

Chapter XI

Online Consumer Privacy and Digital Rights Management Systems

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ABSTRACT

While delivering content via the Internet can be efficient and economical, content owners risk losing control of their intellectual property. Any business that wishes to control access to and use of its intellectual property is a potential user of digital rights management (DRM) technologies. DRM control content delivery and distribution but it may affect users' privacy rights. Exactly how it should be preserved is a matter of controversy; and the main industry solution is the W3C platform for privacy preferences (P3P) initiative. But, the issue remains unresolved, and industries and consumers are confronted with several incompatible standards.

INTRODUCTION

The Internet has made an unprecedented impact in daily life. Broadband subscriptions in the U.S.

are projected to jump from 24 million in 2003 to nearly 50 million in 2008 (Cravens, 2004). The proliferation of digital technologies in homes, workplaces, and public places will enable a rap-

idly growing number of people to have access to the information superhighway. The e-commerce paradigm is both an opportunity and challenge to business. It also has implications for content owners and content users/consumers. While delivering content via the Internet can be efficient and economical, content owners risk losing control of their intellectual property. Use of software to control this delivery and distribution of **digital content** may also affect users' **privacy** rights. A digital method of controlling access to and use of **digital content** must be developed, and used in combination with policies put in place in order to protect the rights of content owners without infringing on the rights of users. Any business that wishes to control access to and use of its intellectual property is a potential user of **digital rights management** (DRM) technologies. DRM technologies are any of various computer-based methods of protecting digitally stored content, usually applied to creative media. These include various ways of enforcing access control to authorized users only. This may be done through different strategies or combinations of strategies that may include:

- a. Identifying authorized users;
- b. Identifying genuine content;
- c. Verifying proof of ownership and purchase;
- d. Uniquely identifying each copy of the content;
- e. Preventing content copying;
- f. Tracking content usage and distribution; and
- g. Hiding content from unauthorized users.

The entertainment industry is leading the charge for DRM adoption as a means to preserve their copyrights. Because the online distribution of **digital content** is different from physical distribution of content incorporated on media (downloading music vs. buying a CD), many **digital content** providers are actively reevaluating

their business models. They are opting to move from a traditional buy-and-own to a pay-per-use model with the incorporation of DRM technologies (ClickZ, 2003). However, this trend poses great risks to consumers and society. DRM technologies weaken the rights to **privacy**, fair use, and threaten the freedom of expression (EPIC, 2002). Naturally, everyone is in favor of **privacy**. Exactly how it should be preserved is a matter of controversy; and the main industry initiative facilitating online **privacy** is the W3C **platform for privacy preferences** initiative.

At the moment, consumers are faced with several incompatible standards, and thus may face different kinds of threats to **privacy** as a result. When no standard exists, each content distributor's DRM system must be treated individually. Content distributors continue the struggle with technology companies over which form of DRM should be included in the next generation of products and services. Some providers even made contents available without DRM protection at all (EMI, 2007). At stake is the future of consumer interactions with, and uses of, copyrighted digital media. The conflict is between the rights of content owners and the **privacy** rights of content users. This chapter will discuss several DRM techniques and how their use could affect consumer **privacy**.

Producers' Rights: Legal Framework for Copyrights

A copyright is the legal right granted to an author, composer, playwright, publisher, or distributor to exclusive publication, production, sale, or distribution of a literary, musical, dramatic, or artistic work. It provides content creators with the legal right to be paid for, and to control the use of their creations. The foundation for copyright is based on the U.S. Constitution which gives congress the power "to promote the progress of science and useful arts, by securing for limited times to authors and inventors the exclusive right to their respective writings and discoveries" (LII, 2007a).

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