

Senate Commerce Committee Hearing -- Issues Related to MGM v. Grokster  
Testimony of Digital Containers  
Member, DCIA

July 28, 2005

Dear Chairman Stevens and Ranking Member Inouye:

DigitalContainers, Inc. ("Digital Containers") has technology and patents for the secure distribution and monetization of digital content on the Internet and its various networking topologies including peer-to-peer (P2P).

As we and others have been stating for the last three years, there is absolutely no reason why P2P networking cannot be as secure a method of distributing and selling digital goods as the more accepted methodologies used by companies such as iTunes, Napster, and Movielink.

Digital Rights Management (DRM) technologies provided by companies like Digital Containers, Microsoft, and IBM all work just as well in P2P as any other distribution method.

With that said, P2P offers numerous advantages to the owners and consumers of digital content, from both a price and efficiency standpoint.

With P2P, all intellectual property, whether it be a piece of music, a financial report, or a needlepoint pattern can have a profitable business model, since the network bears the cost of hosting and distributing.

P2P is the network of the people.

All that is missing from P2P networking and the companies who provide the technologies is premium licensed content.

Again, there is nothing intrinsically evil about P2P technology as many try to portray it.

Please recognize this in your future considerations of how to treat the technology, both legislatively and otherwise.

Sincerely,

Chip Venters  
CEO, DigitalContainers, Inc.

cventers@digitalcontainers.com  
919-271-3937