

## Europa Distribution warns opening up of territorial rights threatens MGs

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The implications of the digital age for independent distributors dominated discussions at Europa Distribution's fifth-annual conference held within the auspices of Thierry Frémaux's Festival Lumière in Lyon.

Europa Distribution's co-chair Annemie Degryse concluded its annual conference in Lyon this weekend with a warning that the opening up of territorial distribution rights on formats such as VOD could have a dire knock-on effect for the entire independent filmmaking industry.

"It's a big problem for independent distributors but not just for us," said Degryse, owner of the Ghent-based distributor Lumière in Belgium.

"Distributors invest a lot of money in production through minimum guarantees but if we're no longer guaranteed all rights in our territories why would we put up big MGs? If exclusive VOD rights aren't included in a deal, for example, we should pay a smaller MG," she continued.

"A lot of productions are made with state funds and MGs from the distributors, if you take away our contribution, I don't think the producers are going to be very happy," added Degryse, whose recent Belgian releases include *The Monk*, *Attenberg* and *Unforgivable*.

Running Oct 6-9, the Europa Distribution conference gathered some 65 independent distributors from across Europe during the final days of the Lumière Festival in Lyon.

Degryse made her comments following a panel discussion on Saturday about the latest developments in the VOD sector, during which several distributors noted that it was increasingly difficult to secure exclusive VOD rights when acquiring a film for theatrical release.

A number of recent developments threaten to put pressure on the exclusive, all rights deals traditionally offered to theatrical distributors.

Last week at MIPCOM, chief content officer at US rental giant Netflix Ted Sarandos confirmed in a keynote speech that the company was pushing for global VOD rights, saying that "in a purely digital world, there is no need for fragmentation."

In a separate development, the European Court of Justice ruled last Tuesday that a UK pub landlord did not breach UK copyright laws by using a set top box decoder card to access TV content from Greece. The case was related to the broadcast of Premier League football matches but experts say it could influence how TV and film rights are sold.



Frederik Stege [pictured], head of legal affairs and new business for the Danish sales company TrustNordisk - who gave a presentation on how the company works with VOD portals such as I-tunes, Eurocinema, Netflix, Amazon and Hulu at the Europa Distribution conference – said that selling films to theatrical distributors remained a priority for his company.

“It’s increasingly possible for us to skip a traditional distribution link but our priority remains to get an all rights agreement with a theatrical distributor and get the attention a film will have if it has a theatrical or DVD release,” he commented.

“As a rights-holder or a producer, you still need to have the separation of the territories in order to maximize the revenues of your films,” he added.

He noted, however, that TrustNordisk would be happy to do business with Netflix, although not necessarily on a global basis, saying: “They are expanding right now and they are paying quite substantial upfront fees, much better fees than other similar operators.”

Other topics under discussion at the conference included innovative ways to distribute and promote films.

Anna Sissons of British social issues film distributor Dogwoof presented the company’s Popup Cinema initiative which enables bodies such as student unions, film societies, political parties and even private companies to organize screenings of the titles on its slate for a flat fee per showing.

“For the release of Lucy Walker’s *Countdown to Zero* in June, the film was screened in 73 venues, 35 of which were not cinemas,” said Sissons referring to Walker’s exposé of the nuclear weapons industry. “One of the screenings took place in a poly-tunnel on roof-top in London with chickens wandering around.”

“We’ve had a lot of interest from overseas to bring Popup Cinema to other territories,” she added. “We’re looking to streamline the model in order to be able to expand it by incorporating download. At the moment, the customer receives the film via DVD which is sent to them a few days before their playdate.”

The conference also discussed the ongoing negotiations between independent distributors, exhibitors and third party digital transition managers such as Ymagis over the implementation of Virtual Print Fees (VPF) aimed at footing the costs of digitising cinemas.

Participants at the conference attended the Lumière Festival’s closing ceremony on Saturday at which actor Gérard Depardieu received the Prix Lumière 2011 “for all of his work”.

Europa Distribution was founded in 2006 as a networking and lobbying body for independent distributors from across Europe. It currently numbers 110 members from 26 countries. Its next meeting will be held in Paris during the Rendezvous with French Cinema in January.