

# SCRIPT-ed

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## **Editorial**

*Ethics are the new craft*

Time was, companies like Sony could be relied upon to spend hundreds of millions of dollars defending its right to market good technology to its customers -- the company spent eight years in court sticking up for the VCR at a time when the consensus among legal scholars was that giving the public the ability to copy movies in their sitting rooms was flat-out illegal.

Time was companies shipped products that sat at the intersection of the limits of engineering and what the public could be convinced to buy: jukeboxes, cable TV, radio, VCRs, MP3 players, you name it, if it was dodgy, cool and likely to freak out an entertainment exec, someone out there would offer it for sale.

Time was that copyright changed whenever some entrepreneur invented something cool and infringing and compelling and the courts or lawmakers legalized it with reforms to copyright.

Times have changed. Today, businesses shrink away from offering general-purpose technology whose suite of uses includes ones that fall outside the confines of today's copyright -- like automatic commercial-skipping in PVRs. They run screaming from

businesses that are clearly infringing by today's standards -- like DVD-ripping movie jukeboxes.

And why not? After all, the penalties for guessing wrong about what the courts will find non-infringing are substantial. Shoplifting a CD might get you a slap on the wrist, but uploading one track off that disc to the Net will earn you a \$150,000 penalty under the USA's No Electronic Theft Act (NET Act). With stakes that high, who can blame a company for being a little gunshy?

Of course, that's exactly *why* the penalties are as high as they are: to discourage risk-taking. That's a raw deal for the public, but so long as all the companies are equally risk-averse, it's not so bad for the sell-side. It's one thing to be a conservative company offering copy-restricted digital music players in a world of open MP3 players (you'd get clobbered), but it's another entirely to inhabit a market where every firm is part of a gentlecompany's agreement not to roll out any really disruptive, novel, dangerous features.

Of course, there's another word for that kind of agreement: cartel. Or, possibly, conspiracy. Not an explicit back-room conspiracy (though the tech world has its share of those), but rather, an emergent conspiracy of risk-aversion and overstuffed comfort that has turned our once-heroic, envelope-pushing defenders into a race of cowardly, timid toymakers whose wares put-put along alongside of the roaring engines of progress in the world of general-purpose computers and networks.

So, what's the case for taking a risk? This isn't an appeal to good corporate citizenry: it's an appeal to greed.

The most stable element of the IT-driven gadgetosphere is *change*. Gadgets from iPods to DVD players to PVRs are just computers tarted up in moulded plastic and chrome. And computers double in speed and halve in cost every 18 months or less. That means that your device can't sell at a price-point that commands a year's salary, because your customer expects to buy a new one in a year. And your competitors -- or some offshore outfit -- can clone you cheaply within moments of your first ship-date.

Technology is commodity. Even Apple's rightfully vaunted design sense is shot-through with ephemerality: last year's iMac already has the air of tailfins about it; the once-radical gen-one iPod looks more like a brick (or a boat-anchor) than a sliver of futuristic kit.

Service providers have it even worse: what could be more commodified than an Internet connection, which is best served up as a neutral pipe that simply delivers the packets I ask it for quickly and unobtrusively?

From phone companies to device makers, it's commodity all the way down.

In the past, the thing that stood between a trade and commodification was *craftsmanship*. Bespoke suits, hand-made clocks with jeweled movements, hand-carved fripperies on a cuckoo clock.

But no one wants a bespoke USB thumb-drive (after all, you'll be throwing it out and replacing it with one twice as capacious and half as massy in a year). There's no substantial market for hand-carved PCs. No one cares about the loving attention paid to racking and dusting of the servers down at the local ISP.

And so the price of tech drives relentlessly downward, toward the marginal costs of goods, and tech margins get thinner and thinner.

How do you differentiate yourself from your competitors, then?

By giving users the one thing you're better equipped to provide than they are: Freedom.

If you're a phone company, don't keep logs. If you're a media-centre company, rip everything. If you're a search company, abandon your cookies. Find the liberty that your competition is too timid to bring to its customers and build it in.

And then tell your customers about it: BobNet: the ISP that won't rat you out! The LucyPod: a media player that plays everything!

PriyaCrawler: a search engine that doesn't log you!

The net effect of the emergent conspiracy to simply not ship certain features has been to lead the public to believe that the absence of these features is a function of physics, not politics. Why is DVD burning so baroque? Must be something to do with lasers, right?

Once your customers get wind of the fact that all the features they've dreamt of are possible, cheap, and on offer in the high street, you'll find yourself in a category all your own.

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