

7th Triennial Rulemaking

Keith Chatfield

CEO/ Co-Founder

SolaByte Corporation

970.581.7381

kchat@solabyte.com

www.solabyte.com

Introducing SolaByte



- ▶ We Are:
 - Electronic Media Solution Developers
- ▶ We Have
 - Working prototype optical drive that can mark or disable read only optical media (DVD, BD, CD)
- ▶ Manage Licenses Not Copies

DMCA Triennial

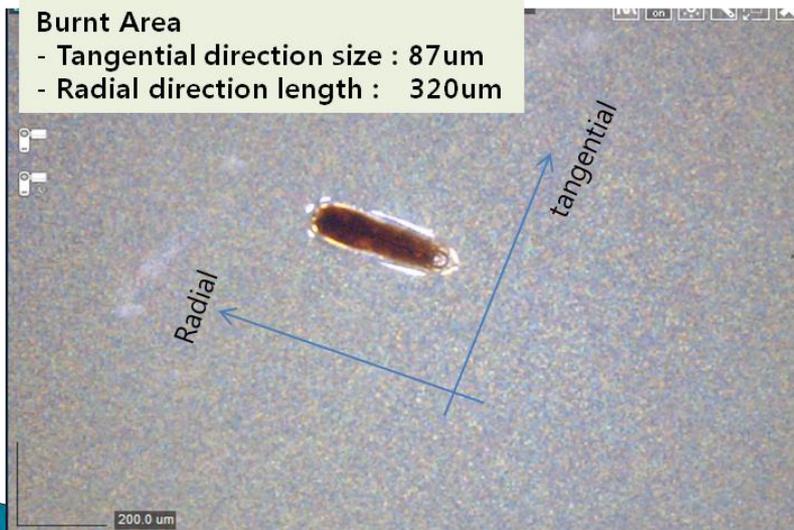
- To support:
 - Companies that convert content from weak security to more robust formats
 - Companies that promote content interoperability across devices
 - Companies that “Future Proof” content from platform obsolescence

All in the common interest of the public and content owners

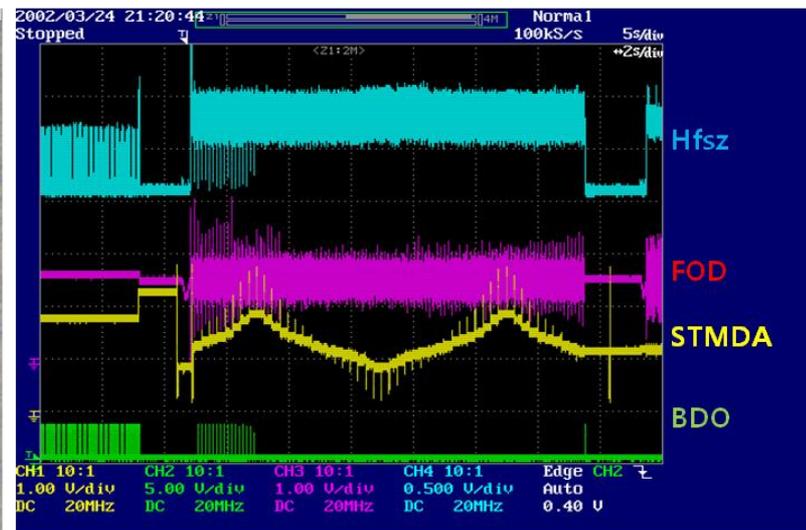
Digitally Mark the Disc to Limit Disc Offers

- YouTube Video Demo: <http://youtu.be/koKe0IFNKyg>
- Use write laser and special firmware to write to normally un-writable media
- Application: Digitally watermark disc to limit licensing transactions associated with the disc, or disable disc playback
- Painless, automated method can be implemented anywhere in the field

2. Burnt area on the media.



3. Burnt area verification



Patent Pending

SolaByte Proprietary



SolaByte
New Media Services

Moving Your Content to New Media



1: Consumer scans their disc to authenticate media as a genuine, not a copied disc--proceed



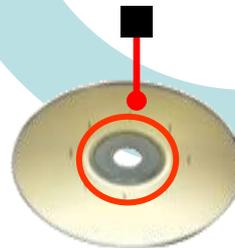
4. Access to same content is enabled in consumer's account in cloud for streaming



**True Move:
Consumer never gets a second copy**



2: Content on disc is Identified



3: Laser Renders Disc inoperable

Recycle disc for Beneficial uses



SolaByte

- ▶ Use this technology to create a secure cloud media Fair Use archive service and recycle the 13+ Billion DVD/BD discs in circulation
 - Remove content of weak security, replace with strong security
 - Recycle plastic for beneficial uses
 - Assure continued use when needed in the future
- ▶ Licensing the replacement content to support this service is infeasible
 - Major Studios require millions in up front licensing fees \$MM's
 - We ask Librarian to authorize an exemption to allow the creation of replacement content to support this service



But What about the business of Format shifting?

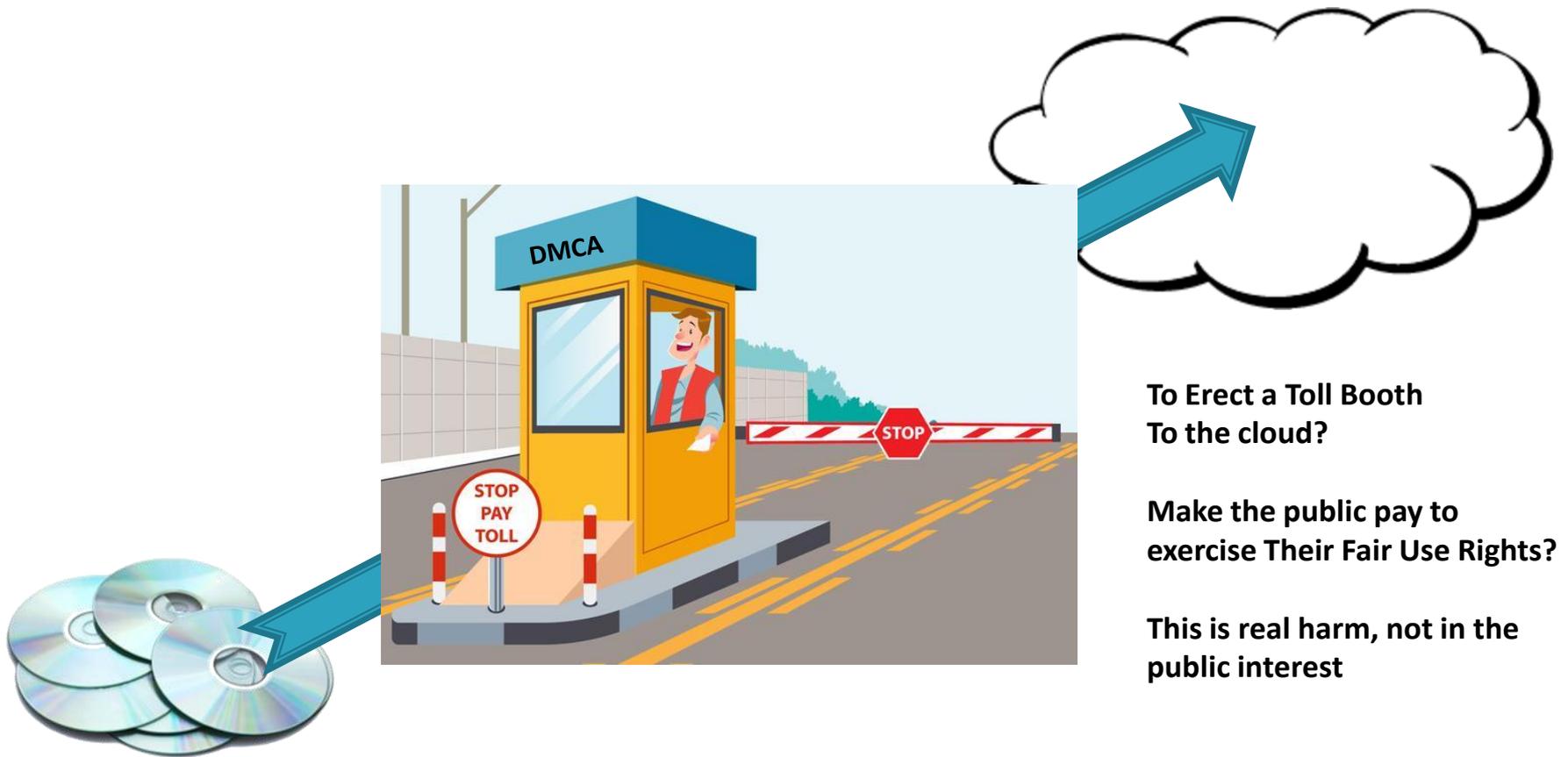
- ▶ Business Model is no longer viable
- ▶ Free Cross platform content interoperability is expected functionality
- ▶ Displaced by the Proliferation of networked devices with universal content playback



Phones, Pads, Netbooks, watches all play
On demand, anytime



Is this the Role of the DMCA?



To Erect a Toll Booth
To the cloud?

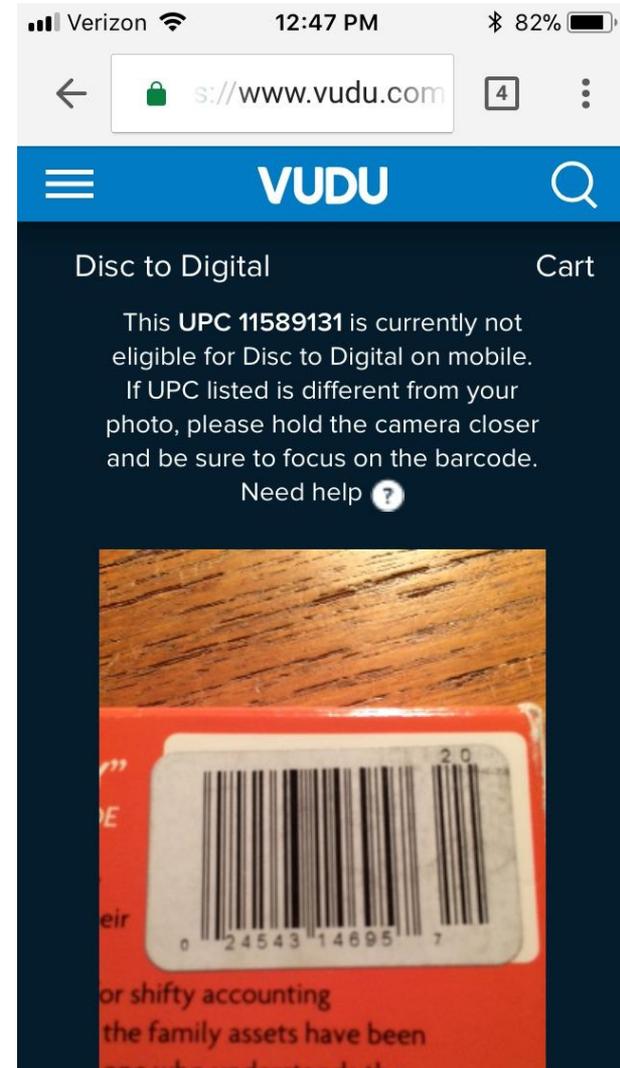
Make the public pay to
exercise Their Fair Use Rights?

This is real harm, not in the
public interest



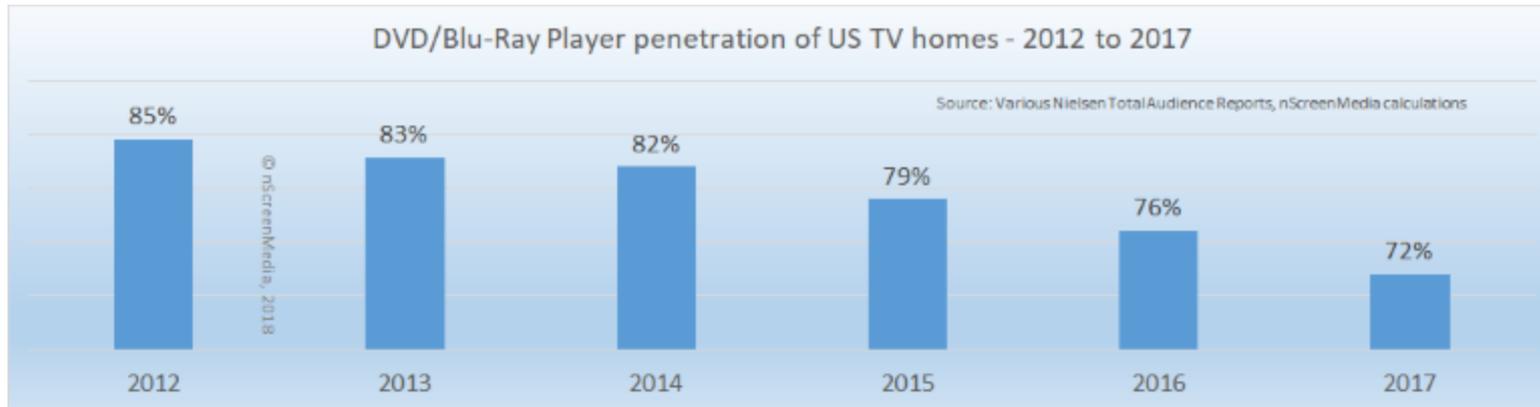
Industry Rebuttal

- ▶ No online site can supply all the content distributed on DVD/BD
 - Accessing a fraction of the content requires subscription to multiple services at high cost
 - Trend is for sites to license less and produce more of their own
- ▶ Disc to Digital is frustrating and incomplete
 - Significant content gaps
 - No redemption tags for old discs
 - Many TV series discs not included
 - \$2 to create a copy of what I already own? That dog doesn't hunt



New Trends

Optical Disc Market Failing



- Home penetration of DVD/Blu-ray Players shrinking
- Manufacturers are exiting the market: Oppo, Microsoft
- Majority of PC's now sell without Optical drives
- 14% Drop in DVD/BD Disc sales in 2017
- Amazon to stop selling CD's (MARCH 2018)
- BestBuy exits CD business (Feb 2018)



New Failures

- ▶ Trust Online Media sites?
 - FlixSter officially Dead Feb 2018
 - CinemaNow absorbed by FilmOn but barred from transmission
 - Yahoo Screen Dead
 - Whose next?

- ▶ Best way to assure continued use of your DVD BD collection is possession of a digital copy archive stored in industry standard format



Follow up

For questions and follow up contact:

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