# Developing the Digital Market

Mitch Singer, CTO Sony Pictures Entertainment



## The End Game





"Let 1,000 retailers bloom."





## What if DVD Rolled Out This Way?



People would think we were crazy



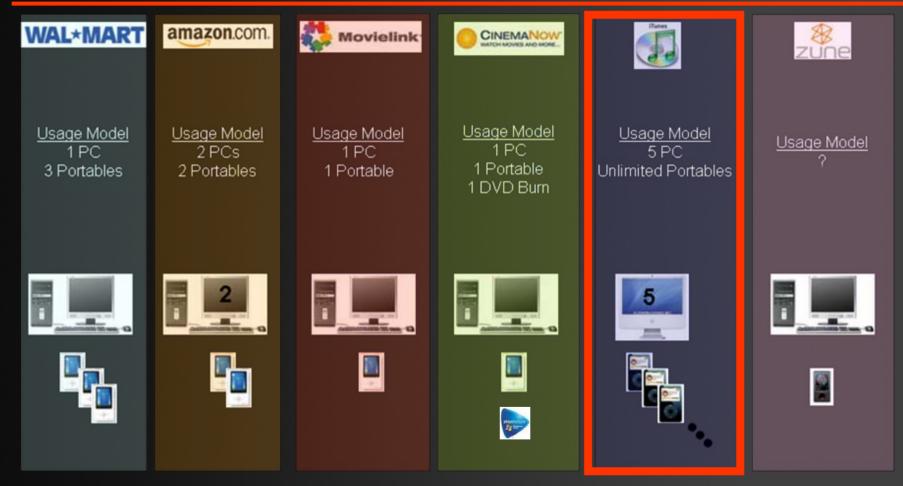
# Digital Market Today



Each store is a silo with a slightly different digital offering Supported devices and formats may vary from store to store Consumers must make technology decisions before buying content

SONY

# Smaller, Fragmented Market



Consumers are locked into a single store and format First movers have tremendous advantage



# Domain is Key



### <u>Domain</u>

A set of registered devices on which a consumer may freely access purchased content

→ In a domain, counting copies is not required. ← Content can only play on devices in the Domain.



- DMCA protection
- Associated obligations
- Prevents redistribution Poor upgrade path
- Controlled sharing
- Subscription support
- Rental Support
- Plays on limited devices
- Limited backup
- Not scalable

### **DRM Protected**

- DMCA protection
- Associated obligations
- Prevents redistribution
- Controlled sharing
- Subscription support
- Rental support
- Plays on domain devices
- Upgrade path
- Backup
- Scalable

#### **Service Managed Domain**

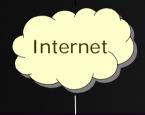
- No DMCA protection
- No Obligations
- Redistribution threat
- Unlimited sharing
- No subscription

- No Rental
- Plays on any device
- Upgrade friendly
- Backup
- Scalable

"In the clear"

# Domain Is Possible Today

Service Provider





Customer 1

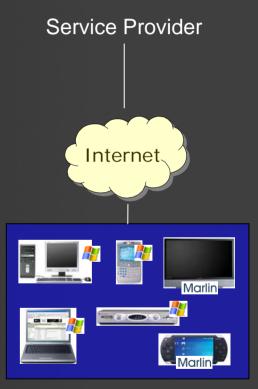
Possible with today's technology.

Multi-DRM / DRM agnostic.

Meet consumer needs / expectations.

Credible domain model.

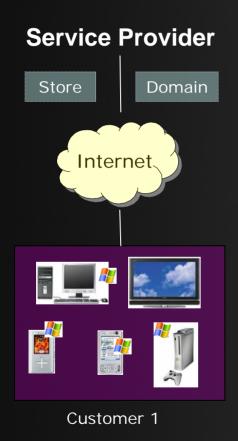
Service level control. (vs. device or DRM)



Customer 2



# Remaining Problem



A problem remains...

Operators end up performing two functions: store and domain.

The domain operator becomes the only available store.

A domain with a single store presents problems for content owners and consumers.



## "Let One Retailer Bloom"

iTunes is the best example of the problem.

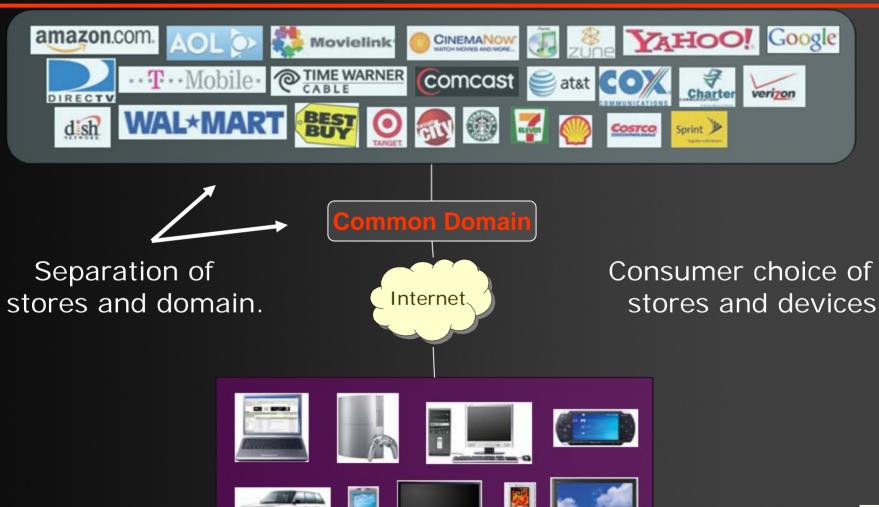
The only place to buy the leading digital music format is iTunes.





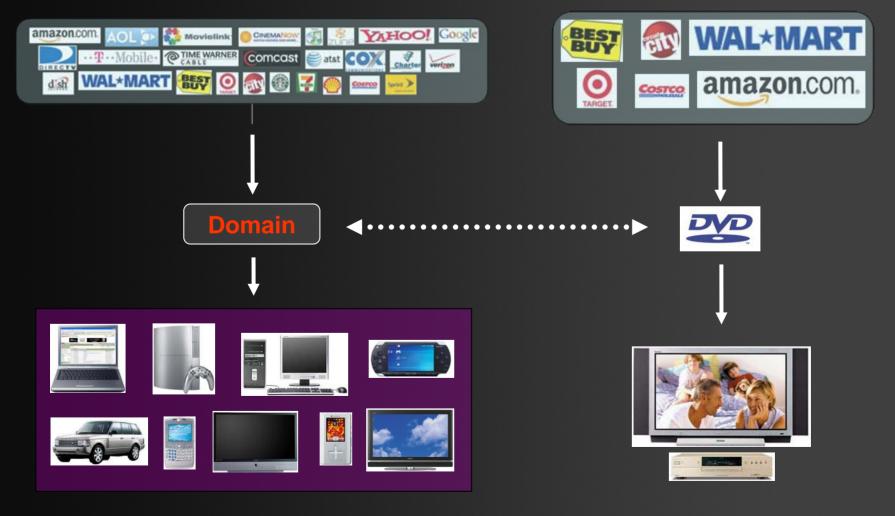


## Open Market Model



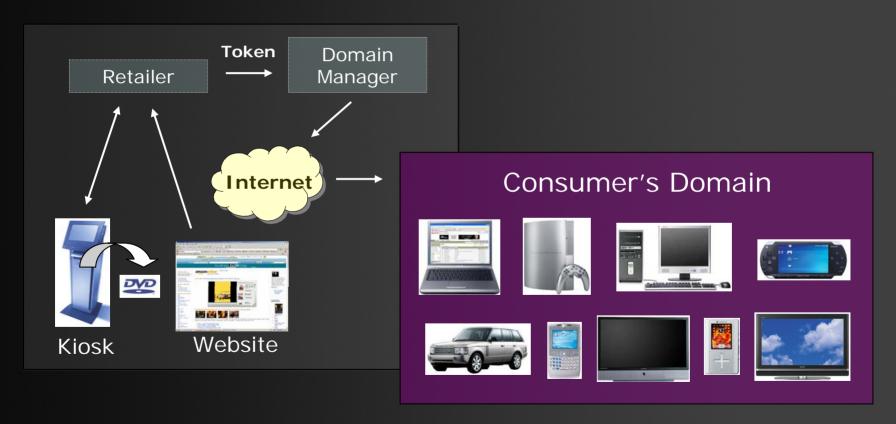


# The Domain is the Offering



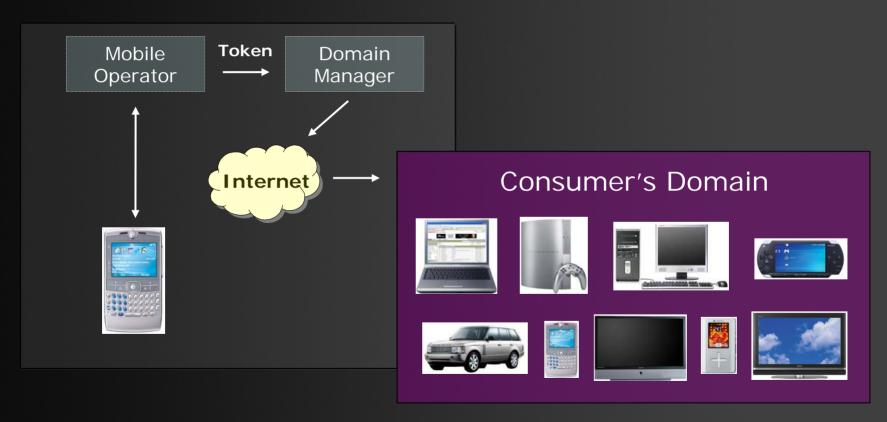


## Retail and Domain



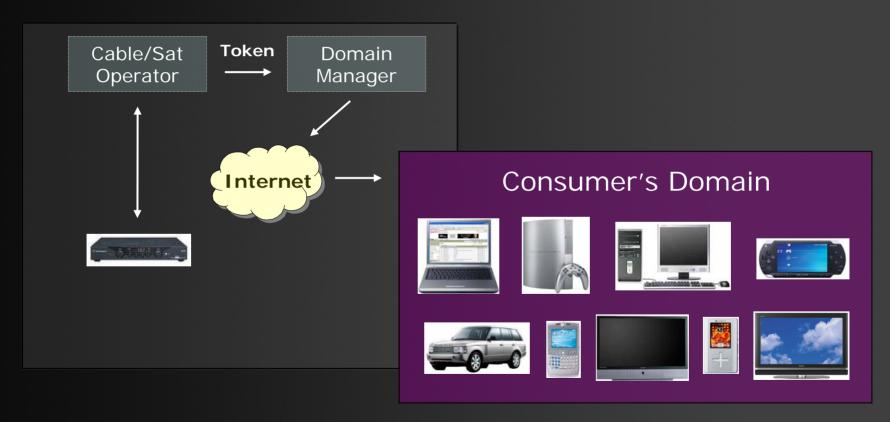


## Mobile and Domain



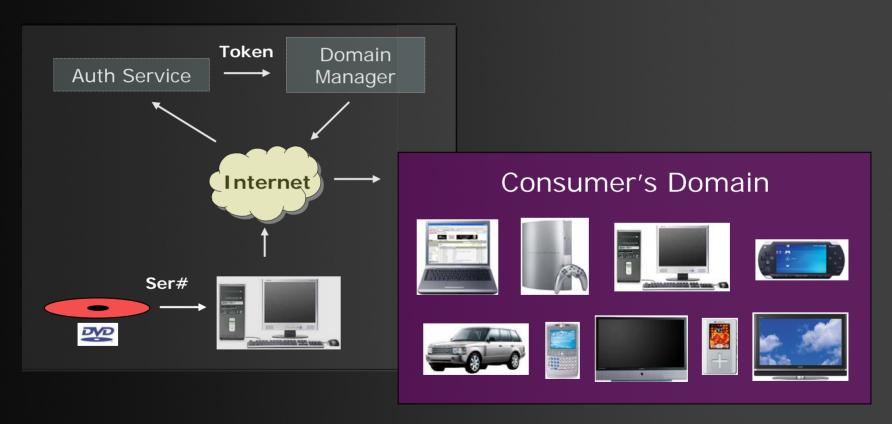


## Cable/Satellite and Domain





## **DVD** and Domain





# Open Market Summary



#### Common Domain





