



Mobile  
Entertainment  
Forum

## **EXECUTIVE SUMMARY**

### **MEF mDRM White Paper**

*A guide to mobile Digital Rights Management*

*Prepared by:* **Booz | Allen | Hamilton**

*With support from the Mobile Entertainment Forum's  
Mobile Digital Rights Management Group*

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## ***Introduction***

In the last decade, the mobile market around the world has developed at a speed and intensity that no one could have foreseen. With well over one billion mobile phones now in use and talk of a further billion in the next three to four years, personalization and mass market appeal have combined to make the mobile medium a huge success story. The personalization element of mobile, together with the increased convergence of the mobile and entertainment worlds, have also created significant new revenue streams: Informa Telecoms & Media estimate that global revenues from mobile entertainment will reach \$37bn by 2010.

Mobile phones are now extremely sophisticated devices, incorporating technology from the neighbouring areas of music, photography, games, television and PCs. This innovation has been accompanied by the challenges of how to deal with piracy and copyright protection in the digital age and how to protect valuable content while developing new and sustainable business models.

The Mobile Entertainment Forum (MEF) represents the interests of its global membership across the value chain. Via their initiatives, MEF brings together leading industry players to discuss and solve topical issues to help drive the industry forward for the benefit of all. To this end, the mobile Digital Rights Management (mDRM) initiative has been established, with assistance from founder MEF member and consultancy firm, Booz Allen Hamilton, to focus on the issues surrounding this critical area.

MEF views mDRM as a business enabler and the initiative's aims are to increase awareness of mDRM and identify where the responsibility for best practice deployment lies, in order to enhance the end-user experience and ultimately drive mobile entertainment revenues. MEF favours the adoption of open standards ie non-proprietary standards, which acknowledge the consumer's right to privacy while also upholding such principles as fair use and freedom of speech, to secure the development of a healthy, inter-operable mobile content industry.

The following is an executive summary of the MEF mDRM white paper produced by Booz Allen Hamilton specifically for MEF members. The primary aim of the white paper is to sum up where mDRM is today and to illustrate mDRM in practice using real life case studies of commercially implemented solutions. The document also endeavours to answer the following questions:

### ***1. What does mDRM mean for content owners and distributors?***

The availability of robust digital rights management makes the mobile channel a far more secure channel for the majority of high value content. With effective mDRM in place, content owners can explore mobile distribution and build strong, sustainable business models in the mobile world. Business models incorporating super-distribution – where content is forwarded from one user to another, with revenue collected from each transaction – are particularly well suited to the music and games sectors and, as operators are discovering. In these cases, mDRM builds confidence that mobile phones and mobile distribution channels can be trusted with valuable content, while recognising the need to support, for example, the Creative Commons-style approach. Based on the successes to date, mDRM has become a critical enabler for a world of rich mobile entertainment, creating additional revenue streams and cultivating customer loyalty in new and compelling ways.

## 2. Why protect content on mobiles?

As with CDs, games and software, illegal copying and unauthorised distribution of copyright material constitute theft. The need for protection is based upon the creator's right to extract value from their work, as well as the distributor's right to ensure that users legitimately access mobile content. A robust mDRM framework is necessary to allay the fear that mobile phones will become the next generation medium for illegal file sharing networks and uncontrolled distribution of copyright material.

## 3. What are the basic aims of mobile content protection?

Content protection and rights management support two fundamental objectives in the mobile content market; protecting the value of content and maximizing its value.

	Protecting Value	Maximizing Value
Aim	<ul style="list-style-type: none"> <li>— Provide an operating environment in which the value of content can be preserved</li> <li>— This means that the operating environment must not expose content to undue levels of vulnerability from outside attack which would impact the value of the content</li> </ul>	<ul style="list-style-type: none"> <li>— Make the most of the commercial value of the content</li> <li>— The aim is to extract the most value from a given piece of content through pricing, volume, access and viewing conditions</li> </ul>
Implications	<ul style="list-style-type: none"> <li>— In practical terms, industry participants secure networks and devices against attack</li> <li>— Failure to do so would create an untrusted environment, and would have a major negative impact on the launch and adoption of mobile content services</li> </ul>	<ul style="list-style-type: none"> <li>— Content protection mechanisms can be combined with rights management solutions to establish rules on how and where content can be treated, and how pricing rules can be applied to ensure maximum value is derived</li> </ul>

## 4. What's been done so far?

Content protection on mobile phones has come a long way in the last three years. The Open Mobile Alliance (OMA), a body defining technical standards for current and future generations of mobile phones and networks, has developed a series of open standards known as OMA DRM v1 and v2. Version 1 is now installed in most mobile phones. The specification for version 2 – agreed in July 2004 and due to enter the market in the near future – is aimed at a wider audience and can be deployed across all networks, PCs and consumer electronic devices as well as mobile.

OMA DRM v1 affords basic protection for mobile content and a number of major mobile network operators and content providers have launched branded download services for mobile based on these standards.

OMA DRM v2 offers enhanced security and new possibilities for interesting business models offering high value content, although it presents more challenges to the industry to develop simple, effective ways to build this into the daily life of the end user.

Technology issues aside, OMA's efforts to develop a framework for mDRM show that the industry can work effectively together in developing the open standards needed to drive take-up and adoption.

## **5. What's next?**

Notwithstanding OMA's successes, there is still much work to be done on standards: mobile operators need to move forward in implementing mDRM measures; phone manufacturers need to decide which capabilities to support, and which to ignore; content owners need to decide how much protection they want to apply to which content, under which conditions and – the subject of much recent discussion – how much they want to charge users; and the mDRM technology providers need to look at new models for implementing their solutions to accelerate the development of mobile content.

## **6. Who wins?**

The consumer wins! Mobile users have already shown a strong willingness to pay for mobile content, and the fact that the value of the mobile content industry has already surpassed that of the internet download business is testimony to this. Consumers are prepared to pay provided the content is personalized and delivered in real time within the right context. With proper mDRM solutions in place, customers will benefit more and more from an increasingly rich experience associated with well-known and – most of all – *protected* brands. Ultimately, if the consumer wins then everyone in the value chain stands to gain, but this won't be achieved without the full co-operation of all parties involved.

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The full white paper report is available to MEF members only. Please contact:

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### ***About Booz Allen Hamilton***

Booz Allen Hamilton has been at the forefront of management consulting for businesses and governments for more than 90 years. Booz Allen combines strategy with technology and insight with action, working with clients to deliver results today that endure tomorrow. With 12,000 employees on six continents, the firm generates annual sales of \$2.4bn. Booz Allen provides services in strategy, organization, operations, systems and technology to the world's leading corporations, government and other public agencies, emerging growth companies and institutions.

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