



TECHIE NEWS



Apple Debuts Unprotected Songs Online

[The Associated Press]

[By May Wong]

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(AP) - Apple Inc.'s iTunes Store started selling thousands of songs without copy protection Wednesday, marking the trendsetting company's latest coup and a model for what analysts say will likely become a pattern for online music sales.

Launching initially with songs from music company EMI Group PLC, iTunes Plus features tracks that are free of digital rights management, or DRM, technology copy-protection software that limits where songs or movies can be played and distributed.

The unrestricted content means some songs purchased from iTunes will work for the first time directly on portable players other than Apple's iPod, including Microsoft Corp.'s Zune.

The inaugural batch of iTunes Plus songs includes music from Coldplay, The Rolling Stones, Norah Jones, Frank Sinatra, Pink Floyd and more than a dozen of Paul McCartney's classic albums.

The DRM-free tracks feature a higher sound quality and cost \$1.29 apiece 30 cents more than the usual 99-cent price of other, copy-protected songs at the market-leading online music store.

If available, users could upgrade existing purchases to DRM-free versions for 30 cents a song or \$3 for most albums, Apple said.

London-based EMI, the world's third-largest music company by sales, and Cupertino-based Apple announced their partnership in April to deliver the industry's first major offering of DRM-free songs, sharing a vision of what both companies say their consumers want: flexibility and CD-audio quality.

Other smaller online music vendors, such as eMusic.com, already offer songs without DRM, but the selections have been limited to

mostly content from independent labels.

Barney Wragg, the global head of digital music at EMI, said the iTunes Plus launch capped six months of work to convert most all of the company's digital catalog into a DRM-free format.

"Our customers told us two things deterred them from buying digital," Wragg said. "They weren't 100% confident that the songs they'd purchase could play on their devices, and they wanted something closer to CD quality."

Earlier this year, Apple CEO Steve Jobs called on the world's four major record companies to start selling songs online without copy-protection software.

"We definitely think it's the right thing to do," Eddy Cue, Apple's vice president of iTunes, said Wednesday. "In this case, EMI's a leader and we think others will follow."

In a statement Wednesday, Jobs reiterated Apple expects that more than half of the 5 million songs on iTunes will feature a DRM-free version by the end of the year.

In the meantime, Apple's iTunes Store will continue to offer songs in the same copy-protected format as today at 99-cents-per-download and encoded at 128 kilobits per second. The iTunes Plus versions are encoded at 256 kbps, which Apple says makes the audio quality on par with original recordings.

Apple also will continue to encode its songs including EMI's DRM-free content in the AAC

audio format, which could force some users to go through an extra step of converting tunes into a version that would be compatible with their players.

Some gadgets don't support AAC, including SanDisk's newest Sansa Connect or Samsung Electronics Co.'s YP-K3, but industry analyst Susan Kevorkian of the IDC market research company expects support for AAC will widen following Apple's move this week.

Amazon.com, by comparison, said it plans to sell songs online later this year in the DRM-free MP3 format the popular unrestricted audio standard that is supported by virtually any device, including Apple's best-selling iPod.

The next generation of digital music will be untethered from usage restrictions, Kevorkian predicts. It's something major music labels other than just EMI will have to do if they want to combat the industry's years long decline of music CD sales, she said.

"They absolutely have to reach the Internet to drive music sales, and part of that is to remove the hurdle that comes with the lack of interoperability," Kevorkian said.

Shares of Apple were trading at \$115.85 in afternoon trading, up \$1.50 from Tuesday's closing price off \$114.35.

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