challenge for us in standards is --
back to the relationships is codifying or creating
identifiers or automated ways to define the
relationships, say, between the songwriter and a
publisher, which are dynamic, and so they change over
time. They're time-constrained. They're
territorially constrained. How do we create
generalized standards for those types of
relationships? For all of those, those are imperative
if we are going to automate licensing, for instance.

We have the objective and the subjective data
points. The subjective data points, that's fine, you keep those proprietary, but the objective data points really should be available to pass through the entire life cycle. So I think that's the challenge. But the good news is, I mean, we have all sorts of standards to choose from now, which in the early days, it was not the case at all, and compliance is becoming much more the case rather than the exception, so...

MR. SANDHAUS: To change gears, I'm curious, Greg, it sounds like the state of the art for you has widely varied, everything from copyrights that are handed out in this very building to Grandma's photo album which, by de facto, is copyrighted, but maybe not so efficiently.

MR. CRAM: Yeah, that's exactly right, and I'll echo something Evan said and really highlight it. The gatekeeping of data is a problem for us, where we can't get access to some of that underlying data, so what we end up having to do, because we want to be responsible copyright -- users of copyrighted works, we will have to reconstruct that data from scratch, basically.

So we have got a database that we've built, a custom database at NYPL that tries to cover the copyright status and related copyright information for
objects in our collections. That means that we spend a lot of time digging through Copyright Office records and trying to understand who owns what 20 or 30 or 70 years or 100 years in some cases after that work was created. So that's a problem for us. So sharing of data is one of the problems.

We're trying to remedy that in two different ways. One way is to encourage our users to understand the copyright information that we've gathered, we've developed and implemented something called RightsStatements.org, and what RightsStatements.org does is it's a way -- a standardized way for cultural heritage institutions to communicate the copyright status or other licensing data that we've discovered about a particular object, so that if NYPL decides or has determined that this work is in the public domain in the United States, we can label it. Our users then have some information that will lead them to help make a better decision about how they're going to use that object, but it also eliminates or tries to eliminate some of the duplicative work that's going to be happening across libraries that have that same item.

RightsStatements.org is one effort to standardize the way we communicate copyright status. The other initiative that we're trying to use to solve
some of these issues of downstream users is around the
Copyright Office records. We have -- and I'm happy to
announce today -- that we yesterday or two days ago
kicked off the Copyright Office records project where
we're digitizing -- actually, it's already been
digitized. We're actually running OCR, transcribing,
and parsing data out of the catalog of copyright
entries. We're running a pilot project right now
where we're going to focus on a smaller set of the
data, but there are 450,000 pages to get through, and
we're NYPL, so we are not a huge player in the field,
but our goal is to basically take the CCEs from the
analog paper copies that we use today and convert them
into a database that we can use in the future to help
backfill some of this data that we're missing.

So the state of our industry is we need your
help to share more of that data so that we know
downstream, further down the stream, how those assets
can be used and who we need to contact in 20 years or
30 years after that publishing deal -- that book
publishing deal is complete.

MR. SANDHAUS: That's really interesting.

Mark, could I trouble you for more info about
your perspective on the music industry?

MR. ISHERWOOD: Yeah, I think Darren is
obviously a glass is half full person, and I am the
opposite. The music industry is absolutely brilliant
at developing standards. They're just really terrible
at implementing them. And, you know, this has
happened time and time again. I think the sort of
silo mentality is one of the biggest problems that the
industry has. It is improving, I have to say. I
mean, having worked in the music industry for more
years than I care to remember, there is a different
mood. There is a desire to cooperate and work
together to solve some of these problems, but there
are still those pockets of companies and sectors who
would do anything to slow progress down, basically.

One of the -- for example, one of the hot
topics of the last year, which will carry on during
this year, I'm sure, is the linking of ISWCs to ISRCs.
The reason that's so important is it helps with
matching, and then matching eventually helps with
royalty payments. The problem is there are three or
four or more projects around the world with different
groups of people who are working on this thing,
because the music industry works on the basis of if
you could have three projects, why not have one, or
the other way around, because the problem is this
stuff needs to be utilized. It shouldn't be
proprietary. We need authoritative links that people
can rely on or choose not to rely on if that's what
they want to do, but they are going to have to have a
damned good reason for not relying on what other
people regard to be the authoritative link. And so
there really is more need for more collaboration, more
cooporation, rather than less.

So, there are a lot of good things in place. I
know, you know, DDEX has been successful, but we also
know that a lot of companies have implemented some of
our standards in slightly different ways, and,
therefore, you don't have a standard, and, you know,
that's a problem. We're working to try and solve
that. We squeezed the specifications as tight as we
possibly can in order that there is no wiggle room in
terms of implementation, but it comes back to, you
know, the industry's really bad at implementing
standards. You know, people will make their choices
and stick with them and refuse to budge.

So, you know, that to me is the -- those are
the sorts of things that are holding everything back,
and the consequence is actually that you get
entrepreneurial companies like SongSpace filling gaps
that are not being filled by the -- by sort of the
standards industry, because they are just not doing it
terribly well. I use SongSpace as simply one example of hundreds of thousands.

But one other thing I would say is that the data has not been collected close enough to the point of creation. What tends to happen is, you know, you're in a studio, you might write something down, you might even put some data into an app, but it's fairly minimal and not been very good quality, and I think there is a lot of work going on in a number of places to make that process simpler and to avoid any friction in terms of gathering the data as the works and the sound recordings are created.

There is a lot of work going on there, a lot of good work, a lot of positive work, because we have to improve the quality of the data that we get from literally day one of somebody thinking of a tune in a lyric, and I think, you know, if we keep moving in the direction we're going on that, then you will start to see better quality data coming through the whole supply chain.

MR. SANDHAUS: So I want to keep the soapbox under you right now because I sense -- when we talked yesterday in preparation for this panel, I brought up the idea that, you know, well, there has to be some minimum amount of data that we can use to achieve a
useful result for your industry -- and I think this applies to all of us, but I want to start with you, Mark -- so what do you feel that is or do you feel that can exist?

MR. ISHERWOOD: Personally, I have a problem with this concept of minimum viable data, and the reason I have a problem with it is the minimum viable data will depend -- will vary depending on what specific business transaction you're trying to support, and, you know, it is possible for there to be minimum viable metadata for identification, but if you look at ISRC and ISWC, they have minimum metadata sets that are linked to the numbers, and that does the job. But if you just send an ISRC and its minimum metadata set, that's not going to help tell you which product that sound recording is on or whether you can stream it or whether you can put it on a subscription service. So I understand why, and I understand where this is coming from, but I think, you know, you do have to remember there are so many different, almost discrete business transactions that go on right from the beginning of the supply chain to the end, that in each step, the minimum viable metadata you need in order to support that will be different, and so there is no single answer to that question is really my
point.

MR. SANDHAUS: Excellent. I want to throw it to Darren now to see if he agrees with your take.

MR. BRIGGS: I totally agree. Again, it's --

MR. SANDHAUS: Oh, I was hoping for conflict.

MR. BRIGGS: No, no, no, I totally agree with this, because it depends on where you're dropping into that life cycle. So, say, at the very beginning, there isn't a viable set when you're writing a song. You don't have a lot of data to add. You have a title, you have lyrics, you may hopefully have a creation date and know who you're writing the song with, and maybe you guys discussed how much each of you is taking credit for, but there's not a lot more you can add at that point.

If I'm doing the royalty calculation, I'll need more information than that as a minimum viable data set to perform a royalty calculation and distribution and allocation to royalty accounts, cross-collateralization, previous existing agreements, all that type of thing. As you go further down the path, just publishing that MVD, the acronym, just grows and grows and grows down the path, but there are so many vectors in music, if you're talking about licensing -- if you're a DSP, if you have a certain
amount of information you need to know what to license, who to pay, what the rates are.

So it depends on the vector and it depends on where in the life cycle you are that the MVD -- but, you know, I do support the concept of MVD, but it is tied directly to, you know, as we say, in developing use case, so you need to clearly define the use case, and then you can pair that with a minimum viable data set.

MR. SANDHAUS: Gotcha. So since we haven't achieved conflict, maybe we can achieve consensus. And so it sounds like what I'm hearing from both of you is that if minimum viable data is only a useful concept in the context of a specific transaction or use case and that the whole ecosystem is composed of a sort of rich tapestry of transactions, then the minimum viable data to support that quickly scales to all of the data or a lot of data.

MR. BRIGGS: Not all of it. You don't all -- all of the data is -- there is no definition of that because every platform and every company has a set of proprietary -- of subjective data or proprietary data or whatever. You don't know what the full complement of all the data points are for music or any of the assets we talk about. I mean, but there are core data
points that are required to perform a particular
transaction, to perform a particular event, and those
can change per use case.

Another great example is territorial control,
for instance. So if I'm only working in the United
States, which is where a lot of the legacy type of industry
systems are built, they're not territorial or
multiterritorial. They're single territory because
they never thought about licensing things beyond
geographic, you know, locality.

MR. ISHERWOOD: But that's a general problem
that the whole industry is still grappling with --

MR. BRIGGS: Yes, right.

MR. ISHERWOOD: -- is that the whole
infrastructure of whether it was physical human beings
or computers or index cards was simply based on a
territory-by-territory activity.

Now, of course, we no longer have that, and it
is proving extremely painful for the industry, you
know, right across the piece to actually adapt to
multiterritorial licensing.

For the sort of legislative nerds, the -- the
kickoff was in 2005 when the European Commission came
up with this idea of allowing copyright owners to
become members of societies outside of their own
territory and actually choose where the rights went. Rather than it all being very vertical, it's suddenly become horizontal, and the whole industry, particularly on the musical works side, but across sound recordings as well, is really struggling to come to terms with that.

MR. SANDHAUS: So it sounds, to circle back to the question, that it isn't all of the data but the minimum viable data required to support a rich ecosystem is not terribly minimum.

MR. ISHERWOOD: No, it depends. Yeah, there's a minimum viable data set, but it's -- it -- there's -- it's different for each playspace in the chain.

MR. SANDHAUS: I keep seeing Stuart almost weighing in, so I'm going to provoke you to weigh in.

MR. MYLES: So, I mean, I just would like to come out here in support of simplicity, because I think that one of the barriers that we see for adopting standards or any kind of technology relating to the processing of rights and entitlements is that if you have to be able to accommodate everything before you can do anything, then we -- you know, you just won't start because it's too big. So I think that the success, I'd argue, of things like the
Creative Commons, which is essentially half a dozen different standardized licenses that you can apply to various works, and I also think that RightsStatements.org is a lot a more ambitious, more comprehensive, but also, at its core, a simple way to express standardized licenses.

I think that's key, and the theme that I run into then is how do you then expand that into the nonsimple cases, because certainly from my businesses and partners, they love the simplicity of, like, let's get this thing done, that's great, and now how do I add in this special case?

MR. ISHERWOOD: I entirely agree with you in principle from a standards development point of view, without question. The difficulties in my own experiences is the music industry is bloody complicated, and if a lawyer can think of it and write it down in a contract, it will get written down in a contract, and the poor operational IT guys have then got to figure out how to make that work, and, you know, you only have to think of controlled compositions over here.

The complexity of those things in the 30 years I've known they existed is just mind-boggling, and, you know, so it -- like a lot of life, it's finding a
balance between being simple but actually coping with
the complexities you have actually got to deal with in
real life.

MR. SANDHAUS: And, Greg, I'm curious on your
perspective on this.

MR. CRAM: Yes. So, bibliographic data is
something that we haven't spoken a lot about. We have
talked a lot about licensing metadata, but not the
bibliographic data, and often that's what we're
missing. What is this thing, right? Let's find an
identifier, and if there's an identifier, great, but
if it links to nothing or if it links to a title, that
tells me nothing as far as uses, licensing, anything.
It doesn't tell me copyright status.

For us, that's important. Knowing what the
copyright status of that object is in 50 years depends
on me knowing who the creators were, to the extent --
if there are -- I mean, if there are authors and it's
not work for hire, and then figuring out what the
dates are. Knowing those two things, knowing who
created it and when it was published or when it was
created and the title of that thing are really
helpful, but often what we're missing is also the
relational data that you're talking about, that you
both talked about, knowing who that writer is.
So if you put a name to a person, if you write
down, you know, Greg Cram on something, I need to know
which Greg Cram that was. Amazingly, there are more
than one of me. There is one in Australia who sells
properties, who is a real estate broker, right? So
having unique identifiers for each of those things is
really critical just on the bibliographic metadata
side, to understand what this thing is. Then you add
in all the complexity of, okay, what rights can I go
license, and more complexity. For me, the minimum is
bibliographic metadata. We need that first.

MR. ISHERWOOD: And there was a project
probably as far back as the nineties, which is what we
called the INDECS project --

MR. CRAM: Yes.

MR. ISHERWOOD: -- where we came up with, you
know, people do deals about stuff, and those are the
three things that you need to identify, and if you can
start with that, then -- then you're well on the way.

And, you know, in terms of -- in terms of
identifying people or names, ISNI is one way toward
that, but we are struggling within the music industry
to get traction on that. They have their own
proprietary versions, and why should we adopt
something else, so on and so forth.
MR. CRAM: Yeah, nothing too technical, but who, what, and how it's done are -- the irony of triples, that's our language. We speak RDF triples, and we want to talk more about semantic web, but to do that, we need the underlying data to get there, and that relational -- setting up those relations about what each piece is is also important for us.

So, you know, if I'm looking at a photograph, it's often one copyright and one rights holder, that seems pretty straightforward; but when we're talking about feature films or documentary films, where there are hundreds of third-party works in that thing, having those relational understandings would be really helpful for us to know how that thing can be used later on.

MR. SANDHAUS: And to your point, we keep circling back to the need for strong identifiers, and I think it's really interesting, because when you look at sort of the technical landscape of standards available for attaching to media objects, I mean, starting with EXIF and moving forward from there, almost all of them let you specify a creator as a block of text, which is probably far too flexible for uniquely identifying things.

Now, ODRL and RightsML from the IPTC let you
specify a strong identifier in the form of a URI, which means something out there for all you RDF enthusiasts, but -- essentially that is a strong identifier, but only in the context of a specific vocabulary that, if not shared, will end up just getting you consistency in a sector, not universally.

So how do we chip away at that problem?

MR. ISHERWOOD: Well, over a period of time, somehow -- and I can only speak from the position of the music industry -- we have got to build trust in the identifiers, and in the music industry at the moment, when Spotify reports to the record label, there is a whole load of metadata as well as the identifiers that goes into the message, and they use FTP, and so the files -- you know, the billions of streams we're talking about -- if -- at the moment, I can't remember what the actual number of subscribers worldwide is, but it's under a billion. If we get to 2 or 3 billion using streaming services, there's no way sending files from one place to another is actually going to work. The only thing that's going to work is sending identifiers. And to be able to do that, you have got to trust them, and at the moment, that -- that isn't the case. And so certainly in the music industry, you send an identifier, but you'll
send all of the metadata associated with that
identifier as well. So your file will automatically
get ten times bigger just by doing that.

If you are able to just send identifiers with a
link together, then you can start talking about web
services, very timely messages going off in a second,
then you are into a different ballgame, and the rights
industries have got to get to that point in the not
too long time frame, because, you know, moving huge
files around on secure FTPs is the 20th Century. We
are now, you know, into year 17 of the 21st. We
really should be further forward with this.

MR. SANDHAUS: So not only is there a strong
business reason for these identifiers, but from a
technical efficiency standpoint --

MR. ISHERWOOD: Yeah. The operational overhead
is mind-boggling. I mean, if you -- I know that lots
of the DSPs, their margins would be much more
significant if the rights holders were more
sophisticated, because then their operational costs
would come down significantly.

MR. SANDHAUS: That's interesting.

Stuart?

MR. MYLES: Yes. So I think if we were asked
about a similar sort of situation in the news and
media industry, often, let's say, AP has done deals with newspapers. So we have individual contracts with newspapers, but newspapers are often not, in themselves, companies, so there are not company identifiers and so on. So we -- internally, we have our own identifiers, but those are not shared across the industry.

I mean, we -- we -- I guess we would be happy to impose our will on the rest of the news industry, but even though we are the biggest and I'd argue the best general news organization in the world, but we don't have that market power to just simply dictate to everybody what to do, and there isn't anybody else really in that position. So it's not obvious how we're going to solve that problem of shared identifiers that people agree on and understand.

MR. SANDHAUS: Very cool.

So I want to continue down this road, but I've monopolized the privilege of asking these smart people questions, and I want to open it up to the crowd to see if there are any questions for the panelists.

MR. CRAM: And while we're waiting, I'll just put one more plug in. So a lot of the issues that we're talking about sound a lot like data science issues and a lot like information science issues.
These are the issues that libraries have been tackling for many, many years. So as you're thinking about developing standards or implementing them locally, think about hiring an information scientist or, you know, someone with an MLS, because what we would -- a conversation about identifiers just perks up all of my librarian kind of feels, because we've been doing that for a long time.

MR. SANDHAUS: And that's information scientists, distinct from data scientists --

MR. CRAM: Yes.

MR. SANDHAUS: -- who you might also want to hire.

MR. CRAM: Yes.

MR. SANDHAUS: All right, Bill. If I could trouble you to go to the microphone.

MR. ROSENBLATT: Sure. So I was glad to hear Stuart mention the announcement that YouTube is adopting ISNI, because it was a huge announcement, and I'm really interested to hear from everyone up there, the idea of identifying identifiers for rights holders as opposed to for content or musical works or whatever is more and more important nowadays, and I'm wondering what potential you guys think ISNI has for being sort of a universal identifier for a rights holder in your
segment or anything that you care about.

MR. ISHERWOOD: Yes. I mean, I think that the announcement of YouTube adopting ISNI is a kick in the backside for the music industry, in particular, because it has been slow to adopt it. I think ISNI has huge potential as a linking identifier between different proprietary party identifiers.

MR. ROSENBLATT: For IPI you mean?

MR. ISHERWOOD: Yeah, IPI or IPD and others. However, there are things not right with ISNI. Again, coming purely from the music side of things, they are linking pseudonyms, and in the music industry, people generally don't like that. If I'm a classical music composer called Fred Smith, but in my spare time, I do production music, you know, with a different name, I don't want those two things linked. I don't want those two names linked together. And because ISNI is a name identifier, not a party identifier, they shouldn't be doing that, even though those two names happen to be the same person.

And so there are things that need to be sorted out about it, but I do think it has a lot of potential --

MR. ROSENBLATT: But that strikes me as a governance issue, not a --
MR. ISHERWOOD: Absolutely, yeah, yeah. No, no, no, I agree.

MR. ROSENBLATT: -- fundamental --

MR. ISHERWOOD: Absolutely, but it's doing the job properly, without sounding hypercritical.

MR. SANDHAUS: Excellent. Do we have any other questions? Could I trouble you to come to the mic?

MR. MYLES: While he's coming, I'll just also respond. I think that on the one hand I am always disappointed if it's only because Google or YouTube or somebody like that adopts something that people get interested in it, but on the other hand, it is, in fact, a practical way to help my management understand the value of something.

MR. ISHERWOOD: That's a pure frustration. I happen to know.

MR. SANDHAUS: Thank you.

JONATHAN BAND: So how do --

MR. SANDHAUS: Could you turn on the mic?

Sorry.

MR. CRAM: I'll repeat it. Go ahead, Jonathan.

JONATHAN BAND: How do you overcome the basic human problem with any -- implementing any of these standards? I just think back to 30 years ago, when my law firm, you know, who was a large law firm and they
identified -- they adopted certain standard
identifiers so that every document we created would --
you know, would indicate, you know, the client, the
author, the nature of the document, you know, was it,
you know, interrogatories or whatever, so that we
wouldn't have to keep on recreating the wheel, even
though a law firm makes more money by recreating the
wheel, but it was to provide better client service and
really makes things more efficient.

But very quickly it failed because no one could
be bothered to spend the extra two minutes that it
took to sort of say, okay, now I need to properly, you
know, use the -- you know, put in the proper
identifiers. And it really would need to be the
lawyer, right? You couldn't ask, you know, the
secretary or even the paralegal to do it. It would
really need to be the lawyer to figure out exactly
what would be the right way to classify it.

But it just didn't work because we couldn't be
bothered to spend the, you know, small amount of time
up front, because, you know, you always figure, well,
I'll always remember what my stuff is, but, of course,
the larger the organization, the worse that works.
So, again, how do you overcome that human barrier?

MR. ISHERWOOD: I can give you some examples of
the sort of thing that needs to be done, that's developing in the music industry. I mean, the simplest answer is you've got to make it simple so that it doesn't take you two minutes out of what otherwise would be fee-earning time to actually, you know, do the job. It needs to be just part of the work cycle, and that's not easy. I'm not saying it is, but there are increasingly a number of tools for artists and creators, which are very much app -- they are app-based, all in the cloud and that kind of stuff, which are being much more adopted by those communities, and they are making it, you know, so easy to collect it, because we're so used to, you know, getting our phone out and checking something. Actually doing the same and writing down a musical work title and so on is -- makes it so much more simple, actually, than writing it down. So I think, you know, it's going to be technical tools that make it simple, that don't take any time.

MR. CRAM: In our experience, going -- looking backwards, one way we developed some tools to help us that might inform some of this going forward is that by -- the move from physical to digital allowed us to do lots of things, including allowing us to do full-text searches and building -- analyzing what the
thing is using computers instead of humans going through and trying to classify what this book is, what this item is. That's really, I think, helped us backfill some of that information, some of that description.

So if we can run that full-text search, I know the number of words that are used in this book, and here's how those words are used in some ways, and that might tell me more about what that document is. So the power of digitization for us has been able to backfill that metadata.

MR. SANDHAUS: And, Susan, if I am correct, we're nearing our time?

MS. ALLEN: Yes.

MR. SANDHAUS: All right. So I want to give Stuart the last word, because he was about to say something.

MR. MYLES: What I was going to say is that within AP, we have a sort of -- somewhat of a similar situation, not so much with our lawyers, but with our editors and journalists, where we have to give them the ability to create new identifiers for things, often in a breaking news context. So, yes, they can reuse identifiers, but often they don't, because it is a brand new thing, but perhaps later we decide it's
not.

So the way that we compensate for that is that actually we have librarians who work for me who examine those IDs and the metadata to do with them and will link them together later. So we don't really expect our editors to go back in time and fix things or to have to worry about that. So that's how we compensate for that.

MR. SANDHAUS: Well, I want to thank our panelists for leading us in a really interesting discussion today and the USPTO for hosting us here today. This is a great event, and thank you so much.

(Applause.)

MS. ALLEN: Okay, so thank you, all. I have a couple of quick announcements and a quick update to the agenda. So instead of having the presentation right now from Pex, which I believe is on the agenda, we are going to have the coffee right now, for about ten minutes, and then come back and have the presentation.

For those of you online, if you are watching on WebEx, there is a participant's button that needs to be pressed in order to view the video. So thank you, all, for your patience with the video, but it should be up and running. Thank you, all. So we can
reconvene at 10:40, and there's coffee there.

(A brief recess was taken.)

MS. ALLEN: So if everyone could please have their seats, we will get started with the next presentation.

So we are getting ready to begin with the next presentation, if I could ask everyone to please be seated.

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PRESENTATION:

PEX

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MR. TUREK: Hello. I think I will keep it short and sweet, so if you give me 30 seconds and then five minutes and maybe six more.

Hi, my name is Rasty Turek. I'm the founder of Pex. We do what was kind of described this morning, so it's a massive-scale fingerprinting across the Web. I have very simplified presentation. Don't laugh at me. It's for people that don't understand much.

So what Pex is, it's kind of a Google-like search engine that search through audio and video files across the Web. It functions very similarly to Google itself. So we go out, we crawl the Web, whatever that is, we pull down metadata and the
audiovisual files, we fingerprint those with our own technology, and then we are able to search for it. So the basic logic behind it is very simple. You have original file or whatever that is, and we are able to tell you what portion of that file are found within any other asset that we find outside of your database or anywhere in the world. We deal with a lot of distortion on both audio and video. We also deal with a lot of other technological challenges. On the audio side, we have melody-matching and a couple of other things, which allows us to uncover cover versions. We also deal with mixes and remixes, sampling, and lots of other things.

On the video side, we deal with horizontally swapped images with added logos, changed aspect ratios, changed codex, slow down, and then put some titles on it, and we are still able to match that. Our technology allows us to go down to roughly half-second, so that's the shortest segment that we can identify within two media against each other.

As I said, we go across the Web. There is a ton that we cover. As of roughly end of this -- beginning of this month, we processed our 7.6 billionth video. It's roughly double the size of YouTube, so that's a pretty nice amount of content.
And then we have two main products built into both of these technologies. One is rights management and one is analytics.

Rights management is fairly obvious and fairly simple, so it's rights holders can -- by providing us the assets that we want to monitor or find, they can also provide us a series of rules that we can follow, meaning if we identify a content, upload it 20 seconds ago to YouTube, we can follow those rules very similar to content ID, just being as an outsider. This applies to every single platform we cover, including Chinese platforms, Russian platforms, live streaming, or whatever that is.

On the analytical side, because we extract all the metadata and we update all the metadata consistently, we are able to provide kind of a deep analysis of the violating of the contents, so where the contents spreads. So shows in comparison to the existing platforms today, we focus on the content itself, not the account, so we don't necessarily care who was the uploader, but what was uploaded, and off that we go.

This presentation is more about the analytics, so just very quickly about it, I mean, as I mentioned, we follow virality in general. One of them may be not
understood aspects of virality versus popularity.

Popularity is how deeply are you breaking into your community, or put it differently, how many views "Gangnam Style" got as an original video. So that is the popularity of the content. Virality is how far it spreads.

That means how far people push it to different platforms, to the same platform, in different forms or shapes. It's the same as you have articles that are being pointed to by other journalists or something similar. So that's what we measure, and we are able to help the rights holders or the creators to understand the audience in the full picture.

We also, because of the precision of the algorithms, we are able to identify the segments that are being copied. So as I mentioned, it goes down to half-second, which applies to things like animated GIFs and other things, and of that, we can create maps of information like what portion of your content being the most used and in what context. So, for instance, in audio, which loop of that song was used the most and for what purpose. Maybe some commercial picked it up or something else is using it, and we can point to it.

We also are able to identify what we call real
influencers. You know the obvious ones like Beyoncé, I don't have to tell you that if she posts something, people follow; however, a kid out of Brooklyn that posted something through their audience or her audience, you don't know about these people, if they're hiding or amassing massive amounts of people around them, so we can identify them and you can do something about it, hopefully something positive.

And then we are also able to provide competitive landscapes because we hold lots of content for lots of different rights holders. We are able to cross-compare their market share versus somebody else's based on their content or the content of others. So that's mostly it.

If you have any questions, you can ask now or later or never.

JONATHAN BAND: So my question is one of cost, which is one of the things that individual rights holders often say is that it's too expensive for them to enforce their rights, so I'm not asking for you to give specific prices, but, you know, ballpark or whatever you're able to -- you know, what would it -- if I had, you know, a thousand songs and I wanted to -- you know, how much would it cost for you to provide this service to monitor and to do the
automated take-downs for, you know, my catalog?

MR. TUREK: See, the automated take-downs is where it's costly, because they cannot usually be automated. You have to consider fair use, which fair use, there is no computer that can tell you that, because there is no human that can tell you what fair use is. The monitoring, it's always cheap; it's in cents.

However, the take-downs themselves require human labor. Somebody needs to go verify and make a judgment call. And at the scale that we are operating, that usually is -- it's complicated.

The other way to kind of deal with this is monetization. So if you don't follow the take-downs but you want to make more money, that's kind of more simplified -- more simply to be done on the automated scale. Our cost is -- I will say the lowest in the market and the scale is the largest in the market, and that was the whole goal that we were trying to build this with.

JONATHAN BAND: But even the monitoring part you're saying would be --

MR. TUREK: Cents.

JONATHAN BAND: -- cents. Okay, thank you very much.

MR. TUREK: If you buy me a coffee, I will do
that for a thousand songs.

UNIDENTIFIED MALE: So I have another question for you. It follows up on the last one which had to do with manual intervention. So you have pretty sophisticated algorithms based on this. At what point is the algorithm as reliable as a human for determining these take-downs? Are you going to get there or get to the point where 90 percent of them are automated and you only have to have a few checked, so the gray area checked by human beings? Can you talk about that a little bit?

MR. TUREK: Of course. I think we got to roughly 30 percent, and it's more based on what is very -- let's go to 100 percent sure. So what is 100 percent sure it is one-on-one copy. Somebody takes your content and reuploads literally the same copy of it. Well, that's not fair use by any stretch. That entails roughly 30 percent of what we see for most of the rights holders.

Everything outside of that, I mean, we are trying to establish some boundaries, and we do believe we could get to 60, maybe 70 percent over next couple of years. Everything past that will require a more strict law with more rules in the law itself or if some precedence in the cases because we know that it's
kind of running blind.

MS. ALLEN: So, thank you very much. Rasty will be on our next -- not this coming panel, but the panel after lunch as well, talking about licensing and monetization, if anyone has further questions.

Right now, I would like to invite our panelists for the next panel to come up, and the panel on registries is being moderated by Jim Griffin.

MORNING PANEL SESSION 2:
THE ROLE OF REGISTRIES IN COMMERCE

MR. GRIFFIN: Jonathan, so you asked what motivates somebody to participate in a registry, and I was thinking $150,000 in statutory damages is a really motivating thing, and had your law firm fined people at that level, there would be a high motivation for being a part of a registry system, especially if you got into multiples.

And that's part of what gets us here to talk about registries today, is that there's a kind of exigency in the industry. There's been a lot of lawsuits and so forth, and I can tell you even a year ago or in the years before that, we'd be here talking about if we need registry activity, and we'd be trying
to justify money spent, cost spent on building registries, and we'd be debating the relevance of this and the usefulness of it.

And yet today it's a joy for me to tell you that all we're going to do is review efforts from those who are working on registries, and that's a very exciting thing, because as you know, competition motivates -- or at least that's our expectation -- and the result is that we're seeing a flurry of activity towards the kind of registries that we need for commerce.

We're lucky to have this panel here today. We are not going to do introductions. We have got lots to talk about, and you can look up who these people are on the panel very, very easily, and I will introduce each one of them to you as we move along in some kind of cursory way.

But we are going to start out with Shawn Gallagher from the U.S. Copyright Office, because Shawn is the first to tell us about a new program that the Copyright Office sent a notice out about yesterday.

So, Shawn, I think you've got some slides -- you're the only one with some slides -- so take it away. Tell us about the Virtual Card Catalog -- and I
have to say, that's such a joy, you know? I mean, anyone who's interacted with a library remembers the card catalog, so it's kind of funny. It's like a coder reviewing VISUAL -- or BASIC, the programming language. The card catalog, finally we virtualized it, so let's hear it.

MR. GALLAGHER: Great. Thanks, Jim.

So, again, similar to Greg, we had an announcement yesterday about the Virtual Card Catalog. So, again, I need to preface that this is a proof of concept. We have been looking at all of our analog card catalogs, everything that's pre-'78, and we have had a team coming in to develop a website and an interface for that, and what we've done so far is we've taken the two most recent indexes, so in that analog group of cards, so it's the '55 to '70 and '71 to '77, and we have placed full-color scans of those cards in this website for people to be able to browse through. Again, we have been digitizing these cards for quite some time, but they have been high-resolution TIF images, so not really suitable for web presentation.

MR. GRIFFIN: I will interject, for how long? And by the way, for those of you in the audience, stand up and ask questions any time. We can handle
it. We're not waiting until the end. You've got a 
question, get to a microphone, we're happy to answer.

Go ahead. How long has it taken to get this 
project -- when did it start?

MR. GALLAGHER: Nearly about ten years ago, we 
began digitizing.

MR. GRIFFIN: About a decade.

MR. GALLAGHER: Um-hum.

MR. GRIFFIN: Right, okay. Sorry.

MR. GALLAGHER: But, again, we have been making 
smaller resolution images so we can put them up on the 
Web for people to view. They are suitable for mobile 
as well, so if you want to take out your phone and go 
to vcc.copyright.gov, you can check it out from your 
phone right now.

Again, so they're the full-color scans. 
They're the verso, as we've captured all the 
handwriting that's on them, on the backs, the notes 
from people who have managed the card catalog, and, 
again, right now it's browse functionality, so you can 
kind of filter by drawer, you can filter by the 
alphabetical listing of the drawer name, and although 
there's a search box in there, it's really just a text 
filter for the drawers at this moment.

Again, we're using an Agile methodology to
develop this, so we're looking for feedback. We have

got a feedback button up there where you can let us

know about a certain card; you can let us know about

the entire interface in general. Again, so here's

what the interface looks like. You see a card gallery

where you can kind of scroll through the cards in any
given drawer. You can also use the buttons on the

left and the right to page through that catalog.

One of the things that we do really like about

this is that when you get into searching -- and,

librarians, you talk a lot about serendipitous
discovery, because when you do a search, you might not

be looking for one specific thing. Sometimes it's the

item next to it, two or three locations down on a

shelf, that really brings you the information that

you're looking for.

So we think that right now the browse

functionality encourages that, and, again, in the

coming year, we'll be adding more features. So if

people want to check it out, leave us some feedback,

fill out a survey we have there -- it's a third-party

website -- but we're collecting all that information

and using that to figure out which features to

implement in the coming year.

And as -- I think by the end of the year, I
think we're looking at having probably about 40 million images available, so those will be uploaded as we're going along.

MR. GRIFFIN: I work for you, I work for the audience, so I have got to bridge Agile, explain to the audience, for those who are not familiar with Agile scrum methodologies.

MR. GALLAGHER: So really briefly, I mean, there's plenty of YouTube videos you can watch about it, but Agile is really a methodology, a way of thinking about doing something and getting to a minimum viable product, and what we try to do is go out and we want to engage our users and get as much feedback as possible before we get too far down the road, because the contrast people usually make is the waterfall of software development, where you gather your requirements, you disappear, you come back with a product, and people aren't really happy with it because it isn't what they intended or enough time has passed that their desires have changed.

So we're trying to work really closely with any of the feedback that we get, incorporate that, and then keep pushing out to see if this is something that we should keep moving forward with.

MR. GRIFFIN: It's an advanced method, and so I
highlight it because it's exciting to see that our
government is employing it in going forward, you know,
sprints and that sort of thing. It's heavy on
governance. People have to report back and forth.
And so I -- has your experience with it been positive?

MR. GALLAGHER: Ah, yes. So this project was
put together I believe in about four months, we got to
this state, and, again, it's just kind of a bare
bones --

MR. GRIFFIN: Ten years of scanning, four
months of assembly.

MR. GALLAGHER: The development cycle was
pretty quick.

MR. GRIFFIN: It sounds like something coming
over on a boat to an IKEA store.

MR. GALLAGHER: Exactly, exactly.

MR. GRIFFIN: Nine months in the process, sells
in 30 days.

MR. GALLAGHER: Right, and it's by no means
complete, but, you know, Congress and the American
people have been wanting to see something that we have
been working on, and so this is at least the beginning
to show what our efforts have been leading up to, and
there will be more to come as the year goes on.

MR. GRIFFIN: With handwritten cards on the
video screen, I have to say, you know, it's exciting just to see any progress at all. You know, it reminds you on the old thing from Dr. Johnson, you know, that -- look, this is a very indelicate statement, so I hate to make it, but Dr. Johnson once famously said, "A woman preaching is like a dog walking on its hind legs. It needn't be done well. It's amazing to see it done at all." So just the idea that you have got a software project moving forward, and though it may be handwritten cards scanned in and assembled, I think that's exciting, and I think we can look forward to the day when we can actually search for text in these cards, when OCR can accommodate the handwriting and so forth.

MR. GALLAGHER: Yeah, there is a lot of cleanup that needs to be done with the OCR, and we are trying to run OCR on some of the handwritten cards, and it's a messy process. So right now we're looking at, you know, card numbering and the drawers, but that OCR data, as it's being cleaned up, will be added.

MR. GRIFFIN: Well, that's exciting. Brad? Brad Prendergast is next to you, and he's SoundExchange, and I want you to know he's working outside his field today. The rest of the office is off at the Grammies, and so Brad, who's in
charge of enforcement and licensing -- and, you know, and I do recommend if you ever find a streamer, you wonder if they have got a license, is send a note to Brad, because he's looking for those people who aren't licensed.

But he's really good at what he does, and so we're lucky to have him here today, and he's got a flurry of activity. I mean, we could spend an hour listening to what SoundExchange is doing to address a lack of data, and one of the joys of it is that they have no doubt that the principal characteristic is that it must be accessible to people, that it shouldn't be done behind a closed door, that it should be shared with the New York Public Library and anybody out there who's doing it.

So, Brad, could you take some time and walk us through the various initiatives that your colleagues sent you here to tell us about?

MR. PRENDERGAST: Of course, thank you. Thank you, Jimmy. Thank you for having me.

So the core principles here are actually some of the principles that Bill outlined at the beginning of the morning. We're focused on making sure that registries and the metadata incorporated in those registries are accessible, and the projects that we
have taken on also respond to another point that Bill made, and that is that we're -- the urgency, that we're addressing particular current problems.

And to take a step back in time for a moment, SoundExchange collects and distributes the royalties that are paid by digital service providers under the Section 114 statutory license, and years ago, we would get -- when we would get the play list logs from the digital music services, we would use those logs not only to identify which tracks were being performed by those services but also to identify who we should pay. And digital service providers back then especially -- and still today -- are not the best at giving us the most complete and accurate data.

And so over time we bifurcated that, and we rely now on those play list logs to tell us what tracks, to identify the tracks that the services played, but then we use separate independent information to determine who we should pay, what featured artist and what record labels -- what rights owners we should pay for those particular tracks.

And so over the course of time we've developed a repertoire database, relying on DDEX feeds and other sources, and also a rights ownership database, and we keep those two separate because the repertoire
database contains the immutable information about a track, the artists that were involved in the creation of the track, the date of creation, et cetera, et cetera, whereas the rights ownership information can change over time as catalogs are bought and sold.

In the course of developing those databases, we developed a good repository of ISRCs for each of those tracks --

MR. GRIFFIN:  Hold there just a second.

MR. PRENDERGAST:  Yes.

MR. GRIFFIN:  ISRC, Industry Standard -- International Standard Recording Code?

MR. PRENDERGAST:  Yes.

MR. GRIFFIN:  It could match with the ISWC, which is for the song, which is, of course, separate. The song is by a songwriter. The sound recording is by a recording label. It has performers associated with it. There could be a cross-reference between them, but that's what ISRC is. It's the globally unique identifier for a sound recording.

Go ahead.

MR. PRENDERGAST:  And they are incredibly helpful for making sure that we're identifying the correct track and then, therefore, paying the right people.
A few years ago, we asked the Copyright Royalty Board, which is the panel of judges that decides the rates and terms for the statutory license, to require that digital services -- digital service providers use ISRCs and report them to us when it's -- when they're available and when it's feasible to report them to us, and there was a decent amount of blow-back to that requirement, and many digital service providers said it would be too difficult to do so.

So we set about to accomplish those tasks of making ISRCs available and making it feasible for digital services to use them, and the way that we've done that is to develop an ISRC portal, available through our website, where people can search on particular tracks and return the ISRCs associated with those tracks. That is a simple search, and from there we've built some additional features on top of that that make the ISRCs a little bit more usable, a little bit more accessible.

For example, we now have a repertoire matching service where if a digital service sends to us its catalog, we will match it against our ISRC database and return to the service the ISRCs, and we encourage those digital services to, therefore, use those ISRCs when they report to us. So that's basically a bulk
search as opposed to a simple search.

The second example is the ISRCs search API. This allows not only digital music services but also the vendors -- the third-party vendors that they typically rely upon to pull back those ISRCs in a bulk fashion so that they can populate their own internal databases and then report those ISRCs to us. All of this helps to ensure that the -- that we can pay out the royalties that they pay to the artists and record labels more quickly, more efficiently, and reduce the cost of doing so.

So those are two of the bigger ones, and then --

MR. GRIFFIN: Let me stop you just for a quick second there.

I cannot overemphasize how important this activity is. They are wringing the ambiguity out of the process of reporting the use of music. When you wring the ambiguity out of the process, you ensure that the money gets where it's going, much more likely that it's going to happen, and the key thing here is the use of globally unique identifiers.

I mean, you know the globally unique identifiers work. If you buy a candy bar with your AmEx card, if you've got it set up right, you get an
email within about 30 seconds of paying for it in a
grocery store. Our industry hasn't been able to wring
the ambiguity out of the reporting process for music
for quite a while, and here SoundExchange is taking
globally unique identifiers that we already have and
making them available to those who report the use of
music.

Keeping them in-house didn't help us doing
that. Making them available, which is the key point
that SoundExchange is on here, publicly accessible,
this is an important step forward. So I just wanted
to stop for a moment and just pat SoundExchange on the
back for an extraordinary move forward. I think
you're up to -- what? How many of these do you have
public now?

MR. PRENDERGAST: I think you can get up to 40
million in the database, and that's -- that's a number
from a while ago, so I'm not certain exactly now,
but --

MR. GRIFFIN: Well, it's a big leap forward.

MR. PRENDERGAST: Yeah, yeah.

MR. GRIFFIN: I mean, it was 6 million, I
think, a year ago, and maybe iTunes has between 80 and
100 million tracks on board, so they're nearing the
point where they've disambiguated entire catalogs.
So, please proceed.

MR. PRENDERGAST: Yeah, and another way that we're trying to make sure that creators are paid is on the music publishing side. So we've announced earlier this week that we've established this service called the NOI lookup, and this refers to the Section 115 address-unknown NOIs, those infamous NOIs that digital service providers can send to the Copyright Office to rely on the 115 statutory license for the mechanical right in the musical work that underlies these sound recordings that these digital services stream.

Under the --

MR. GRIFFIN: Got to stop you just real quick, just for a second, just to interpret for the audience.

MR. PRENDERGAST: Yeah.

MR. GRIFFIN: If you are not properly registered with the Copyright Office, you're not entitled to get paid for a compulsory license.

MR. PRENDERGAST: Yeah.

MR. GRIFFIN: And, what, there were 60 million of these you found?

MR. PRENDERGAST: That's right.

MR. GRIFFIN: I mean, do you see how they are disambiguating this process? But it's also important to add that in some people's minds out there, they're
thinking soundExchange is about sound recordings.
What the hell are you doing dealing with song
publishing? And so maybe they missed an announcement
from SoundExchange that is a predicate for this.

MR. PRENDERGAST: Yes. Well, fundamentally,
we're trying to make sure that all creators are paid
fairly whenever their creations are being used, and
that extends now to the publishing side, and so we
have a --

MR. GRIFFIN: Because you bought --
MR. PRENDERGAST: CMRA, yeah.
MR. GRIFFIN: Exactly.
MR. PRENDERGAST: Yeah.
MR. GRIFFIN: They bought the Canadian
Mechanical Rights Organization, CMRRA, so you now have
in one organization or loosely one organization --
affiliated -- the sound recording rights and the
mechanical rights that affect the songwriters. I just
wanted to make clear to everyone they now own that and
are integrating these into an operation which brings
you into that field.

MR. PRENDERGAST: Right, so that -- and the
first initiative in that new field for us is this NOI
lookup. So as Jim mentioned, there are 60 million
address unknown NOIs that have been filed with the
Copyright Office, and they're delivered as zip files. They are available to the public as zip files in the Copyright Office's website, and within each zip file are CSE files that list all of these different notices that digital services, Google, Amazon, Spotify, from the large down to the small, have filed to basically ensure that they have the license to use the mechanical right of the musical work.

That's -- that's not easy for music publishers and songwriters to search, and so we have taken all of those address unknown mass NOIs and populated a database and then made that database accessible to the public for them to be able to search across all of these different files. You can search on artist, you can search on track, you can search on label, whatever information would happen to be contained within that NOI.

M.R. ROSENBLATT: Question.

M.R. GRIFFIN: Bill Rosenblatt.

M.R. ROSENBLATT: Thank you, Jim.

Have you been in discussions with any of the mechanical agencies, like Harry Fox Music Reports, Loudr, et cetera, about integrating what you've just announced into their proprietary NOI databases?

M.R. PRENDERGAST: I don't think we have, no.
The -- this is -- in the -- and it goes back to an earlier point. This is just a first step.

MR. ROSENBLATT: Sure.

MR. PRENDERGAST: Secondly, this is something that's designed to address just a simple problem, making these mass NOIs searchable. There are --

MR. ROSENBLATT: Yeah, no, it's the 80/20 rule. It's a great -- it's a great first step.

MR. PRENDERGAST: Totally, yeah. So there's more to come.

MR. ROSENBLATT: Okay.

MR. GRIFFIN: And by the way, NOI, notice of intent. If you file an NOI with the U.S. Copyright Office saying I intend to use this, but it -- I can't match it with anything in your database, you're now covered going forward to use that work that you could not match, and so I just wanted to be clear what an NOI is. And there have been a flood of them from digital service providers looking to reduce their risk in liability such that they do not have to pay, but I see we have Bill Colitre here from Music Reports, and so fire away, Bill.

MR. COLITRE: Hi, yes, Bill Colitre from Music Reports. Would love to talk to you about working together to enhance the finding of rights owners for
the tracks that are filed in the Copyright Office because the -- usually the sound recording information is very ambiguous. We receive sound recording information from all of the digital music services that use our platform -- Amazon, Pandora, Slacker, TIDAL, Deezer, Microsoft, et cetera, et cetera, et cetera. So we also have an enormous library of sound recording rows.

You have 40 million ISRCs available through your searchable system -- wonderful, applauded -- but unfortunately, we're mostly aware in this space that ISRC is a very flawed standard. It's an attempt to be a unique identifier for sound recordings, but it's very ambiguous in many cases, and so it requires validation on the far end.

So I wanted to ask, you know, when you provide that ISRC database to the public, do you indemnify the users of that database with respect to the quality of the ISRCs that you feed out of it?

MR. PRENDERGAST: Yeah, that's a great question. So the -- so you bring back -- you put in the name of any particular track, you might bring back very well many different ISRCs, because the execution of ISRC sometimes is flawed, as you point out, and a track that appears on different products might
erroneously have different ISRCs associated with it, and in a world where digital streaming services are not necessarily relying on a particular album or making it clear which album they're relying on to stream a particular track, sometimes it can be very ambiguous about which ISRC actually applies.

So when we make these ISRCs available, we make it clear -- and in all of the features that we provide -- that you, the digital service provider, need to review this and determine which of these ISRCs is associated with the track that you either have in your catalog or the track that you're performing, et cetera.

MR. COLITRE: Great. And I just wanted to point out in addition that for over a year and a half, Music Reports has hosted a claiming system for all of the NOIs we've filed on the Copyright Office on behalf of the services we work for. That's entirely searchable by all the various fields that you suggested, and it ties directly to the liquidation of the royalties that are pending because of those NOIs on the Office. To date, all of our clients have agreed to pay retroactive royalties, even though they are not obligated to do so under Section 115, so there actually is pending money there to be had, and there's
no service charge for signing up and using the service at all.

So I -- while you did a great job of focusing the world's attention on this particular issue, I just wanted to make clear that this search capability has been existent for a very long time, and it's very efficient, and if anyone wants to use it, just go to MusicReports.com.

MR. PRENDERGAST: That's great.

MR. GRIFFIN: It's exciting all of this is coming together, that people are working to resolve this problem, and so I thank Bill for his contribution here.

So, please proceed.

MR. PRENDERGAST: So that's where we are right now, and the -- there are a lot of changes going on on the musical publishing side, the musical works side. The Musical Modernization Act has now been introduced in the Senate, and that might have significant implications -- reform implications for the Section 115 license. So, you know, we might be in a world where the address NOI or the unknown-address NOI goes away if there's a blanket license, in addition to being a statutory license, but that's to be seen.

MR. GRIFFIN: And you're referring to the Music
Modernization Act, of course.

MR. PRENDERGAST: Right. That's right.

MR. GRIFFIN: Yeah. Look, I'll just say personally that I'm excited that we have an organization that works for licenses for both sound recordings and for songwriters. I think that's enormous progress, because there are so many instances of licensing where we've literally failed over the past decade to even extend the licensing.

Podcasting is a great example. For over a decade this thing's been thriving and growing and doubling in power, but we don't really have any licensing of traditional or of commercial music into them, and yet I think this is a possibility now that we have songwriters with their mechanicals and sound recordings into at least an organization that could, using various databases, figure out which it has the rights to do both for. So there's progress here.

Look, if I can go to my left again, it's a political statement -- so here we are at the government, I have to be careful -- and my friend Panos is down there pondering what he's going to tell us about the Open Music Initiative, which I've been watching and a part of and I think so very highly of, and, Panos, you have been a great ambassador for the
organization. I don't think they could have picked someone better. So, please, share your wisdom with the audience and let us know how things are going in the Open Music Initiative.

MR. PANAY: Sure. My name is Panos Panay. I'm Vice President for Innovation and Strategy at the Berklee College of Music, and we launched the Open Music Initiative about 18 months ago, and our angle in this is that as the preeminent institution that educates about 5 1/2 thousand of the world's future creators and graduates about a thousand of them every year, and this cuts across a spectrum, right? So it's not just songwriters and performers, but we also have engineers and producers and --

MR. GRIFFIN: Didn't you graduate Psy, the "Gangnam Style" guy?

MR. PANAY: We did, we did, and Charlie Puth and Imagine Dragons and Quincy Jones and many others.

MR. GRIFFIN: Great.

MR. PANAY: But we launched an initiative about 18 months ago with the objective of what I'll call interoperability and the aim of creating an open protocol for sharing data across industries. So we're not here to create a registry, which is often the perception about open music. We're not here to
actually compete with any of the existing standards and services, but quite the contrary. We want to make it easy for all these different platforms and all these different standards that already exist to fundamentally talk to each other and interoperate.

When you are looking at the history of innovation, creating open standards such as TCP/IP or SMTP or any of the other standards that Bill was kind enough to put out there, open standards foster innovation, foster entrepreneurialism. We think that in order for the industry to fundamentally grow, you need to be able to make this information regarding who should get paid what accessible to new companies that are able to build applications on top of these protocols --

MR. GRIFFIN: I am just going to interrupt you for a second --

MR. PANAY: Um-hum.

MR. GRIFFIN: -- because lest you think it's just commercial, in Europe there's a moral right to attribution. So these databases are important even to those who are not thinking about money at the time.

MR. PANAY: That's correct, and, I mean, I come from a standpoint where the majority of the students at Berklee -- and this is also a -- you know, a pretty
select cohort -- are not necessarily just at a place right now when they are necessarily thinking about monetization, right? They are thinking about creative expression and reaching an audience. So my view is that if you build technology right, it takes complexity outside of things and enables the remuneration and attribution to be done, if you will, behind -- you know, behind the scenes.

Now, I think I regret to say that there's over 200 companies involved in the initiative, including many of you in this room. The three major labels are part of it, companies like Pandora, SoundCloud, YouTube, Spotify, Netflix, Intel, and many, many others are part of it. So there's a genuine intent to coalesce around making this thing happen. I think the fact that we're a neutral academic institution that's collaborating with other similar institutions in the Boston area, like the MIT Media Lab, to advance this has been important.

But I want to specify that we're not here to create, you know, some sort of blockchain-based registry, which I think is some of the misnomers that exist out there about the initiative. If blockchain-based implementations on top of the protocol happen and they become the market standard,
fantastic. That's not what we're here for today, and we are certainly not here to compete with any of the existing standards that exist.

MR. GRIFFIN: Well, speaking of blockchain, to my -- also to my right, David Holtzman, Bigchain. Tell us what you're up to there. I know you're a technical advisor, I believe, but what can you tell us about Bigchain and its role in, of course, these registries and in the music industry and others?

MR. HOLTZMAN: Sure. I think Trent McConaghy was here at last year's talking about Bigchain. Bigchain started as a company called Ascribe, and they pivoted a couple of times because of the changing technological nature of blockchain. Several years ago, Ascribe sort of followed the technological change of Bitcoin, and they started as a relatively small company, mostly bootstrapped, to be able to protect art, copyrights for art, photography, mostly in Germany and in the European Union, and they made a nice living out of it.

The way they worked is they would do -- if anybody even knows what I'm talking about -- they would do hashes and various kinds of --

MR. GRIFFIN: Now, this isn't the hash that I was experimenting with in college, is it?
MR. HOLTZMAN: Well, it depends. What kind were you experimenting with in college?

MR. GRIFFIN: I wasn't a math student. I'll be clear.

MR. HOLTZMAN: It depends which college you went to, man. I was originally a philosophy major, so I am going to pretend I don't know what you're talking about.

But the -- there's a mathematical thing where --

MR. GRIFFIN: A check sum of sorts.

MR. HOLTZMAN: -- yeah, it's a check sum of sorts, yes, exactly. So Trent developed a number of techniques to where he could identify one photograph, say, from another photograph even if it was broken apart or you had taken a piece of it or expanded it or turned it upside down or whatever, and then he built some web crawlers so that he could validate whether somebody had used it somewhere else on the Web, and it was really good for his customers.

So you would -- if you were -- you worked with a lot of famous photographers in Germany and you would buy his services at Ascribe, put your work on Ascribe's blockchains -- so, of course, they were permanent -- and then the Web crawlers would go and
look, and if they found anybody who was violating your copyright, they would send you a message, and then you could take whatever legal steps you wanted to take. So that worked out pretty well.

Then, as the blockchain world continued, they created -- they morphed into this company BigchainDB, which is when Trent came here last year, and they opened the services up to a wider audience. And then other companies started using their databases and their technology because they went more into an open software kind of capability, and I know some of your stuff is working with them, because they were here at our conference last year in Germany.

So Bigchain had a big conference about six months ago. I was the keynote speaker in Berlin. We -- it was sold out within days. We had a lot of people there, and there are literally dozens and dozens of companies that are using the BigchainDB toolkits, and they're building just crazy things on top of it, voting systems, music registration systems. It's really encouraging what they're doing with it.

MR. PANAY: Actually, maybe to build quickly on what you were saying --

MR. HOLTZMAN: Yes, sure.

MR. PANAY: -- so we released an API end of
last year, so this workshop that Bigchain did in Berlin brought together SoundCloud, Amazon, Spotify, and then with the -- and GEMA together to start experimenting with this concept of interoperability of data using, you know, the Bigchain technology.

MR. HOLTZMAN: Yeah, it was really exciting. So there were people like a lot of you there, there were a lot of technologists, there were a group of people that I would best call cryptoanarchists. It was a very interesting mix of people meeting for beers at night in Berlin. So I had a really great time.

The people came and they talked about the future of copyright, the future of technology, and how blockchain-type things might be best used, because the nature of blockchain is very interesting when you apply it to copyright, because blockchain is -- effectively is permanent. When you commit something to a blockchain, there's no really known technological way of diddling with the committed blockchain unit.

MR. GRIFFIN: Well, this is where I've got to start working on behalf of the audience, because some of them are wondering -- and they have always been wondering -- what the hell is blockchain doing with, say, copyrighted content, music, books, whatever? So now let's drill down. What do you propose should be
put into the blockchain about, say, a book that is
used or a song that is listened to or a movie that is
watched?

MR. HOLTZMAN: Well, that's a good question,
but -- I don't propose anything, but what I --

MR. GRIFFIN: No, but I mean, Bigchain, what
would it think the role might be?

MR. HOLTZMAN: Okay. So I also want to finish
up on what Bigchain's doing, because they morphed into
another thing, and then I'll answer that question if
that's okay.

MR. GRIFFIN: I won't let go. That's okay.

MR. HOLTZMAN: No, no, don't let go. Be
tenacious, that's my model.

So the Bigchain has moved one more step. They
also created a company -- a foundation called IPDB. I
was the president of it, Interplanetary Database.
They have moved on. That's being taken over by
another German nonprofit, and they have also now done
this Ocean Protocol -- I encourage everybody to look
at it -- it's tokenized, and they're doing it with the
Government of Singapore, and the idea is they found
that the real money for them as a company is still the
same technology, still the same protocol, but they're
now going to make their money out of the tokens, and
if anybody wants, I can explain this later, but --

MR. GRIFFIN: These are physical tokens or virtual tokens?

MR. HOLTZMAN: Cryptotokens, virtual tokens.

So each token -- Ethereum is doing this, too, and each token is both something that people invest in to fund the company and a unit of transaction to commit something to the database, which is --

MR. GRIFFIN: Is it a hexadecimal string?

MR. HOLTZMAN: Ah, it doesn't have to be.

MR. GRIFFIN: But it's a unique string of --

MR. HOLTZMAN: Yeah, it's a unique string.

MR. GRIFFIN: -- of characters --

MR. HOLTZMAN: It's a bunch of numbers.

MR. GRIFFIN: Just so people can picture it, you know.

MR. HOLTZMAN: Yeah, yeah, it's -- it's numbers.

MR. GRIFFIN: It needn't be embedded on, say, an RFID or a tangible object. It can be a virtual object.

MR. HOLTZMAN: It's numbers.

MR. GRIFFIN: Right.

MR. HOLTZMAN: You could put it on a USB dongle.
MR. GRIFFIN: Okay, good.

MR. HOLTZMAN: Okay. So it's a bunch of numbers. So it's like a Bitcoin. That's probably the right way to think about it.

MR. GRIFFIN: Yeah. Well, a lot of people don't know what a Bitcoin is, so it's just helpful when you've explained here, I think, to the average person.

MR. HOLTZMAN: Okay. I wasn't sure what the background was.

MR. GRIFFIN: No, no, very good.

MR. HOLTZMAN: Okay. So it's a bunch of numbers. So you have these numbers, and it's a token, and this token can be both an investment in the company and like an arcade -- well, actually, an arcade is a good example. So you go into an arcade that pays off, and you can both get paid off in tokens or you can play a game with tokens, like in a casino. So you can put a token in, you can play a slot, or you get a whole bunch of tokens back if you win at the slot. So it's kind of a neat idea.

MR. GRIFFIN: So I see how that could be money.

MR. HOLTZMAN: Oh, it is money.

MR. GRIFFIN: Right. No, no, I know.

MR. HOLTZMAN: Oh, it's money, all right.
MR. GRIFFIN: But now I'm hunting for how that applies to the copyrighted material, because that's the essence of our visit today.

MR. HOLTZMAN: It's not the copyrighted material. It's the -- it's the money that it takes to store the copyrighted material. So the token is the payment it takes to store the material. So the way Singapore is working, they had a thing called DEC (phonetic), which was their own digital corporation to store material inside Singapore, and they are now using this system, and then the token that they're coming up with is Ocean Protocol, is going to be the currency that's used to store data.

MR. GRIFFIN: So this -- in this element, it's restricted to value. The blockchain stores the value of the currency that's used to pay for the copyrighted material but not the material itself.

MR. HOLTZMAN: Yeah. Think of it -- I will go back to token again. Anybody used to play pinball or anything like that? Just think of it as like a little token, and you put it in, and you can store a song for, like, 20 years.

MR. GRIFFIN: Well, it represents value that entitles you to something. Now, let me ask, does it record the use of those materials and who the user
might be?

MR. HOLTZMAN: It could.

MR. GRIFFIN: But does it? In other words, in
the implementations you know about, are we storing
each use of a piece of copyrighted material somewhere?

MR. HOLTZMAN: Probably not.

MR. GRIFFIN: I would agree with you on that.

I think it would have a chilling effect on the use of
copyrighted material.

MR. HOLTZMAN: Well, so, maybe this is a bigger
discussion.

MR. GRIFFIN: Well, it probably is.

MR. HOLTZMAN: I mean, my personal opinion is a
lot of what you guys are building probably isn't
really going to be functional in a couple of years
because of this, but that's just -- that's just my
opinion, but a lot of blockchain technology is
fundamentally anonymous transactions and -- or at
least pseudonymous, and I don't know how you get past
that.

MR. GRIFFIN: Yeah, no, I agree with you,
because that's --

MR. HOLTZMAN: So that's just the way it is.

MR. GRIFFIN: -- let's pick a number here,
right, because we say we want transparency and that
blockchain represents it, but I think most people would find it offensive to store forever everyone's use of intellectual property such that you could trace it back in a transparent way.

MR. HOLTZMAN: Right.

MR. GRIFFIN: People probably wouldn't cooperate with such a system, which would lead us into an SDMI-type past, and so that's why I'm being tough. I'm interrogating just to help everyone understand.

MR. HOLTZMAN: No, but there's a really interesting point here.

MR. GRIFFIN: Yeah.

MR. HOLTZMAN: And the question is, do you want to monetize the demographics of the user or do you just want the money? Because if you just want the money, you can get the money, but you have to be willing to give up the demographics, and that's, I think, the world we're coming to in usage of certain copyrighted material, because you might be able to get an anonymous user and make them pay for usage of the material, but you may not really be able to know any more, who that -- what that person is, because it may not even be a person. It may be a bot, because we're having more and more bots that utilize content, and that bot doesn't even have demographics.
MR. GRIFFIN: But I think you can see why this strains the question of transparency, that if we are now dealing with things that are untraceable and so forth, I think people worry that how does this reduce gaming of the system? Perhaps the system gets more gamed in a world of anonymous usage and so forth. It's a tough one. It's a hard thing, and I think you're right, that it's a much bigger topic, and so I apologize --

MR. HOLTZMAN: No, no.

MR. GRIFFIN: -- but I just felt like we could get something here that would help the audience lot, and I think we have. So I am just going to say I definitely want to get to Mario, and so I think we've done good on a little bit of a drill-down here, but I think it's got to lead us further, and so I apologize to you that we just haven't made the whole panel about blockchain, because in some ways, that topic probably could use a whole day.

MR. HOLTZMAN: But could I just make a finishing comment on this?

MR. GRIFFIN: Oh, please do. Please do.

MR. HOLTZMAN: I don't want to scare anybody too much on this, but I think you need to keep an eye on where blockchain is going.
MR. GRIFFIN: Oh, yeah.

MR. HOLTZMAN: It's not going to be done by governments, I don't believe, because it's just too disruptive, but what I've seen in Europe mostly, not in the United States, it is -- there is an energy level behind blockchain-based technologies that is amazing. I've seen entire governments using it. Iceland, Estonia, every single government service in Estonia is built on blockchain, and it is -- it is pervasive, amazing, and extraordinarily disruptive. So I would keep an eye on it. That's my cautionary note.

MR. GRIFFIN: I agree with you. I think you've got to keep an eye on it. I mean, and I think it does amaze people, you know, that a sandwich shop adds blockchain to its name and all of a sudden its investment goes up overnight.

MR. HOLTZMAN: Do you mean Hooters? Are you describing Hooters as a sandwich chain, because that's what happened.

MR. GRIFFIN: No, no. I mean, most people would use the word Tulip when they talked about blockchain --

MR. HOLTZMAN: Because Hooters doubled their stock value by calling themselves a blockchain
MR. GRIFFIN: Well, you know, that says it all, I think. So I am going to move on just for a second, not because I don't think that it's really interesting, and I think you'd be a guy I'd want to talk to all day, so -- and I think the audience probably shares that, but we do want to hear from Mario, who has probably come here farthest of anyone, come from Spain, although we have others from Italy and so forth.

So let us hear about Safe Creative, because the name is fascinating, and that you're building registries without the government, that's interesting, too. And so tell us more about what's going on at Safe Creative, Mario.

MR. PENA: Well, actually, we started -- I think it was the first copyright -- private copyright registration service in the world, private, about ten years ago when -- basically asking the question, I have written a book, and I want to register it in a Copyright Office, and I couldn't find a digital place to do so. So we decided, why not create one on the internet? We got the funding. We started proof of concept.

MR. GRIFFIN: And where did you get the
funding? I just should ask for the audience.

MR. PENA: Private funding from --

MR. GRIFFIN: Private funding, yes.

MR. PENA: Yes, to make a proof of concept using scrum management, the system that he talked about --

MR. GRIFFIN: Agile scrum development methodology.

MR. PENA: Agile methodology, yes, to test the proof of concept ten years ago, and we got a good feedback from the creators. They really found it useful to be able to declare that they were the authors of those works, any kind of work, any kind of rights, information, telling about if it was full copyright or Creative Commons, any kind of thing. So we started with that, and we -- from there, we begin to -- through this journey to develop more complete platform, and it -- we reached around 3 million works registered and a quarter of a million of creators using our platform daily.

MR. GRIFFIN: And these are works of all kinds, right? Books --

MR. PENA: Of all kinds.

MR. GRIFFIN: -- music, movies --

MR. PENA: Music, yes.
MR. GRIFFIN: -- video, photographs?

MR. PENA: Anything you can imagine, software, anything that can be copyrighted. And also it's -- a very important moment in our company was when we realized that we had to somehow facilitate the registration of those works that we had in our database in the U.S. Copyright Office, which we did back around eight years ago, and now we are planning to -- not planning, actually, we are developing a system to even simplify that more so that people automatically will be able to register in the U.S. Copyright Office all of the works, whatever the nature of --

MR. GRIFFIN: Tell us more about that, about your intentions there. I say that because I have spoken a great deal to the U.S. Copyright Office, and I'm not here to speak for Shawn, but, you know, their mission, as they see it, is vetting copyrights such that they're appropriate and so forth, and they have some resistance to the notion that there would be an API and you would just shovel it into their database, because they take some time to review these things, and once they have issued a copyright, it's presumptively valid.

And so they have a resistance to the idea that
someone should simply be able to shove into their
database a copyright and then make a claim about it,
and it's not that they don't get the idea or the value
of the idea, but that's not their statutory mission,
and some day it might be.

Shawn, is this a fair statement about what's
going on or do you welcome the idea that Safe Creative
will just populate your database with copyright
claims?

MR. GALLAGHER: Well, I don't think they're
just going to populate their database out of the blue.
There will be a permission-based system, but maybe --

MR. GRIFFIN: Yeah, yeah.

MR. GALLAGHER: You know, we are looking at how
to collaborate with external forces, and we are
talking about ways that we do want to modernize the
Copyright Office, and I'm sure everyone's familiar
with some of the NPRMs that have gone out and the IT
modernization plan that we have.

MR. GRIFFIN: Sure.

MR. GALLAGHER: So we're looking forward to
working with people and making use of technology, but
I can't speak to legally what we will and won't accept
or have made rulings on.

MR. GRIFFIN: Sure, I think that's for the
future, but please proceed, because, look, I think it's fantastic, the thought that one could more easily register with the Copyright Office a claim to a copyright. I think that's at the essence of the activity.

MR. PENA: Well, this is very important. As it was mentioned before, in Europe, we have this moral right, so it is very important to have any -- with any technology, modern technology that you have, we use timestamp and hashing, and also blockchain is another technology that can -- that is being used, and we are checking, of course, and those are ways to generate this evidence that people need in the case there is any kind of trouble or just only to inform people about the situation of the works of -- where they have the evidence, where they -- what they allow or what they don't.

That's one of the parts, but also we have under -- we understand that after ten years, we have learned that huge amount of creators that know nothing or almost nothing about copyright issues. So we have been struggling these years not only to create a sustainable company, which is important, but also to explain to people why it's important to register, what it means to have copyrights, what -- that copyrights,
it's automatic when you create the work.

But also, at the same time, there are some creators that they have a lot of commercial interest, and they can have real interest if they register with U.S. Copyright Office. Our -- we -- for those creators, we facilitate that. We make it a gateway for the U.S. Copyright Office. Of course, not all of them are going to use it, though. It's going to be more selective and specifically oriented to those creators that have their most important presence in the U.S., for instance, but it also applies to creators from all over the world.

MR. PANAY: Jim, can I --

MR. GRIFFIN: You can do it quickly.

MR. PANAY: I think we're out of time, right?

MR. GRIFFIN: We're close to it, but we're right there, and I have only got one more thing to ask of the group, so --

MR. PANAY: I'll just be really quick. I mean, for me, this is why the industry coalescing around this concept of interoperability is key, because closed databases will always exist, you know, and every company brings something different to the table, and that's their value-add. So for me, you know, when you look at a global hit like a Taylor Swift, you
could have as many as 600,000-plus different lines of revenue, and, you know, depending on where that's consumed, you could have as many as 50 different intermediaries, and all these databases don't really talk to each other.

I think the approach for the industry of agreeing to a certain amount of data that is -- we're able to freely exchange with each other that is interoperable, in my opinion, that's a way to the future. You know, the idea of, let's say, an entity that somehow houses all of the world's information around creative -- you know, around creative works or copyrights or so forth, I think that's panacea and it's just never going to happen, you know, precisely because of all the organizations that are here.

Everybody brings something different to the table, but similar to the way that, let's say, when it comes to streaming sound or accessing the Web, interoperable standards enable us to do that, or sending email, right? I can send an email from my iPhone using my Gmail inbox, and Brad could get email on his desktop using Microsoft Outlook, and that interoperability is making it possible for us to exchange, but each company brings something different to the table.
So, you know, for me, this is the need -- why the need exists, because I think, you know, Mario's company should be able to compete in the open market, if you will, and if it becomes a de facto standard, you know, fantastic, rather than some mandated standard. And I am worried about this generation of creators, if you will, that don't -- you know, thinking about registering with a Copyright Office is not their first -- you know, their first thinking, but this is something you said a while back. If you get it to the point where, you know, somebody wants to put up a website, what's the first thing that they do? They know they have to go and register the domain name. We want to get to a point where if I'm creating something on a DAW, you know, or a digital audio workstation -- I don't want to use acronyms -- like, you know, a Protools or a Logic, why not have the opportunity right then and there to be able to, you know, say, yeah, I want to register this.

And, again, that interoperability that the DAW has with the Copyright Office, with SoundExchange, and everything else makes it now possible, you know, to have that attribution back to me irrespective of how many times that baseline that I created, or whatever it is, you know, gets reused or remixed or matched up.
MR. GRIFFIN: Well, that interoperability line gets us right to my last question, which makes some people uncomfortable, but I am going to lead you through it.

   Panos, give the people in the audience your email address so they can interoperate with you.

   MR. PANAY: You just -- I have a (indiscernible) institutions, so we are not exactly hidden behind the shroud of secrecy. You know, it's ppanay@berklee.edu, P-P-A-N-A-Y-@-B-E-R-K-L-E-E, not the UC Berkley, but the Berklee College of Music one.

   MR. GRIFFIN: Yeah, and Berklee was founded by a guy named Lee Berk, right?

   MR. PANAY: No, it was founded by a guy called Lawrence Berk.

   MR. GRIFFIN: No? Lawrence Berk, okay.

   MR. PANAY: But an MIT graduate.

   MR. GRIFFIN: Okay, very good.

   David, your email address for the audience such that they may interact with you.


   MR. GRIFFIN: Shawn?

   MR. GALLAGHER: shga@loc.gov, and I'd be happy to point you to the right folks to talk to if I can't
answer your questions.

MR. GRIFFIN: Brad?

MR. PRENDERGAST: bprendergast@soundexchange.com. The hardest part of that is the Prendergast part. It's in the materials.

MR. GRIFFIN: Mario?

MR. PENA: mpena@safecreative.org.

MR. GRIFFIN: .org? Yes, very good.

Well, look, you have been a great audience. You have asked some terrific questions, made some fine points. I have had a good time with this panel. I apologize for all of the interjections, but I felt I was working on your behalf. I think it went very well, and I'd say a good round of applause for these people is a good idea.

(Applause.)

MS. ALLEN: So, thank you all. We will have two quick presentations before breaking for lunch. So if I could please ask Mark Isherwood and Sacha Berkman to come up, they will give a quick presentation.

PRESENTATION:

LOBSTER

MS. BERKMAN: Hi, everybody. I'm Sacha
Berkman. I'm the head of business development and sales at Lobster. Lobster is the AI-powered marketplace for copyrighted social media content.

We created Lobster because we felt that content at the time that was professional, that was licensable, all looked the same, so much like this, not a whole lot of variety in all the professional content you could find out there. So how do you go about finding content that is authentic, fresh, readily licensable without infringing on any copyright laws? And enter Lobster.

Every day, about 2 billion pieces of photos and video content are posted to social media, and contrary to popular belief, all of the copyright holders are the authors of that content. Many times the copyrights of the authors are infringed upon. The image providers or video providers have no way of tracing where their content is being used, how, and requesting payment for that.

Also, the companies that are using the content have no way to request the licensing and pay for that content. That's one of the things that Lobster solves, is making that connection between the content creator and the purchaser. Lobster uses AI technology to filter and find people's faces. We also use these
faces to detect when a model release is necessary for that content and then require the appropriate licensing.

Another way we use AI technology is to filter by color pattern, by style, also filter by object. One of our AI filters also deals with geolocation, so you can specifically request content that is very localized as well as this geolocation filter helps us to verify the authenticity of the content that's been submitted.

There's a few ways to buy content on Lobster, either a single content purchase, photos or videos, through our integrations with some partners, or as many of our agency clients have purchased through subscriptions. This is an example of a Hill's campaign that we did. We sourced and created fresh content that was generated by the company, by Lobster, for the specific demands of Hill's in this case. So it was content that did not previously exist.

The way in which Lobster differs from typical stock photo sites is that we solve the problem of licensing and we make all this content available globally and in a democratized fashion.

A few key milestones for Lobster as well as some key for development, in 2014 -- oh, I have a loud
voice anyway, so I didn't even notice. In 2014, we actually launched a tech crunch, and then in 2015 and 2016, we began gathering all our contributors. Then in 2017, we introduced our AI photo search and machine learning ranking technology, which I briefly touched upon, helping to identify, sort, tag, and so forth. And one of the things we're looking to do in 2018 is the global AI copyright checks and post-licensing platform development.

What that is is that with the help of AI, we're actually going to be able to verify the authenticity of a piece of content to check that the content is actually from the content provider, and then also empower that content provider with the platform so that they may check in the whole of the internet where and how their content is being used. So in this way, they're going to be able to reach out to any people who are misusing their content and request licensing -- appropriate licensing for their content, as well as payment.

Everybody's going to be happy with this. Of course, it's going to avoid a lot of suing that was typical in the marketplace in years past, and so this is a more scalable way to transact in image licensing, especially because there's a lot of small players and
a lot of image licensing taking place.

And then we're also going to implement blockchain for copyright management. So, again, on the theme of blockchain, we're going to provide all the licenses and rights in a transparent fashion so that everybody may see who is the copyright holder and what the rights are for the content.

That's a little bit about Lobster. Thank you.

(Applause.)

MS. ALLEN: Thank you very much. I think part of that is just to introduce, again, how new technologies are being deployed in this space, specifically, artificial intelligence.

We want to turn now to Mark Isherwood again, who will be wearing a new hat, talking about his role with the UK Copyright Hub.

MR. ISHERWOOD: Good morning again. One of the things with being a consultant is people never know who you really are. On this occasion, I am representing the Copyright Hub, as I do some work with them through the ARDITO Project, in particular, and
Carolyn Boyd, who's the COO of Copyright Hub, asked me to give you an update of what's been going on with the Copyright Hub.

I mean, to a certain extent, for this audience, none of this is news to you. In terms of trying to manage copyrights, we need to be able to work the way that the internet works, which means allowing machines to talk to machines as well as to humans, and part of that in terms of ensuring rights are correctly licensed is ensuring that rights are asserted in a way that machines can read and people can understand.

And that's one step along the way of then being able to actually allow humans to action against those assertions and be able to do things that both they and rights owners want them to do, and in the context of all of that, we still have to evolve around the regulatory and environmental changes that we have to all deal with on a day-to-day basis.

So what the Copyright Hub was all about was trying to do things that could be achieved relatively quickly without everybody having to build systems from the ground up and would also be something that is simple to use and which can be universal, and then you can add capability to what you've created as time moves forward and people become more sophisticated.
So what's happened since the last public meeting here is the introduction of the e-copyright symbol, which is the symbol in the bottom right-hand corner of the slide here. It's really trying to activate the circle-c symbol that we are all familiar with and have been familiar with for decades that we see on copyrighted material, and the idea is that it was simple to invent and not terribly hard in technical terms. Over time, we want to see it put onto everything, and, most importantly, when people click on it, they are able to action what they want to do. And in addition, the machines are able to read and action as well as the human beings that interact with it.

I have an example here. Is this machine linked to the Web? Okay, well, I will not tempt fate in that case.

NEW SPEAKER: (Inaudible).

MR. ISHERWOOD: Well, it doesn't look like it.

Anyway, so, the Ron Burton photograph catalog has been given the facility around the e-copyright symbol, and what you can do is, as you can see -- just about see on the slide deck, with each photograph, it's the e-copyright symbol there. You right-click on that, and then up comes a box there which is the
licensing organization for the use of his photographs.

Obviously, you can't see the different licenses that are available there, but that is the way that this operates, that the -- the user can then actually make a choice about what license they want to take out.

It's entirely up to the rights owner whether that facility is stored within the Copyright Hub or whether it actually points or moves the user into the environment of the rights owner themselves, and obviously each rights owner is able to make that choice according to their own particular needs.

And what's important, although obviously you can't read this, that's what the machines see, and basically that's saying to the machines, you know, you can't -- you can't use this unless you talk to me first about what it is you want to do.

One of the things that has already been mentioned -- and partly by Bill and also picked up by the panels -- is this is all very well if you have got your content nicely corralled and it's all in the right place and you have got everything under control. Once it goes wild and is out there, it becomes a lot more difficult, and the ARDITO Project is looking at how that particular problem can be used using
watermarks and fingerprints and how that is integrated into the hub infrastructure.

I'm not going to say anything more about that for now, because Anna is here and will talk about ARDITO on one of the panels later on, but the point is that it -- you know, it can be, and clearly the ARDITO is showing, it can be done even once things are out in the wild and you haven't already done the preparatory work with the e-commerce system.

The one thing we wanted to draw out is a project that the Copyright Hub is doing and working with the newspaper industry. Here is The Telegraph with a UK print newspaper, which is obviously online as well, and this is an article about PTSD, and the opportunity is there for people to license what they want from the article. And, again, with the right clicking, you create -- you bring up this information, obviously The Daily Telegraph -- it's branded Daily Telegraph, and the description and the identifiers they have are all there, and then there is the opportunity to click on a license that you might want, depending on the particular circumstances of the activity you need.

What we also wanted to show is within the same article, there is another -- there is another
photograph, which if you right-click on that, it goes
to a different place, goes to Alamy, because they are
the rights owner in the photograph, not The Daily
Telegraph, but the same principle applies, that you
can then use the facility to take out a license for
whatever the usage is that you have in mind.

So that was all I wanted to bring to your
attention. Clearly, if you go and look at the
photography websites, you can -- you can experiment
with that yourselves, because that is -- that is
online and within -- you know, I think it's available
as a closed environment -- as a website. Sorry. And
then you can see how the e-copyright symbol can work.

And the last point I would make is that
obviously, as those of you who know anything about the
history of the Copyright Hub, it came out of some
government studies that were done in the United
Kingdom. Clearly, in the context of the internet, it
can be international, and the Copyright Hub is very
much looking at working with other activities of this
nature that are going on around the globe. And most
recently, we have hooked up with contacts in China to
start looking at how that synergy might be used in the
Chinese market. Very early days on that at the
moment, but clearly there is a global element to this
that has to be worked on.

So, that's it. Happy to take any questions, but I'm aware that I'm between you and lunch.

Okay, thanks very much.

(Applause.)

MS. ALLEN: Well, thank you, all. It is now lunchtime. If you are a presenter or facilitator, we have lunch next-door ready. Then anyone else, there is a cafeteria right down the hall, and there’s also places to eat across the street. We will convene back here at 1:00 p.m. So thank you very much.

(Whereupon, at 12:06 p.m., a lunch recess was taken.)
MS. ALLEN: Welcome back from lunch, everyone. I'm pleased to invite our next panel to come forward, and the first panel session will be Licensing and Monetization, moderated by Vickie Nauman. And there's been one change to the agenda. Unfortunately, Thomas Minkus had to go home, and instead, Kris Kleimann will be stepping in to represent the publishing sector on licensing and monetization. So we are gratefully appreciative of her for her last-minute efforts to join the conversation. With that, I'll invite them to all come up.

MS. NAUMAN: All right. So it looks like we're still missing some people, but I think we do have a schedule, so we will go ahead and get started on that. I'm Vickie Nauman, and I am really excited to be here with this group, because we're going to talk about licensing, and I'm going to have everyone introduce themselves, but I think a good framework for this conversation, especially after being on the
tail-end of the metadata and registration discussions, is that people oftentimes conflate what licensing is. Just because you have data doesn't mean you have a license, and because you have a license doesn't mean you have data, and if you have a license and the data, it also doesn't mean that you can necessarily know who to pay or how to pay them. And so, you know, we have got this -- we have got a continuum of intellectual property that needs all of these pieces in place, and this discussion is really about the licensing landscape, the changes that are happening, and the -- you know, from the value chain all the way down to the natural friction that occurs between licensees and licensors.

So we're going to cover music. We've got video or film and images, lots and lots of different initiatives on that, and we will go a little bit deeper into publishing and images, as well as music, on this panel. So why don't we start with you and have you introduce yourselves.

MS. KLEIMANN: Hi. I'm the last-minute substitution, handwritten name tag. I'm Kris Kleimann. I'm a long-time rights director, really within book publishing, book and journal publishing, currently a consultant on my own working for a variety
of companies, but I grew up in rights departments in book publishers, if that means anything to someone here in this room, thinking a lot about how every transaction we made in our departments was, of course, on behalf of our company, who had acquired rights from an author, but also equally -- in many cases literally equally, 50/50 share -- we were transacting on behalf of authors, and always looking to expand that author's presence into markets that our own company was not reaching. And that was the beauty of rights licensing, that we were able to expand content out into marketplaces and into formats that weren't happening within the company where I worked at the time.

So now I spend a lot of time with companies trying to help them figure out ways to do that more efficiently. Back in the day, the beginning, the rights person was the publisher's assistant. Then there were departments because there was all kinds of money around. And now, of course, it's shrinking again, and there are fewer and fewer actual humans working on rights licensing. So being able to make that process more efficient using technology is a big part of my focus.

MR. COLITRE: I'm Bill Colitre. I'm the Vice
President and General Counsel of Music Reports.
Before I continue, I just wanted to say thank you to the USPTO for putting on this event. I think this is one of the most interesting groups of people that I get to sit with once a year to talk about how the emergence of the digital network economy is transforming the space for copyright, and I really appreciate the opportunity.

Music Reports is a music licensing and royalty accounting consultancy. It's a tech company married to music business affairs expertise that helps particularly the large users of music deal with their licensing and royalty accounting challenges. We represent the local television broadcast industry, the satellite industry, the on-demand streaming services, OTT providers, background/foreground music services, any user of music who needs to obtain a catalog of millions of recordings and then reliably account to the sound recording owners, the music publishers, the performance rights organizations, et cetera.

We do that on the basis of the Songdex registry, which is the world's largest database of music rights and related business information, including the full relational structure of all the sound recordings that have been seen across all of
those platforms that I just mentioned, as well as all
of the underlying embodied musical compositions, all
of their relational ownership, from the songwriter to
the publisher to the publishing administrator to the
collective management organization, for every
territory in the world, for all rights types, and that
database was painstakingly assembled over 20 years of
work, collaborating with the music publishers and the
collective management organizations. And at this
point, we've married that database of music rights
information to an accounting platform that is
cloud-scalable and capable of managing the billions
and billions of royalty transactions per month that
occur across all of those platforms.

I think at the present time we're generating a
million royalty statements a month to 67,000
publishing administrators, representing 160,000
publishing catalogs. So it's a very, very large-scale
organization, and that's what we do.

MR. SEDLIK: My name is Jeff Sedlik, and I am
up here wearing a bunch of hats today. I am the
President and CEO of the PLUS Coalition and a Director
of the Linked Content Coalition and a Director of the
American Society for Collective Rights Licensing,
which is the first nonprofit CMO for the visual arts.
With my PLUS hat on up here, PLUS is a coalition of all the communities engaged in creating, distributing, using, and preserving images, so we have the photographers, the illustrators, painters, and then we have the book publishers, magazine publishers, and news publishers, museums, libraries, and educational institutions, advertising agencies and design firms, all operating a nonprofit board of directors.

And we have worked out a language for communicating rights human to human, machine to human, machine to machine, and, you know, in parallel with the fantastic work done by Stuart Myles with RightsML for the IPTC, I'm also on the IPTC photo metadata working group, and I have a -- my wife complains about the number of nonprofits that I'm involved in, actually -- and also with the great work under Mark Isherwood's leadership on the UK Copyright Hub.

All of these are all pointed in the same direction and all in communication with each other attempting to solve a huge problem in the visual arts sector, which, you know, a complete lack of identifiers, a complete lack of -- well, let's say a lack of adopted standards for communicating rights information in a landscape that has multiple rights
licensing models, that you can't really enforce any particular -- force any particular rights licensing model on any particular stakeholder. That would be a mistake. So these standards have to support existing, current, and future rights licensing models for the visual arts.

So we pull together all the stakeholders, we made it a nonprofit, and we have a rights language in place that's been adopted by many stakeholders. We have participants from 165 countries, and we are building out a registry that's designed to connect multiple registries together so that you can have all the silos talking to each other about who owns what visual work.

MR. TUREK: Hey. I was giving a presentation earlier, so I will keep this as short as possible. My name is Rasty Turek. I am founder of Pex. As I showed earlier, we build a search engine for video and audio across the Web, and we currently work with most of the music and movie industry on helping them deal with the rights management and understanding the content and where it goes, what happens, and all of that.

MS. NAUMAN: So we are going to really -- we are going to dive into really three topics today. One
is the creators and how that landscape is changing, licensees and licensors, as well as the whole value chain. So the first one I want to bring up to everyone is creators. In a -- you know, in the predigital age, there were big publishing houses and music labels and music publishers and film studios, and they tended to have a stable of creators and artists, and they represented all of those artists and licenses. Some of that still exists now, but we also have an environment where an individual can release something on their own, and they are now, you know, in the digital marketplace.

So we have really two existing systems that are running side by side, and I wanted to hear from each of you a little bit about where you see your particular sector, where the trends are in this area, and how that's affected your systems, because it obviously makes a big difference if you're paying small transactions to one company that represents hundreds of thousands of creators versus you have to pay each of those individual creators those small fractions.

So, anyone can jump in on that.

MR. COLITRE: I'll take a stab at it. Yeah, so, you know, the demand curve for sound recordings
looks like this, right? It's a very, very steep curve. It's not an 80/20 rule. It's like a 98/2 rule. There are 2 percent of the sound recordings in existence that drive 98 percent of the royalties, and vice versa, and I imagine that's probably true across most fields of copyright endeavor. It's just a factor of the way humans consume media. There are hits, and then there's everything else.

MS. NAUMAN: So the long tail has not played out the way that we thought it would.

MR. COLITRE: Right, that's correct. I mean, the long tail theory I think has been debunked. There are various businesses that can be built on, you know, what we refer to as the hope tax, right? If you charge every one of those long tail participants some small fee to have an opportunity, there are many people who will pay for the opportunity to maybe make it into the head of the snake, and so you can make a business out of that, but the idea that the royalty margin from all of those songs is going to make a business is just not true.

Eighty percent of all of the sound recordings on the average DSP get zero plays. I mean, there's just nothing at all. And, again, it's a very, very concentrated thing. But at the same time, it's a
multidimensional problem. It's not the same as saying
the major publishers or the major record labels
control everything in the head of the snake. They
don't. Some of the owners of the content that is the
biggest hits are self-published artists. Anderson
Paak is a rising star right now. He -- all of his
publishing is self-owned and controlled.

It's also true that the major producers, the
major publishers and major record labels, throw many
tracks out there that end up in the long tail. They
just don't get any demand. So it's not a simple
question of which is which, but you have to have tools
to make it possible to source information from both
sets. You know, for the larger rights owners, it's
relatively easy to export, you know, structured data
files of their rights ownership information to the
extent that there is a standard for doing so in their
sector. In the music publishing business, it's the
CWR standard, which is many, many years old at this
point, but it is a functioning system for publishers
to disseminate information about what they own.

But for a self-published artist, there is just
no possibility that they even understand what that is,
much less have the technology to build and format that
file and export it on a regular basis. So you have to
build tools for both of these constituencies. You have to build tools that adapt, and if this publisher wants to use CWR and this one wants to use some sort of -- like the DDEX Music Works notification standard, which has just been released, you have to accommodate all of those choices, as well as create some source of -- for the long tail, so a portal, for example, for them to go online and register their information, and then, of course, you have to harmonize all that information and vet it for accuracy, because if you take the opinions of all of these people and add up what their market share is, it's 150 percent, so...

MS. KLEIMANN: I will just say on behalf of what I understand about the book business, there is a long tail. I think there's a difference, a big difference between -- well, there -- first, let's just say I -- let's pretend I don't represent books. I represent text, right? It's consumed in an entirely different way. The marketplace is very different. There's a lot of specialization. If you want to look at research and science, you want to look at education, you want to look at popular reading, that's very different, I think, than the way most people listen to music or think of listening to music.

And, of course, there are huge hits and there
are authors who command a majority share of the marketplace, but for a specialist publisher, the fact that we're now no longer dependent on physical book stores to stock our books, which was always a challenge for certain kinds of content -- technical content, engineering content, no general bookstore was likely to carry that, but now you can order it online, and for some publishers, that made a big difference.

I worked at John Wiley & Sons for 14 years, and I think the shrinkage of brick and mortar stores and the growth of online actually meant they sold a wider range of books than they had ever sold before. It made a difference.

So, in publishing and in books and in writing in general, I mean, everyone in here, many of us probably would raise our hands and say we have written enough on the internet ourselves to be able to publish a book if we felt like it. You could just collect all those Facebook posts and blog posts and that could be a book, and it wouldn't be that hard for you to publish it either. Lots of platforms, easy to do, and there are some -- a lot of self-published authors who have been very successful, who are earning a living based on their works.

That is a challenge then to publishers, and we
have all had -- and in the scientific world, we have
all had the challenge, what is a publisher for, then?
What do publishers do? And there's been a lot of
arguments around the world about what do publishers do
and why do publishers get to charge for things and
shouldn't everything be free, et cetera, et cetera, et
cetera? So the creator has become -- everybody's a
creator of text works that are then inherently
copyrightable, and then if there's interest,
licenseable. How do those get into the marketplace,
in the wider marketplace, is an interesting question.

There is also what people create now -- I think
people always wrote fan fiction. They probably wrote
it in their secret diary when they were in seventh
grade -- not eighth grade, but seventh grade -- and,
you know, now we can all read that fan fiction, and it
has a huge marketplace and a huge following, and there
are ways to monetize that far beyond printing a book
and selling it in a bookstore. So I think the change
in who the creator is and what's created has been
affected by the digital marketplace.

MS. NAUMAN: And what about -- what about the
visual -- the design and print and images? Talk a
little bit about that.

MR. SEDLIK: Sure. So photographers and
illustrators are having a very difficult time of things right now in trying to find a meaningful way to connect to the marketplace. There are regularly startups that pop up and offer visual creators a higher percentage of sales or a higher royalty on the sales, and these -- and the creators all rush to it, and then, you know, they fail to make their goals, and then the -- the VCs pull the money and off it goes, and then the next thing pops up.

A lot of these are connected to new registries that are popping up all over the place as well. It's very interesting to watch, but, you know, I also teach licensing at the Arts Center, College of Design, in Pasadena, to illustrators and photographers, and very few of my students -- I hate to say it, but very few of them will actually go out and become visual artists because of the difficulty in supporting themselves, you know, in this day, in this marketplace, given the tools available to them.

What's happened is, you know, of course, you have the photo stock agencies who started out with percentages like 70 percent, 60 percent, or 50 percent to the artist on every sale -- a prevalent percentage was 50 percent -- and now artists are seeing something like 10 to 20 percent of those sales. And at the same
time, the -- the stock agencies who have to answer to their investors in some cases or have to remain profitable or consistently increase margins see the only way of doing that to decrease the percentage that they're paying out to the content owners, to the creators, and it's really placing the creators in a very difficult spot.

At the same time, every one of their clients is demanding, you know, work-for-hire terms, or if it's a stock photo, an existing photo they're buying, they ask for unlimited rights, you know, perpetually, or they ask for an assignment of copyright. And the creators know that, you know, they don't have a lot of leverage in those situations because there's another artist behind them who needs to pay the rent and behind them who will take half of that and behind them who will take half of that, and at the very end of the line, somebody will actually pay to be able to have their image seen in this advertisement or what have you.

So it's incredibly challenging, and I feel that a lot of the work, especially that the Copyright Hub and PLUS are doing, to enable the public to identify who owns what visual work and to be able to access the visual assets and license them without necessarily
relying on distributors is very powerful stuff.

In the meantime, we're losing the next generation of visual artists. They are not going to be failures. These are great -- great people, great young people who are very, very talented, and they will become art directors, they will become photo editors, they will become -- they will go into other aspects of the profession, but they're -- you know, they can't exist on Instagram likes. They can't exist on having social media platforms or let's say social media advertisers pay for their plane ticket to go somewhere to take pictures and then transferring all the rights to whoever paid for that. It just -- it's not panning out. It's a lot of fun for the -- for somebody who's 20 years old to, you know, have their ticket paid to go to Greece, but then they come back and they have absolutely no money, right? And they don't own any of the pictures that they just took.

So I think that there is really no model outside of licensing the copyright and their images to multiple parties to support themselves over time, and I'm hopeful that once we solve the puzzle of allowing people to easily determine who owns what, that these artists of the future and artists who are, you know, currently professionals will have a pathway to
sustainability that they don't actually have right now.

If you talk to individual artists -- and I do all over the world, I sit down with groups of artists and talk to them -- 95 percent of more of the usages of their works are unauthorized. These are all infringements, or they could be allowed under policy or under law, for example, the fair use exemption, et cetera, but at least 95 percent of the usages are not authorized, and many photographers are now turning to enforcement platforms that you can pay to crawl the Web, identify infringements, assign a lawyer in that jurisdiction to send a cease and desist and to possibly file a complaint, and then extract a few thousand dollars or what have you, and then some percentage goes back to the artist, and really, visual artists today see two income streams.

They see the clients who pay in advance and the clients who pay after using it, and this is the unfortunate state of things, but for many photographers, the payments that are -- the stream coming from the unauthorized users is very significant, and these are people who would otherwise not be litigants, but they are forced into that.

MS. NAUMAN: Well, that's a perfect segue into
what you do, and you represent a lot of enterprise
companies. Do you also deal with the little guys?

MR. TUREK: No, we unfortunately don't. So if
we sum up what kind of sounded as an echo in here, you
can see that the distribution was democratized to the
point where anyone can be now a creator. If you can
publish your tweets -- please don't -- that makes you
now a creator, which, you know, in the history or not
that long ago, you actually had to beg someone to
publish these things for you. So this is kind of
solved.

And I think where the role of the majors is
moving towards is to be the enforcements. It's almost
impossible -- I know there is a great hope for a
blockchain-like technology, and maybe it will happen,
more probable than not, but who knows; however, it's
very challenging to get pennies and aggregate them
across lots of different -- lots of different, let's
say, publishers and distribute that to the creators.

So I do believe the majors will eventually move
towards more rights enforcements organizations where
they will be collecting money on behalf of the
creators, and the creators will be dealing on their
own distribution, and the majors will be publishing
movies, music, whatever that is, they will be more
supporting marketing a little bit and then mostly the other side.

And, you know, the transition period is always hard, especially for the small guys. It's very hard to stand up, being a -- just to give you an example, YouTube now holds roughly 4 billion videos. Of those, the vast majority -- and when I say vast majority, 91 percent -- doesn't have over a thousand views; however, the ones that do have over a thousand views represents 52 percent of all traffic towards YouTube. So to stand out in that crowd is almost impossible, and it's going to be harder and harder to be discovered. But if you break through it eventually, then there is going to be somebody to help you out, and I think that's going to be the role of the new organizations that will come of these ashes, and it's going to be very hard for a lot of existing and new creators because it's something that they have never seen before, and I think it will eventually settle to a kind of a nice place, but, you know, the transition period is not going to be nice.

MS. NAUMAN: So if we have -- if they think of the creator as the -- as the baseline, that there's an asset there, there's something that's been created, then sitting on top of that is the licensee and
licensor. There is always a natural tension there, you know, one party wants the highest price, the other wants the best -- the best deal that they can find sustainable.

A number of industries have really tried to look at more flat, transparent, and open environments for licensing between the parties, but the big stakeholders tend to really thrive on the friction that occurs.

I'd like to hear from all of you your thoughts about that relationship. Is that changing between the licensee and the licensor, or is it -- is it a pipe dream to think that we could just, you know, open things up and make it easy for everyone to license and pay a fair price?

MR. TUREK: I will take this one first. I think there is a natural tension just because one doesn't want to pay, the other one wants to make the most. The problem currently with the digital system is that it's -- for us as humans, it's hard to imagine the impact of a platform on the humans, in general.

So it's very hard for the licensee to estimate what is going to be the kind of right amount to pay, not to go bankrupt eventually by paying too much, and finding those balances is incredibly hard, and it's
incredibly hard only or mostly because all the
existing institutions are based on kind of an idea
that I will negotiate something for next couple of
years.

However, in next couple of years, the whole
environment changes so much that whatever they
negotiated was so good or terrible that it didn't
align with what was the final result of it. So some
made a bang, and they didn't -- it didn't show up to
be what it's supposed to, or the opposite, they lost a
lot of money on that license, and I think these will
eventually have to go towards more auctions, similarly
to how electricity is treated in most countries these
days, where you have kind of 15-minute auctions based
on the previous usage for last 15 minutes or something
similar, because the periods for two, three, four,
five, 20 years in some cases, it's just not
sustainable.

MS. NAUMAN: What are your thoughts about the
book and publishing industry?

MS. KLEIMANN: Yeah. You know, there is this
inherent friction, we all know, and there's a whole
set of intangible factors that go into the valuation
of any particular project. So the joke goes, you
know, the less -- if you think you're going to sell a
novel, it's better to not have written very much, because when your good agent goes out to pitch it, she can allow each editor to believe that it's going to be exactly what they want and what they would, in fact, want to pay the most for.

The fewer the pages, every time we got something in to a couple of the trade houses I worked in, we knew the more we were going to have to pay, and it's this magic factor that -- you know, that people think comes from an agent or comes from a particular editor choosing something.

That's a very specialized piece of the top level of mostly fiction publishing, I think, out of the big companies, and it's about the acquisition of the volume rights and what rights then do you get within your company to be able to amortize that investment?

So if I pay a million dollars for a novel that I am going to sell today, the number of copies a top novel sells is very different than the number of copies it would have sold even 10 or 20 years ago. So I have to have other ways to monetize this content, so I want to acquire as many rights as I can, so I want all foreign rights, let's say, in my publishing company, so I can resell this fantastic book -- before
another word is written, please -- to the top French publisher, the top Italian publisher, the top Chinese publisher, and start to bring money back in on behalf of the author, but, of course, on behalf of covering my investment.

There's still at another level a lot of standardization on pricing. You know, most journal articles -- scholarly journal articles could be acquired for a set price on almost every publisher's website. Most permission transactions for a set usage have a kind of formula, within a range. Every publisher sets its own pricing obviously, but those kinds of things, those bits are beginning to be very commoditized and can be developed with -- for automatic licensing.

MS. NAUMAN: Well, I wanted to also ask, you know, the music industry has had many public battles with some of the biggest tech companies, and there's the obvious -- there's a small company in Seattle that has had --

MS. KLEIMANN: Or with headquarters number two, who knows where?

MS. NAUMAN: Right, right. What -- how is the impact of negotiating and creating a sustainable environment for everyone on the creator's side to the
parsing house when there's such a dominant player
that demands -- that demands a certain construct for
their business?

    MS. KLEIMANN: Right. The transaction used to
be more the author, the publisher, the reader who pays
for a book at the bookstore. There's now a -- there
was always that intermediary, the bookstore, and now
there's this thing that's a huge platform that has
taken, I think, a huge piece of the value in that --
in that set of transactions.

    Yeah, it's had a gigantic effect on pricing,
on -- everybody knows all the stories, you know, what
do e-books cost? They cost what they cost because of
a certain set of pricing done at the time to help
their reader or to help individual hardware sells, et
cetera, et cetera, et cetera, and we really shouldn't
talk about that. It's had a very big effect.

    It's -- I will go back, though, to this long
tail concept, which is there's now a way to get almost
any book you want, which wasn't true before they
existed. Before the online sale existed, you would
look far and wide to try and find titles in specialist
topics, and it would be difficult.

    And libraries obviously helped a lot with
historical material, but now there's -- you know, it's
very easy to find copies and be able to acquire those
copies of books or content even if it hasn't been
published as a book, and I think that's still, in an
intellectual art heritage kind of way, more of an
advantage than a disadvantage.

MR. SEDLIK: In the visual art space, in
photography and illustration, you know, if you kind of
separate licensing into commissioned work, which is a
work that doesn't exist, that a publisher or other
client needs to find a content creator to create, and
then you have the stock industry, and so taking the
commissioned work first, there are -- the rights
managed model still prevails with that, where the
client asks for specific rights, and those might be
broad or narrow, and the scope of the rights granted
are typically based on the amount of usage.

But what we're seeing is with the stock
agencies under pressure to increase their margins,
they and others, primarily a bunch of startups, have
come up with a crowd-sourcing model for commissioned
work where a company might come in and say we need
pictures of, you know, couples at sidewalk cafes
holding cell phones, and then, you know, 100
photographers go out, get models, create the work, and
submit it in the hopes that their image will be
selected, in the hope that they might get some percentage of the fee that's collected, and they may or may not even get any of their expenses back, and that's -- that's -- there's been several companies along the way that have done this, and now stock photo agencies are getting into it as well, and that's creating a lot of pressure on the photographers who are trying to sustain -- well, I suppose photographers and illustrators who are trying to sustain their businesses.

Then on the stock photo side, of course, you've had this tremendous consolidation, you know, with stock agencies purchasing each other, and now there's just one big one and then a bunch of smaller players -- well, two big ones and a bunch of smaller players, and they are under a lot of pressure, for example, from the book publishers, too, are having a tremendous problem with -- you know, they go out to sourced images to use, let's say, in a textbook on reptiles, and they might get submissions from many different content providers, from -- even from different countries who phrase their licenses in different ways.

And they might acquire, you know, a thousand or -- either hundreds or thousands of images for a
textbook, and then they -- now they've got a multitude of licenses all in PDFs, you know, and how do they get that information into their DAM systems and how do they adhere to the license terms over time when it comes to new editions, et cetera?

So the solution is, you know, contracts that say that they can pretty much do anything and everything with ancillary publications, et cetera, and then they have the different stock agencies competing against each other on price as well. So, you know, the individual photographers aren't the only ones who are under that kind of pressure, but this is all just, you know, commerce at work, and we'll have to see where that goes.

But, you know, again, I go back to if you make it easier for people to be able to adhere to the license terms, that solves a big problem in terms of perceived liability and real liability that are faced by the licensees.

MS. NAUMAN: Well, and, Bill, there's a lot of discussion on the publishing side of fair market and willing buyer/willing seller versus statutory. Talk a little bit about your perspective on that argument and what you see in the compulsory and statutory licensing versus the free market.
MR. COLITRE: Yeah, it's a tough question to
deal with in one response. We could do this for a
day, right? But there certainly is a theme across the
different copyright vectors that each copyright is a
tiny little monopoly in a specific work for a term of
years, and when you collect numerous copyrights, then
there's an economic tendency towards concentration.

In the music business, the sound recording
market is at least 80 percent concentrated in three
companies, and on the music publishing side, it's
about 50 percent concentrated in three companies, and,
you know, 60 percent concentrated in ten companies.
And then beyond the sort of collective management in
the sense of publisher, there's the collective
management in the sense of rights administrator.

So by the same token, there's a tendency
toward, you know, the perception that there's market
efficiency in having one organization deal with
everything. The problem is, inevitably, when you push
the pendulum far enough in the direction of
concentration, the party in charge of that set of
rights loses its incentive to be responsive to either
side of the transaction.

The last 100 years of the music business have
been characterized by basically one form of collective
rights management. In terms of performance rights and mechanical rights, this is -- you know, for example, for that 100 years, you would have a clearinghouse in the center. Its job would be to extract whatever fees it could from the licensee community and then pay through to the rights owner community, and the -- and there's a disconnect between those two functions.

The basis on which the licenses are made and the money is extracted has nothing to do with the basis on which the money is distributed on the other side, which is according to a different set of affiliation rules between the members and the organization. And so in that model, notwithstanding the best intentions of everybody involved, the incentives are to, you know, to extract as much as possible from the licensee community and pay as little through to the rights owner community as possible.

And it's an unfortunate situation, but that seems to be the pattern that comes to pass over and over again, which is why the Europeans ten years ago decided, you know, we need to end this practice of monopoly by territory and create competition in the market for collective management of rights.

The United States, on the other hand, has had competition for collective management of rights, and
that leads to its own inefficiencies in market allocation, sometimes worse than others, but at the current moment, the entire music business is focused on the Music Modernization Act, which would reconcentrate the United States mechanical licensing market for on-demand streaming into a single mechanical licensing collective of the type that is, you know, seen in Europe.

And meanwhile, the Europeans are looking at this and saying, what are you doing? That's backwards. So, you know, there's this pattern that goes back and forth, and what matters is with modern networked computers, we can follow transactions now on an end-to-end basis, with much more throughput than would have been possible in any prior period. So the clearinghouse model that was absolutely necessary in history for making a market function has now been challenged by, you know, for example, Uber or any number of other models that you can think of, eBay, where millions of buyers and millions of sellers transact on a very auditable and end-to-end basis all the time.

In that environment where we have those kinds of tools available to everybody, there is now an alternative choice for the clearinghouse model, and
the question is, where's the right balance between
efficiency through concentration and the avoidance of
monopoly or monopsony economics?

MS. NAUMAN: Well, that's a great segue into
the value chain, which is the creator on one side, the
consumer on the other side, everybody in between. In
music, you know, we -- for 15 years, people have been
talking about the inevitable demise of labels. Labels
aren't going anywhere, and they serve a purpose, but
the smartest ones are recognizing that their role in
the value chain has to change, and the way that they
operated in a previous environment is different.

I'd love to hear each of you talk a little bit
about what you're seeing in that value chain in
between the creator and the consumer and how all of
this is changing at the same time and where you think
it might play out.

MR. TUREK: I touched on it a little bit
before, but I think that anyone between -- outside of
the distributors is going to step out a little bit
from the chain and have a little bit passive role of
maintaining and managing the collection of money,
distribution of money, and essentially maintaining the
rights themselves.

And I think the connection between creator and
the consumer is going to be more direct, at least on
the direct distribution, and it's also seen -- outside
of digital world, you can see that even with brands,
where lots of rents are now going directly to
consumers and then lots of the large conglomerates are
moving towards having a direct relationship with the
consumer instead of going through the massive malls,
and I think it's overall the consequence of connected
world.

And I think as we are going to be progressing
more and more through this, it's going to be -- we
will see more of it; however, it is always going to be
necessary to have a body or bodies of collection
agencies with other -- let's call them features --
that will help out to not only maintain and manage the
money but also help to distribute the rights to the
right parties and do all of that.

It sounds like a very easy task, but eventually
it's not going to be, because you have 7 billion
people on the planet and growing, and all of them are
slowly getting connected to the Web or just to each
other.

So if you will have eventually 7 billion
creators and 7 billion consumers, there will have to
be some kind of a clearinghouse in between. I think
it's actually a good world for everyone, because
everyone will be able to express themselves, and
eventually everybody will be hopefully paid rightly
for what was essentially right amount on the market.

I think with -- as you pointed out, labels are
not going anywhere. I think most of the large
organizations within all the digital media realize
their position, and I think they are slowly -- some
slowly, some more fast -- are moving towards wherever
they are adding the most value and where they can
extract the most money for themselves and for the
customers, creators.

MR. SEDLIK: Well, in the visual art space, the
distributors, the stock agencies, really serve an
invaluable role in that they curate the content so
that when people need to find images, they're able to
find them efficiently without wading through, you
know, millions of images. You know, if you go to
Google and search by "kitten," you know, you are going
to see a lot of images, and some of them are, you
know, pretty kitties, and other ones are not, and they
might not be the one that you're looking for. You
know, the stock agencies apply key words and
algorithms that get you, as quickly as possible, to
the content that you're looking for so that you can
license it.

I suppose I shouldn't have used the word "invaluable." There is a certain value to it, right?

But as a user looking for content, going to many, many different platforms or photographers' websites looking for that perfect cat picture just is -- would seem to be overwhelming, so that there is a purpose to the distribution platform there.

One thing that we don't have in the visual arts is any sort of statutory licensing. So we don't have collective licensing. We don't have extended collective licensing. The -- there's a -- there's revenue that comes in from overseas, from secondary reproductions of, you know, let's say, not author-specific, not work-specific royalties based on -- coming off of tariffs on the sale of toner cartridges, et cetera, and that money comes into the United States, and most of it historically has gone to the CCC, and then the CCC takes a portion of that and gives it to the publishers and depends on the publishers to then distribute the portion that is -- that should be going to the visual artist to the visual artist, but the publishers do not distribute that money. No money ever gets down, to my knowledge, to the visual artist out of that.
And so for that reason, that nonprofit that I mentioned earlier, the American Society for Collective Rights Licensing was founded about a year ago and is beginning to receive foreign reprographic rights moneys for distribution directly to visual works rights holders in the United States so that they can actually begin to receive a share of that -- of what I would call, I guess, secondary licensing revenues. They still can't perform collective licensing or extended collective licensing legally, but at least they're going to begin to get a piece of the pie that they have been owed for many years through that organization.

MS. KLEIMANN: I just think that's a really interesting example. I hadn't thought about photography not having a collective society, and, of course, when I was at Wiley, we did collect regularly from CCC because we participated in that or from the UK collective licensing agencies or others, and we passed it on to our authors as per the contracts we had with them. So it's interesting to think that there's beginnings of old models in certain kinds of industries or segments, silos of the copyright world, where, you know, Bill's example was in many cases we don't need that anymore because it would be more
appropriate to go direct, to --

MR. COLITRE: Well, I don't want to be misunderstood. I think all these models are super valuable, and at different times and different places, they are appropriate or not appropriate based on what the demands in the marketplace are, but we should definitely keep all these tools available to us.

MS. KLEIMANN: Right. Yes, I would agree with you on that, too. I mean, what we're not thinking about we need to hark back to, maybe -- I don't know where we are on time, but first you have to know the -- who said, "People make deals on stuff"? And you have to know those pieces, and that's where the transparency is. It doesn't have to be on the actual deal terms.

It's like who owns it -- because no one wrote a book, to my knowledge -- you know, the opposite of publish is "privish," like you didn't write that book so nobody could read it. You didn't write that book so it could be hidden. You want it to be published. You want it to be out there in as many places as possible. So different models for different kinds of transactions.

The ones that can be commoditized and done as microtransactions, now we have an ability to do that.
The ones where you can really identify the buyer, the user, against the content, maybe those should be more direct and less thrown into that black box of the algorithm that then divides it all up among the publishers after it's collected.

You know, "We think most of the usage went to these seven publishers, so let's divide it by seven and send it to these seven publishers and see what they do with it." It's that kind of stuff that -- you know, there are better ways to do some pieces of this than the way it's been historically, but unless we know easily who has those rights -- and publishers and agents fail on that all the time. You would have a hard time figuring out were the Bulgarian rights to Girl on a Train available? Yeah, that's what you're over there reading all those documents and trying to figure out.

MR. COLITRE: And that's certainly true, and, you know, the "people do deals about stuff" is similar to the architecture of the -- of this meeting's format last year, "data creates registries, creates markets."

I think these are all useful models that cut across all of these different copyright vectors that we're talking about, and the one that I don't think gets enough attention and which you alluded to just now is...
the temporal problem.

Notwithstanding that we're all working on standards, working on the protocols for the exchange of those standards and for the efficient licensing of this stuff, if this work doesn't get to market, it's valueless. And God bless the performers of the world. The aggregators, which we call them in the music business the distributors of sound recordings, are not just the record labels anymore. There are these enormous organizations that source the long tail of sound recordings directly from sound recording makers in every territory of the world and funnel them into the Spotifies and Apple Musics of the world so that they can be heard by the masses, which is a fantastic flowering of culture, and we should all be extremely happy about it.

What we want to do, though, is alleviate the anxiety of those creators that they will not be recognized and paid when their work does make it to market and get traction. We need to ensure that the information about the usage of those works is made available even if it's unmatched in a system that allows them to come forward and say, "Wait, wait, wait, that's mine," back up their rights with documentation, and then receive payment for that
usage.

This is a particularly important problem in the music business because you have the compound problem of multiple songwriters with multiple publishing administrators attached to a single sound recording, where the metadata row relative to the sound recording and the metadata row relative to the musical composition bears zero similarity at all, save the title field, and titles are not distinct. There's millions of songs called "Love," for example.

So in that environment, you need to take special care to create claiming systems like, for example, the one I alluded to in my comment earlier that Music Reports has made available for the last 18 months of every sound recording we have ever seen on any platform that is not matched to its related composition information.

All the publishers on our platform have access to that system free of charge, to go through and look at it and see what's there for them. It's very efficient and sortable, and we've got over a million claims made against that system at this point. So it's beginning to get traction with the publishers and really works to alleviate that anxiety for payment.

MS. NAUMAN: That's great.
Do we have any questions in the audience?

MR. GRIFFIN: I don't know, this one just seems so obvious to me, and so I'm just going to take this chance to rant for a quick second.

MS. NAUMAN: Jim ranting?

MR. GRIFFIN: Yeah. No, absolutely.

MS. NAUMAN: Hard to believe.

MR. GRIFFIN: Look, it's so clear that the value transfers here come from aggregation, from collective licensing, like Jeff has finally turned to, you know, the notion that he needs a collective rights licensing body. You know, I think it's just so clear, and I say that -- I used to represent journalists. Before I started, I did my first contract, I called my dad who was a union leader in Chicago and said, "Well, you know, what do I do? I've got to represent my colleagues." He said, "Look, son, everything happens on a continuum. You either bargain or you beg, and the amount of power you've got determines whether you're bargaining or whether you're begging."

Now, it seems to me that granularity is always the enemy of the creator, that if you could buy one Edgar Allen Poe poem instead of the whole book, you have got a shortcut to what you want. Enormous amounts of value in the music industry disappeared
when we unbundled the album. Songwriters, I think, perceived that it was streaming, but it was, in fact, the unbundling of the album. We were paying a great deal for the 12 songs that we didn't want to get the one we did.

So, Bill, I mean, with great respect, when you guys brought the per-play license to what was otherwise a collective, you stole value from our industry. You work for those who want granularity. Now, not anymore, and you're changing, and I get that, but I'm just saying that those who would pick us off one by one lead us just into the Jeff Sedlik scenario of eventually there's someone behind me who's willing to pay to take my place.

MR. COLITRE: So I think you are referring to the per-program license that's the historical television --

MR. GRIFFIN: No, the Buffalo license.

MR. COLITRE: The Buffalo Broadcasting license.

MR. GRIFFIN: A long time ago.

MR. COLITRE: Right.

MR. GRIFFIN: Where he says, "Look, I'm not paying ASCAP or BMI for songs I don't use."

MR. COLITRE: Yeah. So let's --

MR. GRIFFIN: "I am only going to pay for the
ones I do," but that granularity cost us.

MR. COLITRE: Well, I think you would get a
different answer from the composers of the news themes
who have done extremely well through that program --

MR. GRIFFIN: Sure.

MR. COLITRE: -- where they were not being paid
by the collective management organizations because the
distribution rules applicable to the TV news themes
that they were writing did not afford them the true
economic value of the work in that context.

MR. GRIFFIN: Agreed. News themes were --

MR. COLITRE: So the television stations have
ended up paying less for those licenses, you're right,
that there has been some amount of value taken out of
the ecosystem, but those composers and their
publishers were paid more faster, more transparently
and more accurately.

MR. GRIFFIN: It's always a fact that you make
more money if you individually opt out of the
collective. The boss will always pay you to quit the
union, to be rid of the union. I mean, you know it's
true. So I'm just saying it just seems so clear that
the answer is to aggregate for power, that when they
do that -- SoundExchange, for example -- they go to
bat for sound recording owners and performers in a
50/50 scenario, and they fight in ways that no
individual performer ever could. They're a collective
licensing organization that has transferred wealth,
billions of dollars, that never would have gone to
performers. I mean, literally wouldn't have gone to
them absent their stepping up to the plate and
representing them as a collective, and Jeff's
contemplating the same thing.

MR. COLITRE: Well, I have to disagree with
that, absolutely. Music Reports created a sister
organization called Royalty Logic at the very
beginning of the DMCA, and affiliated performers and
labels, to represent their rights in the same way that
SoundExchange did, but through a series of CRB and
legal hearings, the eventual determination of the --
what is now the Copyright Royalty Board was that a
single collective monopoly organization would be a
more efficient means of administering that money.

Nevertheless, that is not the congressional
intent of the statute, which you can still read now
contains a whole set of plural identifiers for the
organizations that were supposed to collect and manage
that money. Now, you can't tell me now that we would
not have done just as well in a competitive
environment as would have happened with the current
monopoly environment because there was no testing of
that.

MR. GRIFFIN: Different issue.

MR. COLITRE: We were not given the opportunity
to compete and see whether we could produce more value
for rights owners.

MR. GRIFFIN: Different issue. You're just
arguing we should have been allowed to form a
competitive union, and I agree, fine, if the stat --

MR. COLITRE: As would the board of CISAC, as
would the board of GMR.

MR. GRIFFIN: Yeah. If the statute allows it,
fine. I mean, the court was administering a statute.
But my point, bottom line -- and you're proving it --
is that when we act collectively and we aggregate our
power, we can, in fact, transfer wealth to creators.
And when we fragment, when we become granular, when we
are picked off one by one, that's just what we get.
That's my only comment.

MR. COLITRE: And --

UNIDENTIFIED FEMALE: (Inaudible).

(Laughter.)

MR. GRIFFIN: Look, antitrust, but, I mean,
unions have an exemption from antitrust, and, in fact,
SoundExchange is an antitrust eater, because by
statute they have no antitrust problem. My point is that that's what we need, is exemptions from antitrust such that we can act together in our own best interests collectively and transfer wealth from those who themselves aggregate power through industry associations.

And, in fact, Warren Buffett and Rupert Murdoch recently jointly petitioned the Department of Justice for the right to collectively bargain with Google. Now, if there's two guys who don't need an antitrust exemption to go bargain with Google, it's Rupert Murdoch and Warren Buffett. When they conclude they don't have enough power to deal with Google, I guess I'm feeling like the average artist ought to be right there with them, forming their own collective bargaining association. That's my comment.

MR. COLITRE: And I would always advocate that at some point there has to be balance in the system. There is no doubt that collective action is powerful, it absolutely is, but the Copyright Act is based on the Constitution of the United States which sets out a determination to create balance. The purpose of a copyright in the United States is to promote the advancement of science and the useful arts to incentivise the creation of material, and at some
point that balance can be shifted too far in one
direction or the other.

I would remind you that in a collective
management organization like ASCAP and BMI, the market
power arrogated by those organizations over time led
to the imposition of consent decrees that have existed
for decades, not because they're just stuck in the mud
but because they continue to have incredibly valuable
functions, the majority of which are there to protect
the creators who are members of those organizations,
not the licensees of those organizations who generally
get pilloried for being in fights with those
collective management organizations.

So I'm just saying I absolutely agree with your
premise, but there is too much of a good thing at some
point.

MS. ALLEN: So, thank you all for your

comments. I do want to say that this conversation can
continue at our breakout session on the future of
collective rights management, which Bill is
facilitating, and/or the licensing rights and
permissions, what works and what doesn't when the
content resists being a commodity, which is going to
be facilitated by Kris. So with that, we say thank
you very much, all of you, for a very helpful
discussion.

The next panel -- oh, if you...

(Applause.)

MS. ALLEN: We are running a little behind, but I think that's fine. The next panel we will give a full hour to. In particular, this was something that we heard from some feedback in our last meeting, really to put an emphasis on the international nature of a lot of these issues, so we invited people from Geneva, from Europe, from the UK, and Canada to share with us their experiences. I hope you welcome them to discuss their initiatives as well today.

So with that, Paul Sweeting, Peter Jenner, Anna Lionetti, please come up.

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AFTERNOON PANEL SESSION 2:

GLOBAL PERSPECTIVES

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MR. SWEETING: Okay, so last formal panel of the day, and you just have to last a little while longer and then there's a coffee break, and then you all get to talk amongst yourselves and you can stop listening to us droning on from the stage up here.

My name is Paul Sweeting. I am the cofounder of something called the Rights Tech Project, and if
you are not familiar with Rights Tech -- a number of you I know in this room have been involved in our conferences and events -- but we are a newish organization that provides a forum for discussions very much like we've had here today. So if you enjoyed this, I invite you to go to Rightstech.com and check us out.

So that was invigorating toward the end there.

I am going to try to avoid losing value through granularity here. We're going to be talking about collective initiatives involving multiple stakeholders here, and I'm not going to do long introductions of our panelists because each of them is going to tell you a little bit about the projects that they are working on and their origins.

So first up is Anna Lionetti --

MS. LIONETTI: Lionetti.

MR. SWEETING: I want to make sure I pronounce it correctly, Lionetti.

MS. LIONETTI: Correct.

MR. SWEETING: Anna Lionetti from -- well, she is here to talk about a project that was mentioned in one of the earlier presentations, the ARDITO Project, and she's also with mEDRA, which is the Italian publishing -- sort of publishing industry association.
So take it away, Anna.

MS. LIONETTI: Thank you, Paul. Thank you again to the USPTO for the invitation. My name is Anna Lionetti, and I work for a company called mEDRA, which is a DOI registration agency, and the IT branch of the Italian Publishers Association, and is also the coordinator of this project, ARDITO, which was mentioned before by Mark Isherwood and which I'm going to present briefly.

ARDITO is a project cofounded by the European Union, a research and innovation project under the Horizon 2020 Framework Program, built up by different organizations as you can see on the slides, in the European Union and across different sectors of the creative cultural industries.

We cover the book publishing sector with mEDRA and with the Italian Publishers Association. We cover the image sector with the Album organization from Spain. We cover the -- again, the book publishing with the iContact service provider from The Netherlands. We cover the audiovisual sector with The Research Center from France, b-com, and we have the -- Europe Analytica has served as a communication leader of the project, and the Copyright Hub, again, to facilitate the implementation of the technical
What is ARDITO about? ARDITO is a project aimed at building simple tools and services to facilitate the communication of rights information to the end user. So we aim at empowering some identification technologies for them to carry rights and licensing data to the end user.

I'll switch the slides because it's easier to start from here. ARDITO, it stands for that super long acronym, which is Access to Rights Data via Identification Technology Optimization, which is pretty much what I just said. Actually, ARDITO has also -- is also meaningful word in Italian, which is brave, and it's kind of a joke between us because we believe you must be brave to try to do something -- to do this job in this sector, but anyway.

As I mentioned, our aim is to fill the gap of rights information for the end user. So when they come to use a book, an image, an audiovisual product, the user should be able to know what they can or cannot do with that content, if they are able to reuse it or not, and we are doing this using, let's say, a common framework in the sense that we have different organizations, different technology providers, but we share a common ecosystem with the Copyright Hub at the
Here, in this scenario, the Copyright Hub is acting like a central index redistributing the information that come from queries from the internet, from the end user, for distributing to the different sources of rights information that each one of us -- ARDITO tools, let's say -- manages.

The principle behind all of this is quite simple. As I said, the idea is that any content provider, publisher, rights holder, or whatever, should be able to easily communicate rights and licensing data, and on the other end of the supply chain, in the same way, the end consumer should be able to access to such data.

The principle behind this is that if content can be clearly and possibly persistently identified, then we are able to connect such data to the content asset. So that's what we're trying to do. We are announcing some identification technologies in order to make the identifiers the links between the content asset and the rights data.

So which identification technologies are we talking about? We are empowering the DOI technology for books and e-books, to -- for the DOI to carry rights information, for the DOI of the content to
evolve additionally to rights and licensing information.

Its data will be also embedded in watermark for e-books and in watermark for audiovisual products, and rights and licensing information will be connected to image content through the digital pattern matching system. So the image content recognition will be connected to the rights data for an image.

This is pretty much the work flow at high level. As I said, we have the Copyright Hub in the center, they're distributing the rights data, but the idea is that any source of rights data -- may be the publisher, the rights holders, as I said -- communicates rights information for their content to one of those blue boxes -- I would call them the ARDITO points -- each one providing one of the services I've mentioned.

This data is shared with the Copyright Album which is able to track back to the rights holder and to the rights data upon user's query in the Web. What does it mean? As Mark showed before, a final user can -- human users, for instance -- can just right-clicking on an image or a perspective also on an ISBN found in a Web book shop and immediately find in the rights data for that content.
What happens behind the scenes is that a simple query is redirected from the Copyright Hub to one of the sources of the rights data, one of these tools connected, and that's the -- pretty much the technical working.

While clearly what we are trying to do is to provide some benefits to the content industry, we say -- which is tedious, as you can imagine, particularly because we are connected to different sectors of the cultural industries -- but the main issue is to provide visibility and discoverability to rights information.

So the main objective is to make rights data easily accessible, and this should, in its turn, provide more opportunities to monetize their use of the content. So the more rights data is available, the more transactions possibly can be performed, the more sources can be collected, and so on and so forth.

Some other key points that maybe can be stressed afterwards during the discussions, but just to give an overview, put together the different souls of this project, which is, as I said a project cofounded by the European Union, "cofounded" meaning that we have public funding from the European Commission, but this is actually a private-public
partnership in the way that the companies participating in this project are private companies, investing part of their money into this project as a whole.

As a European project, as you can imagine, we have procedures and deliverables and implementation, so it's a process involving also, from an administrative point of view, lots of resources because, of course, it's a public-funded project, but everything needs to be documented.

One of the key points, again, is that clearly -- it's obvious, but it's always good to highlight this -- public funding means that the EU Government supports research and innovation, so this is crucial for the development of new tools for the e-content sector.

And, again, most important, this project is targeted to the SMEs, which represent more or less the 80 percent of the creative industries in the content sector, so it's key to provide them with simple tools to develop their secondary market for that content.

I think I've gone on too long, so I will stop here.

MR. SWEETING: Oh, no, no, no, that's fine. Hold on, let me just ask a couple of questions
before -- you can feel free to sit down if you want.

MS. LIONETTI: Yes.

MR. SWEETING: So could you give us a little
more background on the actual impetus for the ARDITO
Project? You know, where did it come from and why?

MS. LIONETTI: Well, as I said, the principle
is to provide more visibility possible to rights
information. I mean --

MR. SWEETING: And that was whose priority?

That was an EU priority? That was an industry
priority? Who --

MS. LIONETTI: Well, both, meaning that
industry priority, of course, because as we all know
here and as we all discussed today in the previous
panels, it's crucial for content providers,
publishers, image rights holders, or whoever to gain
as much as possible from their content, from -- not
only from the primary use, from the purchase, but also
from the reuse of parts of that content.

So this can happen only if the end user who
want -- even legally want to reuse the content are
able to find out how they are enabled or not to do
that. So this is the basic principle, the basic need
from the market. That's the demand.

MR. SWEETING: Do you have a question?
MR. ROSENBLATT: Yeah. So actually I wanted to turn a question that Mark Isherwood asked this morning on its head. I noticed you have iContact involved, and they have an e-book watermarking technology which actually was featured at my conference two weeks ago. Who else is providing the -- because they only do e-books. Who else is providing the content identification technology?

And then relevant to what Mark was asking this morning, how are you reconciling the fact that these are proprietary technologies and this is supposed to be, like, a public benefit sort of initiative?

MS. LIONETTI: Well, yes, watermarking systems are proprietary. Well, in a way, it depends -- I'm thinking about an example which I am going to make now. It depends on the perspective. For instance, as I mentioned, we are also exploiting the DOI technology, which is a standard --

MR. ROSENBLATT: Right. That's not proprietary.

MS. LIONETTI: Yes, but it's a standard tool again, and it can be applied to any content type and to any -- as you know very well, and also to 20 type of -- let's say 20 piece of the value chain, we used to identify -- for those who are not familiar with the DOI, the DOI is basically used to identify content,
pretty much like the ISBN, but in this case, in ARDITO, we are using the DOI also to identify rights that are records and then connect the identification of the rights that are records with the identification of the books or e-books.

So this means that we are providing tools that can serve the whole market in a way that, okay, I contact Cantilever, his proprietary system, his own product, but in its implementation of the iContact, for example, which was the -- that's what I was going to mention. We added the possibility to embed the DOI into the watermarking system.

So this gives more opportunities to exploit tools that are actually available to anybody. Anybody can apply for assigning DOIs to their content, for instance. There are several DOI registration agencies around the world.

MR. ROSENBLATT: Right.

MS. LIONETTI: So we are using tools that are well established on the market and that --

MR. ROSENBLATT: But my question is, you know, what if someone wanted to use Custos' e-book watermark or Digimarc's instead of iContact, for example?

MS. LIONETTI: Well, we can support Custos to connect to this ecosystem and be part of the rights
data network, let's say. To make its function -- like
I showed before, I mean, the thing in ARDITO is to be
connected with the Copyright Hub in the center. So
the thing is that one can use the Custos product,
which is fine. To be part of this workflow, the
thing is to connect to this ecosystem. So we can have
iContact, we can have Custos, we can have --

MR. ROSENBLATT: Okay. So, you're not -- in other
words, you're not privileging iContact over --

MS. LIONETTI: No, no, no, no, that's not --

MR. ROSENBLATT: Okay.

MS. LIONETTI: No, no, no, that's -- because
the project partnership was born like that, but in
principle and in perspective, we aim to extend the
sources that can be connected.

MR. ROSENBLATT: Okay, got it.

MS. LIONETTI: I'm sorry. I didn't understand
that. It was obvious in my mind.

MR. ROSENBLATT: Sorry. I don't want to take any
more time. Thank you. That answers the question.

MS. LIONETTI: Okay.

MR. SWEETING: To my immediate right is Ian
Dahlman from Canada, and Ian wins the award, I think,
for the longest title in the program today. He is the
Manager of Legislation and Parliamentary Affairs,
Creative Marketplace and Innovation Branch, at the Department of Canadian Heritage, Government of Canada (Digital Licensing Camps).

So, Ian, what is it you do to earn such a heavily weighted title?

MR. DAHLMAN: Hi, everyone. My name is Ian from Canada. So we're actually in the Creative Marketplace and Innovation Branch, newly formed from the former Copyright Branch, so that explains part of the title.

MR. SWEETING: It's very hard to find on the Canadian Heritage website.

MR. DAHLMAN: Yes, we're that new, so -- and the Licensing Camp portion is what we're getting to. So, first of all, thank you for having me. It's wonderful to be invited, and it's wonderful to put faces to all the projects I've been reading online about for the last two years. So it's really exciting and invigorating.

So I was asked here to speak about the Digital Licensing Design Camps, which were an initiative that the Canadian Government undertook in the spring of last year, in 2017, and it's -- the initiative is somewhat akin to the kind of conference you're participating in right now. So if you have meta
questions about the choices that went into what you're
doing right now, you're in luck. I am going to dive
into that for a little bit, but to really understand
where they came from, we have to go back a year for
us, into 2016, when I first started with the Copyright
Branch.

In Canada, we were in an interesting situation
in that moment because what we're undergoing right now
is -- required by legislation -- a parliamentary
review of the Copyright Act, which means a committee
from Parliament has been tasked just recently to
review our entire legislation and the reforms we
undertook in 2012.

What that means is there's a mandate for this
committee to fully explore legislation, legislative
solutions, regulatory solutions, and in 2016, that
meant our stakeholders were gearing up very, very
strongly to build critiques and proposals for this
committee which has been struck, which meant that kind
of more heavy-handed solutions -- not that they were
considering them -- but they weren't on the table for
us. We were in kind of a holding pattern until the
committee took hold.

But in the meantime we were hearing all sorts
of issues that exact -- they graft almost exactly onto
the program of the conference today, issues around
data, metadata, garbage-in/garbage-out, opacity of
rights royalty statements, rights fragmentation with
layers of works and rights and geographical
fragmentation, and fragmentation within that,
impoverished registration systems, all the things that
we've talked about today.

In the meantime, we were also on the cusp or it
was -- I mean, this has been going on forever, but of
a kind of strong proselytization around the
revolutionary potential for certain kinds of
technologies in these fields, blockchain, deep
learning, AI, API design, et cetera, and we were
seeing our stakeholders invest in these projects in a
very siloed manner.

This was in the wake of the failure of the GRD,
so, you know, a big top-down approach had failed, and
we were seeing these kind of smaller, geographically
situated approaches emerge, and many stakeholders
invested heavily both in the data but also in the
infrastructure that would help you manage rights and
track royalties to the point where they were becoming
commodities in and of themselves.

So, you know, the government wanted to
emphasize the importance of these issues but wanted to
take a softer approach and to try and not interfere
with what looked like to be a shifting in dynamic
marketplace and also let those things comes for
itself, but to produce a situation where more
collaboration and codesign was occurring, where the
water rising meant that all boats were rising with it.

And so we kind of had a working hypothesis, I
suppose we could call it, which is that a timely
government engagement with an emphasis on
technological opportunities would induce broader
collaboration while supporting ongoing stakeholder
initiatives as they were and potentially generate more
innovation in the process.

So to accomplish that goal, we actually took
more of a design thinking approach. So we partnered
with two design thinking labs, one in Toronto, one in
Montreal, MaRS Innovation Labs and Projecté in
Montreal, to target the anglophone and Francophone
marketplaces. We focused on the music industry for
several reasons, which is where we were seeing the
most action in terms of developments in rights tech
and also some of the bigger critiques around ease of
licensing and, of course, the biggest shifts in
consumption as well.

Generally, we -- I don't know if you -- if the
audience is very familiar with design thinking, but there tends to be much more emphasis on codesign and much more emphasis on kind of user experience, and by "user experience," I don't mean end user of copyright. I mean user of the copyright systems. That umbrella includes, of course, artists, intermediaries, anyone who kind of engages with the system in any meaningful way.

And so we had two workshops, one in Montreal, one in Toronto. We invited 40 participants who represented music collectives, industry players, tech startups, copyright experts, artists, music users, et cetera, and we kind of brought them into this kind of three-stage process. So rather than sitting through a conference like we're doing today -- which is wonderful, don't get me wrong -- we were trying a different approach, which was to -- first, we had a -- it was kind of three phases, like I said, that it broke down into.

The first was a kind of setting the stage process and envisioning the future, so we had what they called an unconference, which is all the initiatives that we saw in Canada were -- had little kind of stations around the room, and anyone could circulate -- the participants could circulate freely
between them and hear what was going on over the
course of an hour or so.

Once that was done, a series of groups were
established with a mixture of perspectives, and they
were asked to kind of envision the future. So if
these issues were addressed properly, what would the
future look like?

And the tool was a -- the name of the newspaper
escapes me, but remember in "Back to the Future" how
there was a newspaper that shows the future, the
headlines of the future? Well, you were asked to
build that newspaper front page. Granted, a newspaper
front page, a little anachronistic for an innovation
session, but it still seemed to work pretty well.

Once that was done, we had a kind of end goal,
right, an end game. So the next phase was a kind of
broad ideation phase. Participants were asked to
generate as many ideas as they could in no matter
what, no idea was too small or too dumb, and then they
were all kind of grafted onto a chart of, you know,
had the goal identified in the first stage of the
session alongside or against -- pardon me -- the
different end -- or users of copyright and their
priorities. So who would this solution be addressing?
Whose problems are we targeting? By doing that, the
group could see whether clusters seemed to form of their ideas, and they could pick one of those ideas to prototype.

And then the final stage of the day was to take that idea, to build a business model around it, and then develop a pitch, which they gave to judges at the end of the day. So the important thing here is praxis, right? How does this thing work in practice, putting these ideas through these kind of rigors?

In the end, the event generated over 500 ideas, and those were produced into 16 prototypes. They ranged all across the kind of the things we've touched on today, from solving the data problem to digital exchange platforms to price-setting, all sorts of interesting ideas. MaRS and Projecté are responsible for reports to us, which is forthcoming and will be released imminently online, where you can see all the ideas.

The important thing about the process, I think, was that we asked stakeholders -- Chatham House rules were in effect, and no one was attributed -- none of the comments or ideas were attributed to any particular person, so we were asking stakeholders to come in and interact not in a way that refracts through their usual interests and can be adversarial
at times, but in a collaborative, codesign setting
where it was more of an internal challenge function to
creating the best possible idea or best possible
version of the prototype they had.

None of these prototypes are perfect. They are
all just kind of interesting ideas. Some of them
didn't even get to where they wanted to get and
admitted failure in their pitch presentation. That
was fine. The point is that these will all be
published -- put online for anyone to take up and use
if they want to pursue in the future. In the
meantime, we have built a different kind of
conversation amongst people who weren't necessarily
speaking to each other previously.

I would just add before I finish that the kind
of conclusions that are coming out of the report look
a lot like the kind of insights that we're seeing --
I've seen in this conference generally.
Interoperability was a huge point. Educating and
empowering artists and users was another. And most
important, I think, was improving the user experience,
the point that it's not -- it isn't worthwhile to
simply digitize things. The redesign has to occur
with the change, and it has to simplify the process,
make it more user friendly for those who engage there.
If you start from that, that point, you'll find some interesting end games.

So that was the project in a nutshell. Thank you.

MR. SWEETING: First of all, I want to thank you for using the term "rights tech." It's a phrase I've been trying to get into the lexicon for two years now.

So the role of the Canadian Government, there wasn't a mandate there. It was -- you -- it was really essentially leveraging their convening role to bring people together. That was the -- that was the essential role that the government played, correct?

MR. DAHLMAN: Yeah, absolutely. The point was to -- this was seen as more of a part of our ongoing stakeholder engagement. So there was no particular mandate we were serving besides a constant engagement with stakeholders, hearing their perspectives, and then trying to help the marketplace along to develop new ideas in the process.

MR. SWEETING: Thank you.

To my immediate left, a man who can rant as well as Jim Griffin --

MR. JENNER: He taught me all I know.

MR. SWEETING: -- Peter Jenner, who's had a
long and distinguished career as a manager, a talent manager. He was the first manager -- I guess the first manager of Pink Floyd. He has managed The Clash. He's --

MR. JENNER: It's been downhill ever since.

MR. SWEETING: It's been downhill ever since.

He is now working with the UK IPO, the Intellectual Property Office, on a program called or an initiative called Music 2025. How did that come about, Peter, and what is it?

MR. JENNER: Well, God knows what it is. Basically, I persuaded the IPO that having seen what happens with copyright and the form of -- not just copyright, but generally the speed at which it takes for anything to go from idea to legislation to activation to being in place, was interminable and that, therefore, if you wanted to fix today's problems, you would find that by the time you'd fixed them, they were out of date.

So that I thought that if we looked ahead to 2025, we might have a chance that, when we get to whatever solutions we get to, they might be not quite so out of date. I'm sure they still will be out of date. So that was basically where it came from.

And it was about music, and it was tripped off
in my brain by seeing the EU, in about 2015, talking about what they wanted to do with the reform of copyright, and I thought, "Oh, my God." Anyway, talk about hopeless.

So I started talking with them about it, and what we've decided that we needed to do probably is to think first of all about the structure of data and the collection of data. I'm making a huge effort to get the data together and to -- as it were, perhaps moving towards a position of national -- of registries, whereby at the end of the day -- this is me, not the government speaking -- but at the end of day, if you're not registered, there is no obligation to pay you, and if you are registered, there is an obligation to pay you, the performer, because it seemed to me that looking at what was happening in the streaming world, the vast bulk of the money was going to the major companies and really a relatively small quantity was going to the performers, and those that was going to performers were going to the big performers.

So it was thinking about how can we make it so that it's a better, more equitable sort of relationship between the performers and the corporations. That's partly a reflection of my own prejudices, which are similar to Jim's in this
So, anyway, a lot of it was down to streaming, and then I thought more about the problems of streaming, about how little money gets to the performers in streaming, particularly the session musicians who get nothing in the UK. Session musicians get nothing from streaming. The performers, the major featured performers, get their old-fashioned rights, you know, royalty rights, which they used to get on hard carriers. So it's always seemed to me that it's very -- it's all very out of date as to how things get treated.

It then led me to think about what is streaming. It's not a performance, and it's not a sale. It's a sort of a rental right, I reckon, is the nearest you can get to it. It's a sort of rental right. It's like a public library. Provided you keep on paying your $10 a month, you have a right to go into the public library and take the music that you want, and then if you don't pay your $10, they take it back from you. So you don't own it.

You have access to it, so it's a rental right, and that, it seemed to me, was an interesting proposition, because within the music business, as far as I know, we have -- certainly in the UK, there is no
day-to-day dealing with rental rights. I think there are in Japan and possibly in Korea, but certainly it's not in our world. So that was an important thing.

It seemed to me the important thing was not the rights, but it was getting paid. It was the remuneration was the key issue. And in some senses, also, in that context, too, I'm also very interested about limits and control on assignment, the assignment by performers and writers, early in their careers often, where they write off all their rights forever to the company and at a fixed rate, and that, too, was an issue which is knocking around in my head.

But it's also about another issue, which is very dear to my heart, is the issue of public domain, the issue of the commons, the issue of where do we get the songs from, where do we get the music from? And, in fact, most people will get -- the music that they create comes from all the music that they've ever listened to or heard by accident or by design. You don't, as it were, invent music. You channel music. You channel culture. You channel your traditions.

And so the -- it seems to me it's very important that we start recognizing the importance of the public domain and the importance of the commons.

So, for instance, when there's money left over,
unattributable, as there always is in collection societies, it usually gets blocked out or market share, which basically goes to the big boys because the little boys are too small to get counted. So I'm suggesting that that money should go to the public domain to build up our collective endeavors within the music industry, to help with music training, to subsidize perhaps venues for young artists, for rehearsal rooms, so on and so forth.

I'm suggesting that we start thinking about the creative rather than thinking about corporations. We start thinking about our lives and our -- what makes life meaningful rather than what makes most money. And I've had good experiences with many record companies, but I've also seen some pretty bad ones, and I think it's interesting that there's a lot of action now in terms of label services.

In other words, we're beginning to put the rights back to the artists, back to the creators, so that there's more ability for them to control what actually happens to their material. And that, to me, is also a very important part of what I'm trying to think about.

And also, the other one, of course, is UGC, you know, user-generated content, how are we going to deal
with that? I don't have the answer. I suspect there
are answers and that answers will be found. I also
want to think about the -- the issue of UGC is very
important for me and so on, right, blah-blah-blah. I
think also it's important that we realize that we have
to find ways of resolving multimedia content, that
increasingly, as we go through the years, it's going
to be multimedia.

It's not going to be music, not going to be
pictures, not going to be voiceovers; it's going to be
all of them. On those little devices that everybody
has except me, you have a space for pictures. They're
going to put pictures on there even if you think
you're listening to music. So who gets paid for the
pictures on the stream which you've received from
Spotify? There will be pictures.

It goes back also to the dancing baby. Did the
woman who took that video, did she get anything? No,
she just got hauled into court. The person who got
paid was -- or was probably going to get paid -- was
Prince, who was on the radio. He wasn't even there.
He was on the radio when she filmed the kid dancing to
the radio.

So, anyway, let's not go into that, that's a
whole other area of legal nightmare, but, you know, I
think it's important that we start thinking about how multimedia is going to become more important, because people are going to be filming things and recording things on their mobile phones, and they are going to be loaded up and be put on -- and be uploaded.

So we have got to think, how can we make that system work in reality? And my suggestion is, at the end of the day, it's going to be down to registries.

MR. SWEETING: All right. Let me introduce --

MR. JENNER: Stop me, yes. Yes, I think you're very wise.

MR. SWEETING: So this sounds like -- is this -- is Music 2025 essentially an open-ended thought experiment or is there some endpoint --

MR. JENNER: I think it's an open-ended thought experiment, but it's going to start by working on registries.

MR. SWEETING: Tell us about that.

MR. JENNER: We can start by trying to build registries of performers and songs and everything and trying to work out how we can make that most usable, most accessible. Do I have the answer? No, I don't. That's -- I'm waiting for the money to start coming in for me to think about it. No, I think we will -- we will obviously --
MR. SWEETING: Well, as a consultant myself, I am sympathetic to that problem.

MR. JENNER: Yes. Yes, there are registries, and we will want to sort of work with the existing registries and get them better. I mean, the ISNI thing that was referred to earlier, has already been talked about, marry the ISRC, the ISWC, so that people can access content from all around the world, all around the world. You know, I think these are the sort of things -- what should be the structure of registries? What is the architecture of registries?

I don't have the answer yet, but I think it's very important that we have a structure of registries which can, as it were, be used by all countries, ideally, have a similar basic structure, so that then -- and these registries have to be numeric so that they can commune with each other. So they have to be more like bank account numbers or phone numbers than they are the traditional registries, which is name of artist, name of song, you know, which is a semantic registry. We have to have numeric registries. I've got that far, but then where do I go from there? That's going to be interesting.

MR. SWEETING: That's for the rest of the afternoon to discuss.
MR. JENNER: Yes. Well, the rest of the year.

MR. SWEETING: The rest of the year or the rest

of time.

Paolo Lanteri, we have been discussing efforts,
initiatives, projects to address sort of practical
issues around identifying content, identifying rights
owners, making depositories of information talk to
each other, and so forth. There's also policy pieces
to some of these questions.

Can you talk a little bit about how WIPO is
thinking about the policy layer of some of these
questions?

MR. LANTERI: Yes, of course. Of course.

Thanks a lot, and among the issues that this panel is
to cover this afternoon is I think the identification
and perhaps an agreement of what is a suitable and
realistic role for governments and is the fundamental
question for the World Intellectual Property
Organization. This is so because our -- ultimately,
our mandate is to work with governments and for
governments towards achieving their objectives, and
these areas, of course, would be to facilitate a well
functioning digital marketplace.

For the record and for information for
everyone, WIPO has 191 member states, the vast
majority of which are developing countries, so if I'm
telling a different story or I'm depicting a scenario
which is quietly deferring from what we have been
hearing today, it's just the factual reflection and
reality of what's happening in the rest of the world.

So in this sense, we really would like to thank
the Department of Commerce for putting up all the
efforts to get the expertise, sharing information, and
also considering possible ways of future cooperation,
and we -- I think we can all agree that these
meetings, together with the previous meetings that
have been organized, already represent a first clear
example of what a government can actually do to
facilitate possible solutions in this area.

So if you ask yourself why WIPO is here, the
real answer is we are here to listen and learn, but at
the same time, we could also share some thoughts on,
what are areas where governments are already playing a
role and are willing to play an even more meaningful
one? And three areas can be, in my view, identified
like this. It can be enormity of regulatory
framework, registration systems, and collective
management.

The identification of these three areas is
based on purely factual observation of the
international landscape, and it's backed up by concrete requests that we are receiving, proposals and even policy papers that are currently under discussion in WIPO committees in Geneva. For many good reasons, I won't enter into the details of those proposals, including because, I guess, over 90 percent of the people in the room wouldn't care less; however, if you have questions, I'll be very happy to provide you all the details and guide you through the jungle of documents that we are dealing with at WIPO.

So the first one I wanted to focus on is the legal and policy framework. This is probably the first essential step, and we are not talking only about granting the substantive rights and having provisions about enforcement; we are talking about as simple as granting protection for rights management information and technological protection measures.

Without entering into the debate on whether all identifier systems would apply for rights management information protection, I think the recognition that the -- over 20 years ago, the international community granted protection to those technical features is already a clear indication of the importance that technology has in management of rights.

And the data here which is relevant is that to
date we have 96 members of the interim treaties,
leaving around 50 percent of the countries of the
world outside of these standards of protection,
including technological protection measures and rights
management information. Therefore, room for promotion
of the treaties, updating of legislation, which is
very important.

Secondly, registration system. Voluntary
registration systems are very popular around the
globe. Over 50 -- well over 50 percent of the
countries of the world on paper have a registration
system like in the U.S. Out of over 100 registration
systems, very few have any digital features or search.
It's purely working on an analog environment, and more
and more countries are expressing interest in
upgrading these services they are offering to the
public. Therefore, WIPO there can definitely play a
role.

Finally, I want to focus on collective
management, which was raised and discussed largely
during the day, and here we have clearly a variety of
intensity of engagement from government. We have
governments that are pretty hands-off to governments
that are actually running the collective management
operation from A to Z. This is the case of many
countries in Africa.

Therefore, there is a clear role to be played by government, at least from -- I mean, regulating or promoting a more efficient collective management, and here WIPO has two recent projects. One is called WIPO Connect. It's -- we are providing the software for running collective management operation to developing countries. We have almost 40 countries that are running with our system, which is completely interoperable with the CIS-NET or CISAC and other major federation systems. So we are doing that, and we have a long waiting list of countries that are looking at receiving this technical assistance.

MR. SWEETING: Now, Paolo, let me just interrupt. Is that just for music or collective management of other types of content, like images?

MR. LANTERI: So, the WIPO Connect is designed to work on all sectors, including related rights. So far, the implementation of the WIPO Connection is focused on music copyrights and working with -- mostly with the CISAC members, but in the future, it's already designed to work across -- in all industries and rights to be managed.

Secondly, we are issuing next week a policy paper that is called Toolkit on Good Practices for
Collective Management. This is going to be released and distributed to all member states and all observers to WIPO committees, so all major federations and industries will have over two months to send comments, and there will be a physical meeting in Geneva at the end of month.

It's a policy paper, it doesn't have any binding purposes, but it is a very interesting collection of best practices and rules that are reflecting legislation around the globe, like the directive that has been mentioned, like professional rules of CISAC and IFPI and so on, and it's a compendium that covers many aspects, from relation with the member among CMOs, issue of transparency, access to information, governance, and so on. And this will be on your desk very soon.

I want to end with two remarks. One is the following, that we discuss here about the marketplace, which is the final objective. Often, I have to highlight that governments are approaching these areas and this project with a diverse -- a number of different policy goals. We often read and hear about the importance of transparency, transparency toward both the different rights owners in the chain but also towards users. We are hearing often about the
fairness towards creators and performers, the importance that was mentioned about facilitating access to knowledge, facilitating access to content that can be freely reusable either because it is in the public domain or because it's licensed through an open license scheme. And, finally, we often hear about the importance of developing consumer friendly services. So policymakers are looking at the digital marketplace from different angles, and I think the objective is common.

WIPO at the moment doesn't have any flagship technical project to present in a conference like here today, but it's, rather, focused on creating a level playing field among different regions of the world that sooner or later will need to be involved in this kind of discussion, because any solution that would be potentially effective would need to be global and shared as broadly as possible.

So, with that, I think I can end my interaction. Thanks.

MR. SWEETING: Thank you. That brings up an interesting topic, which is some of the initiatives that we've heard about have been under the -- I don't want to say jurisdiction, but under the oversight of a particular national government in the case of Canada.
The EU, of course, is a transnational body.

Are there different kinds of problems that are best tackled at the national level versus the international level? You know, what are the -- what's the most efficient way to address some of the issues that we've been talking about here?

MS. LIONETTI: Well, I can talk for the ARDITO case, of course, and for at least the partners of this project. I don't think that there is any friction for us in dealing with these topics internationally, meaning that at very basic level, we all run daily businesses internationally, each one of the companies who are part of this project, and most importantly, it's good to cooperate internationally, that that's the high value, to cooperate internationally, to use and to provide a common framework to potential new users of the system.

And actually, it's also quite easy technically speaking, because we are using tools -- some of the tools I mentioned before, then other technical tools and frameworks that we're implementing from the metadata side to the more complex implementative side. We are trying to speak multiple languages. So I see a high value in this, not just because it's EU-funded project, so -- I hate to say this, but even if it
wasn't, even if it was just a partnership among different companies, so...

MR. SWEETING: Ian?

MR. DAHLMAN: So what I would suggest is that I don't think any of the issues that we were trying to tackle were necessarily best suited for Canada or best solved on a national level, but what works well is Canada can operate as kind of a microcosm or workshop for these solutions, where you try things out in a smaller market and where they can -- the goal is ultimately to scale up, of course. And so I think that's the value for national governments that approach these things, is to be these kind of laboratories.

The other thing I would point out is at least in the Canadian context, it was our collective management system -- our collectives who were showing, at least in the music industry, a lot of initiative in terms of investing in new technologies and acquiring new data rights or new systems as well and developing those. So getting those players working out together at a national level might actually translate into international interactions and initiative in the future, but it's -- you know, like anyone knows in prototyping, the best approach is just try the small
scale first and then scale up.

MR. SWEETING: Peter, you're working with the UK IPO, but you made reference to the need to find global solutions.

MR. JENNER: Well, I mean, it's an inter -- music does travel across borders and across countries, and I think the -- if we want to be able to trade content between countries, whether it's within Europe or throughout the world, we've got to find ways of finding it, and that's why I think the architecture of registries is so crucial and the numeric systems, because you don't want language getting in the way. You don't want to have language and character sets making your databases very difficult.

If you have a numeric database, it can then be translated into a -- into local languages, but the -- you have to have an underlying numeric structure worldwide if we want to have a worldwide distribution of music, and that to me is one of the most interesting issues about -- that, you know, I think the EU is liable to end up being very positive about that, because that's something they have to cope with, but if we then want to also get paid with China, we better work out how we can cope with Mandarin characters.
MR. SWEETING: What are the institutions that are going to allow us to do that? Are they governmental institutions? transgovernmental institutions? industry institutions? You know, what --

MR. JENNER: Oh, I think it has to be all of them. I mean, in a sense, you have to start -- perhaps you start nationally, and you have to try and get buy-in from your local nations, and then you go out further. And at some point, you know, we will end up at WIPO, and WIPO says, "Well done, guys," or else we go to WIPO and they say, "Oh, my God, you can't go there; you have to rewrite it."

But I think it is a combination of both. You have got to start somewhere. You are not going to be able to make an agreement worldwide tomorrow. You know, you start somewhere, and then you take it out and say, "Does this work with you?" That's my idea, is you take your registry ideas and you go to other countries, "Does this work for you? Does this work for you?" That way, you find something which can work internationally.

MR. SWEETING: Does WIPO have a lead role to play in that?

MR. LANTERI: A lead role? I think we can
definitely be a forum where these issues are discussed. In terms of solution, I vote for international solution, and if it's not the same technical solution, it will still at least need to be interoperable with each other, because when you're talking about licensing content to global services, I just -- I see the clear trend is towards global.

In terms of what WIPO could do, I think the answer would rely on what governments ask us to do. That's the real answer, but definitely we could be a forum for discussion, as we have been in the past, and we will try to continue being in organizing meetings and gatherings of governments.

MR. SWEETING: I don't know where we are on time, but I'm getting the -- I'm getting the five-minute sign. So let me open it up to anyone on the floor who has a question or questions.

Yes?

MS. ZAREH: Thank you. Hi. Well, first, I just wanted to thank Peter for mentioning the commons. It's nice to hear today, especially at the end of a day talking mostly about the transactional metadata that's going to go along with monetization. My question is really about -- so I come at this from the Hollywood side, television and film, which is a
relationship-driven business, right? And so I'm curious, as we're moving toward a more numeric, let's say, model to increase efficiency and speed, how much are you willing to build into the systems the idea that some people just don't want to do a deal no matter how much money is on the table, that there are some relationships that come into play in the spiritual sort of communication of this art form that we're creating, especially if it's a collective, that doesn't have a number attached to it? It doesn't mean that that's the case for everybody, but that it should be at least built into the system as an option. Oh, yeah, sorry. My name is Batia Zareh, so I'm an intellectual property lawyer and a writer/producer.

MR. JENNER: My feeling is that you can have it written down, but you have to convey it as a number. You know, it's -- at the end of the day, it has to become a number, because that's international. It's like your bank account. You have a name, you have the bank, but all the deals that are going on, it's all a series of numbers. Your credit card, a series of numbers. It's got names on it as well, but all the transaction is dealing with the numbers. That's the identifiers.
MR. SWEETING: Anyone else? John?

MR. MITCHELL: So my name is John Mitchell. To bookend the previous comment, I'm curious what the role of government entities would be in ensuring that the solution is, in fact, global. It's so often to get in a room with the really big players and hash out the problems they're dealing with day to day and what's costing them money, and if we do this we will save a nickel, but in the ideal world, you know, the comment was mentioned of the number of countries that are members of WIPO.

At the various stages of implementing the ideal world from a, say, U.S. Department of Commerce viewpoint, how do we make sure that whatever structure we build is going to be usable for that barefoot child in the developing country who's creating their first works of authorship and wants to make them available to the global market? They don't have a producer, publisher, or -- but, you know, they have got rudimentary equipment, access to the internet.

Can -- whether it's WIPO or individual governments -- ensure that as they facilitate or bless the various market solutions, we don't inadvertently cut out a huge segment of creative talent that simply
doesn't have access to those big ticket access points?

MR. JENNER: Well, I mean, my feeling is that you start with the local language and you convey that into numbers, I mean, in the same way that my account at the bank is I have an account under my name with a branch of the bank and so on, but that account is actually then transferred and translated to a series of numbers, and that's in a sense how I think it could work.

How it's done, I'm not a technologist, but I'm sure it can be done. If the banks can do it, it can be done. I have faith.

MR. LANTERI: From a process viewpoint, what's happening at the international level is that actually you include those players in the debate and in shaping the solution. So by including them from date zero, they will make -- they will, themselves, make sure they are in -- they are -- I mean, the solution would be suitable for them.

In practical terms, I agree. If we go, for instance, in the collective management arena, we find an important number of countries where you actually don't even have collective management, or if you have it, it doesn't work. So there is an important effort to be made in bridging the gaps.
Nevertheless, I think we can envisage some sort of solution that can be used by most of the players, and there are definitely people looking at these issues carefully. They are making -- they are quite live about solving the problem you were just asking. And so the answer is very complicated, but there are processes to work on developing the capacity and the infrastructure of developing countries. That's what WIPO is trying to do.

MR. SWEETING: Okay, I'm getting the axe. I'm getting the hook here. So that was a very interesting discussion. Thank you to the panel.

(Applause.)

MS. ALLEN: Yes. Thank you, all.

So as I mentioned, we're shifting the agenda a little bit, and just to give you a heads up, we are going to cut -- we are about ten minutes behind, so we are going to cut some time from Steve Ruwe's presentation (audio break) closing remarks, which they have graciously agreed to do.

So what we will do now is have a 15-minute coffee break, and then we have breakout sessions. So the way this will work is on your program, we have identified the facilitators. This is Chatham House rules, which means whoever's speaking, you should feel
free to speak from your own personal viewpoints. The idea is that this will not be shared further, that any comments will not be individually attributed to you. At the end, each of the facilitators will be asked up here, and Steve will sort of facilitate a quick readout of the key points.

So in terms of time of each of the discussions, probably leave about 30 minutes for the discussion and then maybe five minutes at the end to just kind of collectively sum up your thoughts of what the key points are, and I'll go through, you know, about the 15-minute mark to see how you guys are doing. If you want to mix it up and go to a different topic, that's fine, too.

But just for now, we will go ahead and put three topic numbers, one, two, and three in here, and then two in the other room, and then if you can just be at whatever topic you want to be at at 3:30, that would be great. For those of you webcasting, we will reconvene I think at 4:15. So, thank you.

(A brief recess was taken, followed by off the record breakout sessions.)

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AFTERNOON PLENARY DISCUSSION:

SHORT REPORTS ON BREAKOUT SESSIONS
MR. RUWE: I think we are going to go back into plenary, if I could be joined at the stage.

So it's time to begin the plenary session. I'm going to start introducing the facilitators. I'll give you a minute to quiet down.

So we have asked our facilitators of the breakout sessions to provide a quick summary, three, no more than five minutes, preferably closer to that, to bring us up to speed on the discussion that took place. Again, these are under Chatham House rules, so please remember that as you do your readouts. Then we will -- as we go through the table topics, we will open the floor to questions and go from there.

So I first hopefully can hear from Jim Griffin, if you could tell us about the topic one discussion on artificial intelligence, machine learning, and other emerging technologies.

MR. GRIFFIN: Okay. Look, this was a can of worms. We tried to knock this out of the box pretty quickly. I mean, I thought, well, let's just agree that anything produced through AI or by a machine is not entitled to a copyright, and then let's move on and figure out how they can help copyrighted works.

Well, that didn't work. It started to work,
but then we quickly dispensed with that notion. You know, there was such intense discussion, and I think, without revealing the name of the person, we made a giant step forward when it was offered to us that AI is whatever you can't do on a computer, and that was very interesting. That was, I think, extremely helpful.

But where the group went quickly was that the law not only needs to change, but it's going to change, that whatever the law is now regarding copyrighted works -- and, look, we get it, that's the Constitution talking about what authority you have to create copyrights. We recognize there's over 190 other countries' constitutions and then international conventions that require us to respect copyrights from other countries, and so we quickly tossed out this idea that the U.S. Constitution would necessarily be controlling and that at any rate it would be a race.

It would be a race for lawyers to influence this issue, while at the same time AI tried to eat the legal industry and replace the lawyers and the judges entirely, and in that case, all bets are off, and we're convinced that it's really difficult to get a finger on top of the part about artificial intelligence and machine learning.
Look, the title of the panel that we had, we had to toss out the third thing, which was emerging technologies. It was just too broad to take into account every emerging technology and its effect on copyrighted works.

We did discuss, relatively at length, the idea of how AI affects CMO work, collective management organizations. Does it help them gather data? Does it help them make decisions? Does it give them more input about what's coming?

But, again, outside of that, it was very, very difficult to say with any certainty that artificial intelligence or the output of artificial intelligence or the outcome from machine learning would or would not be copyrightable, because this is, of course, something that is in flux.

You can change constitutions, you can shop constitutions, you can write new statutes, and there was an observation made, you couldn't copyright a sound recording before 1972, and after 1972, you could. It's largely a function of rent-seeking in the halls of Congress and statutory decision-making.

So I'd say that's it.

MR. RUWE: Thank you.

I'd like to turn now to Stuart Myles, and if
you could give us an update on the metadata discussion.

MR. MYLES: Sure. Thank you very much.

So, yes, our topic was metadata embedding, deleting, locating, optimizing. So we had a great panel, talked about a lot of different things from many different areas, publishing and music and video and so on.

We very quickly got to the point where we said, actually, metadata doesn't matter. We shouldn't have metadata going along with our video or our music and song, which was slightly surprising to me, but we realized what we meant was that, in fact, the key piece of metadata is the identifier, because from the identifier of a piece of content or another work, you can figure out what is the metadata that should be accompanying that piece of content.

We had a little bit of a discussion about how difficult it is to identify things, but -- in the sense of, like, is it the work, is it the particular rendition, is it the -- is it the particular experience, and it seems like there needs to be more and more kinds of identifiers. We also talked a bit about how packages of rights themselves are things that should be identified so that you can reuse them
and share them more easily.

So given that ID is the most important piece of metadata, the ideal model, therefore, is that you have an ID for a piece of content that you can then use an API to look up additional information, whether it's rights or descriptive metadata, through a registry, so that you can know how to license it, what -- how to find it through search, and so on.

So we talked a bit about, what are the barriers? What's stopping us from being in that position where everything has an ID and there's a registry that you can look it up in? And problems include a lack of trust in identifiers and, in particular, in ways to reliably look up an ID in a registry.

Some of the reason for that includes that some big players see their -- the data as being proprietary to them; they don't really want to share it. There's also the -- some people said that incumbents benefit from chaos and inefficiency, and so there's a mismatch of incentives there.

On the other hand, though, we talked a bit about how the mood in various industries is changing because basically there's too much friction, too much pain in the current situation. And so there are
beginning to be changes where registries are being created and identifiers are being applied in a consistent way.

We felt that standards are necessary, whether it's to identify things or to convey the rights metadata or to convey the descriptive metadata, and that it looked like a viable way for these things to develop is for bigger players to adopt them, whether it's a company that dominates a particular publishing industry, for example, or it's a distributor; often retailers such as Apple iTunes or we talked earlier today about YouTube adopting the ISNI format. And so we felt that that's good as long as they're adopting standards, which it seems like most of them want to do.

So, really, the -- sort of one take-away was that the pitch for why you should do this sort of thing is typically going to be efficiency, although in the long term we felt that there's potential -- if you adopt these standards and you do it in the right way with the registries and so on, that there's potential for growth in each of these industries.

Thanks.

MR. RUWE: Thank you.

So two topics were collapsed into one in the
other room, and that was licensing rights and
permissions and the future of collective rights
management, and Bill Colitre was gracious enough to
take the role of facilitator for both of those
subjects and give the readout for that. So, Bill,
could you let us know?

MR. COLITRE: So in combining the question of
collective management and licensing, the themes that
sort of arose were whether collective management can
be operated on a basis that allows for freedom of
economic pricing or nonexclusivity of other natures.

We talked about algorithms for pricing so that
content in collective management organizations need
not be commodified or treated on a one-size-fits-all
basis. For example, would it be possible that a music
registry could charge more for one song than another
or in a registry of audiovisual -- of visual works, to
allow some things to be granted for free where the
author wants that to happen or does the collective
sort of take control of that work by virtue of its
affiliation?

We talked about -- very rapidly, we fell into a
discussion of the Music Modernization Act, which kind
of highlights a number of these issues, discussing
whether the proposed Act allows for the proposed
collective to perform functions outside of strictly Section 115, on-demand streaming for digital services. We talked about whether there's any possibility for a licensee or licensors, content owners, to opt out of the music licensing collective for specific pieces of work or specific projects.

We talked about the general challenge of -- that has presented the need for the Music Modernization Act or the perceived need for the Music Modernization Act, the significant fear of liability experienced by DSPs because the metadata environment and the registry environment prevents a complete indemnification for the use of all available music content, and the imposition of a single-notice license system by the Music Modernization Act to try and solve that problem.

Somebody observed that it wasn't clear what problems the MMA was trying to solve. There are so many problems bound up in the Act that the blend of solutions is not entirely clear. The comparison was made to noninteractive streaming and the collective compulsory license framework that exists around that and whether or not that system was a useful comparative here.

Let's see, did I forget anything here? Our
fabulous notetaker took four pages of notes, but I'm sure you don't want me to just read them all. I think that's really the gist of it.

MR. RUWE: So all the other facilitators I believe have spoken previously, so I will introduce John Morris, who's the Associate Administrator and Director of Internet Policy at NTIA, to fill us in on the role of -- a discussion on the role of U.S. and other governments in facilitating online licensing.

MR. MORRIS: Thank you. Great. Thanks, Steve, and thanks to everyone who's come tonight or today.

Let me start off, you know, my colleague who took notes at our table, right afterwards, he did have a helpful suggestion which I think we should probably just adopt, which is to right now lock all the doors and say, "You guys aren't leaving until you figure this all out." So, you know, we will be doing that at the end of the day.

You know, I -- we had a great conversation at table two. You know, as is not uncommon, you know, there really are more questions that we discussed than clear answers. You know, I think one clear answer -- the only clear answer was that there continues to be strong support for this kind of conversation, for this kind of meeting, you know, where there really is I
think a perception of value in pulling people from, you know, a disparate group of industries and perspectives on issues together to hear what folks are doing. So I think that's certainly something that PTO and NTIA will take to heart and look at possibly doing this again. So, I mean, that was the most clear answer.

You know, the -- kind of one of the biggest questions that was asked was, well, is there a problem for government to solve? And I think that is, of course, always the most important question that government should ask before it thinks about doing anything, and, you know, my own personal reaction to that question was that, you know, looking a year and a quarter ago when we last convened, you know, I actually thought, gosh, we really aren't seeming to make a lot of progress.

But I've been very impressed today in hearing what I feel is a lot of progress, a lot of, you know, new ideas and new ventures, new coordination across -- you know, across countries, across industries, and things like that. So, I mean, I'm personally, you know, very encouraged that we are continuing to make -- "we" being you guys -- are continuing to make progress, because that's really what the Department of
Commerce is trying to, you know, achieve, is to encourage you guys to, you know, to make progress.

So, you know, certainly we had -- you know, I think some good -- some good conversations about, you know, is there a problem to be solved. You know, we -- let me just kind of run through some of the questions and some of the ideas that came out that I think are worth, you know, discussing more broadly.

You know, there was a suggestion that, you know, that if government, you know, takes action, such as facilitating more conversations, that it should kind of focus on, you know, business to business, B2B, where, you know, we're really not trying to solve the problem of the parent uploading a video to share with other family members and, you know, is there some, you know, copyrighted content in there and kind of how do we address or react to that problem, but, I mean, you know, the situation where, you know, on the same platform that the parent's video might be on, there may well be small creators who are, in fact, consciously trying to monetize their works. And on up to, obviously, very large creators that are very much in the business of monetizing their work. So a suggestion that any government attention should focus on B2B.
You know, there was a question as to, you know, should we, you know, look for kind of pan-industry solutions. Should we really kind of try to boil the ocean and solve something for every industry? And, you know, I think at least at our table there were some pretty strong arguments not to try to do that, you know, because to some extent some industries have, for at least certain slices of their industry, you know, some fairly well functioning systems and kind of systems of rights and rights management, but obviously other creative sectors do not have as robust functioning, and so perhaps we should focus on that.

And, you know, there are -- there's also the valid point that, you know, where a government has already made a choice to kind of endorse a system for a collective society, you know, or whatever, maybe government should focus to make sure those systems are working well, and that's kind of a good question.

So, you know, a couple of other points and then I'll wrap up. You know, certainly there was discussion kind of that the government should take action to encourage licensing, that we should try, you know, to ensure that our policies do, you know, kind of encourage the concept of licensing, and that seems very well taken.
You know, one particular idea that just got tossed out -- I'll toss it out to the group for folks to think about -- is, you know, possibly governments could, in the context of a copyright registration system, you know, have an easy link for a copyright owner to go get a unique identifier.

In other words, if they don't bring, you know, an identifier with them, to go get one, not to have the government registration system issue the identifier, but the government registration facilitate, you know, interaction with the appropriate private entity, private-run system that could be issuing unique identifiers for a particular type of work. That seems like to me an interesting idea to think about.

And then, I mean, I think one just final idea that I'll mention is, you know, I think there is a very valid suggestion that, you know, one thing that governments claim that we do well is to -- is to talk to other governments, and so, you know, to the extent that there are things that we can do to promote international interoperability between systems, I mean, that could be helped by government, government conversations or by government helping industries in different countries to be talking to each other. So
that seems like an area that the government should keep in mind.

So that's kind of a quick overview of the conversation.

MR. RUWE: Thank you, all, so much for facilitating the conversations and reading them out to us. Having heard about the breakout sessions, I'm going to open the floor to questions, or if someone has anything to add, and that includes the audience in the room as well as if you're attending remotely online, I believe there's avenues to -- in the chat function, you can submit a question. But barring receiving one of those, if anyone in the room had a question, now would be the time.

(No response.)

MR. RUWE: All right. Well, I have one relating to the role of government as well as the role of platforms on implementation of identifiers, and there was -- Stuart, you mentioned that the role of YouTube adopting EIDR -- ISNI?

MR. MYLES: ISNI.

MR. RUWE: -- ISNI, adopting ISNI, at -- when we were discussing that before, there was some -- it seems like the breakout session had decided it was a good thing. Before, there was some concern in
previous discussion about that. Maybe it was just
disappointment that that's what it takes to get
implementation. If it was something else, I don't
know if that's something you could speak to, but would
the same level of -- if it's just disappointment, I
guess that's just too bad, but if it's -- if there's
another concern, how that might play into the sorts of
ideas that John discussed about the government
enabling the acquisition of identifiers, if that's
something --

MR. MYLES: That's a really good question. So
the -- I may have oversimplified somewhat the
discussion at the table in order to convey it in a
quick way, but a lot of what we were talking about was
people felt that standards were important and they
needed to be adopted, but there's no shortage of
standards, but what there tends to be a shortage of is
somebody -- of a big enough player adopting them.

So it doesn't have to be Google or a similar
large organization -- commercial organization or
platform doing that, but I think my view is that the
discussion at the table was there needs to be both
standards and a sufficient level of frustration that
somebody says, "Okay, we are going to go with this
standard," and that they need to be -- have sufficient
market power.

But I think it could well be that governments -- it doesn't have to be a commercial organization. There could be other organizations that encourage the adoption of standards, and, in fact, there was definitely discussion that we -- that it doesn't seem like a good idea to have people or organizations outside of an industry imposing standards in that way.

So it's ideally standards that are developed by or at least widely favored by a particular industry, that that's the ideal situation. So, yeah, no, I think governments can play a positive role in that way.

MR. RUWE: Okay, we do have a question, if you --

MR. ROSENBLATT: (Off mic.)

MR. RUWE: Yes, please.

MR. ROSENBLATT: Okay, I can repeat it, I think.

The idea that governments could facilitate the assignment of identifiers other than copyright registration numbers that you get when registering a copyright is really intriguing, and ten years -- hmm, 11 years ago, I was over on Capitol Hill making a
naive suggestion that the Copyright Office ought to take a fingerprint of a copyrighted work on registration and deposit it in a database. People looked at me like I had three heads, but this gets back to a point that I made this morning when I said that identifiers can be tricky because the semantics are a little fuzzy-wuzzy.

But the fact that government people are talking about the possibility of doing this is very encouraging, and I think this is a discussion that ought to continue and be considered. It's a really intriguing idea.

MR. MORRIS: Let me jump -- let me jump in and just make clear that I thought it was a really intriguing idea, but -- I am not the government saying that we're working on that, but --

MR. ROSENBLATT: Fair enough.

MR. MORRIS: -- it is to me, I think, an interesting idea. Again, not necessarily an idea that the Department of Commerce could do by itself, but it is certainly something that's worth talking about and, I mean, as I say, I think I'm delivering the closing remarks in a few moments, and I'm going to encourage you guys to keep talking to us, and, you know, if you want to talk about this idea a little bit more -- and
obviously you'll -- you know, if it gains some steam, talking to the Copyright Office here for the United States, it's certainly something that I find intriguing.

MR. GRIFFIN: I brought that up before with the Copyright Office, and I think there -- well, I know the response I got was that it's not our mission to disambiguate works from one another, and I accept that, but I would say that as happened in some discussions about the leadup to this conference, it made me appreciate more that not everything involved with online commerce is copyright.

And so I see a role for the Commerce Department potentially in helping the industry disambiguate one work from another, much the way that, say, the UPC code helps Commerce and other similar projects help Commerce. It needn't be focused specifically on copyright to be useful to the market for copyrighted works.

So, just personally, I'll say I like that the Commerce Department has come into the area of copyrighted works, and I see great possibilities for cooperation, and sometimes I hear people wondering, well, whose territory is what? Frankly, just as a citizen, I thought you all worked together anyway.
You know, it just seemed to me you did. So I would encourage that, I would say more of that, and who cares whose jurisdiction it is? There's a public policy issue here, and it may be that you're far better qualified to assist with identifiers here at the Commerce Department than they are at the Copyright Office, because I think you've got a lot more experience with them.

You know -- and I'll say this in conclusion and be done with it -- but I see lots of parallels for what we should be doing with the DNS system. You know, if the internet is a problem for copyrighted works, we could learn something from the internet in the way that we allocate identifiers very, very quickly. I mean, look, any system that with 99.9 percent reliability or above and delivers you an answer in single-digit or double-digit milliseconds is something to study very, very carefully and consider doing. And I think the best part of the DNS system is that it's got a wholesale center and a retail edge, so...

MR. ISHERWOOD: I just wanted to add a little bit more to the context of the Google ISNI situation. What Google are doing by becoming a registration agency of ISNI is allocating ISNIs to
artists and creators in the music industry. It will be other things as well, but I'm looking at it purely from the position of the music industry.

And the reason that they've done it is because the music industry hasn't adopted ISNI, and the lesson there is if the industry really ought to be responsible for developing systems, developing standards doesn't do it, then somebody else will step in and do it for you, and they may not do it in a way you like it. I think that's the lesson for rights owners.

Now, I'm not saying Google or YouTube are going to do what they're doing badly. I actually think they'll probably do it really, really well, and it will actually help the industry, but there is always this danger, if an outsider provides the solution, they may well provide this in a way that you don't like, and as rights owners -- from the rights owner perspective, that can always -- that could be a bad thing.

MR. RUWE: Did we get any remote questions?

(No response.)

MR. RUWE: Okay, that's fine. We're running out of time anyway. I am going to turn the discussion over to John Morris. Thank you, John, and thank you
the rest of the facilitators.

(Applause.)

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CLOSING REMARKS

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MR. MORRIS: Great. Well, thank you, Steve, and I'll try to get us out of here early. I don't have all that much to add, but I -- you know, as Karin said in her opening remarks, you know, today's public meeting really builds on years of collaboration between my agency, NTIA, and the folks at PTO on copyright issues and intellectual property issues in the digital economy.

I know we have done green papers and white papers and consultations and multi-stakeholder processes, and now two of these meetings, and just speaking personally, I just am thrilled with the quality of the collaboration between our two agencies.

You know, fostering the development of, you know, effective, efficient, fair online marketplaces for copyright or perhaps even for, you know, other works is certainly an endeavor that the Department of Commerce, you know, strongly supports, but we also are very sensitive to our role. You know, we -- you know, especially focused on the internet, which is what my
job is, you know, we are not rushing to have the government provide the answer, not rushing to have -- you know, to step in and try to solve problems where there aren't problems, and even where there are problems, we have a pretty strong preference for letting the stakeholders figure out the right solutions to the problems. So certainly we will, you know, continue to do that in this space.

You know, the folks in this room and the folks who have been participating and joining remotely, you know, will be the same people who solve the problems or the -- for the issues that we're -- that we've been discussing, and so, you know, we certainly look to you for leadership and we look to you for guidance back to us as to how can we help and what can we do.

You know, it may be the time to -- maybe simply just having these meetings every so often, you know, and maybe there's times where there's a roadblock that, you know, a number of private-sector folks have kind of hit a roadblock and us having a meeting on that issue can help encourage the private-sector stakeholders to solve the problem. So, I mean, you know, we really are, you know, always open and interested in kind of learning how we can help, other than staying out of the way, which I realize is mostly
what you want us to do.

And so, you know, I really just want to turn to thank-yous. Thank you, most importantly, to all of you who have participated, you know, because without folks to really sit around the tables and ask hard questions and brainstorm in the breakout sessions and things like that, there's really no point to doing this. You know, we do look forward to following up. You know, our general plan is to try to put out a document, a report that kind of, you know, summarizes this, and not necessarily on any level of the detail.

I mean, we have, I believe, put out transcripts of the past things and -- not the breakout sessions, but of the more public sessions -- and I think we will likely be doing that, but we also will try to summarize it a little bit.

I really want to say, you know, a special thanks to all those speakers and moderators and facilitators of those sessions. Particular thanks to Bill Rosenblatt for his opening remarks, and then also I do want to thank Paul Sweeting, who was very helpful in just kind of brainstorming about how this session could be -- this session and, in fact, the last session a year ago could be structured in terms of to best promote a constructive conversation.
And then, finally, I want to specifically call out the folks at NTIA and PTO, and I'll start with NTIA because it's a much shorter list, but Susan Chalmers in NTIA's International Office, and she was here in the morning, but she had I think a related meeting that she had to get off to this afternoon, so she's not here; and Luis Zambrano in my office, you know, were very constructive in helping to plan this. But a great deal of the work really was done at PTO, and, you know, Shira Perlmutter had very much hoped to be here, and I, in fact, spoke with her at mid-day. She is up actively negotiating on NAFTA issues, and, unfortunately, we don't really control the timing of those negotiations, and so, you know, we were left with a choice of, well, do we call this off or do we just go forward with without Shira? And so I know that Shira really, you know, wanted to be here. She's, you know, very interested in hearing kind of the results and was pleased and very excited about what I've been hearing here, so obviously thanks to Shira.

In that office, Karin Ferriter and David Carson, you know, were obviously providing significant leadership. Susan Allen and Steven Ruwe have really done an enormous amount of work on this, and really I
think they get a huge amount of credit. Leslee Friedman, Hollis Robinson, and Kia Belk -- I'm not sure if Hollis -- yeah, I don't see Hollis here, but, you know, we really -- I would just like to say a real special thanks to all the PTO folks, and I would ask you guys to join me in applause for all of them as well.

(Applause.)

MR. MORRIS: So as I said, we now are locking the doors, and, you know, we will bring dinner in if you would like, but -- so, no, thank you very, very much for coming. Thanks.

(Whereupon, at 4:56 p.m., the conference was adjourned.)
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