



Copyright & Licensing Verification (CLV) Program Standards & Procedures Version 4.5

Introduction

The CDSA Anti-Piracy & Compliance Program (APCP) is an industry-driven initiative designed “to protect intellectual property rights in the replication of recorded media by adherence to the procedures and guidelines in the CDSA Anti-Piracy & Compliance Program.” This policy has been developed by a task force representing Intellectual Property owners and media manufacturers and is to be understood and maintained by all levels of the organization involved with the CDSA Anti-Piracy Compliance Program.

These standards specify minimum anti-piracy system requirements for the manufacture of recorded media.

Sections 1 through 9 of these Standards describe the primary, broad internal procedures and requirements that must be in place for a manufacturing facility to be in compliance with the CDSA APCP Standards. They represent the essence of good business practices and are congruent with ISO certification procedures tailored specifically to media manufacturing.

Section 10 details specific procedures and tests that must be applied to all replication orders in order to be in compliance with the CDSA APCP Standards. Section 10.1 deals specifically with audio and video covered media orders; Section 10.2 deals specifically with ROM covered media orders.

1. PLANT PERSONNEL & RESOURCES

- 1.1 The CDSA Anti-Piracy & Compliance Program is established to protect intellectual property rights in the replication of recorded media by adherence to the procedures and guidelines set forth in this standard. This purpose must be understood and upheld by all levels of personnel involved with the CDSA APCP.
- 1.2 The responsibility and authority of personnel involved with anti-piracy work shall be defined in writing and shall include at a minimum their authority to:
 - A. Initiate any preventive actions to avoid non-conformities relating to the CDSA Anti-Piracy & Compliance Program Standards.
 - B. Identify problems and recommend, initiate, provide and verify solutions.
 - C. Identify, stop, segregate and dispose of non-conforming product to ensure it is not manufactured or in the event the product has been manufactured that it is not shipped.

It is preferred that the product not be manufactured however, if it is decided to proceed with manufacturing prior to full compliance, controls must be in place to ensure the product is not shipped until full compliance has been met. If full compliance cannot be met, product shall be identified and controlled to prevent unintended use or delivery.

D. Contact the customer and/or the relevant rights owner body of non-conforming product.

- 1.3 Plant management shall appoint a program manager who shall ensure that plant systems, procedures, processes and documents are established and maintained in accordance with the CDSA APCP. The program manager shall report system performance for management review.
- 1.4 Plant management shall identify and provide resources for control, work performance and verification, including audits.
- 1.5 Plant management shall review system performance at specified intervals to ensure continuing system effectiveness. Such performance reviews shall be documented, with records kept in accordance with these Standards.
- 1.6 The manufacturer shall establish and maintain a plant manual to document its systems, procedures, processes, policies, responsibilities and authorities, and its conformity to the CDSA Anti-Piracy & Compliance Program Standards.

2. DOCUMENTS AND DATA CONTROL

- 2.1 The manufacturer shall establish and maintain documented procedures to control all documents that relate to the CDSA APCP. Documents can be in the form of any type of media: paper, or electronic.
- 2.2 Authorized personnel shall approve all documents prior to being issued. The same personnel authorized for original approval shall approve changes to these documents. The reason for the changes shall be recorded.
- 2.3 A master list of documents, identifying the current revision status of each document, shall be available to prevent the use of invalid and/or obsolete documents.
- 2.4 Appropriate documents shall be available at all appropriate workstations and a complete master original shall be held and controlled by the Anti-Piracy program manager or designate.

3. PRODUCT INSPECTIONS AND TESTING

The manufacturer shall establish and maintain product inspection and testing procedures to verify the requirements for the CDSA APCP are met. These procedures can be applied at receiving, in process, and/or in final inspection and testing. The procedures should include a statement indicating that product shall not be shipped until all activities specified in the CDSA

APCP are completed satisfactorily and associated data and documentation are authorized and available.

4. IDENTIFYING CONFORMING & NON-CONFORMING PRODUCTS

- 4.1 The manufacturer shall establish, maintain and implement documented procedures to ensure product not conforming to CDSA APCP requirements is not shipped from the plant and is controlled to prevent unintended use or shipment. This control shall provide for identification, segregation and final disposition of such product.
- 4.2 The manufacturer shall establish, maintain and implement documented procedures to ensure both non-conforming and conforming product status is clearly identified by suitable means.

5. CORRECTIVE & PREVENTIVE ACTIONS

The manufacturer shall establish, maintain and implement documented procedures, which ensure the documentation, implementation and effectiveness of corrective and preventive actions.

6. RECORDS RETENTION

- 6.1 Manufacturing records shall be maintained to document conformance and to specific requirements, including all exceptions noted as a result of complying with Section 10. Such records shall be legible and readily retrievable.
- 6.2 Manufacturing records shall be maintained a minimum of three years. This includes, but is not limited to, customer-provided documentation supplied on paper or electronic media, as well as a true replicate copy of the original source (content). It is highly recommended that a copy of the finished product (including packaging print material) be maintained as the true replicate copy. As a minimum, a true replicate copy (disc), without the packaging print material, but with surface printing on the disc, must be maintained.

Retention of a finished copy of the product may not be applicable to "mastering only" customers wherein no true replicates are produced.

In this case a copy of the original source (content) must be maintained (CD-R, hard drive file, etc.) except where the manufacturer is reasonably certain that the reproduction has been authorized and the contents are what they have been described to be. This applies only in the case of "mastering only" customers. In all other situations a true replicate copy must be maintained as stated above.

7. INTERNAL AUDITS

- 7.1 The manufacturer shall establish, maintain and implement internal auditing procedures to ensure anti-piracy activities comply with these CDSA APCP Standards.
- 7.2 The manufacturer shall empower the Anti-Piracy program manager to schedule internal audits. Personnel independent of those having direct responsibility for the activity being audited must carry out such audits.
- 7.3 Results of the manufacturer's internal audits shall be recorded and reported to personnel having responsibility in the areas audited. Management personnel responsible for those areas shall immediately devise corrective action on audit deficiencies. Follow-up activities shall verify and record the implementation and effectiveness of the corrective actions.
- 7.4 Results of the manufacturer's internal audits, and a summary of the corrective and preventive actions planned and implemented shall be the subject of the next management review meetings (See Section 1.5). The portion of minutes of these review meetings with conclusions, results and actions taken relating to compliance to the CDSA APCP, shall be forwarded in writing to CDSA and to the CDSA-designated external auditor.
- 7.5 Within six months of being certified by CDSA, plant personnel shall conduct an internal audit to ensure continued compliance to these Standards. A report of the findings of the internal audit and the resulting corrective actions shall be made in writing to CDSA and the external auditor. Plant personnel shall conduct similar internal audits at least once a year, but no sooner than six months after the last external audit and no later than 60 days before the next external audit, to ensure continued compliance to these Standards and shall report findings of these audits and the resulting corrective actions to CDSA and the external auditor.

8. EXTERNAL AUDITS

- 8.1 Independent auditors, retained by CDSA, audit plant procedures and documentation after implementation of the plant's approved manual. If minor non-conformities are found in an audit, the manufacturer shall have 30 days to submit a corrective action report to the CDSA auditor. In the case of major or systemic non-conformities, the manufacturer, prior to the CDSA auditor returning for a required re-audit, must undertake a corrective action program. Successful completion of this audit shall result in the plant being certified for a six month time period. At the end of the six-month period (six months after the initial certification) the plant must undergo an external surveillance audit performed by a CDSA auditor. A successful six-month surveillance audit leads to certification for a period of one year. Thereafter the manufacturer must undergo an annual external audit performed by a CDSA auditor. In addition, the manufacturer must conduct its own internal audits (See Section 7.5).
- 8.2 CDSA reserves the right to conduct such external audits at intervals other than one year for specific reasons.

- 8.3 CDSA publicly acknowledges through presentations, advertisements, website listings and other methods, manufacturers that have been issued a CDSA Anti-Piracy Certificate of Compliance.
- 8.4 If any major non-conformity revealed by an internal or external audit is not corrected, documented to CDSA, and re-audited within 30 days of discovery, CDSA reserves the right to suspend certification until appropriate corrective actions are implemented and, at CDSA's option, to publicly acknowledge such suspension.

9. ANTI-PIRACY TRAINING

- 9.1 The manufacturer shall establish, maintain and implement procedures for training personnel performing activities affecting anti-piracy; these procedures shall identify the nature of the training and training needs.
- 9.2 Personnel performing tasks affecting anti-piracy shall be qualified on the basis of education, training and/or experience.
- 9.3 Records of all such training shall be maintained for three years and shall include the topic, date, place of training, instructor's name(s), and the names of individuals trained, plus other information (e.g., length of time for the training period) at the discretion of plant management.

10. ANTI-PIRACY GUIDELINES

The following steps apply to these specific orders:

For new orders - Records shall be kept on all new orders indicating that these CDSA anti-piracy guidelines were applied to the order. Documentation, including authorized signature(s), shall be established showing the results of the application of these standards (complied with standards/did not comply with standards). For covered media, label or film copy and input media or replicates shall be retained (see Section 6 "Records Retention" for retention periods).

For re-orders - Approval of re-orders requires a reference to when the original new order satisfied these CDSA anti-piracy guidelines. Any re-order in which the content has been changed must be treated as a new order.

Manufacturers should be suspect of orders paid for by cash purchases/payments, orders for raw discs on a spindle, or orders calling for no printing on discs. Ordering parties should always be required to pay by a traceable means of payment.

Any order not satisfying the guidelines below shall not be produced.

- 10.1 In the case of audio and video covered media, the following applies:
- A. The manufacturer shall incorporate a source code (e.g. SID Code) in the production of all audio and video glass masters and covered media. In the case of covered recordable media (DVD-R, CD-R), until such time as a standard identification system

is developed, it is highly recommended that the manufacturer incorporate its name or identification code onto each recorded disc as a source of identification. In the case of vinyl disc recordings, the manufacturer must incorporate its name onto each disc.

- B. The manufacturer shall require that customers provide identification, including background information, regarding their principals/employers, addresses and telephone numbers (no post office boxes or point of contact). In the case of brokers and independent sales representatives this information is required of their customers.
- C. The manufacturer must have access to an internet service database service, such as Allmusic, Locis, Muze, as well as access to the local Copyright Office, if available, that aids in identifying legitimate intellectual property rights owners.
- D. The manufacturer must obtain and maintain proof of intellectual property rights and trademark authorization before manufacture but no later than prior to shipment, except where the manufacturer is reasonably certain that the reproduction has been authorized and that the contents are what they have been described to be. Prevailing CLV Reasonable Certainty Guidelines (APCP-24) are appropriate for determining reasonable certainty and are available from CDSA.

The manufacturer must perform an audio or video (whichever applies) evaluation of the product and verify through documentation, except where the manufacturer is reasonably certain that the reproduction has been authorized, that the recordings are what they have been described to be. Again, prevailing Reasonable Certainty Guidelines are appropriate for determining reasonable certainty.

The manufacturer must require valid track artist and title listings from customers and brokers, as well as required intellectual property rights owner information.

Licensing documentation should include the name of the intellectual property rights owner. Sublicensing documentation must be accompanied by the name of the content owner.

Since licenses generally are issued for specific time periods and may contain restrictions as to quantities that may be manufactured, distributed and similar controls, care must be taken to ensure the plant adheres to such limitations.

Reasonable judgment should be used when considering what constitutes verifiable licensing; letters of indemnification and ownership declarations are not reliable and therefore do not constitute verifiable licensing.

- E. The manufacturer must inform all customers that it has implemented, upholds and practices the CDSA Anti-Piracy Compliance Program.
- F. The manufacturer shall consult, as necessary, all applicable governing bodies (i.e., RIAA, IFPI, MPAA) concerning sound and video recording ownership.
- G. The manufacturer shall quarantine for disposition all products and materials, including masters, which do not comply with these CDSA anti-piracy guidelines. In the event that all reasonable means of resolving a non-conforming order fail to bring the order into

compliance, the plant, at that time should notify the appropriate content holder association and allow the association to inspect any components or products that are available. After such an inspection if the plant finds it necessary to dispose of the product it must maintain detailed records of the disposition. In no event should the plant allow the non-conforming product to be shipped.

- H. The manufacturer shall use its best efforts to examine artwork to be replicated on covered media and the related print packaging material to determine if they contain words or images protected by copyrights, trade names or trademarks that must be supported by appropriate authorization.
- I. The manufacturer must obtain the customer's agreement that despite any non-disclosure agreements that may be in effect to the contrary, the manufacturer may consult all applicable governing bodies (i.e., RIAA, IFPI, MPAA, BSA, SIIA, ESA) concerning intellectual property rights ownership. In such consultation the manufacturer shall disclose only that information necessary to determine the ownership of the intellectual property at issue.

10.2 In the case of ROM covered media, the following applies:

- A. The manufacturer shall incorporate a source code (e.g. SID Code) in the production of all ROM glass masters and covered media. In the case of covered recordable media (DVD-R, CD-R), until such time as a standard identification system is developed, it is highly recommended that the manufacturer incorporate its name or identification code onto each recorded disc as a source of identification.
- B. The manufacturer shall require that customers provide identification, including background information, regarding their principals/employers, addresses and telephone numbers (no post office boxes or point of contact). In the case of brokers and independent sales representatives this information is required of their customers.
- C. The manufacturer must inform all customers that it has implemented, upholds and practices the CDSA APCP.
- D. The manufacturer shall use its best efforts to examine artwork to be replicated on covered media and the related print packaging material to determine if they contain words or images protected by copyrights, trade names or trademarks that must be supported by appropriate authorization.
- E. The manufacturer shall quarantine for disposition all products and materials, including masters, which do not comply with these CDSA anti-piracy guidelines. In the event that all reasonable means of resolving a non-conforming order fail to bring the order into compliance, the plant, at that time should notify the appropriate content holder association and allow the association to inspect any components or products that are available. After such an inspection if the plant finds if necessary to dispose of the product it must maintain detailed records of the disposition. In no event should the plant allow the non-conforming product to be shipped.
- F. The manufacturer shall require a description of the contents of the covered media. This description shall include all copyrighted content including but not limited to

software programs, text, pictures, videos, sounds, whether in compressed or uncompressed formats.

- G. The manufacturer must obtain and maintain proof of intellectual property rights and trademark authorization before manufacture but no later than prior to shipment and perform the steps in 10.2H and 10.2I, except where the manufacturer is reasonably certain that the reproduction has been authorized and that the contents are what they have been described to be. Prevailing Reasonable Certainty Guidelines (APCP-24) are appropriate for determining reasonable certainty and are available from CDSA.

Licensing documentation should include the name of the intellectual property rights and trademark owner(s). Sub-licensing documentation must be accompanied by the name of the content owner. Since licenses generally are issued for specific time periods and may contain restrictions as to quantities that may be manufactured, distributed and similar controls, care must be taken to ensure the plant adheres to such limitations.

Reasonable judgment should be used when considering what constitutes verifiable licensing; indemnity letters and ownership declarations are not reliable and therefore do not constitute verifiable licensing.

- H. If not reasonably certain about authorization, the manufacturer must require written instructions (including all necessary passwords) on how to read directories and decrypt, decompress, and open files contained on the product. This should allow the installation and execution of executable files contained in the source media being supplied. Refusal to provide such written instructions and passwords shall be grounds for rejection of the order. Again, prevailing Reasonable Certainty Guidelines are appropriate for determining reasonable certainty.
- I. The manufacturer must examine the product to determine consistency with the description provided by the customer under 10.2F and proof of authorization supplied under 10.2G and maintain records indicating specifically what was checked. The examination should follow prevailing best practices for identifying suspicious authorizations, including at a minimum the following steps:
 1. Open and review all “read me” and .txt files for suspicious statements.
 2. For products containing a single file, open and identify the program, if any.
 3. For products containing multiple files, open and identify a representative sample of files, including the largest files and, if present, hidden files, to see if they contain software programs.

The following suspicious circumstances should lead to rejection of the order in the absence of satisfactory explanation:

4. Inconsistencies with customer documentation per 10.2F and 10.2G.
5. Multiple programs belonging to a single intellectual property rights owner in a combination not normally distributed.
6. Multiple programs belonging to different intellectual property rights owners.

If the manufacturer is still uncertain about authorization, the manufacturer may contact either the Business Software Alliance, Entertainment Software Association, International Federation of the Phonographic Industry, Motion Picture Association of America, Recording Industry Association of America, or Software & Information Industry Association at the addresses and/or phone numbers found elsewhere in this publication.

- J. The manufacturer must obtain the customer's agreement that despite any non-disclosure agreements that may be in effect to the contrary, the manufacturer may consult all applicable governing bodies (i.e., RIAA, IFPI, MPAA, BSA, ESA, SIIA) concerning intellectual property rights ownership. In such consultation the manufacturer shall disclose only that information necessary to determine the ownership of the intellectual property at issue.



DECLINATION OF LIABILITY

CDSA has made every effort to formulate a standard that it believes will help manufacturers reduce the likelihood of publishing pirated material. However, a standard, no matter its specificity or diligent application, cannot guarantee avoidance of a claim. Therefore, CDSA must decline any liability toward a manufacturer, replicator or third party on account of this standard, whether or not CDSA has issued a certificate of compliance.