

## 2003 WORLD TROTTING CONFERENCE

**SPEAKER:** JACQUES CHARTIER

**TOPIC:** International Database, Copyrights & Issues

**DATE & TIME:** Saturday July 26  
1:30 pm - 3 pm

**VENUE:** Imperial Room, Royal York Hotel

### PROFILE OF SPEAKER

**ORGANIZATION:**

☆ Societe du Cheval Francais

**CURRENT POSITION:**

☆ Technical Director

**MAJOR CAREER / ACADEMIC ACHIEVEMENTS:**

☆

☆

**EXPERIENCE IN RACING OR ORGANIZATION REPRESENTED**

☆

☆

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## 2003 WORLD TROTTING CONFERENCE

**SPEAKER:** JOHN PAWLAK

**TOPIC:** International Database, Copyrights & Issues

**DATE & TIME:** Saturday July 26  
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**VENUE:** Imperial Room, Royal York Hotel

### PROFILE OF SPEAKER

**ORGANIZATION:**

- ☆ United States Trotting Association

**CURRENT POSITION:**

- ☆ Director of Publicity and Public Relations

**MAJOR CAREER / ACADEMIC ACHIEVEMENTS:**

- ☆ Compiles and edits USTA's major year-end publications such as Sires and Dams and the Trotting & Pacing Guide
- ☆ Directs the operation of the PATHWAY online database
- ☆ Manages the USTA's data licensing efforts and enforcement of USTA's data copyrights

**EXPERIENCE IN RACING OR ORGANIZATION REPRESENTED:**

- ☆ Employed in racing for 25 years; 18 years with the USTA
- ☆ Former Publicity & Promotions Director at Toledo Park
- ☆ Co-ordinator of the 1995 World Driving Championship and Trotting Conference
- ☆ Recipient of the Golden Pen Award

**EMAIL:** [jpawlak@ustrotting.com](mailto:jpawlak@ustrotting.com)

## 2003 WORLD TROTTING CONFERENCE

SPEAKER: TED SMITH  
TOPIC: International Database, Copyrights & Issues  
DATE & TIME: Saturday July 26  
1:30 pm - 3 pm  
VENUE Imperial Room, Royal York Hotel

## PROFILE OF SPEAKER

### ORGANIZATION:

☆ Standardbred Canada

### CURRENT POSITION:

☆ President and Chief Executive Officer

### MAJOR CAREER / ACADEMIC ACHIEVEMENTS:

- ☆ Graduate of Carleton University, Ottawa, Ontario
- ☆ Canadian Trotting Association - Manager of Operations for 10 years
- ☆ Canadian Standardbred Horse Society - General Manager and Registrar for 11 years
- ☆ Standardbred Canada - President & Chief Executive Officer
- ☆ Responsible for management and administration of amalgamation of Canadian Trotting Association and Canadian Standardbred Society to Standardbred Canada

### EXPERIENCE IN RACING OR ORGANIZATION REPRESENTED:

- ☆ Involved in harness racing since childhood - 4 generations
- ☆ Co-operative relations with members and industry organizations
- ☆ Relationships with provincial and federal agencies
- ☆ Canadian Classic Yearling Sales, Mixed Sales
- ☆ Administration of Canadian Breeders Championship, Robert Stewart Stakes and other stake events
- ☆ Involved in implementation of race performance data system, electronic registration, electronic eligibility, electronic claim authorizations, DNA, freeze branding

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## **International Database, Copyrights & Issues**

(References are made to the various handouts presented during sessions. Handouts follow these notes)

Ted Smith:

The topic this afternoon is the “International Database, Copyrights and Issues” and joining me in this panel will be Jacques Chartier, the technical director of the Society of Cheval Francais. John Pawlak is the publicity and promotions director of the United States Trotting Association. I am Ted Smith, president and CEO of Standardbred Canada. So without further adieu I will turn you over to Jacques Chartier and he will commence his presentation on behalf of Cheval Francais and the UET.

Jacques Chartier:

Thank you Mr. Chairman. I’m a little sorry. I would like to present the text in English but I don’t receive the translation so I’m going to present it in French but it is going to justify the presence of the translator.

I do not want to read you the entire text of the agreement. I believe that you will have plenty of leisure time during the course of the evening to study it. However, I would simply like to bring forward the principle points in this document.

In the preamble there is mention about the motion that was adopted by the UET in 1992, which anticipated the necessity to ensure the protection of copyright of racing associations on their activities. That is to say their technical data, images, race results, software programs and reports.

The following paragraph contains definitions. We must define the role of the producer, that is to say, the owner of the race information; define the beneficiary, that is to say he who uses the race information; and finally, define the database that is comprised of all of the different technical data that we can commercialize.

Article I concerns the objectives of this agreement. It is specified that the beneficiary has access rights, under certain conditions, to the data bank made available to him by the producer. Besides, we have said that the data bank refers to all of the information that is commercialized.

Article II specifies the obligations and responsibilities of the producer, one of which is his responsibility to periodically update his database.

Article III defines the obligations of the beneficiary. It is specified that the beneficiary will have access only to the data he is authorized to consult in accordance with his subscription; that the beneficiary must restrict his use of the data to which he has access for the requirements of his activity within the limits of his subscription and, the period covered by his subscription. The beneficiary undertakes to refrain from transmitting or disclosing the data, with the exception of to his clients.

Article IV covers the financial conditions with three principle sections. Service fees, subscription fees and a fee proportional to the revenues earned by the beneficiary as a result of the commercialization of the data. It has to be pointed out that presently current international agreements must generate a fee of not less than 3% to supply live images for the betting organization. This fee may fluctuate depending on the services included with the subscription. That is to say, for example, commentaries in the language of the receiving country; sound presentations; reports and, eventually a proposal for a betting pool. Also provided in this agreement are the conditions and terms of payment of this fee.

Article V covers the commencement date of the contract and the period covered by the contract. We think it important to evoke a period of one year to be extended by tacit renewal periods of one year, unless terminated due to infringement by one or the other of the parties.

Article VI is regarding anticipated early termination of the contract again due to infringement by one or the other of the parties.

Article VII covers the “intuitu personae” clause. That is to say, the contract engages each of the parties to the contract in consideration of the person of the other party.

Article VIII covers the integrity of having the full extent of the obligations set out in the contract to avoid litigation on what could be indirectly attached to the contract.

Article IX covers the applicable governing law and the competence of jurisdiction in case of litigation or compensation.

Also, it is necessary to append to this regulation, different precisions, notably on the financial conditions. Each federation will have to define the amount of the payment in accordance with the services offered. A second appendix may be required to define the different components covered in the framework of the subscription. That is to say the images, the costs, the race results, etc. Also, a third appendix could include information on the technical configuration, which is made available by the producer and the technical conditions that should be provided by the beneficiary so as to receive the subscription which he, the beneficiary, is being offered.

Therefore, that is what I wanted to speak to you about on the presentation at this convention. Mr. Savescu, who was unable to attend the convention here in Toronto, had asked me to make a presentation to you on the evolution of the data bank, no longer just a European data bank but a world data bank. It is, and I will remind you, a data bank on trotters that is accessible through the Internet. I will remind you also that we call this system DIMITRI in honor of its founder and creator and also because in French it corresponds, more or less, to an abbreviation which stands for “donnés informatiques mondiales pour les trotteurs par reseau Internet” (world data on trotters by internet).

Lets try to quickly recall what the objectives of this data bank are. The principle objective is to create a reliable source of information on all trotters. This source will be based on a structure of common information in accordance with a data file that was established as a common base for all of the various technicians who participated at the meeting that we organized on this matter. This reliable source includes all of the data existing in each of the member countries and gives a reliable consistency of all of the data that was received. Another objective is to permit easy access to the information, whether by direct on-line consultation with automatic access to information. Or, by access to an existing system dependant on precise criteria being that such access can be made by integration, later or when we wish it. Consequently, it is a reinforced corporation of all of the trotting organizations. Lets quickly review the principle phases of this project. The decision to integrate this data bank was reached at the third trimester of 1999. It was apparent that a common European data bank was indispensable at a time where the international exchange of data was becoming more frequent. The technical definition of the divers registrations and files that had to be updated in this data bank was defined during the course of the year 2001. In 2001 we proceeded with the development and testing of this data bank. In the first trimester of 2002, that is to say, after the presentation of this data bank at the general assembly of the UET with representatives of the USTA and representatives of the Canadian Standardbred present, the project was accepted. And since then, we have been in the development and updating stages of the data being transmitted to this data bank. Now then, what are the responsibilities of the member countries? Firstly, they must furnish the initial information including activities during the course of the last two years. One must equally anticipate providing technical assistance and technical support for all of the testing. One must also anticipate a periodical and regular updating of records and one must rapidly correct all errors that could be signaled by the UET. And finally, one must act to ensure the security and the protection of the information in the data bank.

You also have the architectural system's structure of this data bank. You can see that the member countries, through their computers, furnish information regarding the horse files to the central UET server. This information is then formatted and then transmitted to the international data bank and can then be accessed by the federation of all member countries.

Now, lets look at the components of this data bank. Principally, there are two types of files. One is the horse identity data that includes the characteristics of the horses that raced at least once since the beginning of the year 2000. That is to say that our system starts with the new millennium. Lets hope that we can cover the integrality of the next millennium. There is also information periodically updated, which includes all of the racelines of each horse and any racelines of any new horses racing. The accessible volume represents a capacity of one million horses. The second data file series involves the performance records. It includes the registration of all of the racing activity since the beginning of 2000. It is periodically updated in accordance with the accepted registration of each country. The average capacity of this file is fifty racelines per horse. Now, lets look at where we are today regarding the contents of this file. There are 11,490 horses registered; 56,923 races recorded; 636,569 horse performances; 332 racetracks; 9,946

owners; 5,828 drivers and 19,298 breeders. It is necessary also to note the evolution of the present status. The system is presently operational with four countries – Canada, France, Germany and Italy. This system is on the verge of becoming operational with Finland and Norway. Data is still in the preparation stages with countries like Belgium and the United States and we are hoping that we will soon be able to obtain the racing activity data from Spain, Sweden and Switzerland.

Objectives for the following months or the following years are as follows:

- On-line operations with Canada, Finland, France, Germany, Italy and Norway
- We wish to integrity new countries to wit Belgium, the Czech Republic, Sweden, Switzerland, the United States
- We wish to improve consulting the data and access to automatic downloading facilities
- And finally, we think that we will advance rapidly with the development of facilities in the framework of the European project that can be financially supported by the European commission.

All of the information that I have spoken about can be consulted on the Internet site that is listed at the back of the booklet.

Therefore, the two points of the presentation I wanted to make in expressing a wish were: One, that the agreement on the protection of copyright permits you to reinforce your position legally and authorizes us to fight efficaciously against any illegal use of this information. And secondly, that the world data bank rapidly registers all of the information on trotters with daily updating of this information. The success of these two essential objectives should largely contribute to the prosperity of the racing of trotters around the world.

I thank you for your attention and I will most certainly make myself available to you if you wish to ask me any questions.

Ted Smith:

Thank you very much Jacques. It was an excellent presentation.

I'm sure we will have some questions especially from the European countries that are here today. In fact I think we would like to ask each of them individually to give us there assessment of how this copyright issue is affecting them and how they are participating in the development of this international database. So can we start with Finland please?

Kalevi Hemila (Finland):

Thank you Mr. Chairman and I would like to thank Mr. Chartier for this excellent presentation.

First of all, I have two main comments or reactions for this presentation. First of all this draft of convention which we have here...I think it is a very good step when we speak

about copyrights and possibilities on how we can perfect this information which we have. I think that our main problem in the near future would be how to implement this in practice. But I think that we have in all member states a joint understanding that we try to work on these spaces and we have a special committee, which will continue, after we have handled this. We will discuss about this convention agreement draft in our next UET board meeting at the end of September. Well I hope we can accept some kind of basic paper. I must say that this draft that we have here, which in my personal opinion, is an excellent basis for our future work and our future discussions. Speaking about this database, I must say that we have here quite a few problems and you of course solved them. The statistics that we have not been able to fulfill all the information needed in this database. I have been trying to go through this process and think what are the main problems. I think that the main problems are such that in each member state like in Finland we have our own resources. We have an excellent, in my opinion, system for our own data. I would also say for all Scandinavian countries we have excellent data systems for our horse racing. But then when we have 13 member states in the UET and we have some coming new members and we have Canada, and hopefully USA, and Non-UET countries could contribute to this world database. I think the main problem at the moment is that we have no resources to take care of this system. Already now UET has this problem. We have this structure. We have done this system but there are no resources to develop it and as Jacques told us we are now working on this system and we should develop this system in such a way that all the hopes can be included, all the technical details can be corrected in this system. And I would say from the Finnish point of view at the moment it doesn't work. The problem is that we have resources in each membered country because we must take care of the data which is needed for our own purposes but then when we try to develop a common European system it doesn't work because we don't have anything inside the UET office. We don't have resources to take care of these kind of systems. And that is why this process has been going on very slowly. We have been active here and have tried to give lots of information to the database. But I'm sorry to say that there are many technical problems that we cannot get all the information needed from this common database. We cannot use it. In practice, we are not using it at all. We must have our own system all the time. If we try to develop a structure like this for the work level for all trotting nations, we must have resources to update this system and at least at the moment I don't know where we have these resources. That's why I'm a little bit pessimistic with this process. But as Jacques already explained, Finland has tried to be actively involved with this system. These are my reactions for this convention. I'm very positive for it. I think it is very important for all of us. When we are in the Internet time, so to say, everyone can use this information that we have. We must be able to develop these kind of systems and this is a good first step towards something like this. But speaking about this database, at the moment I see there are lots of big problems.

Ted Smith:

Thank you very much Kalevi. Certainly all your comments are appreciated. I'm sure some of your cohorts would like to discuss those issues as well. Moving down, can we hear from Germany please.

Manfred Peters (Germany):

Our apologies tape was not decipherable.

Ted Smith:

Thank you Manfred. Now does Great Britain or Ireland have any comments?

Colm McNulty (Ireland):

Well Ireland's not in the UET as yet so I would have to say it would be the future.

Ken Lough (Great Britain):

First I would like to thank Jacques Chartier for his presentation. But unfortunately as Great Britain is not yet a member of UET I wouldn't wish to comment further. I would only like to say that it is the way forward and hopefully one-day we will be part of the UET.

Ted Smith:

Thank you Ken. Moving on, Italy please.

Maurizio Soverchia (Italy):

I agree at all with the presentation made by Mr. Chartier but also with the problems that Mr. Hemila and Manfred said. Two points that I think are really interesting on this item. Firstly, the periodic update of all countries. I think it will be interesting to know what is the real situation for all of the participants for this project. And then the problem of the resources. I think an obstacle for many countries not only in the future but also surely in the present. And Italy for us I think that these new problems concern the situation but we should try to do more and more.

Ted Smith:

Thank you Maurizio. Moving on to the Netherlands. John?

John Voskamp (Netherlands):

Yes. First of all to thank Jacques for the excellent presentation. We started this process a couple of years ago and I'm still very interested about this process because the world is getting smaller and smaller of course but people are racing everywhere and this could save you money if you get the resource electronically and not by fax or by post. So for that reason I'm in favour of this project. Due to some exchanges in the Netherlands, we couldn't follow the project at this moment. But I will try to continue in this project and send our data in the coming months.

Ted Smith:

Thank you very much. Moving on to Norway.

Per Tronstad (Norway):

I think Norway is updating and ready more. I agree with the comments from Finland.

Ted Smith:

Thank you very much Per. Moving on to Sweden.

Patrik Sandin (Sweden):

Yes. I will also say thank you to Mr. Chartier for a good presentation. Mr. Hemila from Finland has said most of it already. We have exactly the same comments as Finland. About the database, I have one more thing to say. The countries in Northern Europe, I mean Sweden, Finland, Norway and Denmark had a meeting about the database in the beginning of June and the result of this meeting was a list of things that we want added to this database. Without these things, the database will be without use for us. It is very important for us to have these things included for the database. We have sent this list and even discussed it so hopefully we see some result of this later this year.

Ted Smith:

Thank you very much Patrik. Are there any other questions for Jacques with respect to copyrights and the International Database as being created by the UET? Dominique?

Dominique de Bellaigue:

There are two questions that members of the assembly responded to in a somewhat confusing manner. The first question was – Are we all ready to say that we are the owners of data and that the use of this data, starting now, can no longer be used by anyone, in anyway, without first signing a contract with us, the owners, the organizers of equine races, who certainly are owners of images of these races and the results of these races? This matter is a very important matter that has been the topic of discussion at many of our UET meetings over the course of the years. Actually, what was proposed at the UET was that all of us together at the European level must make an explicit and strong request to our European governments. The same thing can certainly be proposed on a worldwide basis. What we would like everyone to know is that individual contracts were signed between countries and that these contracts strive toward what was proposed at the UET. This is not fiction. What it means is that everyone at this table can decide that, starting tomorrow, in its international or national relations with other organizations, will require the contents and the model of this contract. I can assure you that if all of you around this table make this decision we will move ahead and change the face of things. We must act individually and collectively. That is to say, that within this network, to say – “Yes, now we will no longer authorize anyone to steal our rights, our images and our results.”

The second point is a point on organizing; on re-grouping and on making available the data for which we have an extreme need on the European continent. I suppose that this type of dilemma was already dealt with between, let us say, Canada and the United States because horses freely circulated between Canada and the United States. It became unverifiable and it became evident that a system had to be put in place to follow the results of these horses in order to really organize races for these same horses. We will have these same demands on the European plan. It is very evident that we can't just sit back and wait to find out if we have the means or if we will find the resources for the European market and then patiently wait and hope that our politicians offer us the possibility to put into place this network. It is a necessity for all that will be organizing races. How can you accept horses from one day to the next to race at your hippodromes

when you don't have their race results or even any knowledge of them? It is evident that it is a necessary transition for all European race organizations. Surely, for a long time and for as long as racing has existed, there have been European horses that have come to race in the United States or American horses that have come to race in Europe and this, at a lesser degree, will become a necessity in the future.

I think that, certainly, we can try to improve our resources to develop what we think is indispensable, but we cannot say to ourselves that we are waiting for finances to develop this knowledge which will permit us to organize races, because in my opinion, we will be wasting a lot of time.

Ted Smith:

Thank you very much Dominic. I think most people around the table agree with the majority of your comments. That there is a willingness to go forward with entries and results and past performances that no horse should race anywhere in the world without having all the racing statistics available for all our wagering and racing fans. It's very important. With that note, I would like to turn it over to our next speaker, John Pawlak from the United States Trotting Association.

John Pawlak (United States):

Thank you Ted. I came to Canada for 3 reasons. To see the World Driving Championship, it's been exciting. To eat all the mussels on Prince Edward Island. I've been successful. And to hear about the European database. What I've heard today is very exciting. I would like to congratulate all the participants in this project and state unequivocally that the United States will participate fully in a provision of data to this project. Our owners and breeders want to know how the horses they export fair when they race in your countries. They want to know about the race horses that they've sold to your members how they are progressing in your country. I can also state that in terms of the copyright and ownership of the data, it would not be the idea that the United States would wish to sell data in terms of past performances or the like. Frankly we don't need the data that you will generate on a performance of individual trainers or drivers. This is of virtually no concern to us but we are very interested streamlining the process by which we gather data from Europe. As you know, at this time, people under my direction, Dave Carr, Janet Foray, contact each of the registries's and ask for diskettes or email downloads or other electronic transmissions and you've all been very gracious. But of course we can't do it on a regular basis because of course, as we speak different languages here, we have different means of exchanging data. It becomes very confusing and problematic. To have a database, such as you are planning, is very exciting to us. And as I say we have already participated to some degree and I know we are conferencing with Ted's organization because of course there is a great duplication. Horses bred in the United States race in Canada, then exported and we have to make sure that we are not duplicating the efforts on the horses that race here in North America when we transmit it to you. We will be giving you regular transmissions. Interesting story concerning today's Hambletonian eliminations. A horse recently raced in Europe, returned to Canada, entered the Hambletonian elimination. For whatever reason, whether it was the timing, at time with which the post positions were drawn and

thus the first program page was produced in the racing office at the Meadowlands we had yet to receive the transmission from Standardbred Canada. I don't know whether it was the timing thing, a technical problem or whatever, but that particular horse was short \$157,000 US dollars. The equivalent there of. It was discovered at the Meadowlands of course because someone who follows European trotting knew immediately that horse's lines were missing. There were three of them. The Meadowlands contacted us in the middle of the night. The young lady, who I mentioned, Janet Foray, who did attend the UET meeting on the database this past winter, was on vacation in New Hampshire. Good employee. She checks her email. She checks her telephone messages, and was able to make contact with the proper authorities in Europe, and obtain the data and get it to the Meadowlands so they could amend their program. It's a good story. The thing that troubles us a little bit is that the data that we mark it through our partner Trackmaster and also the data we mark it through Equibase to those who buy past performance programs at racetracks will likely have missed that rather important data in their early additions. It would be so very nice to have a European database that we could consult periodically when a horse is in to go to see if that horse has raced more recently in Europe or even down under than he has in North America and that would immediately trigger the proper response so that everyone would have the data. It's very important to us and Mr. Chartier everything you've said today, and as I say I would go home happy and I wish on behalf of the United States through Fred Noe to comment on the agreement you are proposing here today. Let me in the time I'm allotted to speak, tell you what we do in the United States to give you an idea of the breadth of the sale of data and the production of data. We really have two customers for our data, those handicappers, our best friends in the business who come and wager their dollars so that we may have the purses to race for. And those who are professionally in the industry: owners, breeders, trainers, and drivers, track administrators, racing commissioners and the like. In terms of handicapping data, two sources for our fans. Our website contains a great deal of data this is of interest to them: entries and results on a rather timely basis. But our major effort in the past 5 years has been a contract with a California firm called Trackmaster. In 1996, we started on our own and the USTA to market race pages, past performance pages, just as you see in a track program the internet. We wanted to expand that. And after talking to several firms we settled on Trackmaster and signed an initial 5-year contract, which we've just renewed to the much more favourable rate and in the interim Standardbred Canada is also partnered with Trackmaster. What we get out of that is access in marketing terms to thousands of thoroughbred racing fans that may want to be on harness racing. We get people who give excellent customer service. We provided customer service only during our business hours. They provide it for I believe 11 hours a day, 6 or 7 days a week. They've developed handicapping products for which we do not have the expertise. We do not write tip sheets. We do not do any computer type of analysis or any such thing, so they brought that expertise to the table as well. In terms of what you're considering, security, they have done some excellent things for us because they, now partnered with Equibase, have an officer and an office who do nothing but search the internet for people who are violating our contracts. And with this information we have been able to shut down not fewer than four operators and we're now on the heels of one that we can't get to but we will eventually. We as an association on our website know, given technology, people can visit the webpage and automatically go through all our results and build their

own database. And we know this is happening and has happened for a number of years. The way we are trying to counter this is we are putting signature data hidden inside our past performances. You go to our website and you see the name of a horse. For example Sugar Trader, one of the favourites for the Hamletonian. By hiding spaces and what are called non-printing characters, his name may appear this week "Sugar <space> Trader." Next week it may be "Sugar <space space> trader." Next week it may be "Sugar <space> trader <space>." Anyone thus who is automatically, as we say, vacuuming the data thinks there are 3 horses there and their database becomes useless. There are other things we have done on a technical basis, again using the expertise, of Trackmaster and Equibase to protect the data so that there are many things you can do to foil such operators.

Let's talk a bit more about the data that we supply to the industry. Basically we have 3 programs that we have developed for outside users. The first one was raceway. As a racetrack operator, Mr. Langley can tell you that this is the system that operates the race office and permitted us about 2 or 3 years ago to eliminate the papers that horsemen had to carry from racetrack to racetrack that had all the past performance data. His race secretary can go in and immediately get all the information he needs to manage the racing office there. We knew the horsemen liked the papers to some extent. They didn't like it when they didn't have them and they had to be scratched from a race. But they liked having the data. So we have a version of the raceway program called raceway like, which permits owners to look up, not only their own horses but every horse in training and it's been a popular product. But we only have about 300 subscribers for that service. Our biggest success, and we are just about ready to celebrate its second birthday, is Pathway which I hope each and everyone of you are familiar with since we have granted access to all the registries over the world on a complimentary basis for their professional use. In terms of the breadth of these products and how many are using them, 3-4 million people per month visit our website. That is far more than is professionally involved in the sport so it's a great public relations effort for us as well. I imagine about 300 in raceway life. With Pathway, we have approximately 5000 paid subscribers. In any given month about half of those (2500) are active. Those of you who are among veterans in this room and remember our old system, our dial up system, which we called SRIS. At its height it only had about 200 subscribers. So to have 2500 active subscribers and 5000, who have opened accounts, we are getting more data to more people. That's been very good. We have users of Pathway in some 35 countries and even Canadian Territories. We last checked, in the Yukon Territory, which is one of the Canadian outposts where I think they eat blubber every Sunday, we have subscribers. We are very pleased that that extends to many countries around the world. In terms of what it means to us monetarily, in terms of the sale of data, whether it's Pathway or Raceway life, the data we sell to people who print physical programs or our Trackmaster contract, I believe we are anticipating this year approximately \$600,000 dollars in revenue. In fact, from our Trackmaster account alone, in this coming January we will pass the 1 million dollar mark in revenues from that contract alone. The hazards that we have, the data vacuuming people going to our website everyday. The nature of the Pathway products is that you have to look at each screen does not permit this. You would actually have to look up thousands and thousands of horses to get all the data you want. Now that's not to say someone couldn't write a computer program to do that. Computers can do that at very high speed in the middle of the night or

whenever. But we track the usage very carefully and its found no such usage anywhere near that. We are of course fully protected by a firewall in our data and that has been very successful. In years passed before our firewall, we were actually involved with the US government. The US navy came to us and someone was using our server in Columbus, Ohio to break into another server in the department of defense and knowing to us, we weren't able to assist in the arrest what might have been an informational terrorist. In many of our products, most notably Raceway Lite, and perhaps when we reevaluate our costs on Pathway, we also place a limit on the number of downloads each individual can make a month. So these are the types of things that we can do to stem the outflow of unauthorized data downloads. We were advised early on by our lawyers that if you're going to put this data out there, you're going to need to protect it. They said to us is the first thing you do is you plant your flag. So whether you sign on to our website, sign on to Pathway, open the front page of the Trotting Pacing Guide, you will always see a copyright statement. You have to say this is mine. And then when you find that copyright being breached, you must aggressively go after the people that are breaching the copyright. We have done that and we will continue to do that. It's not always a pleasant task. It takes away resources and it costs money to fight people legally but fortunately to date we haven't gone to court. What we have done, is on especially a handicapping data, which has a far greater value I think than people who would steal it. We have taking some of these operators who have opened handicapping sites. We've gone to our partner Trackmaster and said you know that might not be a bad product. Let's all make some money. And in two instances we've brought individual entrepreneurs under the Trackmaster, USTA umbrella and all votes rise with revenue and that's been very important to us. A thing that is always difficult for us is that we recognize that the data goes across borders. Despite International treaties and conventions and the like, the difficulty of off-shore operators is something that continues to concern us. And we've had to make efforts to plug a couple of holes if you will in terms of a data that's gone to some of these operators on a surreptitious basis. This quite frankly, is what we do and will continue to do. We are very pleased with the response from you and the racing community on our products such as Pathway. I can promise you this, they can only get better. It seemed like a lifetime ago that we embarked on projects such as these. We were told that at our board of directors meeting some 6 years ago that it would be a one year, one million dollar project. And I now can report that we are in our 6<sup>th</sup> year of a 6 million-dollar project. It's expensive. I know your concerns but you must press ahead. The dividends not only for possible revenue but the service to the sport are incalculable. I'd like to take any questions you have regarding our products, our attitudes toward their sale or any questions you might have regarding our possible participation in the European project. If there are none, thank you.

Ted Smith:

Thank you very much John. Dominic do you have a question for John?

Dominic (Question):

Yes, I only wanted to say the following – I think there is a misunderstanding when we say *wanting to defend our copyright on images and results. We must act in not transmitting horses' race results to know if they won, their speed, their earnings, in*

*what country, where they are from.* That is not it at all. It is about the people who use the images and the results to organize gaming. These are the individuals we must institute proceedings against. These images, the use of these live images for gaming purposes, without a contract and, of course, use the finish to be able to have winners for their gaming. These are the individuals across the world we wish to take action against.

John Pawlak:

We are 100% in agreement. Our databases are a resource owned by our membership that we must manage in a most responsible manner. We have to balance that with our needs to promote the sport of harness racing. And very much so, I agree very much.

Ted Smith:

Thank you. Thank you very much John. We are getting behind schedule here. We are supposed to be breaking for our coffee and actually commencing for our committee meetings at 3:00pm so my comments will be very brief. Obviously Canada and the United States work together on a daily basis. We exchange all of our information daily sometimes more than once a day. I will sort of identify some of the differences that takes place at Standardbred Canada relative to the USTA and perhaps around the world. But first and foremost, we are also into the copyright issue and trademark issue. We are copyrighted and we do have a trademark and we are constantly defending the data. We even take positions that are owned by the industry so that some people do not take it and use it for their own personal gain. We do also offer packages for people and they sign personal contracts with us to use our online system. It's called the favourites package. And when they sign that contract they are signing that they will use that for their own personal use and not for any commercial use. We do have an online system. We have field reps. Val Skillings, some of you are using her as the liaison person in your committee is manager in field services. We have a representative, as sort of our agent in the field, at every racetrack on every racing occasion whether it's qualifying races or overnight races. The duty of that field rep is to be our customer service rep, take on any transactions of business whether they be a transfer of ownership which they can do online, membership renewal which they can do online and insurance premiums. We have an insurance program. But the core product that they produce basically are the race results and then enter the race results once the judges have made it official. They enter them very quickly and go through an editing process and are then put onto our website within minutes of the race. So if you know that, basically the post time of a race anywhere in Canada probably within 5-10 minutes of that race's completion and it's been made official, you can visit our website and see what the official results are. It's been a great service and it's been a boom to us with respect to our people viewing the website. And I know we just made a record for us last month when our page views were 4,450,000 and continuously climbing. We also offer a lot of other different types of services to various partners in the racing industry such as racing commissions. John Blakney is here with us and he represents the Maritime Provinces Harness Racing Commission and all of their licensing is done on our system. I can tell you from experience that when they started they had approximately 800 and some odd members and because we can produce online delinquent reports that the owner of this horse, the trainer of this horse or the driver of this horse has not renewed his membership with the MPHRC or has an

outstanding fine, we've increased their membership to over 1,400 in just over a year and a half. And so it's a wonderful tool to use and we've done so for MPHRC and we are also doing it for the Ontario Racing Commission. So everybody racing in Ontario would be online with Standardbred Canada. We are also very pleased that we have it with the Ontario Harness Horse Association. You heard John Walzak comment on that today and we are working on special initiatives for them as well with respect to memberships. They are also looking at a new initiative there where 1% of the purses earned by that particular horse would go to the groom of record. So that the actual groom that has been maintaining that particular horse would get a cheque issued to him directly off of our system for 1% of what that horse has earned. John Walzak also talked about cheque writing. Many organizations use our system across Canada for issuing their purse cheques to drivers and to trainers. They're done on a daily basis for owners and they are done on a bi-weekly basis for trainers and drivers. It's a wonderful system and it's one that has made the bookkeeping system tremendous. I can tell you one thing. It certainly was beneficial to the owners. Their purse cheques were mailed within 24 hours of the horse that was racing. We are also now producing pedigree pages and sale catalogues for various sales companies across Canada. They are not online but we are doing them in our office. In time they will be online and obviously they do pay for those services. We are perfecting it and there is potential that we might be doing a joint initiative with the United States Trotting Association. Actually we had a meeting on that subject last night. That's coming down the road. But right now we do service sales companies on a one on one basis. Having said that I think I will terminate my comments with respect to Standardbred Canada's website and our IT department. I'd be glad to answer any questions if you have them but feel that we really must move on. I want to give you an overview of what we are doing tonight and tomorrow but I will take any questions first.

(Question)

May I ask you just quickly if there is an international betting company, which would like to use your name. How much are you charging for it? Give me an example. Here the level is 3% of the total turnover. How much are you charging if someone asks this information?

Ted Smith:

The only one that I'm aware that is using it now is Trackmaster. We have a contract within Trackmaster and there is a Royalty program built into it. It's based on the volume. It is based on volume and percentage. Janet Cookson is with us and if you want to talk to her individually she can probably answer that question better than I can.

John Pawlak:

We do market data currently overseas to Australia. I do not know the rate. We charge several thousand dollars to the operators down there. I can get details should you be interested. We would probably market in the same fashion. Our partner trackmaster puts the raw data in a form that such individuals can use so that's the benefit of working through them. They are indeed our partners.

Ted Smith:

Any more questions?

Rod Pollock (Australia):

A comment. There are a couple areas of issue. We are looking at in question of a commercialization of intellectual property and we are not in a position or strength in Australia because of the number of stakeholders who I cline to various parts of intellectual property. We are also, as a nation, heavily involved in the moment of cross border betting and Internet wagering and our governments will legislate in that area. And I would hope to think that we would be suing the USTA at that particular time as an outcome of John's latest statement.

Ted Smith:

John says get in line.

Rod Pollock:

I would rather suggest that Australia has not received any copies of the specification nor has been able for range of access and finance and I can't speak for New Zealand to attend the meetings on the development on the International Database. I would like to say for Australia that we are in a state-based system and it is fully integrated and fully operational. In regard to our operational racing environment and our financial systems through to the customer, we pay on a fort nightly basis and we do everything else that you have proposed. The Australian national database is now up and in operation and contains some 750,000 horses. It is vacuumed regularly by people from this continent as a matter of course. We are unable to protect that data at a satisfactory level despite the things that are there. The people who do this are very skilled in their operations and we've made a choice that on some of these areas we will not defend. We have a product which if you look on our website, [www.harness.org.au](http://www.harness.org.au), there is a product called AHRC online. Part of which is subscription-based service. It has horses with results given within 5 minutes within the end of the race. It contains a full database with pedigree details to the third remove. It has the history including the racing performance back to where we have them, to 1980. In the next 18 months, it will include hopefully the horses back to 1850 in terms of their genetic background. We would anticipate having a full real time integrated national database by 2006. We could have incorporated some of those specifications in development, which we were done at this particular point in time had we known. And we have been at the meetings and unfortunately we have not received the information on the specifications. We have developed computing facilities and information systems where an infrastructure where a particular stake controlling body who is a member of our council has had the resources and money to do it. That has been a great cost to our industry and it is now up there and we have balanced the judgment by giving free access to incorporate and encourage people to progress the standardbred as such. We would hope that certain parts of the questions that you are addressing and the issues that you have identified would allow us to be able to put a competent commercial strategy together for the continuance into the future. Australia and New Zealand exchange data information and access. We appreciate Standardbred Canada's and the USTA's ability to access their databases. But we are not significant players in those markets at this point in time. There are others who run wagering systems who are. And

we want our cut for our industry for where it counts even if thoroughbreds and standardbreds are broadcast over Canadian television. The thoroughbreds are similarly addressing the same area of intellectual property and their computer systems. They are 4-5 years behind harness racing and we have these systems fully operational. If anyone doesn't have them, we are more than interested in talking to them and we will see them to you. And so that is a very important feature there because we are a small country in terms of our size and population, but our technology base is quite good, competent and easy to deliver up to data systems and we are using the latest in technologies to deliver it to our customers. Thank you.

Ted Smith:

Thank you very much Rod. All right I think we should be moving on. Oh I'm sorry Jacques.

Jacques:

I would like to answer Rod. I'm going to try to do it in English. I would like to answer your question. I think that it is important to see that you are ready to cooperate with such a database. It was decided to organize something only between the different countries of UET. What we proposed our project to American friends, that it is to say Canada and the United States representatives, they told us that they were very interested. In the first time we cooperate between Europe and America, I see that you are completely right and that it is not sufficient. It's necessary to have an intellectual data bank with all the countries which are organizing trotting races even if the relation with the horses between Australia or New Zealand are not very frequent compared to other countries. But you are completely right. I know that you are in a very high technology in computing systems and it will not be very difficult to have compatibility between your system and our system. And so as soon as I go to Paris I shall ask our computer specialist to send you the frame of the record in order to have complete cooperation. Thank you Rod.

Ted Smith:

Thank you Jacques. Rod?

Rod Pollock:

Thank you Mr. Chairman. At the moment Jacques, we have one horse on page 7. It is not going to take you a long time to get you that information. However in 1999, our former chairman, Dr. Ern Manea committed Australia and I'm sure that my chairman will give the same commitment that we cooperate with everyone to produce the information. And I have to say to you that with New Zealand and Australia we are not resource strong and we have to be smart technologists. So our garter is there and if with planning we can enhance the International Database.