



DCIA Achieves Milestone of Fifty Members

Trade Association Looks Forward to Supreme Court Decision in MGM v. Grokster Case

June 17, 2005 – Arlington, VA – [The Distributed Computing Industry Association \(DCIA\)](#) announced at the [Washington Digital Media Conference](#) today that it has recruited fifty Members since its inception, and expects to surpass that number by its second anniversary on July 1, 2005.

“The DCIA is dedicated to commercial development of peer-to-peer (P2P) file sharing, and we proudly salute our first fifty Member companies who share in a powerful vision and valiantly pioneer to achieve the enormous potential of distributed computing technologies,” said DCIA CEO [Marty Lafferty](#) in making the announcement.

DCIA Membership is organized into three Groups: Content, Operations, and Platform. The non-profit trade association conducts working groups and special projects, such as the [Consumer Disclosures Working Group \(CDWG\)](#), [P2P PATROL](#), and the [P2P Revenue Engine \(P2PRE\)](#). It also publishes the weekly online newsletter [DCINFO](#).

DCIA resources include its leaders for Best Practices: [Elaine Reiss](#); Business Administration: [Sari Lafferty](#); Communications: [Kelly Larabee](#); Consumer Research: [Rich Feldman](#); Government Relations: [Doug Campbell](#); Member Services: [Karen Kaplowitz](#); and Technology: [Adam Marcus](#). [BigChampagne](#) serves as the DCIA’s official industry data resource.

The DCIA Content Group is comprised of companies like the [Jun Group](#) that develops original content for P2P distribution; [Sovereign Artists](#), a music label which has pioneered licensed file sharing as part of its marketing mix; [Altnet](#) that has agreements with nearly 100 such top independent labels for P2P distribution of their works; and [Trymedia Systems](#), which distributes computer games from all 12 top major games publishers and 10 top casual games publishers.

Its Operations Group has P2P software developers and distributors like [Sharman Networks](#) that distributes [Kazaa Media Desktop](#), the most downloaded software application in history; [Grokster](#), one of the respondents in the Supreme Court case; [RazorPop](#), which distributes [TrustyFiles](#); [INTENT MediaWorks](#) that distributes iPeer and myPeer; and [Seamless P2P](#), which provides P2P software solutions for government agencies, educational institutions, and Fortune 500 companies.

The DCIA Platform Group is made up of service-and-support companies, including digital rights management (DRM), payment solutions, business models, and strategic advisory companies like [Digital Containers](#), which has two P2P DRM patents; [Javien](#) that provides payment solutions for the new [iMesh](#); [Shared Media Licensing](#), which provides the Weed technology supporting a unique file-sharing business model; and [Alston & Bird](#) that advises the [Bertelsmann Group](#).

The names of DCIA's first fifty Members follow with [highlights of their industry participation](#) summarized in the attached document, and the full DCIA Membership list can also be found with links to respective company sites on the "[Join](#)" page of the [DCIA](#) website: [33rd Street Records](#), [A Matter of Substance](#), [Alston & Bird](#), [Altnet](#), [Bennett Lincoff](#), [BlueMaze Entertainment](#), [City Canyons Records](#), [Claria Corporation](#), [Clickshare Service](#), [Cybersky-TV](#), [Digital Containers](#), [Digital River](#), [Digital Static](#), [EZTV](#), [Good Witch Records](#), [Go-Kart Records](#), [Grokster](#), [Indie911](#), [INTENT MediaWorks](#), [Javien](#), [Jeftel](#), [Jillian Ann](#), [Jun Group](#), [KlikVU](#), [Kufala Recordings](#), [MasurLaw](#), [MusicDish Network](#), [NuCore Vision](#), [One Love Channel](#), [P2P Cash](#), [PlayFirst](#), [Predixis](#), [Project V-G](#), [Rap Station](#), [RazorPop](#), [Relatable](#), [RightsLine](#), [Scooter Scudieri](#), [Seamless P2P](#), [Shared Media Licensing](#), [Sharman Networks](#), [Skype](#), [SMARTguard Software](#), [Softwrap](#), [Sovereign Artists](#), [SVC Financial](#), [Telcordia](#), [Trymedia Systems](#), [V2 Records](#), and [Vmedia Research](#).

The DCIA's vision is that civilization is experiencing a profoundly significant digital conversion. Traditionally, voice communication was transmitted through telco lines or wireless cells, video content was transmitted through coaxial cable or satellite down-linking, and data was transmitted by dial-up modem or broadband service.

Moving forward, all electronic content will become merged into fungible digital bits that will all be available through a choice of pipelines whether fiber-optic plants owned by telco, cable, or power companies, and/or some combination of satellite and cellular wireless.

Reception will be possible on any networked-device platform, with consumers free to decide they would like to do such iconoclastic activities as watch TV programs on their cell-phone screens or have long-distance conversations sitting in-front of their six-foot diagonal home-theater LCD screens using surround-sound speakers.

The source for content and vehicle for communications will be enhanced P2P, as exemplified by the most recent version of [Kazaa](#) that added DCIA Member [Skype's](#) Internet telephony offering, and swarming technologies such as [ByteTornado](#), developed by DCIA Member [Cybersky-TV](#), that break large files into thousands of tiny pieces for more efficient transmission.

The impact on entertainment is that viewers and listeners will have instant access to all prerecorded content ever produced that has been digitized and placed in a shared-folder, as well as the ability to be switched instantly to any live event, such as a newscast, sporting event, or musical concert, anywhere in the world.

The DCIA looks forward to the US Supreme Court's imminent ruling in the high-profile MGM v. Grokster case, and the Australian Federal Court's ruling in a related case, which should represent landmark decisions informing how content providers and technology suppliers interact in the digital realm generally and with respect to P2P file sharing in particular.

Media Contact:

Kelly Larabee
602-258-1416
kelly@dcia.info

###

DCIA Member Highlights (06/17/05)

Here are highlights of some of the current work of DCIA Members in the area of commercial uses of P2P file-sharing technologies – focusing primarily on licensed distribution of copyrighted works. The DCIA believes P2P has the potential to serve not only as a more robust distribution channel than its predecessors for a greater diversity of content offered in a larger variety of ways, but also as an advanced communications medium and collaboration platform.

- 33rd Street Records – Based on analysis of music sales promotion, reallocated marketing budget from conventional broadcast radio to P2P distribution channel to drive 33rd Street artists' sales through parent company Tower Records' stores and online site, now also exploring download sales in P2P channel.
- A Matter of Substance – Building on synergy of its main fields of operation in music, film, and TV, has become dynamic entertainment entity by implementing new ways of developing, producing, and distributing cutting-edge independent-voice content, including online by exploiting P2P file-sharing technologies.
- Alston & Bird – Designed process and agreement structures for P2P content licensing and P2P technology patent integration for secure-content distribution in file-sharing environment, now offers consultative services to new entrants and performs related advisory role with international client Bertelsmann.
- Altnet – Deployed system for licensed content distribution via P2P featuring patented TopSearch priority placement of secure files at head of search results for previews-and-a-la-carte-sales using its micro-payment commerce engine, and most recently introduced advertising-supported P2P model for top independent-label music.
- Bennett Lincoff – Authored ASCAP Internet license agreement and drafted comprehensive proposal for unified digital transmission right and statutory license for P2P, now offers legal services related to intellectual property in P2P including business models, rights counseling, licensing, and regulatory matters.
- BlueMaze Entertainment – Created virtual multimedia VCD/DVD for marketing content with related value-adding and ancillary revenue-generating elements for secure distribution and multiple monetization streams in P2P environment, now introducing product to leading consumer brands and independent/emerging artists.
- City Canyons Records – Assembled critically acclaimed talent roster including Anemo's "Slow Burn," Jen Elliott and Bluestruck's "The Secret's Out" and "That Damn Song," David Steele's "Underneath the Ice," Peter Ulrich's "Enter the Mysterium," and Valerian's "Intimations of Sorrow," now developing P2P marketing plan.
- Claria Corporation – Led responsible development of adware model for users to license P2P software in exchange for accepting ads, launched BehaviorLink and PersonalWeb marrying consumer behavior with delivery of contextual ads and content yielding click-through/conversion rates 40X higher than traditional banners.
- Clickshare Service – Married secure payment mechanism for online media with affinity marketing, most recently partnering with Digital Containers on payment processing solution to automatically handle settlement of accounts and movement of payments for owners of digital content being redistributed via P2P.

- Cybersky-TV – Developed ByteTornado technology for multipoint transfer optimized for large data files and Cybertelly software for very efficient P2P delivery of TV programs over broadband, supporting digital rights management (DRM) and non-anonymous content sources for use by television content distributors.
- Digital Containers – Developed P2P DRM solutions around its two patents for “super distribution” to package and monetize digital media content, now conducting market trials with corporate content, e-books, radio shows, and classic comics packaged as digital collectors’ items wrapped in virtual traveling stores.
- Digital River – Built online businesses for more than 40,000 software publishers, manufacturers, distributors, and online retailers with multi-channel e-commerce solution, supporting direct and indirect sales, designed to help companies of all sizes maximize online revenues as well as reduce costs and risks.
- Digital Static – Created award-winning “2084,” world's first multimedia musical artist who writes and produces original songs and commercials, and acts as lead vocalist and new age producer, now seeking strategic partners to offer revolutionary new music and multimedia products for P2 distribution channel.
- EZTV – Leveraged award-winning team of producers, artists, and educators, supporting experimentation with new computer technologies in independent arena, to create innovative new work for P2P distribution, advancing ever-evolving relationship of artists, media, technology, and audiences.
- Go-Kart Records – Released several punk albums online, published “Go-Kart MP300 Raceway” (\$10 MP3 CD with 150 bands and 300 songs), and charted P2P marketing plan, most recently launched Go-Kart Films for underground filmmakers with "Horns and Halos," and joined The Orchard's global distribution network.
- Good Witch Records – Produced progressive albums such as “Feed Your Soul,” concerts such as “Save the Rainforest,” and several music videos in partnership with In The LITE Productions, featuring founder and versatile performing artist Glenda Benevides, now developing GWR content P2P marketing plan.
- Grokster – Developed and distributes advanced P2P file-sharing software that leverages Altnet’s paid search utility giving preferential placement results to keyword requests for delivery of authorized music, software, videos, and games, incorporating payment gateway that allow micro-payments via one-click process.
- Indie911 – Pioneered streaming-audio system that pays royalties to independent artists for online airplay and comprehensive online music licensing and distribution system called Agro Free Licensing Program (AFLP), most recently partnered with INTENT MediaWorks to distribute SXSW content via P2P.
- INTENT MediaWorks – Attracted advertisers and developed turnkey solution for marketing independent artists’ content (free and for sale) through affiliation agreements with leading open P2P software distributors, which it now offers along with distribution through its closed P2P applications iPeer and myPeer.
- Javien – Citing strong demand from new customers in music and P2P, such as MusicNet and iMesh, announced micro-payment aggregation engine with web services module that

now allows digital content merchants to choose how they want to bundle small charges before processing them onto credit cards.

- Jfeltel – Launched Secure E-Mail, a P2P software product providing new format for safe, secure communications from within familiar interface of regular e-mail client programs, utilizing random nature of UDP packet flow and PKI authentication process to enhance security and versatility over TCP/IP transport.
- Jillian Ann – Built and managed multiple careers as independent film actress, internationally in-demand model, and recording artist with her critically acclaimed debut release "Neverland," now pioneering use of P2P technology as sales and promotional tool, was cover story of MIT Technology Review P2P issue.
- Jun Group – Made news brokering deal that promoted Steve Winwood's music in P2P marketplace sponsored by Hearst-Argyle's "Access Hollywood," now leading originator of free licensed content in global file-sharing community, including world's first sponsor-supported made-for-P2P program series, "The Scene."
- KliKVU – Developed DRM to encrypt video files in digital container containing rules, such as how many views and price (which can be set to \$0.00 for sponsored content), with each P2P attempt-to-view popping-up splash-page and trailer then DRM license check-out form, now also partnering with NetMusic Entertainment.
- Kufala Recordings – Partnered with Shared Media Licensing and LimeWire to market authorized live recordings of famed artists in jam band circuit including Soul Coughing, The Slip, and New Riders of The Purple Sage using LimeWire P2P software and Weedshare's unique DRM technology.
- MasurLaw – Pioneered wide variety of new revenue models and licensing schemes which are widely utilized in entertainment, technology, and digital media, including groundbreaking work in P2P technologies; frequently called upon to advise analysts and venture groups regarding opportunities in technology, media, and entertainment sectors.
- MusicDish Network – Established independent web music network, representing unique platform of over 200 entertainment-related sites, producing and distributing original content focusing on today's emerging artists, most recently pioneered new artist-branded customized P2P offering with RazorPop and artist Yohany.
- NuCore Vision – Developed record of delivering business results to federal and commercial clients as SBA certified 8(a), HubZone, MBE IT firm with extensive expertise in secure network design and comprehensive systems integration including P2P, with one-stop turnkey offerings packaged to provide reliable, innovative, and valuable IT solutions into business operations.
- One Love Channel – Distributes licensed and DRM-protected reggae music and videos, such as catalogs from Buffalo Music Productions, Ras Records, and Sonic Sounds, via P2P, retaining global rights for music it distributes with initial aim to become largest source of reggae and dancehall music on Internet.
- P2P Cash – Leveraged proprietary business rules with public standards for financial information interchange to create patent-pending Intelligent Cash Unit (ICU) token-based standard for P2P direct payment systems to securely transfer cash from one individual to another without involving financial institutions in transactions.

- Playfirst – Dedicated to new model of online game publishing to bring best playing experience to all online consumer entertainment platforms starting with Internet downloads; focused on creating popular games that appeal to mass market through multiple consumer platforms including via P2P file sharing.
- Predixis – Perfected acoustical solution for entertainment media file identification and management in P2P environments, MusicMagic patented technology manages digital libraries based on inherent sounds, providing power to create playlists not only by artist, album, genre, but also by key musical attributes.
- Project V-G – Provided an application framework for P2P commerce adding "bartering" and "goodwill" functions in addition to monetary based online transactions with three components: network, P2P commerce engine, and graphic user interface, using new inverted model-view-controller (IMVC) computing model.
- Rap Station – Launched by Chuck D as multi-format "supersite" for vast global hip-hop community, Public Enemy became first multi-platinum selling act to release album via Web before retail stores, now partnering with Real Networks, House of Blues Digital, New World Culture, All Earth, and, for P2P, Altnet.
- RazorPop – Developed and distributes interoperable P2P application TrustyFiles, branded private-label P2P software for content rights holders, and TFLE "X-Files" forensics app for law enforcement, most recently proposed P2P music subscription service at \$9.95/month featuring copyright infringement insurance.
- Relatable – Adapted acoustical fingerprinting as digital barcode for original Napster to use in P2P Revenue Engine (P2PRE) working with nine other companies as solution for major entertainment rights aggregators to address consumer-entered content by using its TRM to identify and match files with rights-holder registry.
- RightsLine – Created application software that merges business rights management with online sales and licensing, providing solutions to businesses active in management of intellectual property (IP) assets, automating licensing of IP libraries in all territories for all rights 24/7 using web-based software.
- Scooter Scudieri – Operates as first full-service musician of 21st century, producing, composing, performing, and distributing music without agent, manager, or record company, has built largest independent following of any artist over Internet, believes P2P has opened door for reform, positive change, and growth.
- Seamless P2P – Developed PeerSystem and Phenom technologies to facilitate institutional deployment of seamless, secure P2P platforms, reducing the need for centralized computing (e.g., data centers) by focusing on decentralized and distributed computing, storage, and collaboration.
- Shared Media Licensing – Extended Windows Media DRM for P2P with Weed technology that enables licensed content sampling-and-sales, rewarding P2P users with sales commissions for redistributing files, most recently in deals with Digital Musicworks Intl & Paste Magazine, Kufala Recordings and LimeWire P2P.
- Sharman Networks – Developed and distributes Kazaa Media Desktop, Web's most downloaded software, and was charter Altnet affiliate for licensed content distribution, most

recently packaged TypePad weblog and Skype VoIP with new KMD release, allowing users to make free Internet calls anywhere via P2P.

- Skype – Developed P2P Voice Over Internet Protocol (VoIP) for high-quality free Internet calling, most recently launching prepaid premium services SkypeOut (call telephone numbers at local rates), SkypeIn (receive calls to personal number) and Skype Voicemail, Skype has been downloaded 100+ million times.
- SMARTguard Software – Advanced protection software, Blockster, designed to help parents prevent children from accessing computer programs without appropriate supervision, monitors their use, provides reports and alerts, extending family filters integrated into leading P2P software programs as standalone offering.
- Softwrap – Provides turnkey software sales and distribution solutions for software developers, authors, and publishers with e-commerce and electronic software distribution (ESD) technologies that enable partners to securely distribute and sell their software over web via P2P with virtual equivalent of “shrink-wrap.”
- Sovereign Artists – Conducted online sales promotion for Heart’s “Jupiters Darling” with Altnet demonstrating that P2P could outsell iTunes, marketed “Petra Haden & Bill Frisell” album via P2P premiering INTENT’s Palladium platform, most recently launched “Here Come The Choppers!” by Loudon Wainwright.
- SVC Financial – Integrated financial services with value-added software to help clients accelerate sales using its Mazarin Media Platform (MMP), which provides rapid application delivery for any size organization, and most recently SVC payment services providing cost-effective P2P solution for cash-based consumers.
- Telcordia – Helps communications companies transform, manage, and grow networks by providing open, flexible, configurable software and services for IP, wireline, mobility and cable, aggressively reducing costs by consolidating complex operations while adding service offerings to generate profitable new revenue, now exploring opportunities for enabling P2P digital content services.
- Trymedia Systems – Licensed all major games publishers and leading casual games publishers for secure P2P distribution of their titles using its proven download-play-and-buy marketing system and proprietary ActiveMark DRM technology that provides security consistently across formats and distribution platforms.
- V2 Records – Joined with Koch Media, Artemis, Epitaph / Anti, Side One Dummy, Palm, Simmons/Latham and Digital Rights Agency to share P2P ad revenue through Altnet program, and starting with release of Stereophonics fifth album, selling tracks on P2P at \$0.99 each or entire album for \$9.99, with free music video promoted to P2P users.
- VMedia Research – Created miniature optical media and drives compatible with key content compression codecs to support entertainment distribution to small mobile CE media devices, including pocket-sized VMedia wireless player that delivers video entertainment to users with WiFi enabled mobile devices.