

Brussels, 29 February 2008

## Public Consultation on Creative Content Online in the Single Market – Submission of the "Motion Picture Association" (MPA) in response to the Questionnaire of the European Commission regarding Policy/Regulatory issues

The Motion Picture Association (MPA) is a trade association that represents six major international producers and distributors of films, home entertainment and television programmes<sup>1</sup>. Our member companies have been developing a wide range of online services and are licensing their works to a broad array of new media platforms. These new services offer consumers exciting and novel ways of enjoying an ever broader variety of copyright-protected content, notably (but not only) on the Internet.

#### I. Executive Summary

The MPA's response to the Questionnaire of the European Commission emphasises that one of the main drivers for the development of a dynamic and legitimate "Content Online" will be the level and quality of the co-operation achieved between "content" and "access" providers. In concrete terms and as a matter of urgency, the MPA argues that effective and meaningful stakeholder co-operation should help facilitate three much-needed developments in the online world:

- 1) create and further develop a climate of trust and collaborative effort that will clearly encourage new business models and the launch of new innovative online services of content delivery,
- 2) make sure that proportionate and effective means of redress are available to victims of civil wrongs,
- 3) encourage the take-up and use of technological tools discouraging illegal activities, such as content recognition tools.

Our submission also stresses that Digital Rights Management systems (DRMs) are key enablers for the development of content online and that their capabilities and potential in terms of facilitating the rolling-out of new and exciting diversified business models is tremendous. The MPA considers that the achievement of DRM interoperability will be the fruit of a market-driven process and that it will not result from the choice of a single technology. Based on explicit content usage models, technology should provide a secure and flexible framework enabling an open market for DRM implementations.

<sup>&</sup>lt;sup>1</sup> The MPA's members comprise: Buena Vista International, Inc., Paramount Pictures Corporation, Sony Pictures Releasing International Corporation, Twentieth Century Fox International Corporation, Universal International Films, Inc., Warner Bros. Pictures International, a division of Warner Bros. Pictures Inc.

Finally, the third main focus of the submission is devoted to the topic of "multiterritory rights licensing" raised by the European Commission in its questions 6, 7 and 8. In this respect, the MPA recalls that the territorial nature of copyright is acknowledged by international, European and national law and that this recognition has not in any way precluded cross-border licensing models from a legal point of view. Furthermore, the MPA explains that no "one-size-fits-all" business model could be effective at meeting the diverse needs of European creators, industry and consumers in the online environment and that potential restrictions on the industry's freedom to license would therefore penalise creators and eliminate market-driven incentives to invest in the right sort of new and diverse online content that drives new business models, products and services. In a nut-shell, the MPA demonstrates that the current flexible system based on contractual freedom - which allows rights-holders to license their content as they deem most appropriate from a commercial point of view based on market signals, be it on a national, linguistic or multi-territorial basis - should be retained.

As specific requests, the MPA calls for the European Commission and the European Union:

- to seize the opportunity of the ongoing legislative review of the so-called "Telecoms Package" for setting the ground rules for stakeholder cooperation to be both encouraged and facilitated at the EU level,
- to encourage the adoption of interoperable DRMs via open standards such as the DVB-CPCM technical specifications ("Content Protection and Copy Management") developed by the European Digital Video Broadcasting project, the "Coral" consortium or other industry initiatives, which are important enablers to create the trusted and secure environments that are required for the industry to support the development of interoperable online creative content services.
- to use the future Recommendation on "Content Online in the Single Market" to stimulate a culture of proper respect for creativity and effective protection of copyright through improved communication and awareness-raising initiatives.
- to hold a hearing to discuss content filtering technologies with all stakeholders – inviting the providers of such services to make presentations and allow for the exchange of best practices in this area.

#### II. Policy/Regulatory issues for consultation

#### **Digital Rights Management**

1. Do you agree that fostering the adoption of interoperable DRM systems should support the development of online creative content services in the Internal Market? What are the main obstacles to fully interoperable DRM systems? Which commendable practices do you identify as regards DRM interoperability?

It is of critical importance for the film industry to contribute to, and benefit from, the development of creative content online. Interoperable DRM systems, even more than non-interoperable DRM systems, stimulate the growth of new content distribution channels and new business models, in particular "download-to-own" ("digital sell-thru"), "video-on-demand" (VoD) "subscription" services, and these services benefit consumers by providing exciting and novel ways of enjoying an ever broader variety of copyrightprotected content. Of course, new technologies like DRM systems, when first introduced, can by nature be non-interoperable because proprietary systems are easier to launch and interoperability is a feature that tends to take time to establish. However, the MPA and its members are convinced that DRM systems will need to evolve towards the kind of interoperability that will bring tremendous benefits to both consumers and content owners.

Indeed, current progress in DRM technologies is extremely exciting and opens new avenues for diversified business models to take hold. The full benefit of these technologies will be felt when a large variety of consumer electronic devices are able to interoperate in a secure way and when the commercial offers are made "agnostic" to the underlying technologies. In this respect, it could be argued that interoperability is more of a business-to-business issue rather than a technological question.

The MPA believes that DRM interoperability will be market-driven with explicit content usage models and that technology should provide a secure and flexible framework to enable an open market for DRM implementations. We do not think that DRM interoperability will be achieved through the choice of a single technology – which would in any event be impractical since there is such a wide variety of businesses models to be supported and the Technical Protection Measures continuously need to adapt to new challenges.

In all likelihood, there will always be proprietary DRM implementations that secure legitimate vertical business models. However, it is also clear that great benefits will be unleashed by establishing an open market for DRM implementations, thereby allowing content to circulate securely across multiple DRMs on a variety of horizontal devices. As a matter of fact, many industry players have been looking at this issue for a few years and it has become clear that DRM interoperability will be achieved either (i) by establishing a standardized technical framework of trust between multiple DRM implementations or (ii) by facilitating export of content from one DRM to another.

Alongside other industry efforts, two specific promising initiatives should be emphasised in this context.

- The European Digital Video Broadcasting project (DVB), which has just released a technical specification called DVB-CPCM (Content Protection and Copy Management). It has been developed by cross-industry consensus and it is due to be standardised by the European Telecommunications Standards Institute (ETSI). DVB-CPCM aims at providing a very comprehensive technical framework able to sustain a large variety of business models. Ultimately, it will enable interoperability of DVB-CPCM compliant DRM implementations across a variety of devices.
- The "Coral" consortium, an initiative which aims to provide interoperability by facilitating export of content from one DRM to another.

The MPA recommends fostering the adoption of interoperable DRMs via open standards such as DVB-CPCM and CORAL. We see these standards as an important enabler to create the trusted and secure environments that are required for the industry to support the development of interoperable online creative content services.

2. Do you agree that consumer information with regard to interoperability and personal data protection features of DRM systems should be improved? What could be, in your opinion, the most appropriate means and procedures to improve consumers' information in respect of DRM systems? Which commendable practices would you identify as regards labelling of digital products and services?

The wish of consumers of creative content online is clearly to be able to enjoy licensed content at their convenience on a variety of devices, either at home or away. The film industry shares this wish and considers DRM interoperability as the way to achieve it through market-driven solutions. The key issue is how to achieve this interoperability. A "common root of trust", for different compliance and robustness regimes, such as that contemplated under DVB-CPCM, may be appropriate. As discussed above under Question 1, proprietary DRM systems can to a large extent be seen as emerging technologies designed to sustain promising new channels for online content delivery. As a matter of course, consumers who access content via these new means should be fully aware of all associated terms and conditions, i.e. the usage rights.

The MPA believes that transparency through clear and conspicuous notice is essential to ensure a high level of confidence for consumers of creative content online. We believe that industry self-regulation provides the most appropriate means to define and implement adequate labelling requirements on online products and services as well as the required compliance rules for services and devices that provide this level of interoperability. As an example, Microsoft Windows's *PlaysForSure* labeling can be mentioned, which enables consumers to be informed that various devices are WMDRM compatible.

3. Do you agree that reducing the complexity and enhancing the legibility of end-user licence agreements (EULAs) would support the development of online creative content services in the Internal Market? Which recommendable practices do you identify as regards EULAs? Do you identify any particular issue related to EULAs that needs to be addressed?

The delivery of software is frequently characterised by "end-user licence agreements" (EULAs) – whether in the form of so-called "shrink-wrap" licences (i.e. a paper included in the physical box containing the software programme) or in the now most usual form of "click-wrap licences (i.e. a pop-up dialogue box appearing on a user's computer screen). The MPA strongly supports their use and believes that the use of EULAs has played a very positive role in facilitating software transactions between users and suppliers by clearly setting forth the terms and conditions applicable to the use of the licensed content.

4. Do you agree that alternative dispute resolution mechanisms in relation to the application and administration of DRM systems would enhance consumers' confidence in new products and services? Which commendable practices do you identify in that respect?

As a general view, the MPA considers that Alternative Dispute Resolution (ADR) mechanisms are valuable in the sense that they provide stakeholders with informal but still effective means to seek solutions and/or redress to potential disputes between parties. In addition, ADR, despite its delays, often offers a more expeditious dispute resolution procedure than that available in the courts. However, in the particular case of the application and administration of DRMs (e.g. in relation to the interaction between the legal protection of technological measures and limitations/exceptions to copyright), our support for ADR mechanisms would clearly be conditional to the fulfillment of the following criteria:

- National ADR experiences suggest that it is of critical importance to make sure that any ADR body competent for DRM-related matters is totally un-biased and thus perfectly able and entitled to deal with, say, both illegal circumvention of technological measures and potential abusive use of DRMs.
- While the use of the ADR procedure selected should be mandatory, the
  possibility for the involved parties to appeal to a court of law any ADR
  decision or award should always be preserved.

In any event and as a final remark of particular relevance for specific DRM-based online services launched in the film sector, such as Video-on-Demand (VoD), the MPA deems it very important to recall that the EU's copyright acquis clearly stipulates – with reference to DRM-type technologies and copyright limitations – that national authorities should in any event not interfere in the context of "...works or other subject-matter made available to the public on agreed contractual terms in such a way that members of the public may access

them from a place and at a time individually chosen by them"<sup>2</sup>. At the time of its adoption, the purpose of this provision was to encourage the launch of creative content online. This policy goal is even more valid today than it was back in 2001.

## 5. Do you agree that ensuring a non-discriminatory access (for instance for SMEs) to DRM solutions is needed to preserve and foster competition on the market for digital content distribution?

The MPA has for many years been actively involved in DRM-related work of standardisation bodies such as the European Digital Video Broadcasting project (DVB). Hence, we are eminently aware and supportive of the IPR policies applicable within these forums, which will generally require that participants undertake to license any IPRs associated with developed specifications on fair, reasonable and non-discriminatory terms. The regime applicable within bodies like the DVB is meant to encourage the adoption of open standards, while still making sure that IPR holders in specific technologies are able to reap the benefits of their investment in the said technologies. This approach fosters the development of horizontal markets wherein firms can compete on implementations of the standard.

Small and medium-sized enterprises (SMEs) and end-consumers (i.e. an individual or a specific consumer group) may appear to have a lot to gain from such non-discriminatory access to non-standards-based DRM solutions as well – but they will also more generally benefit from healthy competition. As an illustration, SMEs clearly stand to benefit from rivalry in the marketplace between different companies engaged in the development of competing implementation solutions for any set of detailed specifications developed within a standards body. The MPA would therefore submit to the European Commission that it needs to clearly acknowledge the difference between, on the one hand, non-discriminatory access to a <u>standard</u> and the IPRs needed to implement it and, on the other hand, non-discriminatory access to a <u>proprietary</u> DRM technology and the IPRs needed to implement it.

In view of the above, the MPA would caution against any specific initiative aimed at solving a perceived "access problem" to DRM solutions. Indeed, we would argue that the continued application of current competition rules constitutes the best guarantee that an "access problem" remains non-existent. We would clearly advise against specific measures/remedies that could have the unintended consequence of limiting the contractual freedom of specific developers of DRM solutions to license their IPRs/software as they see fit. Ultimately, forcing a specific developer of DRM solutions to license its software, technology or other IPRs in a specific way would raise the spectre of expropriation and compulsory licensing. In the MPA's opinion, the application of current competition law remains the single best solution to ensure both the maintenance of a competitive market and the stimulation of innovation.

<sup>&</sup>lt;sup>2</sup> See the fourth paragraph of Article 6.4 of the EU's Copyright Directive (2001/29/EC).

#### **Multi-territory rights licensing**

- 6. Do you agree that the issue of multi-territory rights licensing must be addressed by means of a Recommendation of the European Parliament and the Council?
- 7. What is in your view the most efficient way of fostering multi-territory rights licensing in the area of audiovisual works? Do you agree that a model of online licences based on the distinction between a primary and a secondary multi-territory market can facilitate EU-wide or multi-territory licensing for the creative content you deal with?

#### Joint answer to Questions 6 & 7:

Alongside production, licensing and rights clearance lie at the heart of the business of the member companies of the MPA. Either as licensees or licensors, MPA members deal with this activity on a daily basis across borders, whether geographic or linguistic. This is a normal activity for companies operating in the content sector, be it offline or online. As to the decision to engage in single or multi-territorial licensing, this choice is made on the basis of informed decisions by the rights holders, on a case-by-case basis, with due consideration for local sensitivities (cultural preferences, classification regulations, language, etc.) and the requirement to ensure full consumer satisfaction. Even though international, EU and national law recognise the territorial nature of copyright, it is useful to recall here that the territorial application of copyright does not in any way preclude, from a legal point of view, EU-wide or cross-border licensing models.

The MPA considers that a Recommendation of the European Parliament and the Council is not needed to address the issue of "multi-territory rights licensing". We would rather suggest that the future Recommendation on "Content Online in the Single Market" be aimed at fostering a culture of proper respect for creativity and effective protection of copyright - through improved communication and awareness-raising initiatives - at the European and national levels. Indeed, the contractual freedom granted to rights holders to license their audiovisual content (e.g. in some cases on a territorial basis) does not in itself constitute an obstacle to the launch of innovative online services available on a multi-territorial basis. On the contrary, it appears clearly that no "one-size-fits-all" business model could be effective at meeting the diverse needs of European creators, industry and consumers in the online environment. In this context, recommending a single model or a restriction on the industry's freedom to license would potentially penalise creators and eliminate marketdriven incentives to invest in the right sort of new and diverse online content that can drive new business models, products and services.

Hence, what should be retained is the current flexible system based on contractual freedom, which allows rights-holders to license their content as they deem most appropriate from a commercial point of view based on market signals, be it on a national, linguistic or multi-territorial basis. With regard to the distribution of films and audiovisual works, the MPA's view is therefore that any

form of mandate for Europe-wide or multi-territory licensing would be inappropriate and contrary to not only the copyright *acquis* but also international norms. Without the freedom to engage in arms-length contractual negotiations, creative media companies would simply not exist as they do today. This is particularly true for smaller and medium-sized producers whose very existence depends on a precarious mix of funding sources including presales into certain markets and co-productions which may give different parties different rights in different territories. The MPA would therefore like to caution against any attempt to portray the licensing and rights clearance activity as a potential obstacle to delivery of audiovisual works, when on the contrary it constitutes one of the main drivers behind content production and availability.

Finally, because of the above-mentioned arguments, the MPA would like to stress that we do not see any commercial or practical value in the distinction suggested in Question 7 between "primary" and "secondary" licences. Moreover, we are not only unclear about how the Commission's sees the so-called "secondary multi-territory licensing" operating in the marketplace, but we would also be very wary of the negative impact such a system could have on the viability of the creative audiovisual sector.

# 8. Do you agree that business models based on the idea of selling less of more, as illustrated by the so-called "Long tail" theory, benefit from multiterritory rights licences for back-catalogue works (for instance works more than two years old)?

The MPA and its member companies are eminently aware of some of the "niche strategies" pursued in the creative media sector in general and in the film sector in particular. Online film rentals services provide examples of a situation where specific inventory and distribution costs have sometimes allowed for the creation of significant revenue by basically selling "less of more", instead of mostly delivering large amounts of best-selling products/services (i.e. selling "more of less").

However, as the above-mentioned example already suggests, it is important to recall that specific markets for creative content displaying "Long Tail" characteristics, such as online bookstores like Amazon, might have successfully thrived on a distinction between "niche content" and "best-selling content", but certainly not on the more subjective distinction between "older" vs. "new" content. Therefore, we do not really see any concrete applications for the "works more than two years old" metric mentioned in Question 8. This is even less relevant in the film industry, which is a sector characterised by the release of cinematographic works through successive so-called "windows" (theatres, VoD, DVD and television – pay-TV and free-to-air). The full windows cycle for a theatrical release film can, in some cases, take up to seven years to complete.

As a matter of fact, in most European countries a specific film would certainly not be considered as part of the "back-catalogue" before it had even gone through this media chronology. Besides, should a rights holder consider that a specific work (back-catalogue or not) would benefit from a multi-territory license, nothing in current international, EU or national law would stop the said

rights holder from granting such a licence if it sees commercial value in doing so. In short, the contractual freedom to engage in arm's-length negotiations of licensing agreements empowers the rights holder and constitutes the best guarantee that business opportunities are seized to distribute films, be it online or offline.

#### Legal offers and piracy

## 9. How can increased, effective stakeholder cooperation improve respect of copyright in the online environment?

The notion that stakeholder cooperation – notably between Internet service providers/telecoms operators and rights holders – can go a long way to improve respect for copyright in the online environment was embodied in the "European Charter for the Development and the Take-Up of Film Online", presented by the European Commission on 23 May 2006 and endorsed by a series of cross-sector companies and organisations. However, as the wording of Question 9 correctly suggests, the key issues today are (i) how to increase this level of cooperation and (ii) how to make it really effective. In the MPA's view, the response to these two requirements lie in an appropriate mix of legislative/regulatory adjustments to nudge stakeholders towards increased cooperation and of robust inter-industry codes of conduct turning past political declarations into concrete practical commitments.

The MPA is firmly convinced that cooperation is much-needed in the area of copyright and also beyond. Indeed, it could eventually be the key enabler ensuring respect of all fundamental rights and freedoms on electronic communications networks and services. In other words, the level and quality of stakeholder cooperation will to a great extent shape and determine the level of application of the ground rules we collectively want to see adopted and enforced in the "knowledge society" called for by the European Commission.

In concrete terms and as a matter of urgency, the MPA submits that only effective and meaningful stakeholder co-operation should notably help facilitate three much-needed developments in the online world: (i) make sure that proportionate and effective means of redress are available to victims of civil wrongs (recourse to often guite drastic criminal sanctions should not be the only means available), (ii) encourage the take-up and use of technological tools discouraging and/or preventing illegal activities, and (iii) create and further develop a climate of trust and collaborative effort that will clearly encourage new business models and the launch of new innovative online services of content delivery. Unfortunately, the current framework does not yet gather the elements needed to produce these results at the EU level. Therefore, it is both crucial and timely that the opportunity of the ongoing legislative review of the so-called "Telecoms Package" be seized to address this regulatory vacuum and to set the ground rules for stakeholder co-operation to be both encouraged and facilitated at the EU level. The "Telecom Package" review and the "Content Online" process are clearly two complementary initiatives. They cannot substitute each other and are thus both equally needed.

Finally, the MPA would like to emphasise three national experiences that provide useful examples that could be emulated within the Single Market for Creative Content Online:

- In the United Kingdom, the Government has made clear that it will legislate in the area of ISP cooperation if required. To that end, it will consult on the form and content of regulatory arrangements in 2008, with a view to implementing legislation by April 2009, if required (see notably Recommendation 39 of the December 2006 "Gowers Review of Intellectual Property" and Commitment 15 of the February 2008 "Creative Britain New Talents for the New Economy" Strategy Paper).
- In France, active involvement of public authorities facilitated the adoption in November 2007 by 42 stakeholders of a tripartite agreement for the development and the protection of cultural works and programmes on the new networks (some elements of this agreement will necessitate legislative and regulatory measures that the Government has committed to present to the Parliament of 2008).
- In Sweden, the September 2007 "Renfors Report" of the Justice Ministry on "Music and Film on the Internet – Threat or Opportunity" calls for the encouragement of consumer migration to legitimate online services of content delivery and suggests a "graduated response" operating via the courts, whereby ISP subscribers repeatedly using their subscriptions to infringe copyright should face the consequence of seeing their accounts terminated.

## 10. Do you consider the Memorandum of Understanding, recently adopted in France, as an example to be followed?

The MPA supports the main objectives of the French agreement for the development and the protection of cultural works and programmes on the new networks, which was signed at the *Palais de l'Elysée* on 23 November 2007, respectively by the French Government, representatives of rights holders and telecom operators/ISPs. We consider this agreement not only to be a major development but also a testimony to the fact that public authorities have an important role to play in encouraging breakthroughs in these types of negotiations and in undertaking to bring about the necessary related regulatory changes. We also think that it needs to be emphasised that the agreement unites no less than 42 signatories ranging from rights holders to public and private broadcasters as well as from telecom operators to Internet service providers.

We see the breadth and depth of the level of inter-industry consensus reached in this agreement as (i) a clear recognition by both the public and private sectors that strong "content" and "infrastructure" sectors are both needed to develop tomorrow's knowledge societies, (ii) that these (strong) sectors are complementary and thus need to work together to make sure that a healthy online marketplace for creative content is in place, and (iii) that this cooperation will ultimately benefit the consumers who will enjoy both efficient and powerful "distribution pipes" as well as rich and diversified content offerings.

Considering the elements mentioned above, the MPA thinks that the bulk of the substance of the French agreement constitutes an example that could be followed across the EU if voluntary agreement amongst relevant stakeholders cannot be reached in the first instance. Whether at the European or national level, the details of the collaborative mechanisms eventually put in place would of course have to be adapted to the specific characteristics of any given market (e.g. media chronology, local regulations, etc.).

### 11. Do you consider that applying filtering measures would be an effective way to prevent online copyright infringements?

The MPA is of the opinion that the application of content recognition technologies should play an important part in any larger effective strategy against not only online piracy of creative content, but also to stimulate the continued development of legal content online services. This is not to say that filtering could, on its own, be the solution to all problems, but rather that it is one of many tools that need to be part of any coherent and comprehensive approach to address online copyright infringements. Clearly, the application of content recognition technologies is a cooperative venture requiring content owners to play an important role; it should thus not be seen as a task falling solely and independently upon access providers and/or platform operators.

In a nut-shell, filtering technologies in the audiovisual sector – of which there are many types, including fingerprinting, audio and video watermarking, and combinations of the foregoing – are all based on the following three-staged approach:

- 1. Content recognition systems examine the audio and/or video characteristics of a film (or of any other creative content, for that matter) to identify a particular file.
- 2. In the case of fingerprinted content, the system creates a unique signature or "fingerprint" of the unknown file. In the background, reference fingerprints are stored in a master database, and the fingerprints of unknown files are compared to the reference fingerprints. When there is a match, the file is identified.
- 3. In the case of watermarked content, the content is self-identifying (e.g., by its ISAN number). Once identified, the file can be handled in accordance with rules set by the content owner.

Our views on content recognition technologies are rooted in extensive testing that has been carried out jointly by the MPAA (i.e. the MPA's sister organisation in the US) and MovieLabs (<a href="http://www.movielabs.com/">http://www.movielabs.com/</a>)<sup>3</sup> as well as on the fact that content recognition technologies have already been rolled out successfully on certain platforms and services, such as the popular French web 2.0 application <a href="https://www.dailymotion.fr">www.dailymotion.fr</a>, network providers on US university campuses, and client file-sharing applications like Azureus and Imesh. It also bears recalling that in June 2007, the Brussels Court of First Instance ordered the Internet service provider Scarlet to implement a filtering solution to prevent

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<sup>&</sup>lt;sup>3</sup> The MPAA/Movielabs testing involved twelve different vendors (Advestigo, Audible Magic, Auditude, Gracenote, Intellivision, M2any, NTT, Philips, Thompson, Vidyatel LTD, and Vobile).

peer-to-peer piracy of Sabam's (i.e. the Belgian music author society) repertoire.

In the MPA's view, one of the main merits of content recognition technologies is that they can deal with Internet piracy like other filtering tools treat spam and viruses. In this regard, the rationale behind filtering measures is underpinned by four main acknowledgements that need to be clearly made about <u>online copyright theft</u>, namely that: (i) it constitutes a violation of the ISP's terms of service, (ii) it degrades network performance (not least broadband-hungry film piracy), (iii) it is a "resource cannibaliser" in terms of bandwidth, labour and liability, and (iv) it can be automatically addressed without compromising privacy. It is not about identifying individuals engaged in acts of copyright infringement nor is it about determining the details of their communications.

In addition, MPA submits that content protection technology will have a beneficial effect on ISPs' quality of service by reducing the very substantial portion of bandwidth that is currently clogged up to the detriment of law-abiding subscribers by the illegal flow of pirated content, notably occurring on peer-to-peer file-sharing networks and new platforms of (so-called) user-generated content. Indeed, in the current context, it should be understood that that law-abiding consumers are unwittingly subsidising the activity of infringers and consequently experiencing slower service. If left unaddressed, this situation is bound to be exacerbated by the advent of broadband-hungry high-definition content.

Finally and in light of the above, the MPA would like to invite the European Commission to hold a hearing to discuss content filtering technologies with all stakeholders – inviting the providers of such services to make presentations and exchange best practices in this area.

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The MPA remains at the Commission's disposal for further information where necessary.

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