

EXHIBIT B-2: COMPLIANCE RULES FOR LICENSED PRODUCTS THAT RECEIVE OR TRANSMIT COMMERCIAL AUDIO WORKS

[For Products that receive or transmit Commercial Audiovisual Content, see Exhibit B, Parts 1- 2, which Parts are applicable to Licensed Products that are capable of decrypted or transmitting, using DTCP, Commercial Audiovisual Works.]

INTRODUCTION

1. Generally.

1.1 This Exhibit B-2 is applicable to Licensed Products that are capable of decrypting or transmitting, using DTCP, Commercial Audio Works and is divided into separate Parts for different audio formats. Sections 2 and 3 of this Introduction to Exhibit B-2 apply to each Part of this Exhibit B-2. Unless otherwise expressly provided, for purposes of this Exhibit B-2, all section references in any Part of this Exhibit B-2 shall be deemed references to sections in such Part. [Note: DTLA expects to amend these Compliance Rules in the future to include additional rule sets not set forth in this version of Exhibit B-2.]

2. Definitions. The following terms shall have the meaning ascribed thereto in the Introduction to Exhibit B: Commercial Audiovisual Works, Commercial Entertainment Content, DT Data, Sink Function and Source Function. Where another capitalized term is used in this Exhibit B-2 but not otherwise defined in this Exhibit B-2, the meaning ascribed thereto elsewhere in this Agreement shall apply.

2.1 “Audio DT Data” shall mean DT Data comprising Commercial Audio Works.

2.2 “Commercial Audio Works” shall mean Commercial Entertainment Content in the form of audio content, including but not limited to sound recordings, as defined in 17 U.S.C. § 101. For avoidance of doubt, (a) audio content received by a Commercially- Adopted Audio Access Control Method shall necessarily be considered to be “Commercial Audio Works” and (b) “Commercial Audio Works” do not include audio portions of Commercial Audiovisual Content.

2.3 “Commercially-Adopted Audio Access Control Method” shall mean any commercially-adopted access control method for Commercial Audio Works, such as CPPM, CPRM, Super Audio CD Copy Protection Technology and other commercially-adopted access control technologies whether now or hereafter in commercial use.

2.4 “Consensus Audio Watermark” shall mean the watermark technology designated as the “Consensus Audio Watermark” by DTLA.

2.5 “Transitory Audio Data” shall mean data which has been stored temporarily for the sole purpose of enabling the transmission, reception, or immediate rendering of Commercial Audio Content but which (a) does not persist materially after such content has been rendered and (b) is not stored in a way which permits copying or storing of such data for other purposes.

2.6 “Presently Known Audio Watermark Technology” shall mean the Verance Audio Watermark as defined in the specification “4C 12 Bit Watermark Specification” published by 4C Entity, LLC (October 29, 1999).

3. Consensus Audio Watermark Non-Interference.

3.1 Phase-in Period. During the period commencing on the later of (a) the Effective Date of the Agreement and (b) the effective date of this Exhibit B-2, and ending (i) with respect to the Consensus Audio Watermark, eighteen (18) months after the date DTLA declares the Consensus Audio Watermark, and (ii) with respect to the Presently Known Audio Watermark Technology, on the date DTLA declares the Consensus Audio Watermark, Adopter shall not knowingly design or knowingly develop a Licensed Product or a component thereof for the primary purpose of stripping, interfering with or obscuring such Consensus Audio Watermark or Presently Known Audio Watermark Technology in Audio DT Data received by such Licensed Product’s Sink Function or knowingly promote or knowingly advertise or knowingly cooperate in the promotion or advertising of Licensed Products or components thereof for the purpose of stripping, interfering or obscuring such watermarks in such Audio DT Data.

3.2 Protection of the Consensus Audio Watermark. Without limiting the terms of Section 3.1,

3.2.1 Commencing on the date that DTLA declares the Consensus Audio Watermark, Adopter:

3.2.1.1 Shall not design new Licensed Products or components thereof for which the primary purpose is to strip, interfere with or obscure the Consensus Audio Watermark in Audio DT Data received by their Sink Functions; and

3.2.1.2 Shall not knowingly promote or knowingly advertise or knowingly cooperate in the promotion or advertising of Licensed Products or components thereof for the purpose of stripping, interfering with or obscuring the Consensus Audio Watermark in Audio DT Data received by their Sink Functions.

3.2.2 Commencing eighteen (18) months after DTLA declares the Consensus Audio Watermark, Adopter:

3.2.2.1 Shall not produce Licensed Products or components thereof for which the primary purpose is to strip, interfere with or obscure the Consensus Audio Watermark in Audio DT Data received by their Sink Functions; and

3.2.2.2 Shall not knowingly distribute or knowingly cooperate in distribution of Licensed Products or components thereof for the purpose of stripping, interfering with or obscuring the Consensus Audio Watermark in Audio DT Data received by their Sink Functions.

3.3 Product Features. This Section 3 shall not prohibit a Licensed Product or Licensed Component from incorporating legitimate features (including but not limited to fade-in, fade-out, level control, dynamic range compression, pitch control, digital crossover, noise reduction for the purpose of removing hiss or other artifacts, noise shaping, fast-forward, fast-reverse, slow-forward, slow-reverse, reverse-playback, compression, decompression, channel mixing, equalization, and down sampling) that are not prohibited by law, and such features shall not be deemed to strip, interfere with or obscure the Consensus Audio Watermark in Audio DT Data.

3.4 Adopter is alerted that the requirements of this Section 3, and the declaration of the Consensus Audio Watermark, may be rescinded by DTLA if, during the two (2)-year period immediately preceding the fourth anniversary of such declaration, the Consensus Audio Watermark has not been implemented according to criteria to be established by DTLA.

EXHIBIT B-2, PART 1: COMPLIANCE RULES FOR TYPE 1 AUDIO CONTENT

1.Applicability. This Part 1 of this Exhibit B-2 is applicable to Licensed Products that handle Type 1 Audio DT Data.

2.Definitions. For purposes of this Part 1 of this Exhibit B-2, the following terms shall have the meanings set forth below.

2.1 “Decrypted Type 1 Audio DT Data” shall mean, with respect to any Licensed Product, Type 1 Audio DT Data that has been received by such Licensed Product’s Sink Function and decrypted by such Licensed Product according to DTCP but has not been (a) protected by a one-generation copy protection technology identified or approved by DTLA pursuant to Sections 3.1.1.1 or 3.1.1.3 or (b) passed to an output permitted by this Part 1 of this Exhibit B-2.

2.2 “Type 1 Audio DT Data” shall mean Audio DT Data comprising “Type 1: IEC 60958 Conformant Audio” content as described in the Specification.

3.Sink Functions

3.1 Permitted Copies. A Licensed Product may not make, or cause to be made, a copy of Decrypted Type 1 Audio DT Data encoded as Copy One Generation (“copy-permitted-per-type” as set out in the Specification) unless each copy (a) is made as Transitory Audio Data or (b) is made using a method set out in Section 3.1.1.

3.1.1 A Licensed Product may make, or cause to be made, first-generation copies of Decrypted Type 1 Audio DT Data by using the methods described in Sections 3.1.1.1 through 3.1.1.3.

3.1.1.1 The copy is scrambled or encrypted using a copy protection technology that is identified by DTLA for use with Type 1 Audio DT Data;

3.1.1.2 The copy is stored using an encryption protocol that uniquely associates such copy with a single Licensed Product so that it cannot be played on another device or that no further usable copies may be made thereof (other than copies made from an output permitted by this Part 1); or

3.1.1.3 Methods which may be approved by DTLA in the future for Type 1 Audio DT Data.

3.2 No More Copies. A Licensed Product may not make, or cause to be made, a copy of Type 1 Audio DT Data that is encoded as No More Copies except as Transitory Audio Data.

3.3 Permitted Outputs.3.3.1 Digital Outputs. Licensed Products may only pass Decrypted Type 1 Audio DT Data to a digital output as follows:

3.3.1.1 To DTCP-protected outputs as Type 1 Audio DT Data according to the Specification;

3.3.1.2 To IEC60958 or IEC 61937 if Serial Copy Management System information specified in Decrypted Type 1 Audio DT Data is properly transmitted.

3.3.1.3 To outputs protected by other methods, if any, that may be approved by DTLA in the future for Commercial Audio Works.

3.4 Analog Outputs. There are no prohibitions relating to analog audio outputs of Decrypted Type 1 Audio DT Data.

3.5 Internet Retransmission. The parties acknowledge that Licensed Products shall not permit retransmission of Decrypted Type 1 Audio DT Data to the Internet.

EXHIBIT B-2, PART 2: COMPLIANCE RULES FOR TYPE 2 AUDIO CONTENT

1. **Applicability.** This Part 2 of this Exhibit B-2 is applicable to Licensed Products that handle Type 2 Audio DT Data.

2. Definitions

2.1 **“CD-Audio Quality or less”** shall mean a sound quality of 2-channels or less, no greater than 48KHz sample frequency, and no more than 16 bits per sample.

2.2 **“Decrypted Type 2 Audio DT Data”** shall mean, with respect to any Licensed Product, Type 2 Audio DT Data that has been received by such Licensed Product’s Sink Function and decrypted by such Licensed Product according to DTCP but has not been passed (a) to a recording technology permitted under Section 3.3 or (b) to an output permitted by this Part 2 of this Exhibit B-2.

2.3 **“DVD Audio Specifications”** shall mean the current version of the document entitled “DVD Specifications for Read-Only Disc Part 4 AUDIO SPECIFICATIONS” published by DVD Forum, as may be amended from time to time by the DVD Forum.

2.4 **“ISRC Information”** shall mean International Standard Recording Code Information”. ISRC Information” is the collective name of “ISRC data” and “ISRC status”. “ISRC data” is the ISRC portion out of “UPC EAN ISRC data”. Both “UPC EAN ISRC data” and “ISRC status” are defined in Table 7.2.3.1.1-2 RBP 1 and Table 7.2.3.1.2-2 RBP 1 of the DVD Audio Specifications.

2.5 **“Legacy Digital Audio Output”** shall mean IEC-958, IEC-60958, IEC-61937 or USB Audio Device Class output. [Note that USB Audio Device Class output is defined by those USB specifications necessary for the output of audio to USB speakers, and that all other USB Device Class outputs (e.g. Communication Device Class, Mass Storage Class, etc.) are not included in this definition.]

2.6 **“Linear PCM”** shall mean audio encoding using Linear Pulse Code Modulation as specified in the DVD Audio Specifications.

2.7 **“Packed PCM”** shall mean the lossless compression coding system for Linear PCM as specified in the DVD Audio Specifications.

2.8 **“Type 2 Audio DT Data”** shall mean Audio DT Data that is “Type 2: DVD Audio” content as described in the Specification

3. Sink Functions

3.1 Copying. Except for the passing of Type 2 Audio DT Data to permitted recording technologies of Section 3.3, Licensed Products shall be constructed such that Type 2 Audio DT Data received via their Sink Functions may not, once decrypted, be stored except as Transitory Audio Data.

3.2 Permitted Outputs. Licensed Products shall not pass Decrypted Type 2 Audio DT Data, whether in digital or analog form, to an output except as permitted in subsections of this section 3.2.

3.2.1 Digital Outputs. Licensed Products shall pass Decrypted Type 2 Audio DT Data to digital outputs and accurately transmit Digital CCI and ISRC Information as follows:

3.2.1.1 To DTCP-protected outputs as Type 2 Audio DT Data according to the Specification.

3.2.1.2 Legacy Digital Audio Outputs. Legacy Digital Audio Outputs from Licensed Products shall be limited to 1.5 times normal speed, unless the pitch is corrected to the pitch at normal speed. In addition, such outputs shall comply with the following requirements:

3.2.1.2.1 Limitation on Sound Quality. Sound quality of Legacy Digital Audio Outputs when playing Linear PCM and Packed PCM streams shall be equivalent to CD-Audio Quality or less.

3.2.1.2.2 SCMS Status Setting. Licensed Products that are not operating as an internal, peripheral, or software component of a Computer Product shall ensure that Legacy Digital Audio Outputs IEC-958, IEC-60958, and IEC-61937 shall include SCMS information corresponding to embedded CCI. Licensed Products shall not actively strip out or actively alter any SCMS information contained in the Digital Audio Content.

3.2.1.2.3 IEC-958/60958 Sunset. Licensed Products constructed on or after October 1, 2005 shall not pass Decrypted Type 2 Audio DT Data to IEC-958 or IEC-60958 outputs.

3.2.1.3 To outputs protected by other methods, if any, that may be approved by DTLA in the future for Commercial Audio Works.

3.2.2 Analog Outputs. Decrypted Type 2 Audio DT Data passed to analog outputs from Licensed Products shall be limited to 1.5 times normal speed, unless the pitch is corrected to the pitch at normal speed. Except for the requirement just described, sound quality of analog outputs is not restricted in any way by Digital CCI.

3.3 Recording Technologies. Licensed Products shall not pass Decrypted Type 2 Audio DT Data to any recording technology except, where such Decrypted Type 2 Audio DT Data is encoded other than Copy Never or No More Copies, to a technology listed in a subsection of this section 3.3.

3.3.1 The copy is scrambled or encrypted using a copy protection technology that is identified by DTLA for use with Type 2 Audio DT Data.

3.3.2 Methods which may be approved by DTLA in the future for Type 2 Audio DT Data.

3.4 Internet Retransmission. The parties acknowledge that Licensed Products shall not permit retransmission of Decrypted Type 2 Audio DT Data to the Internet.

EXHIBIT B-2, PART 3: COMPLIANCE RULES FOR TYPE 3 AUDIO CONTENT

1. Applicability. This Part 3 of this Exhibit B-2 is applicable to Licensed Products that handle Type 3 Audio DT Data.

2. Definitions. For purposes of this Part 3, the following terms shall have the meanings set forth below.

2.1 “Decrypted Type 3 Audio DT Data” shall mean, with respect to any Licensed Product, Type 3 Audio DT Data that has been received by such Licensed Product’s Sink Function and decrypted by such Licensed Product according to DTCP but has not been passed to an output permitted by this Part 3 of this Exhibit B-2.

2.2 “Type 3 Audio DT Data” shall mean Audio DT Data that is “Type 3: Super Audio CD” content as described in the Specification.

3. Sink Functions

3.1 No Copies. Licensed Products shall be constructed such that Type 3 Audio DT Data received via their Sink Functions may not, once decrypted, be stored except as Transitory Audio Data. Adopter is advised that these Compliance Rules may be amended in the future to permit copying of certain Type 3 Audio DT Data.

3.2 Permitted Outputs.

3.2.1 Digital Outputs. Licensed Products may only pass Decrypted Type 3 Audio DT Data to a digital output as follows:

3.2.2 To DTCP-protected IEEE 1394 outputs according to the Specification, provided that such Licensed Product passes through, without alteration, the value of the Embedded CCI and EMI (as such terms are used in the Specification) associated with such Decrypted Type 3 Audio DT Data; or

3.2.3 To outputs protected by other methods, if any, that may be approved by DTLA in the future for Type 3 Audio DT Data.

3.3 Analog Outputs. Licensed Products may only pass Decrypted Type 3 Audio DT Data to an analog output at a rate equal to or slower than real time.

3.4 Internet Retransmission. The parties acknowledge that Licensed Products shall not permit retransmission of Decrypted Type 3 Audio DT Data to the Internet.