

Opinion on geo-blocking

The idea of geo-blocking is to have different markets in different countries allowing to

- have different prices
- have different release dates (allowing serial promotion campaigns instead of parallel promotion campaigns)
- restricting services that are compensated by general fees or taxes (like the German “Rundfunkbeitrag” which is collected from all German citizens, regardless if they want to use the service or not)
- having different (exclusive) distribution partners for a certain region

This idea is in general contrary to the European single market strategy and the fundamental idea of the European Union in many ways:

- having different markets and having a single European market is a contradiction in general
“the local distributor concept” is moving towards a “global market with customers world wide”
- having a European single market for service providers means, people can use “credit card, privacy, internet and phone services” from other countries. Therefore the geo-blocking may not indicate the customer's location but the registered location of the service provider. This is especially true if providers are small and have a limited IP range.
- having a European single market is empowering transnational business, therefore companies are more likely to have branch offices in many European countries. But these branch offices in many cases are for security reasons mostly connected with the Internet using a central “security infrastructure”. Therefore they are using the headquarters Internet access instead of a local one and geo-blocking will indicate the location of the headquarter instead of the branch office.
- One idea of the European Union is to have free movement of persons within the European Union. This is true for travel as well as relocation. Geo-blocking does not take this into account and is not providing means for people to access their content while on the move.
- The European Union also respects the right to privacy. The geo location of people using privacy enhancing services cannot be determined correctly in many cases.

Therefore geo-blocking also goes against the right to privacy.

Technically geo-blocking does not work reliably:

- geo-blocking is mostly based on a database of ip addresses, which may not be up to date
in fact most of the data is at least to some degree inaccurate
Additionally the IPv4 address space is nearly depleted and remaining ip addresses are reassigned or dynamically used.
- Foreign mobile contracts, foreign credit cards, Proxies or transnational service providers are successfully used to bypass geo-blocking restrictions

The European single market strategy in combination with the global Internet is both downfall and opportunity for SMEs and suppliers of all kinds. Small businesses and suppliers are able to directly sell their services and goods to customers all over Europe with only little invest and therefore have a great business opportunity. On the other hand global players use their market dominating power to enforce prices and exclusive contracts, that do not allow small companies and suppliers to compete or produce cost-covering any more. This is not exactly an issue of geo-blocking, but geo-blocking is one of the main strategies to enforce regional exclusive contracts. Independently from the geo-blocking debate, it is advisable to find a way to compensate the market dominant position of global players like Amazon and to find a way to to empower SME and suppliers to get back into business.

Because geo-blocking is contrary to the European single market strategy and the fundamental ideas of European Union, it is only logical to prohibit the blocking based on a geographical location.