

INDUSTRY ID'S AUDIBLE MAGIC

Company Gets Nod As Content Identification Leader

Written by Jay Ziskrout



Audible Magic Corporation, the Silicon Valley-based provider of content management and media identification services, has entered into a landmark agreement with EMI Recorded Music. The recently signed deal makes Audible Magic EMI's preferred provider of audio identification services. The agreement, the first of its kind between a major label group and a provider of content-based identification (CBID) technology services, demonstrates a strong endorsement of Audible Magic's broad range of solutions for identifying, monitoring and tracking the various uses of multimedia content.

Jay Samit, EMI Recorded Music's Senior Vice President, New Media, said in a glowing endorsement, "Audible Magic has emerged as the only viable vendor in their market segment with a wide range of applications."

Audible Magic's patented technologies use audio fingerprinting to monitor and identify the delivery of multimedia content across all media types, including compressed audio, such as digital music files and streams on the Internet, as well as traditional broadcasts. EMI will supply music from its existing catalog, in addition to all new releases. These will be scanned and fingerprinted for addition to the Audible Magic song database, which has already grown, in cooperation with its partners (including Loud Eye and CMJ), into one of the largest and most comprehensive in the world.

For the uninitiated, audio fingerprinting is to sound what DNA is to living organisms. Using 1s and 0s, it describes the unique acoustic signature of any audio program, which can then be used as a uniquely identifying metric. Built on this technology is an array of applications that benefit the media and entertainment industries. These applications audit and track content usage by licensees, identify audio content for consumer entertainment software and devices, screen peer-to-peer traffic on networks and monitor advertising and music broadcasts on TV, radio, cable, satellite and Internet media. Current examples of such products include RepliCheck™, P2P Traffic Monitor™ and RAM™.

RepliCheck is Audible Magic's music verification service used to alert CD replicators to potential copyright infringements before they take place. Numerous CD plants have already adopted RepliCheck, including Sanyo, AmericDisc, DiscMakers, Q-Media and Synchronicity.

Mac Sandhu, Q-Media's Corporate Standards Manager, commented, "We have joined forces with trade associations and rights holders to combat the theft of intellectual property. Audible Magic's RepliCheck helps protect artists and our business from copyright infringement, and it takes a huge burden off our employees."

Mike Baker, Synchronicity's Chief Administrative Officer, echoed, "It is imperative that we protect our business by protecting

artists' rights. The only way to ensure that we reproduce only legitimate content is by auditing each and every title that comes to our facility. RepliCheck searches an exhaustive database and generates a report detailing artist, title and copyright holder. It has dramatically streamlined our process and allows us to meet artists' time to market deadlines."

Similarly, **David Benjamin**, Universal Music Group's Senior Vice President, Anti-Piracy, stated, "If I were Audible Magic, I would be marketing this to everyone as a way to limit liability."

In addition to EMI, myriad CD manufacturers and UMG, the largest music company in the world, Audible Magic also counts on the support of a diverse cross section of the music industry. The normally tight-lipped RIAA is a prime example.

Frank Creighton, the trade organization's Director Anti-Piracy Unit, sees that "there are many challenges in the effort to enforce copyrights. These challenges include the changes taking place in the way that consumers want to have their music delivered. In light of these new challenges, traditional anti-piracy methods do not work and this is where technology plays a part."



RepliCheck™

He continued, "We use Audible Magic's RepliCheck and feel that it can be a very important addition to the industry's anti-piracy tool kit. The possibly inadvertent manufacture of infringing sound recordings has been one of the biggest problems facing the replication industry. However, for the last 15 years, the RIAA has been working with replicators, offering training and recommending business procedures to help them identify copyright violations and limit their liability. At the RIAA, we have a team of in-house musicologists that we use to analyze evidence and we have also made them available to assist replicators. However, there are limitations to the physical world environment of musicologists. They cannot process millions of recordings in minutes and they cannot easily accommodate the fast pace of business today. RepliCheck fills the void that human analysis leaves behind. Just as pressing plants use RepliCheck to avoid inadvertent manufacture of infringing music, the RIAA uses it to help identify musical evidence, often in concert with law enforcement agencies and associated criminal investigations."

Of course, the most visible and sensational of the RIAA's anti-piracy battles have been those targeting online file swapping services, such as **Napster** and **Kazaa**.

Creighton commented, "In the online environment, the RIAA has been forced to litigate against several online services. In such actions, building a solid case replete with sufficient corroborating evidence would take weeks or months of downloading and identifying suspected infringing music files. The use of Audible Magic technology can cut evidence analysis time to days and is absolutely invaluable."

With regard to the alleged flow of unauthorized MP3 files on private networks, he noted, "The RIAA does not have an internal need to track the movement of MP3 files over networks. We do, however, work to educate universities, businesses and others by alerting them to the fact that such activity is taking place on their

networks, pointing out the illegality, the negative social repercussions as well as the possible solutions. Audible Magic's P2P Traffic Monitor provides both the early alert and a potential solution."

Regardless of the application, the RIAA's anti-piracy expert identified the common critical factor, "The most important thing to us is the percentage of recordings that are positively identified. This often correlates more to the size of the master database than the technology per se. However, in the case of Audible Magic, they have 3.5 million fingerprints, which as far as I know, may be the biggest such database in existence."

The performing rights organization (PRO), **SESAC**, has also begun to use Audible Magic technology to eliminate the imprecise and often-arbitrary sampling methodologies utilized by most PROs today. **SESAC's** Associate VP/Performing Rights, **Hunter Williams**, observed, "For **SESAC**, the transition from a system of chart analogies to proof-of-performance monitoring through the use of the Audible Magic technology has been a big enhancement to our royalty systems. Our plans are to fully replace the Chart Payment System with airplay monitoring using the Audible Magic technology." Mr. Williams concluded, "At **SESAC**, we are dedicated to using technology to continue to cut costs and maximize our affiliates' and shareholders' earnings."

Audible Magic technology is also poised to play a major role in helping the music industry discover new talent and develop its existing artists. **Realtime Airplay Metrics**, a.k.a. **RAM**, a joint venture between Audible Magic and **CMJ**, offers unprecedented insight into airplay activity and trends among a broad base of early adopter broadcast outlets via totally configurable, real-time, reporting.

One of the revolutionary features of the **RAM** service destined to be useful to label A&R departments is "Repeat Detect." Repeat Detect allows the end user to track and identify repeated performances of songs even if they are not initially in the song database. This capability, in tandem with the size of the master database, contributes greatly to the service's unprecedented accuracy.

Audible Magic CEO **Vance Ikezoye** said, "The music industry needs to utilize the best and most sophisticated tools available to manage and grow their business in these tough times." He continued, "It is in the midst of dramatic changes that are bringing both new challenges and new opportunities. Taking advantage of these opportunities, however, will require new tools and technologies to exploit. **RAM** is a great example of the convergence and

power of technology to enable information tools that can directly benefit the music business. Our technology enables **RAM** to monitor college, non-commercial and secondary market radio in a cost effective manner and provide state-of-the-art reports that aid the discovery and development of both new and established artists."



NOTE: Labels, Publishers, Broadcasters, Artists and other parties interested in gaining access to **RAM**, the real-time airplay monitoring service powered by Audible Magic technology, should make contact with **CMJ** at: 917.606.1908, ext. 244, ram@cmj.com, or by visiting www.cmj.com/ram.