



NEWSLETTER

An Entertainment Industry Organization

Redigi Responds To Amazon Patent That Indicates Digital Resale Plan

The President's Corner

A big thanks to Past CCC President Ed Arrow & SESAC's James Leach for putting together tonight's panel. This is a panel that is sure to provide our members with new, insightful information that will be beneficial to their careers.

I think we all need to keep in mind how important the right to conduct an audit is for clients when it comes to new services/models. While it is critical that we work with companies that are creating new models, and do our part to ensure they are successful, it's also critical that clients have the right to examine the payments that are generated from that model.

Join us next month (on Wednesday March 20) for our first ever joint event with The Society of Composers & Lyricists right here at The Sportsmen's Lodge. It's sure to be a great night of new friendships and opportunities, as well as a very interesting discussion with film composers & directors, both from a creative and business point of view.

The following week (March 27) we will present the 3rd Annual Music Industry Toolbox with the AIMP (again at the Lodge). A huge hit last year, we expect this event to reach new levels this year – see you then!!

Eric Palmquist
President, California Copyright Conference.

ReDigi, the sometimes controversial MP3 resale service, which is currently being sued for copyright infringement by EMI, has responded to a patent recently awarded to Amazon in the US for its digital-content-resale technology.

The start-up reckons that the Amazon patent shows that a legitimate resale market is definitely part of the future of digital content, though also suggests – albeit in a very non-committal fashion – that the retail giant's digital resale approach could fall foul of copyright law in a way ReDigi's proprietary technology could not.

Many in the record industry reckon that any platform that allows people to sell-on digital content files violates copyright law, even if the resale platform can verify that a file for sale was legitimately acquired and that the seller deletes their copy after sale (which ReDigi says it can). The EMI lawsuit will test whether provisions in American law that allow the resale of physical copies of copyright material can apply in the digital domain.

Amazon's patent seems to suggest that the web giant is planning on moving into ReDigi's territory. Responding to the patent, ReDigi said yesterday: "ReDigi believes the Amazon patent is further proof that the secondary market is the future of the digital space and that there is no turning back".

But, keen to distinguish its service from what Amazon seems to have planned, the digital firm continued with the following statement...

"As ReDigi understands Amazon's patent, it is for a marketplace that employs a seller to buyer 'copy and delete' mechanism, in which a user sells a 'copy' of a digital good to another user while both the buyer and seller simultaneously own the copy (even if only for an instant in time), and then supposedly the seller's copy is subsequently 'deleted'. ReDigi takes no position on the legality of this technique under copyright law, but simply notes that it has been central to the music and publishing industries' skepticism and opposition to a 'used' digital marketplace, and that the ReDigi Marketplace does not use this technique".

“ReDigi’s advanced technology employs a ‘Verification Engine’ and ‘Atomic Transaction’, resulting in a TRANSFER ONLY mechanism. This means that all digital goods are first verified to ensure that they are legally eligible for resale. Once verified, ReDigi’s technology transfers the ‘original’ good from the user’s computer to ReDigi’s Cloud (Marketplace). With ReDigi’s method, only the ‘original’ good is instantaneously/atomically transferred from seller to buyer without any copies. ReDigi then assists the seller with an anti-virus like software application that monitors the seller’s computer and synced devices to ensure that any personal-use copies of the sold good are removed”.

“To our knowledge Amazon has NEVER compensated artists, authors or copyright holders for the secondary sale of their goods, and they have sold billions of dollars worth of them. There is nothing in the Amazon patent that addresses this issue. In contrast, the ReDigi model frees up billions of dollars of locked up wealth. It enables the participation of all parties – from consumer to artist/author to copyright holder – in the profit chain”.

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Panelist Bios

John Cate

New Media Copyright Activist/Songwriter/Recording Artist

John Cate is a published songwriter and active performer with over 200 uses in film, network television and other media. John also works as a new media copyright activist having contributed to the creation of the digital music industry in his founding roles at eMusic and TuneCore. John works with MIT in copyright futures as a Friend of CFP (MIT’s Communications Futures Program) and with the Copyright strategy group of MIT’s Future of Entertainment coalition under the direction of Henry Jenkins. John also advises a number of start-ups in the music sector, leveraging his CPA training with PricewaterhouseCoopers and his role as CFO at TuneCore. John splits his time between Los Angeles and Boston, Massachusetts.

Tamara Hrivnak

Director - Partnerships, Major Music Companies (Android)

Tamara joined Google in 2011 and is responsible for licensing strategy and business development with major record labels and music publishers for Google Play. Previously she was Vice President of Digital Strategy & Business Affairs for Warner/Chappell Music Publishing where she headed business development and legal matters for the company’s digital business. Tamara was Associate Counsel, Digital Legal Affairs for Warner Music Group, where she was responsible for digital distribution deals, including with Google, Apple, Microsoft, MySpace, carriers, game publishers, app developers and start-ups. She was pivotal to WMG’s music partnership with YouTube prior to its acquisition by Google. Previously, Tamara represented music and other entertainment companies, as well as technology and financial service businesses at Morrison & Foerster and Shearman & Sterling. Tamara received her JD from the University of Toronto Faculty of Law and her BA in Politics from Queen’s University in Canada.

Anjali Malhotra

Manager, Content Partnerships, YouTube Music

Anjalina joined Google in May 2010 and currently handles some of YouTube’s top music partners. She is one of the business development leads for YouTube’s music publishing initiatives. Prior to YouTube, Anjali spent 5 years at EMI Music Publishing where she was Director, Product & Content. She began her music career in the A&R department at Interscope Records in 2004. B.A., Stanford University; MBA, Columbia Business School.