

Movies Online: A World Premiere at the Cannes Film Festival

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Content providers (such as the film and music industry) are increasingly winning the on-line legal battle for control of their intellectual property: our article today on the [Kazaa settlement](#) is the latest example. There, an arch-nemesis of content providers has instead become a new business partner and a new profitable channel to market.

Now the EU has come up with the world's first Charter¹ to facilitate online availability of movies on a principled basis.

The process largely started at the Cannes Film Festival in 2005 and the Charter was concluded at the Cannes Festival in May 2006.

What is called the "*European Charter for the Development and the Take-up of Film Online*" has been agreed to by a wide array of stakeholders including the film, music and content industry, ISPs and telecommunications operators.

The Charter:

- adopts the ability of industry stakeholders to cooperate and agree arrangements; and
- implements long-standing IP legal rights, rather than the Wild West that has been a feature of many aspects of the internet.

The providers, ranging from the film, music and content industry, through to ISPs and telcos, all stand to gain by working together

using sound commercial agreements and adopting strong IP clearing rights implementation.

In this way, a credible online film market can be developed.

The Charter promotes development of the film industry within Europe so it helps regional needs. It assists foreign movie-makers too.

As well as encouraging co-operation between the stakeholders (such as educating users and fighting piracy), the Charter squarely adopts what has so far been a big threat to the content providers: peer-to-peer sharing of files via providers such as Kazaa and Grokster. As the Kazaa settlement, referred to in our other article today, notes, these peer-to-peer platforms can turn from strong support of illicit copying of content to a "*win-win*" situation in which all stand to gain and IP can be protected.

The Charter also deals with details such as agreement around release windows to cinemas, DVD, download-to-own, etc.

For example, film distributors are moving quickly to change the relative timing of releases to the market via theatres, cable/broadcast, DVD and the internet. This is happening even to the point where there can be near simultaneous release in several distribution modes (so called "*day and date*" release). That's not surprising, with theatres counting for only around a quarter of the revenue, DVD sales making up a half, and cable/broadcast TV bringing in the other quarter. Obviously, the internet, when tamed from a content provider's perspective, will make a big dent in the proportions, and in the dynamics of film distribution.

¹ http://ec.europa.eu/comm/avpolicy/other_actions/content_online/index_en.htm

The Charter even gives a kiwi example of day-and-date release: King Kong was released simultaneously on DVD and download-to-own in the UK, in April 2006.

There is quite a bit more detail in the Charter (such as working towards new formats, anti-piracy technologies etc). The Charter provides a very useful benchmark for the industry worldwide. Expect to see similar developments elsewhere.

We welcome your feedback on this article and any enquiries in relation to its contents. This article is intended to provide a summary of the material covered and does not constitute legal advice. We can provide specialist legal advice on the full range of matters contained in this article.

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