![DDEX - Standardising the Digital Supply Chain]

Frequently Asked Questions

Contents

1. General Questions

1.1. About DDEX

What is DDEX?

DDEX (Digital Data Exchange, typically pronounced "Dee-Dex") is a consortium of leading media companies, music licensing organisations, digital music service providers and technical intermediaries focused on creating standards for use by businesses in the digital media supply chain. Adoption of the standards improves efficiency, reduces cost and generates higher revenues for all businesses operating in this market.

How will DDEX help?

DDEX was set up to develop a single set of standard XML messages for the business-to-business communication of information between organisations operating in the digital media supply chain.

Companies involved in the business of providing digital media services have to exchange significant amounts of data. Over the past few years, these services have become increasingly complex, providing more diverse offerings to consumers, with more companies involved in the supply chain all dealing with massive increases in transaction volumes. The businesses involved in the provision of these services therefore need to adopt standard message formats in relation to the exchange of information in order to simplify vital business processes for the future.

Even though DDEX standards have been developed and published, data between some individual partners is still being carried out using various proprietary message formats. For example, this means non-standard data about music files is going from record labels to digital service providers and non-standard sales reports coming from these partners back to record labels and music rights societies. Attempting to accommodate numerous message formats increases cost, risk of errors.

The standards that DDEX is developing are tackling this problem and as DDEX standards become more widely adopted, the use of multiple proprietary message formats with business partners will be a thing of the past and decrease the use of labour intensive manual management and communication of messages. The end result for digital media businesses is faster time to market, improved operational quality and efficiency, improved data quality, reduced transaction management costs, reduced communication costs and reduced development costs.

When was DDEX launched?

DDEX was launched in May 2006.

How is this beneficial to artists, composers and other creators?

Standard message formats simplify and increase the accuracy of key processes on which artist and composers depend.

Digital sales reports are key to driving royalty reporting whilst licensing permissions are key to ensuring that repertoire is made available for sale in as many places as rights permit.

How is this beneficial to the consumer?

DDEX standards are purely for use in business-to-business exchange of data. However, the use of standard message formats can speed up and simplify the communication of data and reduce systems development whilst offering the prospect of a more automated technical environment. Over time it will increase the accuracy of data involved in making content available for sale by digital service providers to consumers.

This will improve the digital supply chain process that will enable better quality information to reach the end consumer and may facilitate more content being made available for sale. By having one set of standard message formats to implement, that's one less problem to worry about leaving more time to devote to the consumer experience!

It is important to note that the use of DDEX messages has no adverse impact on consumers' privacy concerns. All DDEX means is that more content becomes available quicker.

1.2. Membership

Who can join?

Membership of DDEX is open to any business with an interest in digital media content.

How much does it cost?

There are three levels of membership.

Charter Members pay US$ 25,000 per annum for membership, Full Members pay a fee determined by their revenue per year (see the table on http://ddex.net/membership-categories-and-benefits) and Associate Members pay US$ 2,500 per year. However, using

the standards themselves is free and you do not have to be a member to do so (see Section 1.3.7)

What do DDEX members get?

All members of DDEX get the opportunity to review and comment on all DDEX standards before they are made public.

Charter and Full Members can participate in work prioritisation, requirements gathering, development and drafting of DDEX standards. Through active participation, members can ensure that the standards formulated will meet their particular transaction and information needs. They will also have the opportunity to influence the direction of the broader standards development effort and gain early mover advantage in carrying out implementations.

Members are required to work in good faith to support the purpose of DDEX, participate in the process in accordance with their level of membership and to adhere to DDEX's intellectual property policy. Members also have to make timely payment of their membership fees!

Who are the current members of DDEX?

Since launch, nearly 70 companies have joined DDEX as Members. The full list of members can be found on the DDEX website (http://ddex.net/current-ddex-members-0).

Who started DDEX?

DDEX was founded by the major record labels, major music rights societies in the US and Europe and leading digital and mobile music service providers.

Therefore its work thus far has focused on developing standard message formats for the communication of data about digital music. This is the first time all these leading players in digital music have agreed to jointly work together to solve these serious multi-industry problems around digital music distribution.

However, it was always the intention that other content types would in time be embraced by the work that DDEX is carrying out.

Who has implemented the DDEX standards?

DDEX standards have been widely implemented across the digital supply chain by digital retailers, digital distributors and aggregators, record companies, music rights societies and various technical service providers. These implementations have been deployed by major

digital music players including Apple, Beezik, Consolidated Independent, Digiplug, EMI Music, the Harry Fox Agency, Kontor New Media, Naxos, NCB, Omnifone, PRS for Music, SACEM, Sony Music Entertainment, Spotify, SUISA, Rhapsody, Rightsflow, Universal Music Group and Warner Music Group.

Over all more than 700 implementation licences have been issued so far and this number is growing daily.

In addition, a number of others have recently announced that they will be adopting DDEX standards on a strategic basis going forward. These include Nokia, The Orchard, PPL, Rhapsody International, RightsFlow, SGAE, SCPP and Sony DADC Digital Services.

A full list of known implementation can be found on the DDEX website (http://ddex.net).

How does DDEX develop its standards?

The detailed standards development work is carried out in technical Working Groups. The specific subject matter and mandates of each Working Group is established by a Board resolution, which will normally specify finite time deadlines.

The Board also appoints the Chair of each Working Group, which must be a representative of a Charter or Full Member. Any Charter or Full Member representative with an interest in subject matter can be a member of a Working Group.

How are decisions made?

The decision making process for the creation of output documents — including standards — is by consensus. No working group has yet failed to reach a consensual solution but if it were to happen the Board would adjudicate on the issue.

How often does DDEX hold meetings?

Working Groups work primarily through telephone conference calls and e-mail.

However, at least three times a year, DDEX's member representatives meet for three days of intensive work on the standards development. Currently the location of the meetings rotates between cities in Europe and the East and West Coasts of North America.

1.3 DDEX Standards

How long has DDEX been working on its standards?

DDEX has been working on standards and associated supporting documentation since the summer of 2006. In that time several iterations of the standards have been produced. Such iterations typically address new requirements being brought forward and/or remove bugs and are all based on input from at least one of the member companies.

As these have been tested as a result of implementation activities further work has been undertaken to improve the structure of the standards and to ensure they meet changing market requirements.

What are the current DDEX standards?

DDEX has published standards in the following areas:

- To aid the process of communicating products from record companies to DSPs, DDEX has developed:

  - The Electronic Release Notification Message Suite (for communicating information about albums, sound recordings, musical works, and the contracts associated with them) and
  - The Choreography Standard for Release Deliveries (defining standard ways of exchanging Electronic Release Notification Messages by enabling the "daisy-chaining" of "helper" messages and expected behaviour);

- To aid the process of communicating sales and usage information from, typically, DSPs to record companies or music rights societies and publishers, DDEX has developed:

  - The Digital Sales Reporting Message Suite (for communicating sales and usage information about albums, sound recordings and musical works and the financial transactions associated with them) and
  - The Choreography Standard for Sales Reporting (defining standard ways of exchanging Digital Sales Reports by enabling the "daisy-chaining" of "helper" messages and expected behaviour);

- To aid the process of licensing musical works, DDEX has developed

- The Musical Work Licensing Message Suite which supports the communication of information about musical works to enable musical work licensing and
- The Canadian Mechanical Licensing Choreography that defines, for Canada, when and how to exchange Musical Work Licensing Messages

- To aid the communication amongst music licensing companies, DDEX has developed:

  - The Music Licensing Company Message Suite and Choreography Standard. It enables the exchange of rights claims as well as revenue data between music licensing companies;

- To aid the signalling and addressing of data mismatches or errors DDEX has developed a Data Mismatch Message Suite;

- Underpinning the above standards are a series of "supporting" standards"

  - Data Dictionary Standard that defines all the terms used in the DDEX messages including the semantics for those terms including "allowed-value lists";
  - The DDEX Party Identifier Standard which provides a unique identification system used to identify each sender and recipient of a DDEX message. Each party implementing DDEX messages is provided with a DPID; and
  - The DDEX Digital Signatures Standard which is used to help ensure that a recipient knows they have received a message in its entirety and that it has not been tampered with in transit.

The standards can be found on the DDEX website (http://ddex.net).

Does any supporting documentation exist to assist implementations?

Yes. The following supporting documentation is available to organisations that want to evaluate or implement the DDEX standards:

- Overview slide presentations;
- A general DDEX Handbooks;
- This high-level FAQ;
- A technical Handbook for different DDEX standards; and
- A technical knowledge base.

The supporting documentation can be found on the DDEX website (www.ddex,net).

Who owns the DDEX standards?

All contributions made by DDEX members in creating the standards remain the property of that member. DDEX owns the copyright in the actual standards. Through its membership agreement each member grants DDEX a licence to use the contributions made by its representatives.

Do I have to be a DDEX member to use DDEX standards?

No!

You do not need to be a member of DDEX to use DDEX standards — you only need an implementation licence, which is free of charge. However, if you are interested in helping make the DDEX standard better, we strongly encourage you to become a DDEX member.

Further information and the terms of the DDEX implementation licence can be found on the DDEX website (www.ddex.net).

How much does the implementation licence cost?

Nothing, it is entirely free.

Why do I have to agree to the clause indemnifying DDEX as the licensor within the DDEX license agreement?

This is part of the agreement you enter into to use the industry standard and all companies in the "DDEX ecosystem" have signed it. It is a common standard clause employed by software companies and where groups of large companies are collaborating together

2. Operational Questions

2.1. General

Are messages being delivered by or through DDEX?

No. DDEX is a standards-setting organisation, DDEX does not actively participate in message exchange activities between business partners.

DDEX messages are exchanged directly between business parties.

Are all fields mandatory in the standards? Have the details been defined?

No. The message suite standards have many optional fields to support a wide range of business models and Release types. "Release" is the term used by DDEX to reference a bundle of content, which might be a single track or other creation.

Which elements are mandatory depends on the business model and Release type. DDEX has developed a series of "Business Profiles" and "Release Profiles" that define sets of mandatory information for a range of typical business models and Release types.

Do DDEX standards cover all business models used in the music industry?

DDEX standards address all business models that members have brought for discussion at Working Group or Plenary Meetings. This makes the standards very flexible, but also complex. Therefore, and in order to simplify them, DDEX has developed a series of "profiles" for specific common business models and Release types:

- •   Business profiles describe Deals (i.e. the terms and conditions under which a Release may be offered to the public) in a specific business scenario; and
- •   Release profiles describe Releases and their parts to those fields needed in a specific business scenario.

Can DDEX messages communicate Japanese or Chinese characters?

Yes. DDEX messages support a wide range of languages and scripts.

Do the DDEX standard allow using custom tags?

No. Adding custom tags would undermine the standard format of the DDEX standards. There are, however, allowed value lists (also known as code lists) and new terms can be added to these easily to deal with any new business development.

2.2. Identifiers

What content identifiers are supported by DDEX?

DDEX Messages support a wide variety of industry identifiers to identify Creations. Amongst them are:

- ISRCs for Sound Recordings and Music Videos;

- ISANs for Audiovisual recordings;
- ISMNs for SheetMusic;
- ISWCs for MusicalWorks; and
- ISTCs for Text Resources.

Can I communicate several identifiers for a Release, sound recording or party?

Yes. DDEX supports the communication of several identifiers for a single creation. For example, a sound recording can be identified, at the same time, by an ISRC and a catalogue number and a proprietary identifier allocated by, say, the DSP offering the sound recording to its customers.

What is a DDEX Party Identifier (DPID)?

This is an alphanumeric identifies which uniquely identifies the Party to whom the message is sent. The DPID is defined as a standard by DDEX and is allocated when organisations acquire a DDEX implementation licence, the application form for which can be found on the DDEX website (www.ddex.net).

Can a company have multiple DDEX Party IDs?

Yes. Although companies only need one implementation licence to cover all their DDEX implementations it may be beneficial for them to have multiple DDIDs. The application form for additional DPIDs is on the DDEX website (www.ddex.net).

3. General

Is there a more technical FAQ available?

Yes. DDEX is maintaining a Technical FAQ and Knowledge Base which can be found on the DDEX website (http://ddex.net/supporting-documentation).