

Statement

Concerning the Consultation concerning the Communication “Creative Content Online in a single market”:

EGDF welcomes, in principle, the efforts of the European Commission to better regulate the field of Online Content Distribution. This has grown significantly throughout recent years, while regulatory measures are still discussed. EGDF therefore supports the idea of a continuous update of the media research backing regulatory activities.

Concerning the introduction of DRM systems EGDF wishes to underline that these systems are often seen with great skepticism. In general the DRM system problems are more political and economical than technical. They are by many seen as a means to leverage barriers-to-entry and key strategic positions in offline distribution systems, perpetuating them into the era of online distribution. Hoping for seamlessly interoperable proprietary solutions, that compete and provide reliable DRM protection at the same time, is not very realistic. Competing standards linked with license business models will not bring the considerable changes envisaged.

In order to grow the market, most likely only open and free standards will make a difference to the SME’s that produce content and offer it for direct distribution online. In general, it seems necessary that the Commission insists on an open standard, and at the very least opens discussion on this option with the industry. Whilst important, it is not enough to better inform consumers, to introduce standard labels, standard end-user contracts, or other means for making DRM systems more transparent to the end user.

At their opposite ends of the value chain, the content producers and the empowered end-users need a reliable, open, and free end-to-end scenario. Non-discriminatory access and treatment needs to be enforced and permanently secured in every link of the value chain, and this can only be guaranteed by the public sector.

The games marketplace is today controlled by non-European companies and most of our members do most of their business in the Dollar-zone. Online

distribution has much stronger network effects than physical distribution, especially when protected by proprietary platforms and proprietary DRM systems. In consequence the so called winner-takes-it-all phenomenon will become even stronger, and this is happening right now. In order to establish a competitive, level playing field on the content production side, it is necessary to support those who still try to compete in the sector from a European point of view.

Online distribution provides enormous opportunities for opening up the market for new, creative, quality driven and European content, but only if our policy makers help ensure fair trading practices, something that is lacking today. Issues regarding of multi-territory licensing play a very minor role in today's computer games business. The main actors are all global already, with vertically integrated, or fully controlled, distribution channels. This may change in the future.

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The European Games Developer Federation is committed to the stimulation and development of a stable, vibrant and creative European games development sector that is competitive globally and recognized culturally. The EGDF will act to advance the political and economic interests of the European computer and video games industry by providing a platform for collaboration and discussion between the European Union and game developers.

The federation represents about 500 studios based in Austria, Belgium, Denmark, Finland, France, Germany, Luxemburg, the Netherlands, Sweden, and the United Kingdom, which together employ over 15,500 people. The European computer and videogames industry, including distributors and students in game educations, encompasses 100,000 individuals.

For further information, including contact points, please refer to <http://egdf.eu>