

**STATEMENT OF
BOB HILDEMAN, CEO
STREAMBOX, INC.**

**COPYRIGHT OFFICE HEARING ON SECTION 1201(a)(1) RULEMAKING
MAY 3, 2000**

My name is Bob Hildeman and I am CEO of Streambox Inc. Streambox is an Internet and Broadband technology company focused on developing the building blocks for the Internet and Broadband markets. We are a technology enabler and an infrastructure builder. Our technologies are open and flexible and we work with Real Networks, Microsoft, Apple, MP3 and others. Streambox.com is the leading media search technology for searching, indexing and categorizing streaming media content on the Internet.

Streambox TV is a family of broadband technologies that contain consumer software and hardware devices, encoding and aggregation engine and the digital delivery components. Streambox VCR the client side technology contained within Streambox TV contains streaming recording technology that allows consumers to record live and on demand streaming content for later view. Streambox VCR works just like a regular VCR that is used by hundreds of millions of consumers in the U.S.

I want to thank the Copyright Office for giving me the opportunity to testify on the rulemaking process for Section 1201(a)(1) of the Digital Millennium Copyright Act. Let me say at the outset that Streambox fully supports the desire of content owners to effectively protect their copyrighted material in the digital realm. At the same time, we believe that it is very important that the traditional copyright principles of first sale and fair use also survive in the digital realm. As part of the Section 1201(a)(1) rulemaking, the Copyright Office has the difficult task of maintaining the balance between the rights of content owners and consumers in the digital realm.

The focus of the Copyright Office in its Section 1201(a)(1) rulemaking is clearly centered on the task, described by House Commerce Committee Chairman Bliley, of “creat[ing] a mechanism that would ensure that libraries, universities and consumers would generally would continue to be able to exercise fair use rights and other exceptions that have ensured access to [copyrighted] works.”

There is no doubt that the protection of fair use rights in the digital realm will be a benefit to content owners, consumers and companies such as Streambox.

This brings me to the most important issue that I wish to stress to the Copyright Office. In its quest to satisfy the legitimate concerns of both content owners and users in its deliberations on Section 1201(a)(1), the Copyright Office must also protect the legitimate fair use rights of technological innovators and solution providers. In its commentary on fair use in the digital environment, the House Commerce Committee Report accompanying the DMCA astutely notes that;

“[Fair use] is no less vital to American industries, which lead the world in technological innovation. As more and more industries migrate to electronic commerce, fair use becomes critical to promoting a robust electronic marketplace.”

Specifically, what I am advocating is point that has already been raised in several of the comments and bears repeating. Whatever the final Section 1201(a)(1)(A) rulemaking may or may not allow in terms of circumventing technological measures controlling access to copyrighted works, it is vitally important that the legitimate right of companies to reverse engineer be protected. While there is a specific exception to Section 1201(a)(1)(A) for reverse engineering contained in Section 1201(f), the Copyright Office will need to enhance this exemption in the Section 1201(a)(1)(A) rulemaking in order to not adversely affect the non-infringing right of companies to reverse engineer copyrighted material to which access is prohibited.

System interoperability is the driving force behind the continuing evolution and growth of the Internet industry, and the ability to innovate is directly tied to the ability to reverse engineer. Companies must have access to other systems, and the law cannot favor one system over another.