

# **PUBLIC CONSULTATION on Content Online in the single market TELEVISION without FRONTIERS DIRECTIVE**

## **UNIC (International Union of Cinemas)'s ANSWER**

UNIC, International Union of Cinemas, is the union of national associations of cinema owners of fourteen mainly European countries, (Germany, Austria, Belgium, Denmark, Spain, Finland, France, Great Britain, Holland, Italy, Norway, Switzerland, Israël, Hungary).

UNIC was created in 1964 on the initiative of the Presidents of the Federations of Germany, Belgium, France, Great Britain, Holland and Italy. Austria, Spain, Portugal and Switzerland joined soon after, followed by Scandinavian countries and, more recently, by Israël.

Since 2000, companies operating in at least two European countries or possessing at least 5 % of their national market have been eligible for individual membership of UNIC following the example of UGC, Europalaces, Kinopolis Group and Utopolis.

UNIC represents more than 25,000 screens with more than 900 million annual admissions covering about 375 million inhabitants.

Most of UNIC'S members represent the majority of cinemas in their country, from independently-owned cinemas to circuits, together with subsidised and art cinemas.

As the Commission proposes, UNIC wishes to respond in writing to questions formulated in the public consultation specially about windows, piracy and rating (questions 19, 21, 22 and 24) which are the main issues for exhibitors in this survey.

UNIC will place emphasis on media chronology because in general, UNIC works towards the promotion and protection of cinemas by advocating the importance of the cinema exhibition industry.

### **Question 19. Release windows**

UNIC stresses the importance of the exhibition sector both in economic terms and the way in which it strongly influences the value of a film with respect to the various "windows" of the exploitation chain (DVD, video cassettes, pay-TV, free-TV...)

On a per viewer basis, the income per viewer from cinema audiences is higher than the income per viewer of DVD, video cassettes or Film online, specially for European movies as about 70% of their revenue stream comes from theatrical release.

This point is a fundamental issue to the exhibition sector.

The release windows are the result of the territoriality of the rights. There is the necessity for each investor to recoup his investment and for the theatre to preserve its exclusivity.

The release online of a work will be organized on a national market in relation to the windows of the market.

UNIC considers that windows for film exploitation should be left to contractual arrangements between the parties involved and the professional organisations concerned.

We know that there are differences between the Member States. France is the only European country which has signed on December 2005 an agreement on VOD with all the parties involved including a 33 weeks delay after the release in theatre.

Furthermore, if a rightholder chooses theatre exhibition as the first distribution channel, the exhibitor needs to have complete information and to know in advance the time span for which he could show the movie in order to fairly negotiate the rental rate. The exhibitor must also know when the advertising begins for the next window.

Media chronology not only still make sense in the online environment but is vital to the industry. There is absolutely no other appropriate model. It represents a clear and balanced element for the audiovisual field as a whole.

### **Question 21, 22, 23. Piracy and unauthorised uploading and downloading of copyright protected works**

Our business model largely suffers from piracy (physical and/or online). MPAA estimates at 6 billion dollars per year the financial harm to the cinema industry but it may be three times more if we include the consequences for employment.

There are several kind of actions to curb piracy:

- Trailers and advertising campaigns have been made in several European countries and in the United States.

The studio also support the idea to reward employees with a 500 bonus to those who catch viewers recording a film with a camera.

- Education, especially for young children who are most receptive but also for all publics is necessary. We should strengthen the cooperation with schools.

The campaigns must be adapted to the public they are aimed at (parents, educators, police authorities...)

We should also explain that cultural industries represents millions of jobs and that the attack against intellectual property put these jobs in peril.

- The reinforcement of the legal framework, lawsuits against Internet users who download or upload films illegally, international coordination with United States, Canada, Japan...are also necessary.

- the roll out of legal offer is an other way to fight piracy.

#### **Question 24. Rating or classification**

The aims of rating of works are the protection of youngsters against works which are not suitable for some publics. It's the result of national sensibilities. Therefore, the measures may vary from one country to another. As a rule it has no consequence on the free movement of works as it has only the result to limit the access of some publics to some works.