



Intellectual Property and IPTV Content

IPTV Forum Russia - 2007



Would like to thank organizers of IPTV Forum Russia 2007 and personally program director Svetlana Zhilina for the professionalism and irreproachable work on organization and holding this event

and also personally Ilya Kondrin for the aiding in preparation of this presentation.





1. IPTV content – catalogue of copyright and neighbouring rights

2. Investment of capital in a catalogue of copyright and neighbouring rights in IPTV content in Russia



1. IPTV content – catalogue of copyright and neighbouring rights

1.1. Intellectual rights in a song or intellectual rights in a track. What is important?

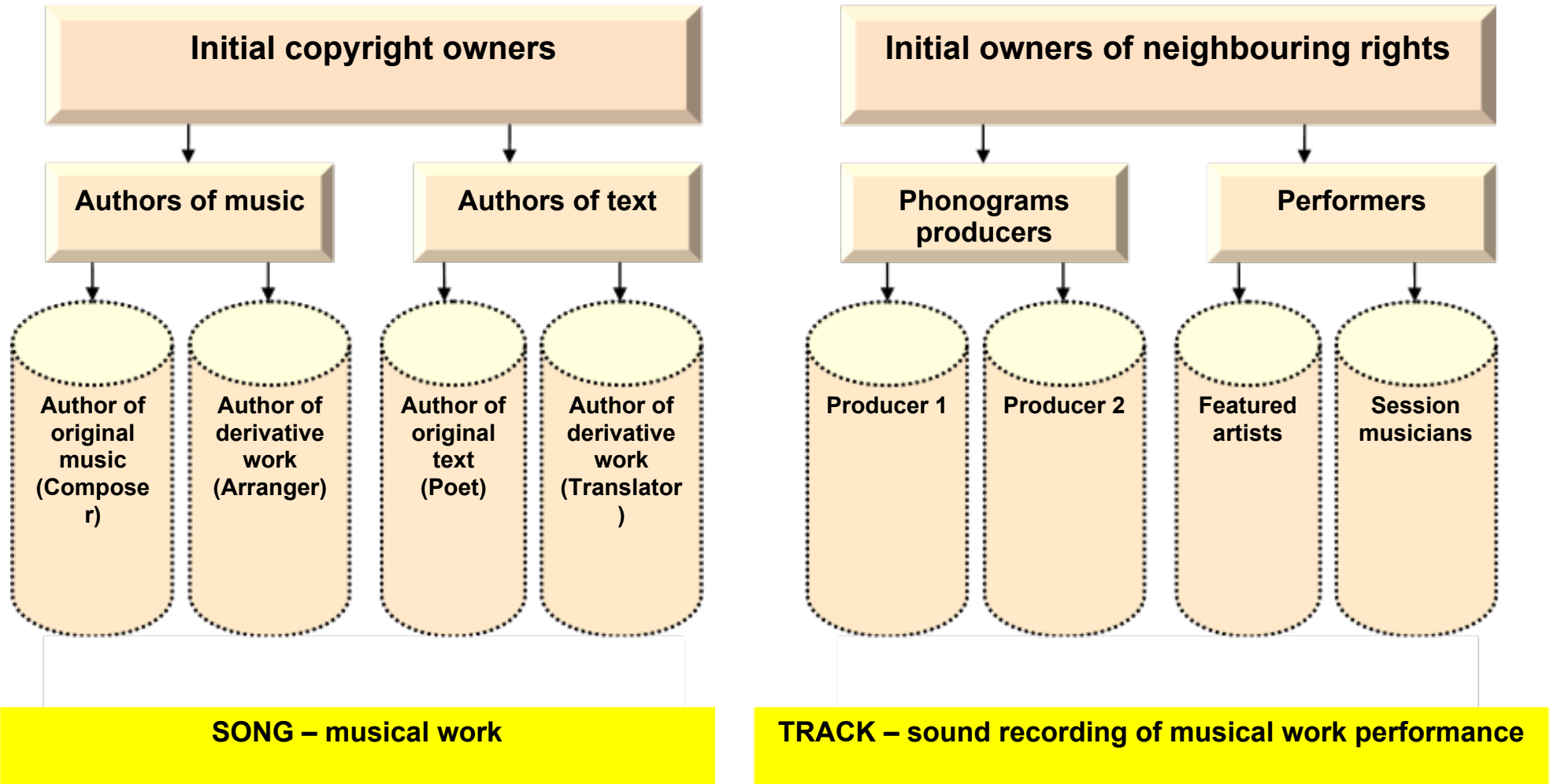
1.2. How much percents of intellectual rights in IPTV content it is necessary to acquire?

1.3. The record label's catalogue or music publisher's catalogue. What is general and what is difference?

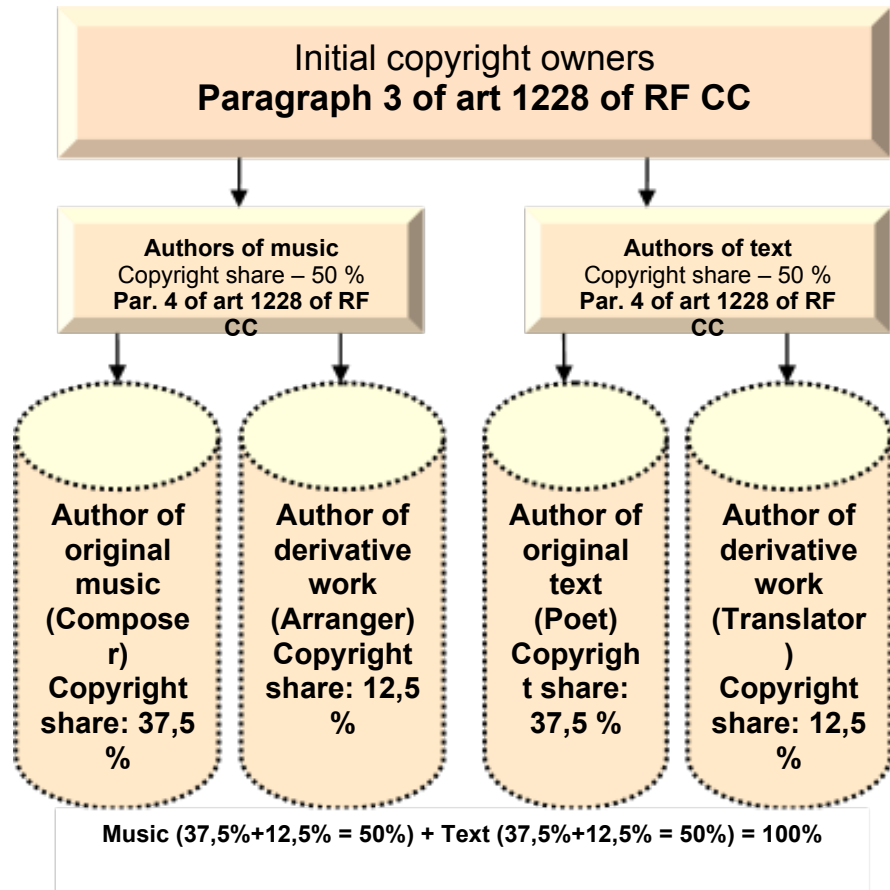
1.4. Tele- and film-content for IPTV as a compound object of intellectual rights from the viewpoint of Fourth part of RF CC.

1.5. Is it possible to acquire all necessary intellectual rights from television or film company? One payment for all and forever?

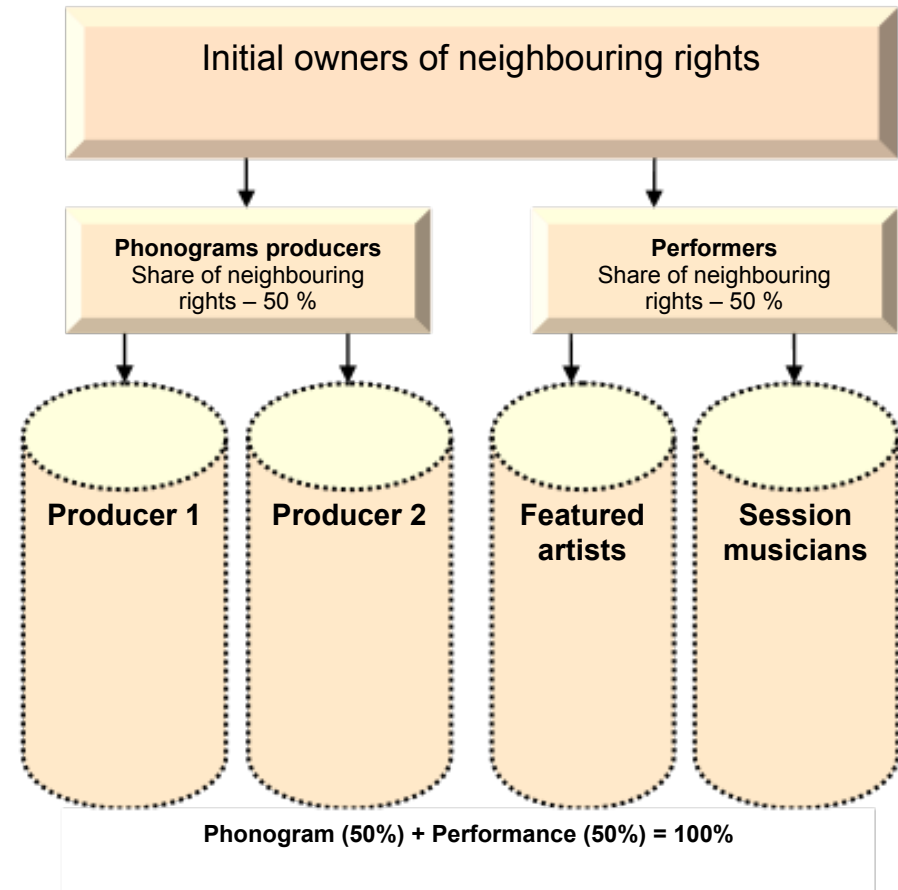
1.1 Intellectual rights in a song or intellectual rights in a track. What is important?



1.2. How much percents of intellectual rights in IPTV content it is necessary to acquire?



100 % of copyright



100 % of neighbouring rights

1.3. The record label's catalogue or music publisher's catalogue. What is general and what is difference?

Music Publishing Houses



Composers, poets / Musical works



Record Companies



Performers / Phonograms



Permit to create a phonogram

Remuneration for phonogram creation

from 1 to 100 % of copyright

**IPTV
Broadcasters**

100 % of neighbouring rights

Specificity of russian market of neighbouring rights catalogues

Phonograms of company “Melody”
created within USSR period

Phonograms from archives of
Gosteleradiofond of USSR

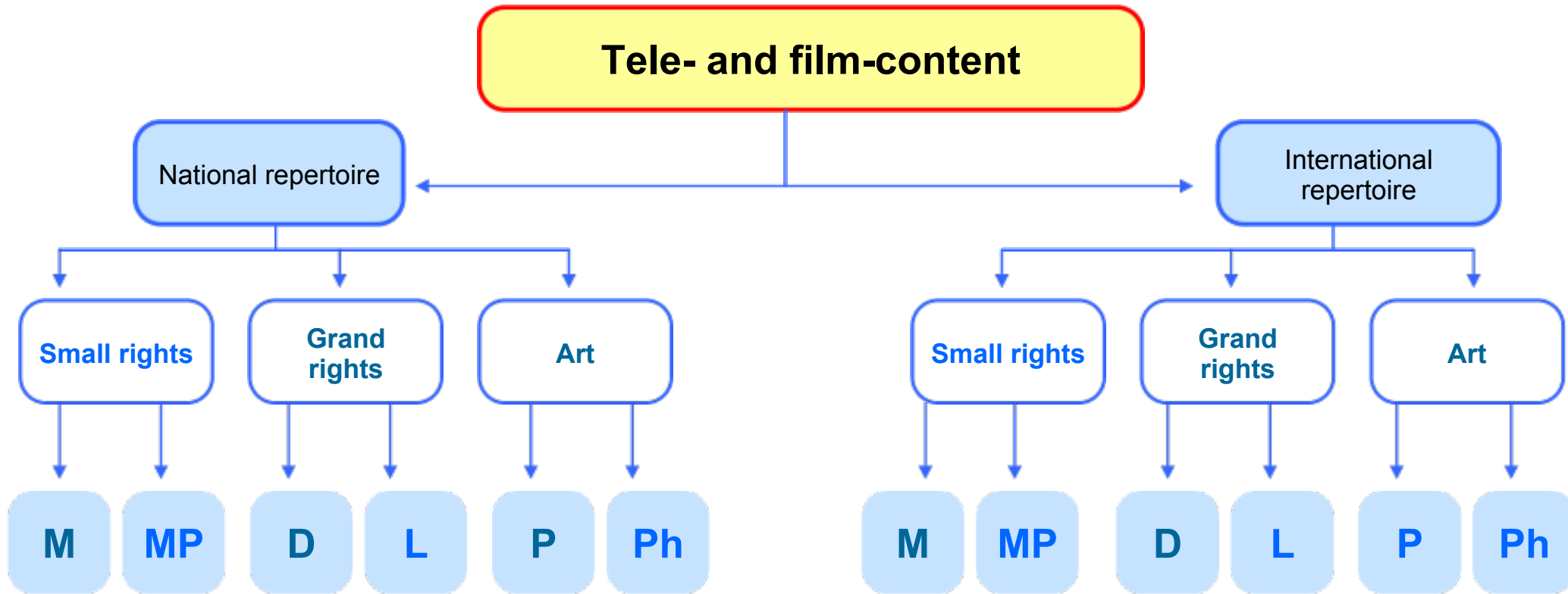
Only 50 % of neighbouring
rights

**IPTV
broadcasters**

Only 50 % of neighbouring
rights

**Producer does not have a 100% control over neighbouring rights –
in USSR were not concluded written agreements with performers
about transfer of any neighbouring rights in performance**

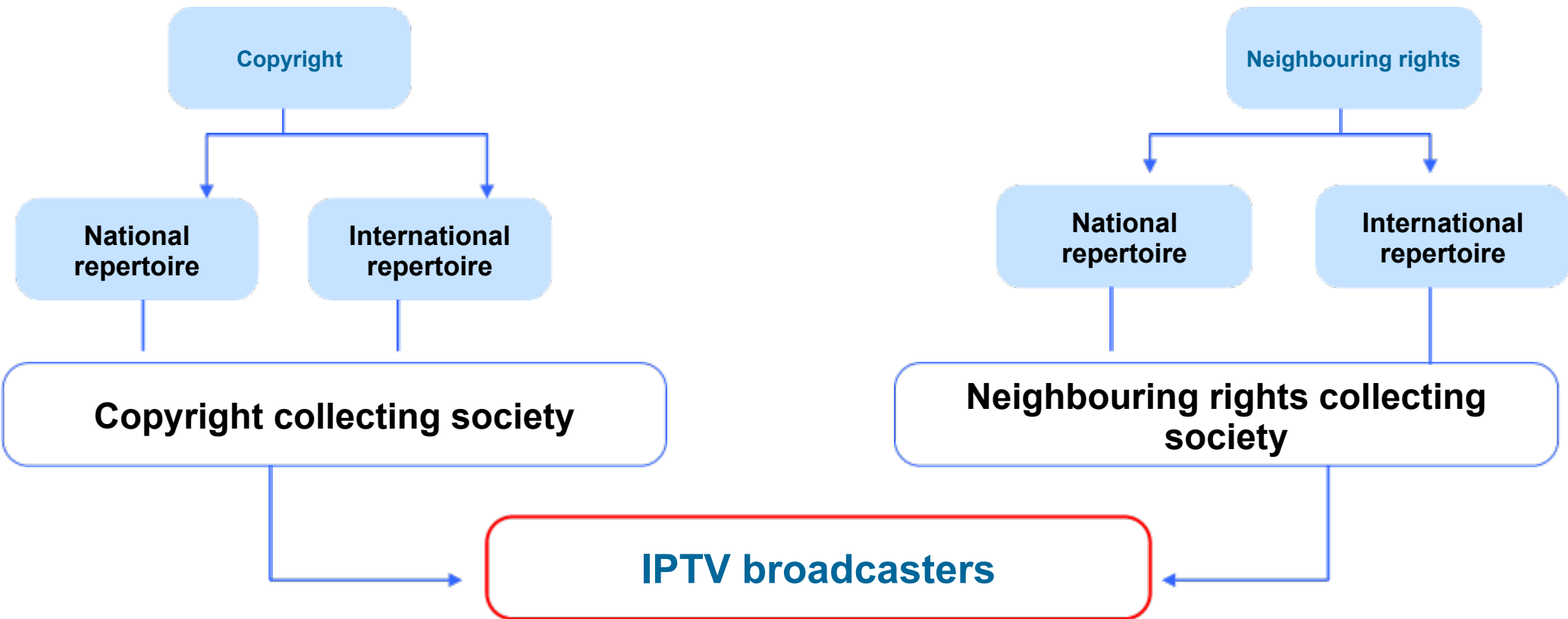
1.4. Tele- and film-content for IPTV as a compound object of intellectual rights from the viewpoint of Fourth part of RF CC.



Annotation:

- M** – Musical works with text or without text
- MP** – Music from motion picture
- D** – Dramatic works and dramatico-musical works
- L** – Literary works
- P** – Works of painting, graphic, sculpture, design, architecture
- Ph** – Photographs

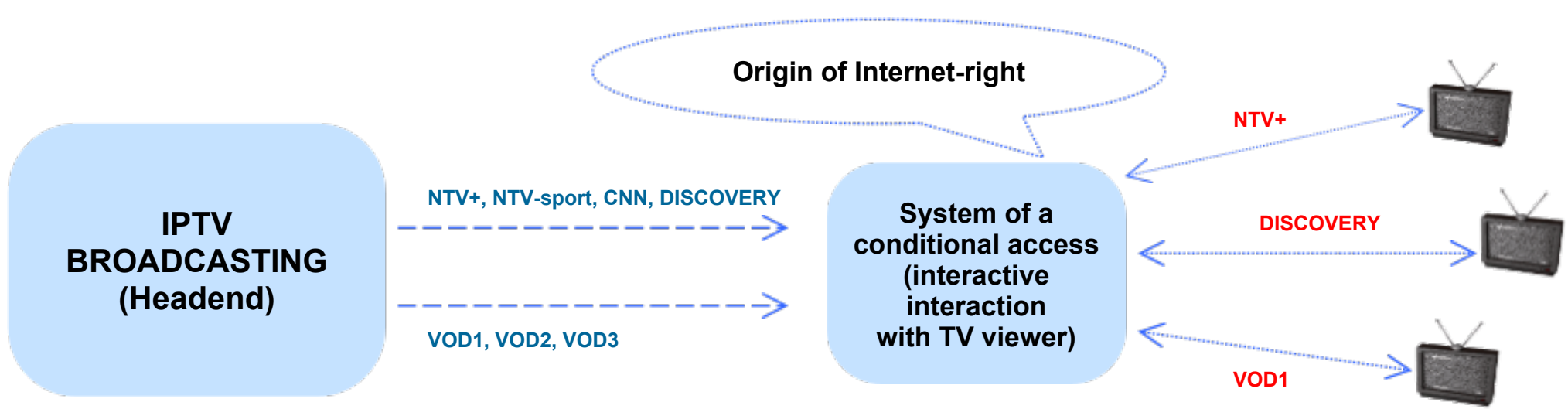
**BLANKET LICENCES ARE NOT
CONTEMPLATED IN IV PART OF RF CC**



Annotation:

{ **Blanket licence** – the licence in the name of all right holders both which transferred rights to collecting society and which did not.

Internet-right is the main category of copyright and neighbouring rights used in IPTV broadcasting

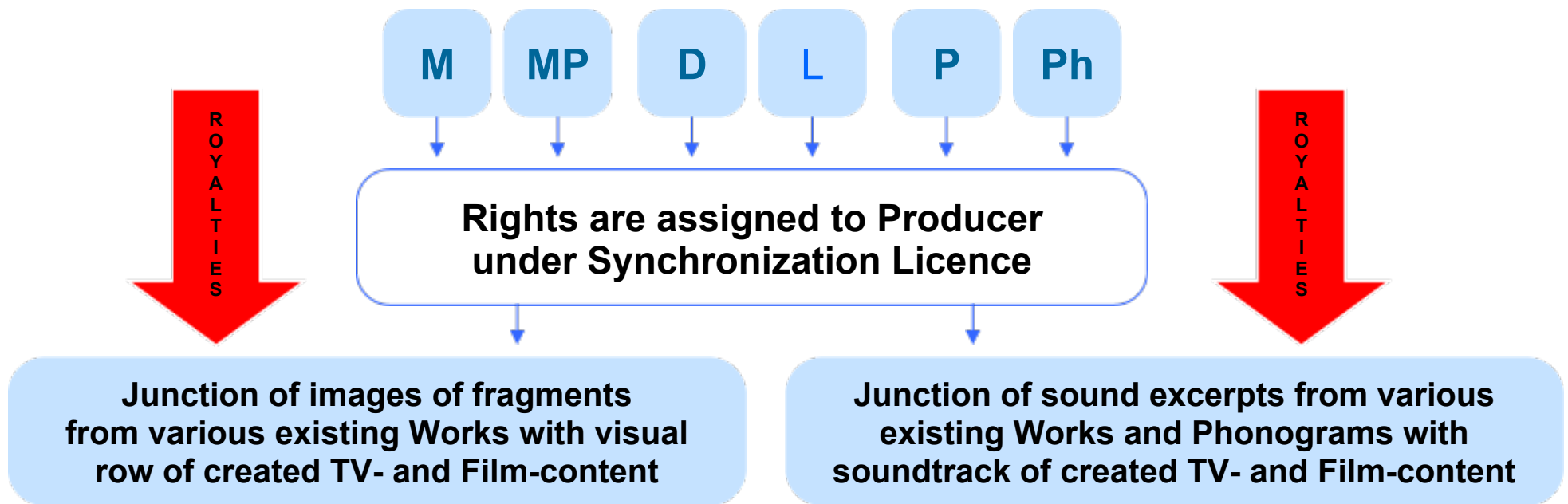


Annotation:

VOD – video on demand

Internet-right – make available a work, performance, phonogram to the public in such a way that any person may access it from any place and at any time of his own choice

1.5. Is it possible to acquire all necessary intellectual rights from television or film company? One payment for all and forever?



That's why Producer of TV-programs and Films practically never controls 100% of copyright and neighbouring rights in TV- and film-content

Annotation:

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2. Investment of capital in a catalogue of copyright and neighbouring rights in IPTV content in Russia

2.1. Is it possible to reduce costs associated with purchasing of intellectual rights at a stage of project planning?

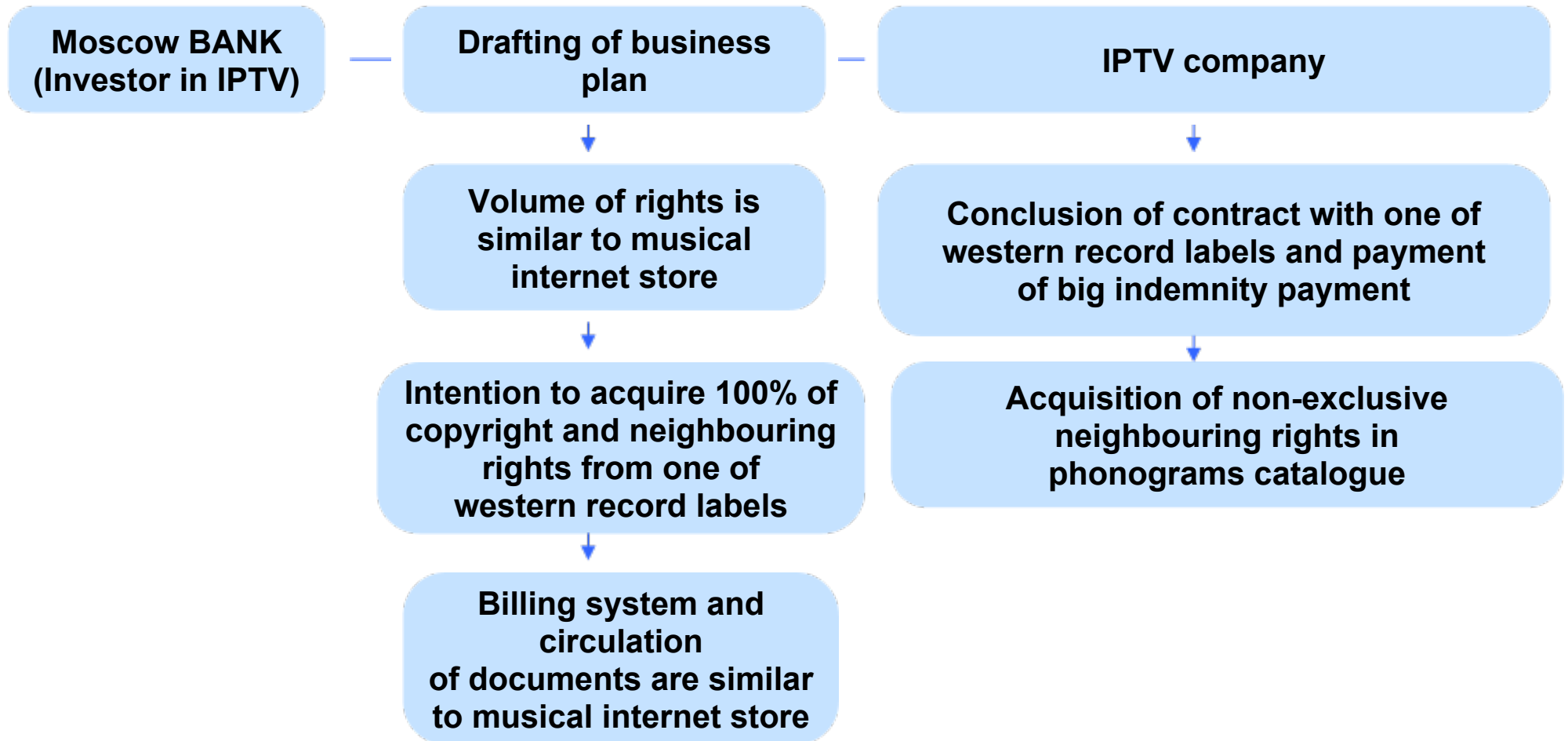
2.2. Topical and “sleeping” repertoire from catalogue. Who determines this division of repertoire and how it affects the rights cost?

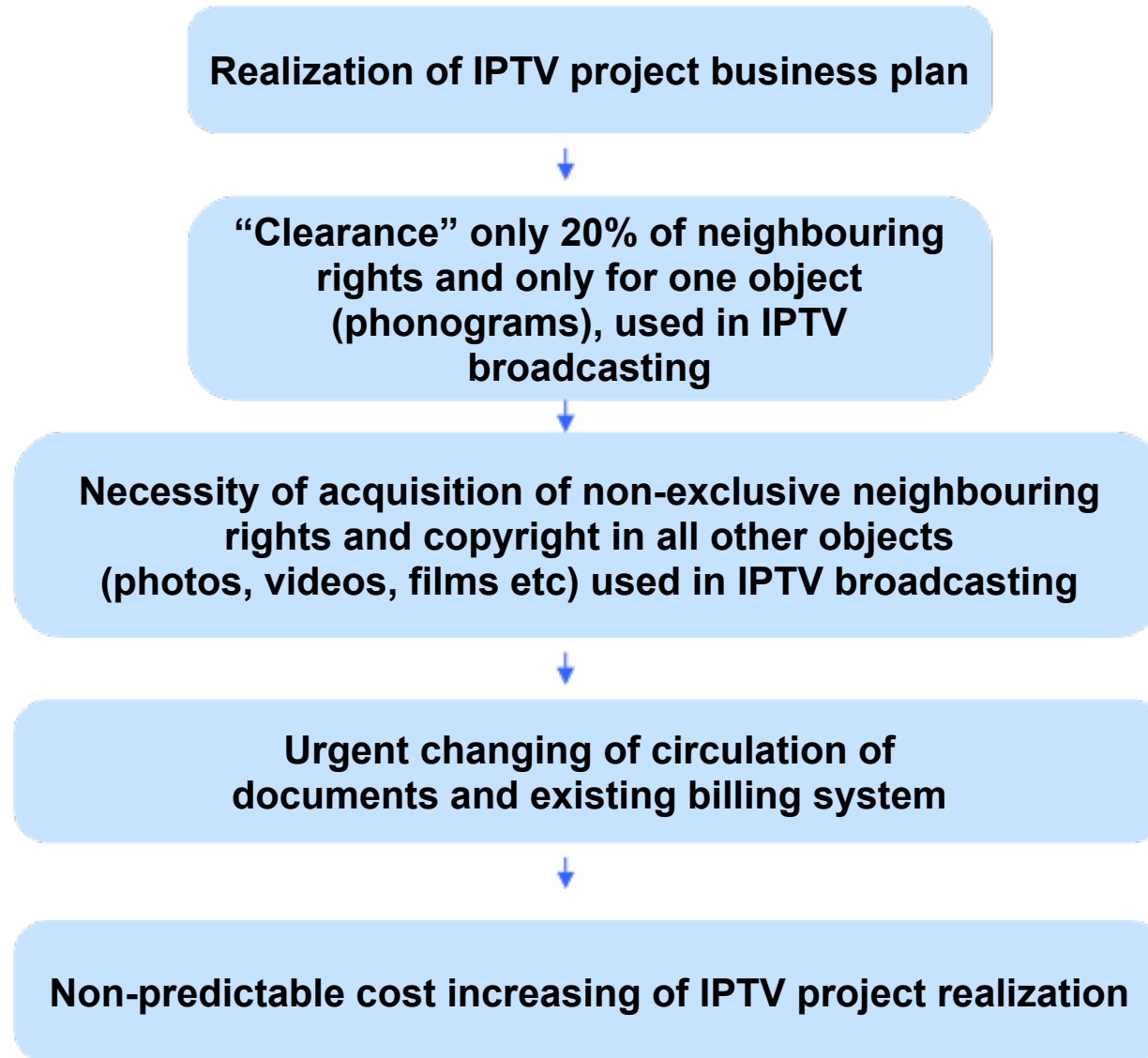
2.3. What is the right of first and second choice from catalogue of copyright and neighbouring rights? How it affects a reduction of costs associated with copyright and neighbouring rights purchasing for IPTV content?

2.4. “Latent” economic and legal risks at investment in IPTV content on territory of Russia.

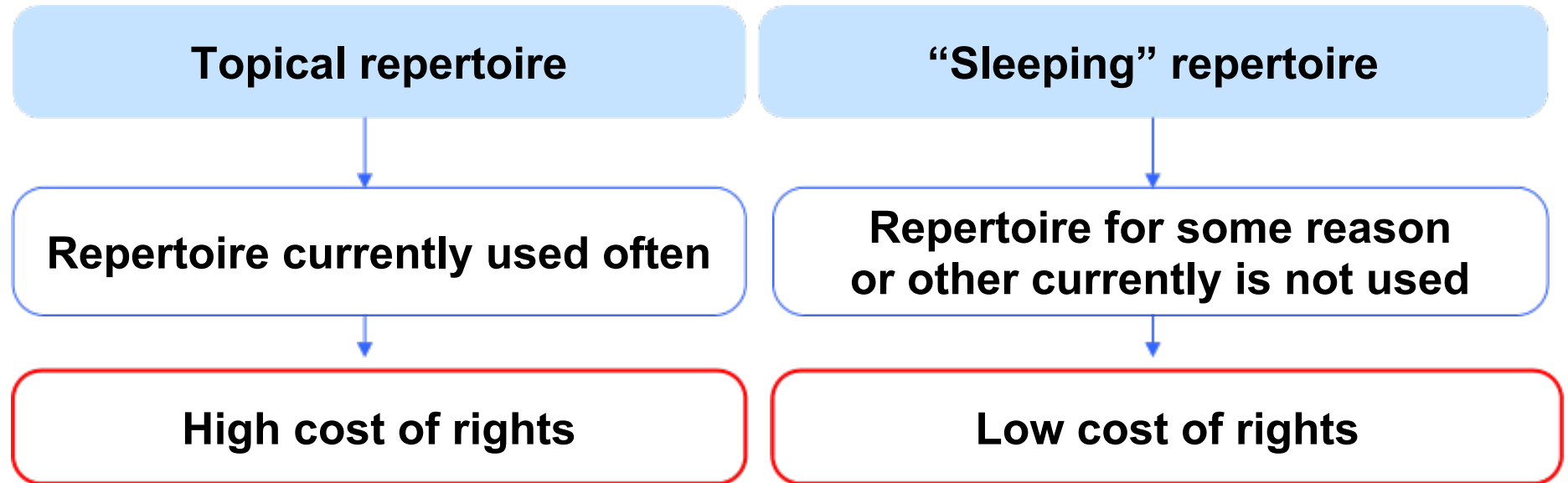
2.5. A use of “our old and good pictures” and Gosteleradio’s archives in IPTV

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2.2. Topical and “sleeping” repertoire from catalogue. Who determines this division of repertoire and how it affects the rights cost?



Division of repertoire makes the MARKET IN THE PERSON OF CONSUMER, which “votes” for repertoire by his own money

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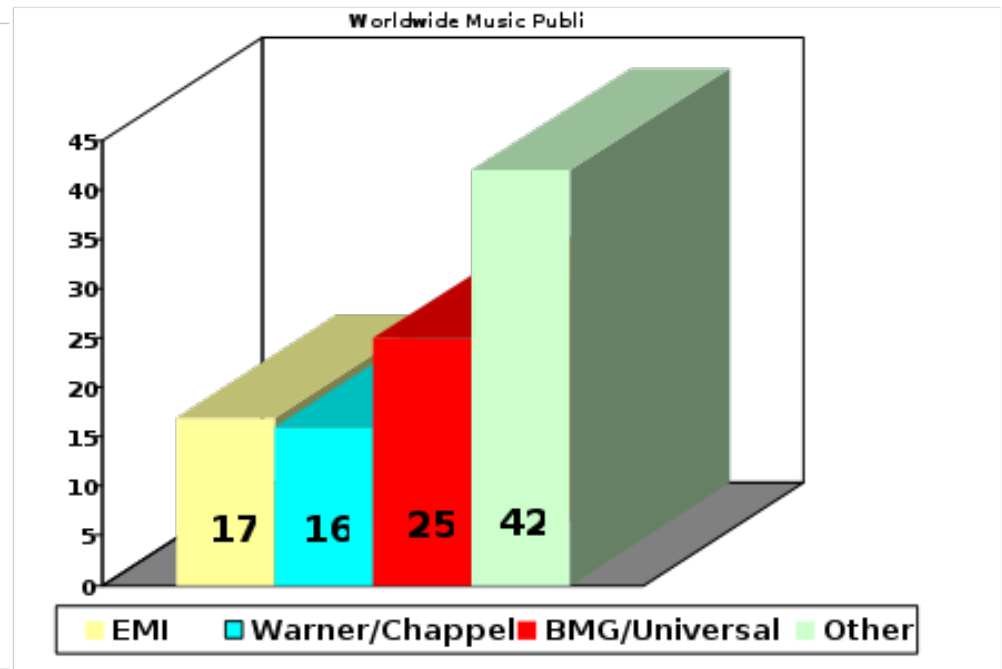
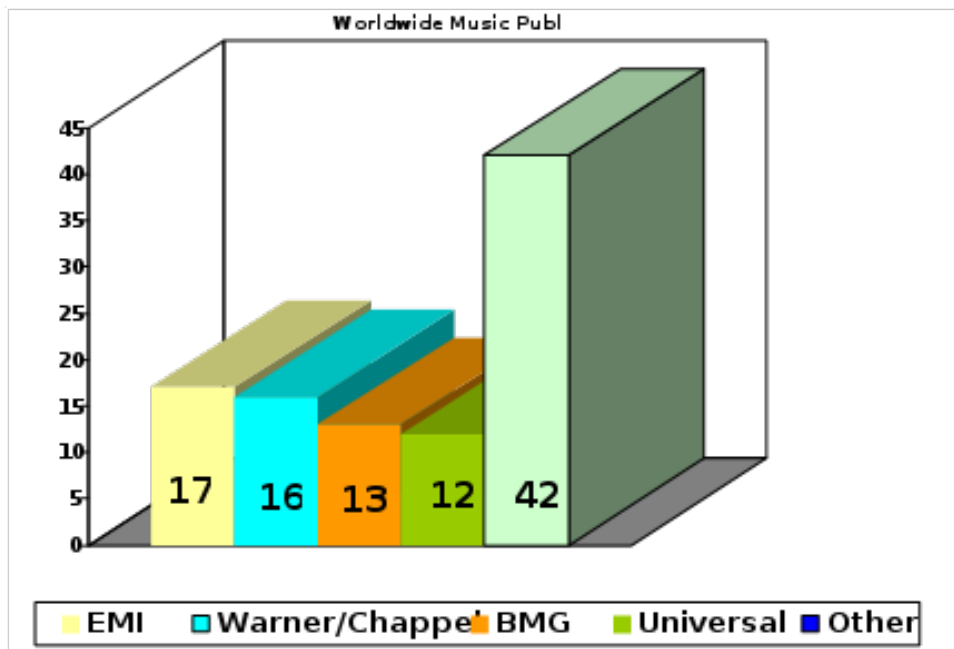
The right of first choice means privileged and exclusive right of Licensee to choose a content (movies, television programs, phonograms etc) within the defined period from Licensor's catalogue for use in IPTV broadcasting

The right of second choice means privileged and exclusive right of other Licensee to select a content (movies, television programs, phonograms etc) from those movies and television programs available in Licensor's catalogue which the first Licensee has not chosen within defined period

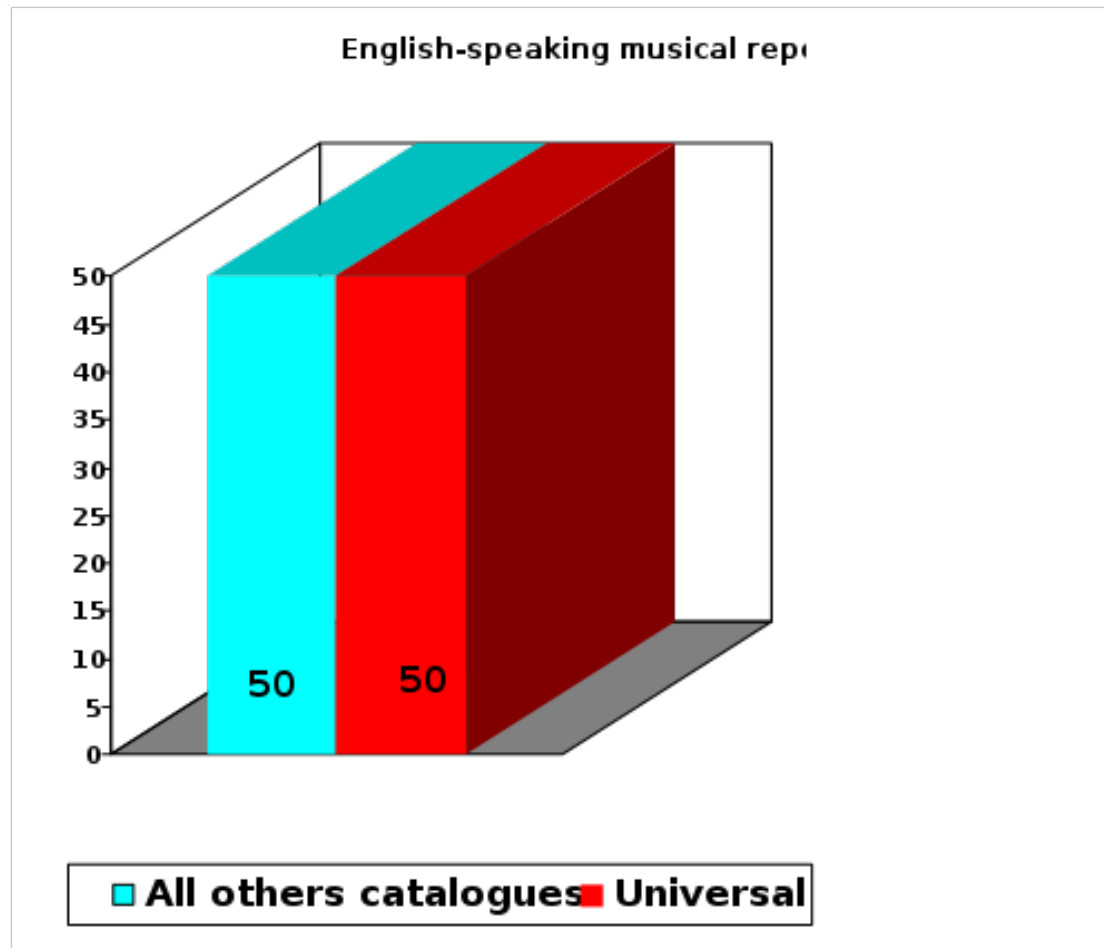
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Before the merger of BMG's and Universal's copyright catalogues

After the merger of BMG's and Universal's copyright catalogues



Copyright in musical catalogues in a field of IPTV broadcasting



**Main obstacle for development of IPTV broadcasting –
Hollywood companies have no common strategy in a field of
content use in IPTV**

Digital retail

Each film studio develops and adopts
its own unique business strategy in
a field of IPTV broadcasting

Digital rental

Each film studio will support and adapt its
content only for particular platform of IPTV
broadcasting

IPTV market fragmentation and increasing of content cost

2.5. A use of “our old and good pictures” and Gosteleradio’s archives in IPTV

Motion pictures and telefilms that were created within USSR period

Producer of audiovisual work does not have neighbouring rights – in USSR were not concluded written agreements with film actors about transfer of any neighbouring rights in performance

Producer of audiovisual work does not have copyright and neighbouring rights in works and phonograms excerpts from which were used in visual and/or sound line of soviet film – in USSR were not concluded synchronization licences

Your questions

you can put to us by mail:



alexey.s@kondrin.com

www.kondrin.com