

DMDS Gives Radio Security **EMI Canada Is Country's First Label To Use** **System For Major Releases**

By: Larry LeBlanc

With a single key stroke, on May 28 EMI Music Canada became the first label here to digitally deliver a major release to Canadian radio through a new secure system.

Using Toronto-based media services company Musicrypt's DigitalMedia Distribution System (DMDS), EMI delivered the Jane's Addiction single "Just Because" to 22 Canadian rock radio stations for streaming to music directors. The track was "unlocked" to enable downloading and on-air broadcast May 30. Musicrypt VP of sales and marketing Peter Diemer says that by using the system, EMI VP of National Promotion and Media Relations Derrick Ross "saved eight promo reps across the country at least two trips each to the radio stations they service to deliver and promote the single." DMDS is a web-based content-

delivery system. It was pitched to labels here as a simple way for radio to receive new releases from the record industry. It can also provide worldwide digital delivery of music files within a record label structure.

While final pricing for DMDS delivery has yet to be fixed, Diemer expects record companies to be asked to pay Musicrypt \$4.75 Canadian (\$3.47) per track, per radio station for transmission of a lead-off single and \$2.75 Canadian (\$2) per track, per station for follow-up singles or remixes.

DMDS utilizes windows Media Audio and wave files on the Internet. The system is protected from illegal access by a 1-million-bit encryption and by Musicrypt's "biometric authentication" process. That process creates a distinct template for each user by comparing the ways in which

a password is typed eight times during a registration program. Downloads are individually watermarked.

Musicrypt launched in 1999. Initially, it aimed to offer a secure digital delivery system for consumers. It switched its focus to a music-industry strategy last year. Since November 2002, EMI Music Canada and Toronto-based radio chain Standard Broadcasting have been working with Musicrypt on testing and refining DMDS. Musicrypt also installed DMDS at the Toronto offices of Universal Music Canada and Sony Music Entertainment (Canada) for internal testing in December 2002. Since March 5, the company has traded on Canada's public venture capital market TSX, under the name MCT. Ross says, "The more I use DMDS, the more I like it. I can control what goes where. I can include photo clips of the album jacket and a bio in the file. It's a piece of cake to use."

Wayne Webster, assistant PD/Music Director at adult radio station GKFM Toronto, agrees: "It's simple to use. There's an icon on your screen, and you click on it, type in your user name and password, and the file

comes up. You listen to it, and then you put it in your system." Musicrypt executives contend that DMDS will eliminate the costly physical distribution of tracks by Canadian labels as well as the practice of transferring MP3 files of major releases between labels and stations, which has been deemed unreliable.

"Cranking out CDs [for radio] is expensive," agrees Vel Omazic, Sony Music Entertainment (Canada) VP of National Promotion and Media Relations. "Also, many Canadian radio programmers get singles from the U.S. right away. They have American contacts, and they monitor U.S. stations. We have to stay on top of that."

"Sending out MP3 files is a temporary solution," Universal Island/Def Jam Canada VP of Promotion Paul Jessop adds. "Everybody is on the edge of doing this switch [to electronic distribution], but not yet. There are still folks that like to have the CD to hear in their car. If it's on their desk, it's tangible. They see it. If it's in a computer, you may as well put it in a cabinet."

Musicrypt President/CEO John Heaven notes that DMDS' design

also enables the digital delivery of music files directly from a recording studio to a label's A&R department without compromising prerelease security. Without such delivery, he says, "if a Canadian label has an artist recording in London, England, there might be a two or three day delay before the A&R representative in Canada hears a mix." The Jane's Addiction release was preceded May 20 by EMI Music Canada's servicing of the lower-profile debut single "Generation Genocide" by Canadian band Jersey to Canadian rock radio stations through DMDS.

That delivery was the last in a series of DMDS transfers for the track. Mixes were sent from **EMAC Studios in London, Ontario**, to EMI's Toronto A&R department using the system. Subsequent mixes were also transferred via DMDS from Metalworks Recording studios in Mississauga, Ontario, to EMI's Toronto head office.

DMDS is only effective in protecting internationally distributed releases if it is adopted by a label worldwide. After a prerelease leak elsewhere, however, it could turn up on the Internet, according to Diemer. "We've

had conversations with several record companies outside Canada," he says, "and they said: 'Prove that DMDS works and is scalable on a global basis, and we will show more interest.'"

Several Canadian executives contend that the field of electronic transmission of audio files is already overcrowded, with several other North American firms offering alternative systems. Heaven acknowledges that DMDS will have to expand its client base and radio-station reach in Canada (it is currently in 30 stations) to prosper. But, he insists, "We have yet to come across anyone who has taken our approach, combining high-value encryption, biometrics and digital-rights management in a Web-based service."