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European Film distributors voice concerns about potential outcomes of Digital Single Market Strategy

Europe's film distribution industry welcomes the Commission's Digital Single Market Strategy which contains many positive elements and goals that distributors share. Nevertheless, Europa Distribution and the International Federation of Film Distributors' Associations (FIAD) still have some concerns about the Commission's plans for copyright and geo-blocking. Film distributors fear that in practice both the value of film rights and the choices available to European audiences would decrease.

Yesterday the European Commission published a Communication on a Digital Single Market Strategy for Europe in which they proposed to increase cross-border access and end geo-blocking whilst simultaneously "respecting the value of rights in the AV sector."

However, for European film distributors it is unclear how the Commission can increase cross-border access by changing Europe's copyright rules, whilst respecting and maintaining the value of rights in the film sector. Commissioner Andrus Ansip has said at the presentation of the Strategy that he does not intend to break territoriality – a welcome announcement – but it seems the policy options at their disposal could in practice be just as damaging as mandatory multi-territorial licensing.

Jelmer Hofkamp, Secretary General of the International Federation of Film Distributors' Associations' (FIAD) outlined his concerns: "We of course welcome the Commission's appreciation of the complexities of the audiovisual sector in the fast-changing digital era, the intention to fight copyright infringement, and the statements that they 'won't break territoriality' and that 'geo-blocking cannot be deemed unjustified'. Nevertheless, it still begs the question of what they will do in the copyright reform to increase cross-border access to European films. The reality is that the options left on the table could be very harmful."

Christine Eloy, General Manager of Europa Distribution continued: "As curators, promoters and investors, film distributors want to reach as big an audience as possible, on physical and on online services. We are very concerned by the possible tools the Commission has in mind. It would be unworkable if a film is available on VOD in one European country, that all Europeans citizens outside this country could also have access to it. This would affect the media chronology and it could lead to a huge disruption of the market; less creation and smaller audiences for European films".

"Making borders permeable would affect the distributors' ability to release a film at the best moment to reach the local audience. It would drastically increase the risk of investment of buying and promoting the film. And because the audiovisual sector works as an eco-system, it would not harm only distributors: by buying the rights for the films they release, they are one of the most important sources of financing for the films. If the risk is higher and the revenues are lower, investments in production will decrease. In the end it is the circulation of films that will be at stake, and the result will be just the opposite of what the Commission wants."

Jelmer Hofkamp adds: "If you were to assess the winners and losers you have to say the ones who benefit from this would most likely be the existing big global platforms. The Commission's rhetoric and expressed intentions are all well and good but what we care about is how their policy instruments will affect the independent film sector and European audiences in practice. At the moment the prospects do not look good."

The copyright reform is still in its early stages and the Commission has stated that all options are still on the table. Nevertheless, we feel this Digital Single Market Strategy is clearly limiting those options. It is clear that more thinking time needs to be dedicated to how the policy options will affect film production, acquisition and distribution to audiences.

The Creative Europe schemes, such as Audience Development or Online Distribution are already supporting projects experimenting new ways of releasing and giving access to more films. Europa Distribution and FIAD think that these tools can lead to more availability, access and higher circulations, without undermining the vulnerable foundation of the film sector.

Europa Distribution is the association of independent film distributors, active in 28 countries in Europe and beyond. It serves as the voice of the sector and acts as a network and think tank. The network's aim is to strengthen the existing ties between distributors to improve the curation, promotion and distribution of independent films.

International Federation of Film Distributors' Associations gathers the national film distributors' associations of 15 countries. These associations' members cover the entire range of companies: small and medium-sized companies specialised in art house films, as well as larger companies focused on mainstream films.

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