7th Triennial Rulemaking

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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/koKe0lFNKyg](http://youtu.be/koKe0lFNKyg)
- 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

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2. Burnt area on the media.

- Tangential direction size: 87um
- Radial direction length: 320um

3. Burnt area verification

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Patent Pending
Moving Your Content to New Media

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

2: Content on disc is Identified

3: Laser Renders Disc inoperable

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

True Move: Consumer never gets a second copy

Recycle disc for Beneficial uses
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
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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