

**WHAT ARE RIGHTS AND WHY AND HOW SHOULD THEY BE
MANAGED?**

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Rights are a primary commerce motivation, in that without rights people and organizations cannot hold or trade value. Thus a general purpose system for maintaining traditional commercial rights in digital environments is required. Such a system must address contractual, proprietary, societal, and privacy rights, among others, and at the same time protect individual rights holders in cyberspace.

Various legal systems have traditionally facilitated the wheels of commerce by representing mutual agreements among participants within a commerce transaction or value chain. The U.S. Copyright Act, for example, governs reproducing or preparing works derivative of, or distributing copies of, a copyrighted work. Operating within electronic media, InterTrust is a system for specifying and automatically enforcing these kinds of agreements in cyberspace, as well as for automating associated administrative and value chain processes through the use of new technologies:

- Collecting societies/RROs. In most intellectual property industries, in most countries, mechanisms exist to collect royalties. Many countries employ compulsory licensing. These processes can now be governed efficiently and automatically with regard to electronic properties.
- Societal rights. Society, which ideally protects communal interest and preserves social order, has a natural interest in both commercial and information processes, including but not limited to taxation. The full enacting of traditional societal rules in cyberspace can now be handled easily and automatically
- Proprietary rights. The right to receive value from inventions, trade secrets, and other interests (e.g., contributed labor), whether in software or hardware is universally recognized. The process of authorizing the use of and compensating for the use of patent or proprietary or other interested related electronic rights can now be substantially automated in many rights contexts.
- Privacy rights. Individuals, organizations, and governing authorities have direct interests and rights regarding privacy, although norms and laws vary among nations and institutions, etc. Individuals and organizations can now electronically negotiate the protection and/or use of their privacy rights in cyberspace.

In addition to the migration of traditional rights protection into cyberspace, new kinds of electronic rights processes, including those centered on multiparty value chains as provided by InterTrust's Chain of Handling and Control™, can now be efficiently managed. Chain of Handling and Control allows plural parties to each contribute commerce rules and consequences under the authority or control of prior or more senior participants, thus automating distributed commercial "fabrics." Parties may have different levels of seniority, and different rights. For example, an author can require a fee, a publisher can allow a mark-up, an aggregator can add branding information plus integration value, and a consumer can choose between a discount (with its contractual consequences) and a full payment price, etc.

