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Update

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European Commission Announces a Digital Single Market Strategy for Europe

Content creators and content exploiters will need to review their licensing regimes and agreements if changes proposed by the European Commission are adopted.

On 6 May 2015 the European Commission published its digital single market strategy for Europe. The Commission aims to enhance the use of digital technologies across Europe and to break down the barriers to on-line activity between European member states.

Of particular interest to content creators and content exploiters, the Commission has announced it will:

- Harmonize European Copyright Laws to: (i) allow consumers to access content legally acquired in their home country when they are in another European member state; and (ii) facilitate access to content in and from other European member states, which access may be on a paid-for basis (the Commission will make legislative proposals before the end of 2015). The Commission has stated it respects the principle of territoriality as creating value for audio-visual rights, but wants to facilitate digital access to content across Europe to promote cultural diversity. In 2016, the Commission also intends to modernize the cross-border civil enforcement system with particular focus on commercial-scale infringements of intellectual property rights.
- End "Unjustified" Geo-Blocking Within Europe to give consumers access to websites across Europe and to end differentiated pricing structures based on geographic location. (The Commission will make legislative proposals in the first half of 2016). The Commission has suggested that geo-blocking on a territorial basis as a mechanism for financing audiovisual content cannot, as such, be considered unjustified.
- Review the Satellite and Cable Directive to assess
 whether the Directive has facilitated access to satellite
 broadcasting services across the EU and possibly to
 extend the Directive's scope to broadcasters' online
 services (this review will occur in 2015/2016).
- Review the Audio-Visual Media Services Directive to adapt it to the digital age, with particular emphasis on creating a level playing field between broadcasters and online video on-demand platforms with respect to promoting European works. The Commission will consider whether the Directive's current scope should be broadened to include new services and providers that fall outside the definition of "audio-visual media services" or outside the Directive's geographical scope (this review will occur in 2016).

Please contact <u>Lisbeth Savill</u> or <u>Sarah Caughey</u> if you require further information or would like to discuss.

With specialist lawyers in both Los Angeles and London, Latham & Watkins' Entertainment, Sports and Media practice provides sophisticated counsel to the industries' most active players, including:

- Motion picture studios
- Independent production and distribution companies
- Television channels
- Financial institutions, private equity and hedge funds and investment banks
- Sports teams and governing bodies
- Individual talent
- Music companies
- Internet and digital media companies



Some of these proposals are likely to have a considerable impact on current licensing regimes and contracts, particularly for rights holders looking to maximise value through individual territorial licenses. However it may well prove a benefit for platforms which have a European wide reach and have the right to exploit content throughout Europe. We will continue to update you on the development of the digital single market strategy and its proposed implementation as more details are provided.

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