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Magnatune

With a collection of free Magnatune tracks on this month's cover CD, Jon Masters talks to Magnatune founder John Buckman about a record label which is applying Open Source concepts to music

The “not evil” record label



JM: Why did you found Magnatune?

JB: I started Magnatune because my wife had a recording contract with a label here in the UK. That experience was quite unpleasant, and at the end of that I decided that someone had to try to create a more pleasant experience for the artist, otherwise a lot of artists probably wouldn't bother. Once I got into that, I realised it's not possible to do a rival label - especially that's not evil - making CDs and shipping them as a business. The whole business is set up to destroy independent labels, and it's quite efficient at doing that.

JM: Ok, so how are you “not evil”?

JB: Well, “not evil” can extend first to the consumer experience and the artist experience and finally to how I deal with other companies. I think you should be able to buy audio equal or better to CD online. It doesn't make sense for it to be inferior to that. The sound quality should be equal. So when you purchase on Magnatune you can download any number of non-DRM formats - everything from mp3 up to WAV files - which are just perfect CD copies - and then also a bunch of Open Source friendly formats (non-patent encumbered formats) like FLAC and Ogg Vorbis and even AAC files which are not patented - that's an open MP4 standard because the Open AAC files we sell don't have DRM on them.

JM: You don't believe in DRM?

JB: I believe DRM is a fabulous thing because it makes my competitor's clients hate them. So in other words, if you've got DRM and you're selling product you will slowly alienate and anger your client base until they have to go someone who's a little less stupid.

JM: Especially when you have CDs which actively destroy your computer!

JB: I spent this morning actually going through the Sony thing and it was amazing to me that the DRM in the Sony products is actually the same technology - the same thinking - that goes into malware and worms. It's actually re-

writing the API in Windows to call your DRM before every single program accesses the filesystem. To think a record label thinks that it has the right to do something that outrageous - and my favourite fact is that if you play a new Sony CD in the latest Beta version of Windows your operating system is permanently disabled, it destroys it. So that's great, it's a wonderful thing when you've got competitors who are that insane - they're just on a suicide mission. Hopefully they don't really get a clue any time soon.

JM: Do think we'll ever get to the point where you won't be able to buy a piece of hardware unless it's been industry sanctioned?

JB: Well that's what we have with DVDs and if it weren't for the Norwegian teenagers, we wouldn't have DVD capability on Linux. So they [the industry] did succeed with that. In both Europe and the US, there's legislation that's moving healthily along with television. For the copy flag - but also defining what a family unit looks like. So for example, you go to college - you're no longer part of the family unit - you can't play the music that you buy, or rather you can't play the television shows that you recorded together - this is TV, not music. There's no reason if you've got video and television convincing legislators to mandate the business model in law that music can't convince the same. It's just a question of how much money it takes to pay off the government - and it seems to be working.

It gets to the point that there are almost no DVDs that lack a region code. There is software that will copy a DVD and remove all of the nasty restrictions, but you're breaking the DMCA in the US if you do that, so you're a criminal. But you're a criminal in most things you do on the internet. Just viewing a web page makes you a criminal often, because you're copying copyright works.

JM: Why do you feel that your approach is superior to that of the establishment?

JB: I think mine is superior because it's the same audio quality as a CD - which is the best that we can get - and it has full meta information, which you often don't get with a CD. So, genre, artist, that sort of thing. Also PDFs of the artwork which you can't get - we scan that. And occasionally I do get higher definition formats - 88K 24 bit stuff - I've got three albums produced that way. Technology is not that great on the computer side for playing that.

JM: What about the issue of trying before you commit to purchasing?

JB: You should also be able to listen to the whole song. With the existing models, if you didn't like it you can't get your money back because you broke the end user license agreement by opening the shrinkwrap.

JM: Do you have any figures for how many people will listen to something, and decide to buy it?

JB: There's 42 listeners to one buyer for Magnatune.

JM: If you go into a record store, you can still listen to the music.

JB: If you go to Virgin, for example, now and you listen to something you'll hear it come back at about 32K quality mp3. It's virtually unlistenable. I don't know if they do that for hard drive space - I can't imagine - so, even the in-store preview is now crippled, which is amazing. I mean, Apple started improving this, the Microsoft site actually has fairly decent previews - and Magnatune's not alone in offering high audio quality previews, but I think we're the only one that offers the entire album before you buy.

JM: So you mentioned Apple there, how do you see yourself and iTunes? What's the difference?

JB: Well the big difference is when I created Magnatune I wanted to be able to try new business models and I knew I couldn't unless I had my own music, because otherwise every business idea I had would be vetted by the industry. Apple decided to use major content, so every idea they have has to be approved by the industry. Now because of their power, they're able to force certain ideas that aren't too radical down the industry's throats - but more radical than anybody else succeeded in doing - like they have decent audio quality previews. Probably the biggest difference is simply that Apple is more restricted in what they can do.

There's no reason why Apple can't and isn't going to sign artists directly and offer different options. I actually had a conversation with Microsoft and the MSN music people - they wanted to represent Magnatune music on MSN - and I said, "well, I'll do that but I don't want to sell it with DRM" and they were in numb shock that a record label didn't want to have DRM. But what was really interesting was that most of the MSN people that I met were actually Linux users - at home - and hated DRM and had tried to convince the labels not to use DRM but they didn't find a single partner through the development stage of that. So they caved - as Apple did - to require DRM on everything they sell. Which is too bad because that would be a huge competitive advantage for me on MSN - you know, buy encumbered stuff or unencumbered stuff at the same price, you're going to find more unencumbered stuff.

JM: From a personal point of view, as a consumer, I think myself and the Linux Users represent a minority - a growing minority - of people who actually care about DRM and actually care about buying something specifically because it isn't DRM encumbered.

JB: Well my wife, who's not as technical as I am, didn't see any problem with iTunes and thought all this DRM blabbing was me being geeky. Then we moved to England and the music stopped working. That's because we moved territory and we bought it all on the US licence and now we're on a UK licence. So all the music we bought stopped working and is permanently dead. Yet she bought it at the same price that she would buy a CD - that infuriated her and immediately she went to find DRM defeating software so she could still buy on iTunes, but strip the DRM.

JM: This is something that I myself looked at - the Sharpmusic tool by DVD Jon and the DeDRM software he's done there for iTunes. Fantastic software. Of course in certain areas legally questionable - especially if you're in the States. Do you think that as a consumer you have a right to take the music and use it - remove DRM if you're using it for yourself?

JB: There's clearly a moral right that if you buy something and then copy protection prohibits you from using it in the way that the seller intended - in other words in a single machine at home kind of thing - that you should be able to defeat that copyright protection and still stay within the law. And certainly many European jurisdictions agree with that. That's in fact why the DMCA was passed in the US, to ensure that wasn't the case, to try to take that right way. So DRM in the abstract doesn't really infuriate



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people but buying music and suddenly being not able to use it, does. One of the neat things Apple does - and has done and probably will continue to do - is revising what you bought. So if you bought two years ago an iTunes song you could burn ten copies, now it's three. Before, I think you could run it on three concurrent machines, now you can use only one concurrent machine. They just change something on the store and it updates everyone's DRM on their computer - so you're actually just leasing the right to this thing, you actually haven't bought it.

JM: So with Magnatune, if I buy, what have I bought?

JB: Well, the same thing as when you buy a CD. It's a full unencumbered, full quality file and you have the right to use it for personal use on whatever devices - in your car, you get the WAVs, you burn the CD, you can put the mp3s on an iPod, you make a CD-R and carry it to work and listen to it and the office - you know, it's just personal use. I've gone actually further than that just because I like causing trouble - and causing trouble is good for business.

JM: You said 'give it to your friends'.

JB: That's right. So every time you buy something, I encourage you to make three copies of it - full quality - and give it to your friends. In fact you don't have to make copies, you can just send them the download instructions and have them download it. Sales have actually doubled in the last three months.

JM: Do you have any demographic data on users?

JB: Historically our customer base has been in the 25-50 year old range. There's actually four things we did in the last two months that all seem to have really helped, and I said sales doubled since then. When you buy, you can give copies to three people. Another was the podcast license - we're the only label that I know of that gives you a performing rights royalty waiver when you podcast our music. A label usually can't give you a waiver because they have to work with the artist, to get that permission, which we actually have. There's the "not evil" cards - what I call the cult of Magnatune cards - and we include a pack of 20 with every CD anyone orders as well as mailing them to anyone who asks for them. We've given over 10,000 of those away in just six weeks. Finally, we added a computerised DJ at the end of each song (not paid songs). So, you know that it's Magnatune - it's just 3 seconds on the end that says "that was song name so and so by this

artist". And all of these things seem to encourage greater distribution of our songs and help us sell.

So back to the "not evil" part. Generally it is an approach of 'trust my client'. We also let them pick the price. So in dollars it's 5-18 dollars, it's 3-10 pounds in British currency and on average people pay 8.20 so about four and a half pounds. The reason I do that is that if you hit 'buy', you're one of the honest people.

JM: If you're going to be honest, you might as well sell it for the price that a person is able and willing to pay.

JB: That's right. And it turns out that they're willing to pay more than I ask them to. I ask them for 8 dollars and on average they pay 8.20. So that's worked out nicely. And I think that's a summary of what is "not evil" for clients, for people who buy music.

JM: What's "not evil" for the artist?

JB: For the artist - they keep the rights, so they own the rights. It's a non-exclusive arrangement so they can sell music directly, they can sign with Garage Band or CD Baby or whatever site they want. I don't prevent them from doing that.

JM: So there's no non-compete?

JB: There's no non-compete no. The only thing I expect is if I send them a lot of money they should answer my email and help me do that. And that usually resonates well with people. There's that, there's the fact that half the actual gross amount goes to the artists. Labels usually pay on profits and if you control the accounting books there usually aren't profits. Whereas if you pay, let's say, ten pounds for something, five pounds go to the artist, five pounds goes to me.

JM: So if you're an artist coming to Magnatune, how much can you expect to make out of it?

JB: Well it really depends. In general what I'm looking for is somewhere between 1500 dollars and 4000 dollars a year per artist. That's what I'm looking to do and I do that for about half of the artists on Magnatune. And there's maybe 10% that actually make a bit more than that. I don't think anyone yet is living full time on Magnatune's income but they're getting maybe a month or two or three of rent out of it. And probably more importantly, they know that every year when they make a CD or they buy a new guitar that it's paid for from their fanbase, they aren't sinking into the mud every year.

JM: So they can afford to take two months out to go and do the mastering and go and do the recording and you're covering that.

JB: The key is I try to find artists who are in it for the music not for the money. So the goal really is to make them enough money to go into the studio for three days a year and survive.

JM: What really drives you to pick a particular artist?

JB: I mean, on a kind of gut level it blows my mind, but to be more precise about it I look for it to hum. I want something that sticks in my head. And it doesn't matter if it's death metal or classical or, you know, hard techno, I want something that's memorable. I don't think people will buy music if



it's not memorable. If they're listening at their office they're not going to stop to buy it unless it makes them stop. So, that's what I'm really looking for and beyond that I'm looking for genres that you can't find in the stores - so what I call second tier genres. All the stuff that you generally can't kind. So I generally don't do stuff like hip hop that's really easy to find.

JM: Because that's already covered?

Exactly. It's very well covered and there's really no reason to go to the Internet to do that and also I'm trying to increase the diversity of music on the planet with Magnatune, so why do that? But all sorts of variants of hip hop - let's say trip hop - I've got no problem doing. There's not enough of that on the planet.

JM: Do you find people are using the music in other ways?

JB: There are various companies I work with - and companies would be any organisation or person who wants to use the music to make something. In most cases if you, for example want to make an independent film and want to use music the label and the artists are going to require you to submit the film for their approval. That's something evil, I think that a creative person shouldn't have to seek approval from other people to create their own artistic work. Yet that's how every film is made

It was amazing to me that the DRM in the Sony products is actually the same technology - the same thinking - that goes into malware and worms

today. I think that's very damaging to creativity - it's the reason we do 30-50 indie film licenses a month.

JM: Do you find the Bollywood market is big for you?

JB: I haven't cracked into Bollywood yet.

JM: Maybe that's just down to maybe not quite the right genre of music?

JB: I think it's because they've got studios with for-hire musicians and they own all the rights so they don't have any sort of gaping hole. But a lot of documentaries, a lot of independent film makers. Another thing is that the price is not based on the depth of your pocket - it's a standard fee. And that cuts both ways - we don't have a lot of money - it means the fee is reasonable to you, but if you have a lot of money I'm not going to rip you off. I think people enjoy that. Then, there is the standard contract, the contract terms don't vary with how rich your lawyers are so if you're a major studio it's the same terms as if you're some college student. And the agreement has to be not evil in order to survive both those cases. So I think those are novel.

JM: Can you summarise your reasons for choosing Creative Commons licensing?

JB: The business model that Magnatune is based on is the same that Open Source software is frequently based on. Which is, people can use the software for non-commercial use for free and if it's commercial we'd like a license fee. That's the same thing I do with Magnatune. I assign everything what's called a buy-in CSA license, which is attribution, non-commercial use and share-alike, which is like the GPL license, on all the music. For example amorok, which is a great music player for Linux, ships with 15 Magnatune songs included with it. And a large number of video games, Tux Wars also ships with Magnatune stuff and that's great. If someone were to start selling Tux Wars at your local Virgin Records at 40 dollars we'd want a license fee but otherwise, off you go. That's really worked well and our music is found all over the planet - not just podcast but webjay,

irate, lastfm here in London, all use our music because of the Creative Commons license. That just helps get us seen, helps sell. That line of licensing is no permission needed, all non-commercial use is at no cost and we're trying to encourage creative people to use this thing.

JM: Fairly obviously the whole thing excites you.

JB: It's not just the music. Music is the all permeating art-form, we experience music more than anything else. It's so locked up with such a corrupt industry and people are so dissatisfied with the music being released that it has the potential to help the world in some small way become performance based. It's a lot of fun, no different than Linux hackers trying to create alternatives to Microsoft, trying to create a brand new parallel economy to major labels.

JM: How will you measure success?

JB: I think that what's going to happen as we continue to succeed - and this has already started -

we'll see major labels adopting parts of what we do. For example Warner announced an 'e-label' where the artist who is signed keeps the rights to their masters and they make more of a profit margin than is typical.

JM: Is that a gimmick or is it a serious effort?

JB: I think it's a serious effort to retain big name artists from signing directly with Apple, and they have to compete because Apple's agreement directly with artists is much better than anything a label would offer. So they have to offer something better, and so they take things like that. To define success for Magnatune would be probably two fold. One is to see much wider dispersion or use of some of Magnatune's ideas - like lack of DRM, full quality audio, musicians actually getting some money from these things. There are other labels - CD Baby does this, Audio Lunchbox - these are all much less evil and, in fact, I might go as far as saying mostly ethical shops. So, number one is not that Magnatune is going to own the world - it's not going to - there's just far too much music and we're not going to do all the good music by any stretch of the imagination. It would be just to try and be an influencer or part of the moment of the former music industry. And second would be that we're known for certain genres in the same way that Warp is known for a style of electronica or Bluenote is known for classic jazz - that someone who wants belly dancing music comes to us or someone who wants late 80s thrash metal comes to us because they know that we have a great collection!

<www.magnatune.com>

One Linux distribution, ten albums of music, and the latest episode of LugRadio thrown in too!

Damn Small Linux 2.0

This month's cover disc contains a triple bill of exciting features. First off, we've got the latest release of the Damn Small Linux distribution - an ideal live disc for older machines and those with only small amounts of disk space, it also runs from a USB key and can even install a full Debian environment for those who are more demanding! We've gone all out this month in our quest to explore the Creative Commons by including some high quality Creative Commons licensed music courtesy of the 'not evil' folks at Magnatune. Finally, we've bundled the latest episode of the popular LugRadio podcast of news and comment from the Linux community - see LugRadio founder Jono Bacon's feature in this issue.

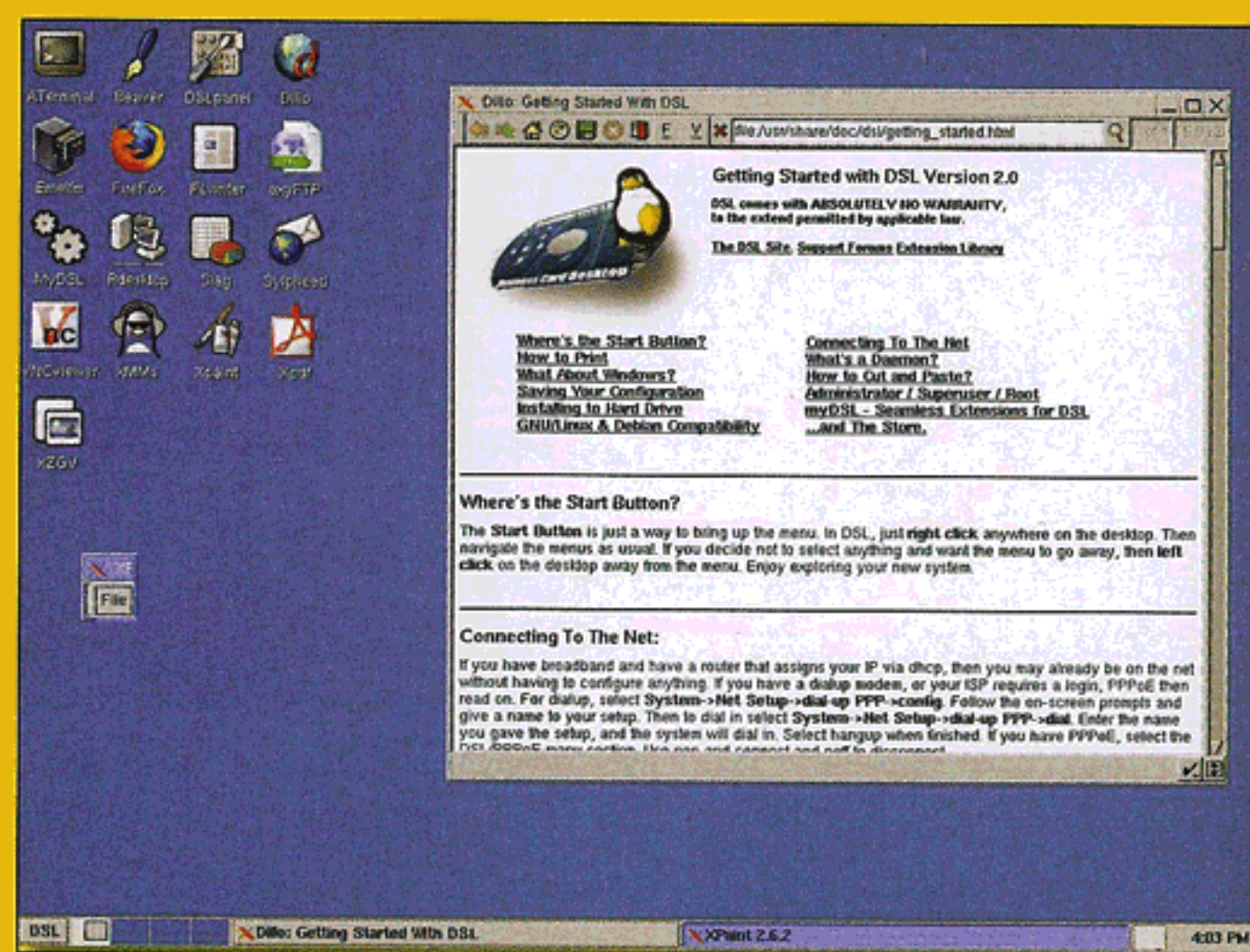
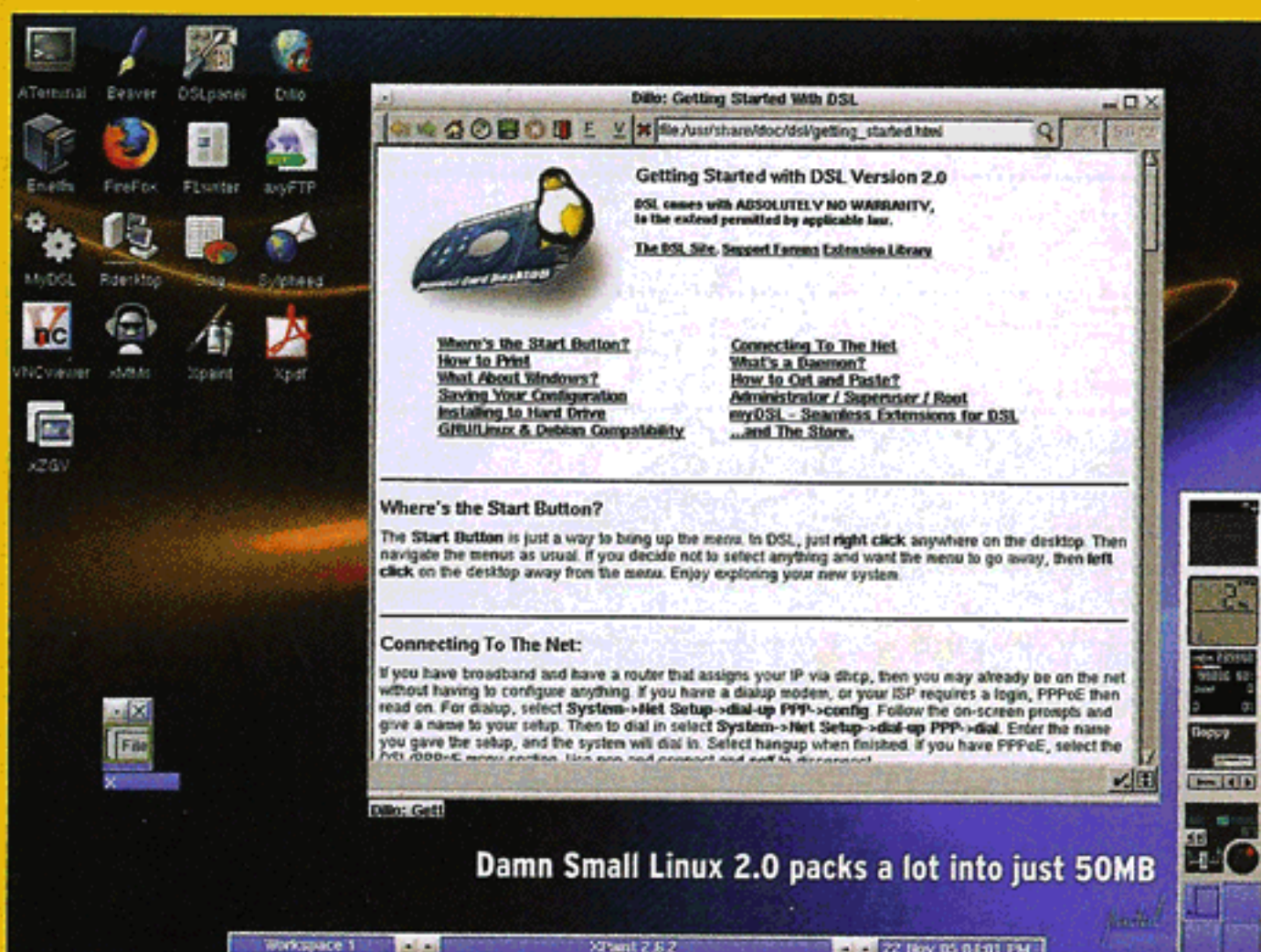
DAMN SMALL LINUX (DSL) 2.0.

In just 50MB of USB pen drive (or this enhanced Live CD), you get:

- Firefox and Dillo browsers
- Sylpheed email client
- A spreadsheet, wordprocessor and three different editors
- Music Player (XMMS)
- Instant Messaging with NAIM (AIM, ICQ, IRC)
- Remote Desktop and VNC Viewer
- Games
- PCMCIA, ADSL, and wireless support
- and much much more.

DSL can also boot from within a host operating system - it can run from within Windows - and can double as a full Debian installation disc by selecting the Debian install option.

Originally developed as an experiment to see how many usable desktop applications can fit inside a 50MB live CD, Damn Small Linux has quickly grown into a large community project with hundreds of development hours under its belt. DSL features a desktop environment and has many command line tools. It can also act as an SSH/FTP/web server right off the live CD and it is smart enough to boot from a USB key drive. Now you never have to leave your Linux box at home when you travel, simply take it with you via a bootable USB key! The entire system boots in a matter of seconds into a fully-featured graphical environment



based upon the highly customisable and very configurable Fluxbox window manager. Don't like the software choices? Why not install your own? DSL 2.0 allows additional software to be installed with ease.

Damn Small Linux 2.0 includes a fully automated remote and local application installation system and a very versatile backup and restore system, which may be used with any writable media, including a hard drive, a floppy drive, or a USB device. It is ideal as a thin client alternative in a business or a educational environment, or as a quick substitute Linux to carry around when you next need to use a friend's PC. DSL 2.0 includes over 50 popular productivity enhancing tools and yet is light enough to run on an old 486DX with 16MB RAM. Run the whole thing fully from RAM with as little as 128MB and you'll be amazed at how fast your Linux system can really be! Find out more at: www.damnsmalllinux.org

UNDER THE HOOD

Inside, Damn Small Linux 2.0 is based upon Klaus Knopper's KNOPPIX technology. It uses a single large KNOPPIX image file on the CD which is mounted via the compressed loop driver to allow as much data as possible to be squeezed into just 50MB of on-disc footprint. Data is on-the-fly decompressed into memory as it is accessed but is then cached in memory, thanks to the design of the cache technology built into every Linux system. DSL also uses the KNOPPIX hardware detection and scripts to effortlessly detect and configure a wide array of possible available hardware. DSL is Debian distribution based and can therefore be easily extended as needed, even installed as a full blown environment on a local hard disc.

DSL 2.0 is based upon the 2.4.31 Linux kernel, the latest stable Linux 2.4 kernel available today. It supports SMP extensions and comes with drivers for most common hardware devices. The 2.0 system includes an advanced Control Panel application from which users and administrators can Backup and Restore, configure networking, printing, ADSL, even the Ndiswrapper which allows DSL to use drivers written for the Windows platform. The system includes documentation, which is loaded automatically into a Dillo browser window.

Magnatune artists Johan Nilsson and Jens Henriksson of Burnshee Thorside



To locate the additional content on this month's cover disc, look inside the LU57 directory on the disc

Magnatune - The "not evil" record label

The cover disc contains ten albums of great music from the folks at Magnatune. Inside the directory with the files, you'll find a HTML page which will guide you through the wide variety of music available here. Magnatune varies in genre from the most authentic classical music to most exciting psychedelic progressive rock, 80s electro-pop and all manner of tastes in between. One thing all of the music has in common is that it's all of the highest quality imaginable and produced by talented artists who share 50% of the proceeds from sales of their music. Check out the accompanying interview with John Buckman in this issue - better yet, visit www.magnatune.com (running on Red Hat Linux) and check out the wide variety of DRM-free music available for you to listen and to purchase in a multitude of formats - MP3, WAV, Ogg Vorbis, FLAC, and more!

On this disc, we've got a range of alternative rock, electro-pop and more:

- Artemis - deliciously groovy electro-pop
- Arthur Yorkia - progressive alternative rock
- Brad Sucks - ironic electro-pop
- Burnshee Thorside - funky blues rock
- Emma's Mini - pop-edged electro-rock
- Fluid - tuneful retro pop rock
- Jade Leary - psychedelic progressive rock
- Myles Cochran - folky relaxed rock songs
- The Kokoon - 1980's style new wave rock
- Tom Paul - roots rock meets folk

Test Drive!

Why not test drive Damn Small Linux 2.0 right from within your current Linux desktop environment, even without any need to reboot! Simply install your distribution's packaged version of `qemu` and issue the following command within a terminal window:

```
qemu -cdrom /dev/cdrom
```

A new window will appear, containing a virtual machine running DSL 2.0! It works just like VMWare but it's free software, and will allow experimentation with ease.

Lug Radio - Season 3, Episode 3

Jono Bacon, Stuart Langridge, Ade Bradshaw, and special guest Mr. Ben talk about Linux and whatever else comes along, including:

- Open Solaris - Adam Leventhal talks about Sun's Open Source Operating System
- Voice-over-IP - where's it going?
- Linux desktop performance as bloat creeps in
- What will Linux be like in 50 years?

For further information, check out this month's features and: www.lugradio.org