



## Suspension of certain 4C Audio Compliance Rule Obligations

1. Any and all requirements contained in the 4C Audio Compliance Rules for 4C Licensed Products to up-date Copy Control Information contained in the Verance Watermark are hereby suspended until further notice. In particular, these requirements are currently contained in the following Compliance Rule provisions, and each of the CCI up-dating requirements in these provisions are suspended: CPPM Compliance Rules for DVD-Audio Content, Sections 5.2.3 and 5.3.2; CPRM Compliance Rules for Recording and Playback of Audio Content, Sections 3.2, 6.1.3, 6.2.2, and 7. (These CPPM and CPRM Compliance Rules are referred to collectively as “4C Audio Compliance Rules.”) NOTE: Digital CCI must continue to be up-dated in accordance with the requirements in the Compliance Rules.

2. Any and all restrictions on encoding of CCI in the Verance Watermark in prerecorded DVD Audio content are hereby suspended until further notice. In particular, the restrictions contained in Section 3.6 of the CPPM Compliance Rules for DVD-Audio are suspended.

3. Any and all requirements contained in the 4C Audio Compliance Rules for 4C Licensed Products to determine the type of media containing CPPM Content are hereby suspended until further notice. In particular, the requirements currently contained in Section 4.1.3 of the CPPM Compliance Rules for DVD-Audio are hereby suspended.

## Consideration of Further Compliance Rule Modifications

1. The 4C Audio Compliance Rules currently state that a digital output protected using Digital Transmission Content Protection technology will be an “Authorized Secure Digital Output” upon notice from 4C authorizing this treatment. See Section 1.5 of the CPPM Compliance Rules for DVD-Audio; Section 1.4 of the CPRM Compliance Rules for Recording and Playback of Audio Content. 4C has initiated the process to issue such a notice and anticipates that the notice will be issued in the near future.

2. The 4C Audio Compliance Rules currently state that detection of the Verance Watermark is required with respect to the internal connection of CD content playback functions with recording functions in the same product. 4C is proposing to suspend this requirement, and has initiated the consultation process required prior to finalizing this action.