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IT'S REAL, BUT WILL ANYONE BUY IT?

Defining the target audience will be crucial. Hardcore PC gamers aren't likely to part with their machines just so they can play PC games on a TV set, which is what Infinium's Phantom console proposes to do. That's because many PC games look lousy at analog TV resolutions, and very few gamers have digital TV sets. Phantom will also run only a subset of Windows XP, not the entire operating system. And with some hefty hardware specifications, it could cost as much as a full PC. That is not a promising value proposition.

Bachus notes that publishers won't have to do anything to their PC games to make them run on Phantom, so the box will have many titles. On the other hand, because of the looming launch date, it won't have any exclusive titles at the outset. Without those exclusives, Infinium will have to fall back on the pitch that its box is cheaper and easier to use than a PC.

Ben Sawyer, an analyst at Digitalmill, maintains that Infinium completely mismanaged its public image in the beginning. But he says its best chance is to produce a box that creates an easy experience for the user, an experience with an integrated approach. A few hundred thousand subscribers might be enough for profitability and might be realistic. "Infinium has got to get past the rookie mistakes and start executing," Sawyer says.

There is still the question of how far the company's promised \$15 million will go. The funding commitments aren't locked in stone and are contingent upon certain terms being fulfilled, including the aforementioned SEC filing. Infinium has 29 people now; Bachus says he expects to increase the staff to about 80 people.

Bachus always shoots big. His last company, Capital Entertainment Group, tried and failed to turn game production on its head. The very fact that he joined Infinium Labs has given the company some credibility. But it has a long way to go.

"I understand what they're doing now," Cole says. "It's going to be a lot of fun to watch."

## Lock Your Assets

The latest software makes backing up PC games easier than ever, but antipiracy systems are becoming tougher to crack—for now  
By Howard Wen

It once took the skills of a hacker and the patience of a saint to plow through the confusing interface of buggy software in order to copy PC games protected with proprietary antipiracy systems. Nowadays, all it takes is a few mouse clicks.

At CES in Las Vegas last month, 321 Studios announced Games X Copy. 321 wants to do for PC games what it did for DVDs with its popular DVD X Copy by providing consumers with a way to easily make backup copies of their PC games. (The company endured a lawsuit with Hollywood studios over DVD X Copy, although it managed to emerge victorious.) Unlike most competing applications, which attempt to copy all types of software, Games X Copy is aimed specifically at PC games.

Paul Pullen, general manager of Alcohol Soft, which makes a backup program called Alcohol 120%, explains: "Our software does not promote piracy. It's designed for people to create a single backup of their expensive game discs before they become too damaged to run on a PC."

It is legal, as courts have ruled. But software piracy continues to be a vexing problem for any game developer. The Entertainment Software Association estimates that the gaming industry loses about \$3 billion to piracy every year. (This number includes both PC and console games.) Thus, many companies have no choice but to add an antipiracy lock to protect their assets or to at least stem casual pirating. In turn, backup application developers try to support the consumer's right to make copies of legally purchased software for personal use. It's an uneasy balance—a constant back-and-forth between the latest antipiracy technology and the latest backup technology.

### PUBLISHERS MUST ACT QUICKLY

"No major game publisher expects the protection to last a long time. They'll be happy with a few days," says Ted Pestekides, sales director of MLS LaserLock International,

maker of an antipiracy scheme used by many game publishers. "Anything that is done by man, man can undo. Copy protection is not an exception to this. Banks use a long list of security measures, and burglars still break in. Is this a reason for banks to quit these measures and save costs? Software titles also need security to diminish theft as much as possible."

"The main mistake game producers make is to focus on protection as a pure cost and then minimize this as with any other cost," says Hans Pedersen, CEO of Link Data Security, maker of the CD-Cops antipiracy system. "But would you pick the cheapest lock for your front door at home?" (Commercial locks aren't cheap: Macrovision's SafeDisc royalties can go as high as 25 cents per disc.)

So, in general, how effective are the latest protection schemes used on PC games these days? Surprisingly, the backup-software developers admit it is becoming harder for the everyday PC user to make reliable working copies of games. Marketing Manager Fabrice Meuwissen of VSO Software, creator of backup software BlindWrite, observes that the latest protections are "better and better, and pretty

### QUOTE OF THE MONTH

"In the past, videogames wanted to look like TV. Now TV wants to look like videogames."

-Greg Lassen, senior director of interactive and electronic licensing for the National Basketball Association

much impossible to back up correctly now."

Patches and hacks designed for specific game titles are becoming increasingly necessary to get copies made of these games to work, and even then it's iffy that they will work flawlessly. Robb Lewis, product manager for Macrovision's SafeDisc antipiracy system, claims the latest version of SafeDisc presently "is proving its worth, creating