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Erudition and Digimarc announce Bitcoin-based anti-piracy solution for eBooks

Companies collaborate to develop the next generation of solutions for combatting eBook piracy using Bitcoin and the blockchain.

Erudition Digital Ltd. and Digimarc Corporation (NASDAQ: DMRC) today announced their collaboration to develop a new anti-piracy solution for eBooks. This new solution combines Digimarc Barcode for Digital Documents and Custos for eBooks products, and leverages Bitcoin and the blockchain to provide a more effective, reader-friendly approach to combatting eBook piracy.

Global eBook piracy is a major challenge for publishers, and many of the anti-piracy solutions in the marketplace suffer from drawbacks. Hard Digital Rights Management (DRM) solutions, for example, can often be removed and restrict access, thereby inconveniencing legitimate users. Traditional watermarking doesn't impact honest users, but is limited because it relies on infringements being detected to be effective.

Based on a patented technology used to protect screener copies of movies, Custos for eBooks delivers better protection without the usability pitfalls of widely used measures. It works by adding imperceptible Bitcoin bounties in eBook files using Digimarc Barcode, which is a proprietary method for imperceptibly carrying data applied to digital documents, currency, print, packaging, audio, labels and other everyday objects.

Bitcoin bounties can be claimed instantly from anywhere in the world by a network of "bounty hunters" using a free extraction tool. When a bounty is claimed, the publisher is immediately alerted and the infringing customer (uploader) is uniquely identified.

"This scheme improves on existing methods of watermarking files and then crawling various places on the internet to detect those files," said Bill Rosenblatt, President of GiantSteps Media Technology Strategies. "Bounty hunters can find files in places which those crawlers can't access, such as password-protected cyberlocker accounts."

The Custos approach is revolutionary in that it attacks the economy of piracy by targeting uploaders rather than downloaders, turning downloaders into an early detection network. The result is pirates turn on one another, sowing seeds of distrust amongst their communities. As a result, the Custos system is capable of penetrating hard-to-reach places such as the dark web, peer-to-peer networks and even email.

Recent tests of the Custos system across different media types found that it takes an average of just 42 seconds for an individual to claim the bitcoin bounty concealed in a file once it has been uploaded to social networks. The average detection time for the dark web is less than five minutes.

"We're delighted to be working with Digimarc given their long-standing track record of innovation in this area," said Ryan Morison, Director at Erudition. "Digimarc Barcode is the perfect delivery mechanism for our offering, as it is extremely difficult to remove and supports widely used eBook file formats."

"The ability to penetrate hard-to-reach places and provide early detection also makes it a natural complement to anti-piracy services such as Digimarc Guardian that focus on providing rights holders with visibility into, and enforcement against, highly visible forms of digital

piracy,” said Devon Weston, Director of Market Development for Digimarc Guardian. “Together, this suite of products represents the next generation in technical measures against eBook piracy.”

Erudition is currently developing a range of value-added tools to enable publishers to take advantage of this new solution. The first of these is a comprehensive eBook distribution platform called Erudition Direct. Currently undergoing beta testing (with launch anticipated in the fall of 2017), Erudition Direct significantly improves existing methods of eBook distribution and unlocks new possibilities for promoting and selling eBooks directly to a wider audience.

Learn more: <http://www.eruditiondigital.co.uk/what-we-do/custos-digimarc-partnership.php>

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NOTES FOR EDITORS

About Erudition

Erudition develops publishing solutions which empower publishers to thrive in the digital age. These solutions include a multi-channel content management system, an award winning direct sales platform, a browser-based reading application and an industry first anti-piracy solution called Custos for eBooks.

Launched in early 2017, Custos for eBooks was developed in partnership with Custos Media Technologies and uses Bitcoin to give publishers a more effective, reader-friendly way to protect eBooks against piracy. With this new solution as a foundation, Erudition is currently developing a suite of eBook distribution tools to open up new channels for promoting and selling eBooks directly to a global audience.

Erudition is based in London, UK, and serves a growing base of publishers delivering eBooks to readers in over 70 countries.

About Digimarc

Digimarc Corporation (NASDAQ: DMRC) is a pioneer in the automatic identification of everyday objects such as product packaging and virtually any media, including print, images, and audio. Based on the Intuitive Computing Platform (ICP™), Digimarc provides innovative and comprehensive automatic recognition technologies to simplify search, and transform information discovery through unparalleled reliability, efficiency and security. Digimarc has a global patent portfolio, which includes over 1,100 granted and pending patents. These innovations include state-of-the-art identification technology, Digimarc Barcode, as well as Digimarc Discover® software for barcode scanning, and more. Digimarc is based in Beaverton, Oregon, with technologies deployed by major retailers and consumer brands, central banks, U.S. states, film companies and professional sports franchises, among others. Visit digimarc.com and follow us [@digimarc](https://twitter.com/digimarc) to learn more about The Barcode of Everything™.

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