

## Digital movie locker 'UltraViolet' nears launch

July 20 2010, By RYAN NAKASHIMA, AP Business Writer

(AP) -- A group of media and electronics companies will soon start testing a system that will let you watch the movies you buy wherever you are, regardless of formats and other technical hurdles. Like ATMs, your account would follow you, no matter what brand of machine you use.

The group has also come up with a name for the open standard it is creating, which it was unveiling Tuesday: UltraViolet.

The open standard backed by movie studios including Warner Bros. and technology companies such as Microsoft Corp. represents a challenge to proprietary formats from Apple Inc. and others. Those formats lock buyers of <u>video content</u> to limited numbers of devices, such as the <u>iPad</u> or Apple TV.

Backers of the Digital Entertainment Content Ecosystem hope to kickstart growth of digital movie purchases, now just 4 percent of all sales, by freeing consumers of format concerns.

That would mirror the way that the use of automated teller machines exploded once all banks cooperated in processing transactions, said Mitch Singer, the chief technology officer for Sony Pictures Entertainment and president of the consortium, the Digital Entertainment Content Ecosystem.

The concept is to create a digital locker that stores tokens that are proofs of purchase of DVDs, Blu-ray discs and movie downloads. When a



consumer buys a movie online or at a store, he can watch it anywhere else, including on any mobile device or TV set without the hassle of copying his personal files.

The UltraViolet brand is meant to evoke the platform's invisible presence, and transcendence across numerous devices.

"It's outside the visible spectrum, but it's all around you and it's ubiquitous," Singer said.

Specifications for a proposed common file format will be released soon, and testing of the system with an unnamed retailer will begin by the end of the year, Singer said.

Although the consortium contains a broad swath of companies including Toshiba Corp., <u>Best Buy</u> Co. Inc. and <u>Netflix</u> Inc., it does not include Apple Inc., or The Walt Disney Co.

Disney is attempting to come up with its own digital locker system called "KeyChest" that seeks to accomplish roughly the same thing. Apple representatives declined to comment.

Movie studios are pushing the benefits of being able to buy movies once for use on any device to offset the decline in DVD sales.

U.S. spending on all home video products, including discs, downloads and rentals, fell 5 percent to \$20 billion in 2009, dragged down by a \$2 billion decline in DVD spending to \$16.4 billion, according to industry association The Digital Entertainment Group.

Spending on digital downloads, video-on-demand rentals and Blu-ray discs grew by about \$1.1 billion combined to \$3.6 billion, not enough to make up for the DVD decline.



One hurdle facing the digital locker concept is that the retailer collecting money on the sale may not be the one that bears the cost of delivering the movie over set-top boxes or the Internet.

So far, the necessary web of deals allowing for that complex transaction has not been set up.

Mark Coblitz, senior vice president at group member Comcast Corp., said his company has not decided how it might develop a business using digital tokens.

Comcast could sell UltraViolet-compatible movies through its Fancast video website, or deliver movies that customers have purchased elsewhere over Comcast set-top boxes. Either method could involve complex sharing of costs and revenues.

But no matter the business model, Coblitz said giving customers a way to access their movie libraries anywhere could make a Comcast cable subscription more worthwhile.

"It really adds a lot of value to being a customer of Comcast," he said.

More information: Digital Entertainment Content Ecosystem:

http://decellc.com

UltraViolet: http://www.uvvu.com

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