Do you own songs bought online? Well, sort of

By Duncan Martell
Sat May 13, 9:49 AM ET

SAN FRANCISCO (Reuters) - Like millions around the world, you have an iPod, the market-leading digital music player made by Apple Computer Inc. (Nasdaq:AAPL - news) and have spent perhaps a few hundred dollars buying songs from the company's iTunes music store.

But do you really own the tunes? Whether you do, however, depends on how you define ownership.

"Owning implies control and if you bought the tracks on iTunes you don't have complete control," said Rob Enderle, president of market researcher the Enderle Group.

Those songs you bought online from Apple play just fine, of course, so long you do so on the company's iTunes digital jukebox software, on an iPod, burn a CD (you can only burn the same "playlist," or collection of songs, seven times), or stream them wirelessly to your stereo using another Apple gizmo.

But Apple's FairPlay digital rights management, or DRM, software prevents you from listening to those purchased songs on a music player from Dell Inc., Creative, Sony, or others. The same thing goes for songs you've imported to your computer from CDs you already own.

The DRM software is Apple's way of preventing piracy and is a large part of the reason why the recording industry has so warmly embraced the iTunes Music Store.

"A lot of people would argue it's the closest thing you're going to get other than buying a CD," said analyst Mike McGuire of market research firm Gartner of the restrictions Apple and others place on music bought online.

To be sure, Apple rivals have their own DRM technology to protect against piracy, such as Sony Corp. and Microsoft Corp., but none have been as successful so far as Apple. The Cupertino, California-based company has a 70-percent market share in the United...
States for digital music players, and higher than that for music purchased online.

Beyond just having songs you bought from iTunes "trapped" on the iPod and in iTunes, it's also not a snap to move songs from an iPod - whether you bought them or initially pulled them off a CD - back up to a computer. While it's possible to do so, Apple doesn't make it easy, right off the bat, because it's trying to discourage piracy.

"They do it to lock you in," Enderle said, noting an example of if you spent $500 on buying songs from iTunes. "You now have a $500 switching cost to pull out of iTunes."

But there are a number of different and perfectly legal reasons why you'd want to be able to do that.

For example, your computer suffers a disastrous crash, you lose data that includes your music library, and you want to recover your lost music library from your iPod and return it to your now-repaired computer.

There are programs that let you move songs from the iPod, up to a computer - such as Senuti and PodWorks - but, for the average user, it may be more than he or she is up for. There are some ways around companies' DRM technology, but those are far trickier to use and Microsoft and others frequently plug holes in their software to prevent converting DRM-protected songs into unprotected MP3 files.

As for how complicated it is to get around DRM protection, consider this quote from a Website: "Microsoft's DRM is actually, for a change, really well thought out. The XML content header at the top of every protected WMA file just can't be changed because it's digitally signed using either ECC or RSA. The same thing goes for the actual license files and corresponding keys."

That's language that is probably not readily understood by the average consumer.

"The average consumer hasn't run into the restrictions" that the likes of Apple, Microsoft and Sony have placed on online music purchases, McGuire said. "Certainly there's some interest in Apple wanting people to return to the iTunes store but these restrictions are really due to the rights holders and the labels."
Do you own songs bought online? Well, sort of – Yahoo! News