



NEW ZEALAND FEDERATION AGAINST COPYRIGHT THEFT



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NZFACT SUBMISSION TO THE MINISTRY OF ECONOMIC DEVELOPMENT: DIGITAL STRATEGY 2.0

The New Zealand Federation Against Copyright Theft (NZFACT)¹ commends the New Zealand Government for its pro-active initiatives and deliberation during the digital transition. The 2.0 strategy document evidences a thoughtful and provoking plan of action to bring many benefits to New Zealanders.

As content distribution (from the broadcasters to the consumer) and content usage (by the consumer) moves from analogue to digital, both broadcasters and consumers can experience tremendous benefits in quality, efficiency and flexibility among other attractive attributes. However, for the market in film and entertainment programming to thrive, capital investment will be required to protect this output against theft.

The average movie produced by NZFACT member companies costs approximately US\$ 100 million to produce and market. Only four in ten films earn back these costs. New Zealand benefited NZ\$2.45 billion² from the film and screen industry in 2007. In addition, the industry has utilised New Zealand as the production venue for many major international films, providing great exposure and benefits for the tourism industry, as was witnessed subsequent to the Lord of the Rings trilogy release. The externalities and businesses supported by the film industry span both locally and internationally.

Protection of Free-to-Air Digital Broadcast TV

Part of the digital transition plan considers digital TV related improvements. However, the transition to digital must be accompanied by a solution to prevent its unauthorized redistribution of digital signals over the Internet. Audiovisual content rights holders are more likely to make their works available when they are adequately protected against illegal reproduction and retransmission. Technological solutions exist for all types of broadcasting systems, including

¹ NZFACT was established in 2005 by the Motion Picture Association to protect the film industry in New Zealand from the adverse impact of copyright theft. NZFACT works closely with its members, government and enforcement authorities to protect the New Zealand film and television industry, retailers, and movie fans. NZFACT members include Walt Disney Studios Motion Pictures, New Zealand; Paramount Pictures Corporation; Sony Pictures Releasing International Corporation; Twentieth Century Fox International Corporation; Universal International Films, Inc; Warner Bros Pictures, a division of Warner Bros Pictures Inc; and Village Roadshow NZ Ltd.

² Source - Statistics New Zealand.

DVB systems used in New Zealand, but government action is needed to be sure such solutions are applied and take effect.

The New Zealand Government should embrace redistribution control for unencrypted digital transmissions as a necessary and narrow solution to safeguard audiovisual content over digital broadcast TV. Discussions on this topic have taken place in the Asia Pacific Broadcasting Union (ABU) and the Cable and Satellite Broadcasting Association of Asia (CASBAA). To further elucidate this topic, we have attached a document entitled, “Asia Pacific Technology Initiatives” which contains an article published in the ABU Technical Review journal July-August 2005.³

A referenced “CASBAA Content Protection Principles” in the document describes several recommendations for cable and satellite receivers, but also contains the following passage that relates to compatibility with FTA receivers.

2. **For retransmission of unencrypted programming, e.g., Free-To-Air broadcasts, over multi-channel broadcast systems such as cable and satellite:**
 - a. a method for controlling the unauthorized redistribution of such programming comprising one of the following:
 - i. encryption of the retransmitted Free-To-Air broadcasts, or other unencrypted programming, over the satellite, cable or “other” system and use of the same redistribution control solution established for VOD, PPV, PayTV and other encrypted digital programming; or
 - ii. in consultation with the Asia-Pacific Broadcasting Union (ABU), implementation of a Redistribution Control protection regime that:
 1. provides a method to signal Redistribution Control in the unencrypted broadcast;
 2. includes associated receiver requirements to look for the Redistribution Control signal and abide by it in accordance with output rules, compliance rules and robustness rules;
 3. may be defined by an appropriate standards developing organization, such as ITU, DVB or ATSC; and
 4. is established and required by an appropriate authority.

The ABU and APEC communities are currently drafting new guidelines to promote the protection of FTA digital broadcast. There are a variety of solutions and, each country must decide for itself the best solution for its own market.

Protection of Copyright in the Digital Age

A fundamental aspect in continued success is to have effective copyright law in place to address many of the current and future challenges, particularly, P2P Internet piracy, anti-circumvention of technological protection measures (TPM), and the unauthorized redistribution of digital broadcast TV.

³ The ABU currently has a draft ABU Content Protection Principles which seeks to be fully adopted during the 2008 General Assembly.

Investing in content and new means of delivering content will require effective copyright laws and secure digital delivery mechanisms. The ease of transmission from creator to consumer, viewer to viewer are assisted by digitization of content to disseminate work. However, the transition to 1's and 0's also presents dangers to copyright owners as content may be illegally redistributed at a "click" without authors' permission.

We hope that the Digital Strategy will put some emphasis on these aspects in addition to those laid out in the plan.

Recommendation

As a follow up to these copyright related issues it is recommended that a Copyright Committee should be established to evaluate copyright issues in light of future changes in the industry.

NZFACT looks forward to playing a role in the national strategy.