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?

- Currently, all major DRM systems are US-owned and operated. European content that would be DRM restricted would therefore have to go through a US-based gatekeeper. We do not expect this situation to get better by introduction of an "interoperable", probably just as US-software-patent-encumbered, DRM scheme.

- With regard to services that are directed towards consumers, interoperability of DRM systems would just slow down the adoption of better business models, such as no DRM at all. We are currently witnessing a market-driven (customer-friendly) growth of DRM-free digital content and introduction of DRM interoperability would harm this business development.

- According to a letter from Random House Audio Publishing Group dated February 21th (http://craphound.com/DRMLetter22108.pdf), there is no discernible increase in copyright infringement of DRM-free titles when compared to DRM-restricted ones. This is in line with the observation that current DRM systems mostly hinder the legal use of content. They have never curtailed copyright infringement, and therefore abandoning DRM will not increase it, either.

- In addition, fully interoperable DRM systems are not realistic as long as software patents are being granted, and DRM systems are created with closed source systems whose reverse-engineering is not allowed. The licensing terms of fully interoperable DRM systems must be compatible with Open Source licenses including the GNU General Public License.

- Should DRM be supported in the future, its use should be restricted to specific rights of rights-holders that would be specified by law. It should not be permitted to use DRM in consumer products to, for example, restrict the fair dealing rights.

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?

- We do not believe that DRM would be desirable or even possible in the current IPR environment (see answers to question 1).

- However, we believe that the rights of the consumers should be described clearly and that fair dealing rights should be guaranteed by law. This would enable labelling with the greatest consumer understanding and awareness.

- An example of a labelling system that successfully communicates a set of rights that the content user has is Creative Commons (http://www.creativecommons.org).

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?

- Complex EULAs or other legal terms are generally speaking not understood by the general public. Therefore, 'shrinkwrap' or 'clickwrap' EULAs or other legal terms cannot be held as legally binding. Only those terms of use that are offered in a way that the customer has a real possibility to understand their whole scope should be held as legally binding. This includes considerations of language (both in terms actual language, for example, English vs. Finnish, and in terms of terminology used) and delivery method (printed and signed versus click-through).

- In general, terms of use should be expressed in short and simple sentences that can be readily understood by all customers. Again, Creative Commons (http://www.creativecommons.org) is a good example of how the rights can be expressed in a simple way.

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?

- Dispute resolution mechanisms based on community and national law should take precedence over any alternative systems. In any case, if an alternative system is available, its use should be optional to the consumer, and they should be designed to empower the consumer with additional ways to seek compensation, not to strip the consumers of their legal rights.

- Breach of terms of use of digital content should be seen as a contractual breach, not a criminal offence. Also, it would be beneficial for consumer ombudsmen to be available in the case of disputes.

- Consumers should be able to "return" (cancel the contract, with full refund) any digital content that does not work with the consumer's software or hardware, if the customer could plausibly expect the content to work.

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?

- Non-discriminatory access for different operators, including SMEs and Open Source companies would indeed be essential. However, as long as software patents can be enforced, ensuring non-discriminatory access is not possible. Also, please see our answer to question 1.

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?

- Territorial market differentiation is against the objectives of the Common Market and should be discouraged, by such a Recommendation or even binding legislation.

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?

- As with the Internet, rights licensing should aim to be global in
scope whenever possible. At least the European Union should be
considered as a single entity.

- This issue may have different aspects depending on whether the
content user is a private customer or a re-distributor or, for
example, a broadcaster. Private customers should be able to acquire
content from any territory. However, broadcasters, for example,
might like to acquire rights only for a restricted geographical
area.

- Multi-territory rights would also be aligned with free market
principles. Territorial differences in digital content are almost
completely artificial.

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 multi-territory rights licences for back-catalogue
works (for instance works more than two years old)?

- The 'long tail' sales are an important effect that has been made
possible by online sales, and has positive effects both in economic
and cultural sense. It enables niche and old works to get the
recognition they deserve. In a culturally diverse market such as the
EU, this is significant.

- Relaxing territorial rights automatically for old works would
intuitively sound like an idea that might very well boost
back-catalogue sales.

- In addition to relaxing territorial rights, so-called 'orphan' works
(works whose creator is unknown or has not enforced their copyright
for some period) should also be addressed, preferably by releasing
those works to the public domain after a certain period.

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

- A key observation here is that "stakeholders" should include also
users (consumers) of content. One-sided stakeholder push from
content provider and creator side will not improve respect.

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

- The copyright infringement detection methods listed in the MoU
breach the users' privacy, and proposed sanctions readily pit
content producers and consumers against each other. This is
counterproductive for a truly equal multistakeholder communication.

- There are some commendable practices in the MoU such as the
requirement to offer digital music downloads without being

encumbered by non-interoperable technical restriction measures. However, in general, the MoU is not balanced and works against the benefit of consumers.

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

- No. All filters will end up being misused and filtering legal content at some point. They can also be technically bypassed. Filtering systems also have major privacy issues.