

Material in music, film, book and software publishing industries can be easily duplicated on a large scale by personal computers, and unauthorised or illegal copies have become a serious problem in recent years. In this situation the digital watermark can be used as a direct method of preventing unauthorised copying. This paper presents a novel digital watermarking system based on Vector Quantisation (VQ) and Discrete Cosine Transform (DCT), which can embed a grey level image. The proposed new system can embed 16 times more information than other traditional DCT based watermarking systems. The recovered images have high Peak Signal to Noise Ratio (PSNR) value and good visual quality. This system is robust in terms of both JPEG compression and other signal processing attacks.