

PE 255 (09) - Confidential

Digital Rights Management on DTT

PE presentation
24 Sept 2009

Background of issue for PE

- The BBC and other broadcasters (C4 & ITV) are under pressure from rights holders to include rights management on DTT platform
- The BBC have therefore proposed a scheme to mandate incorporation of rights management on DTT platform, DTG considering adoption next week
- Their proposed scheme links manufacturers use of a compression scheme for SI (used for EPG data) with adoption of DRM scheme
- Because this breaches Ofcom licence requirements for open EPG data (condition 6) they have requested Ofcom consent for licence variation
- Ofcom have written to key stakeholders (and published on website) asking for opinion on proposals
- Significant number (200+) of individual responses received plus support from broadcasters and opposition from some manufacturers
- Issue considered last week by DSO steering Board, the team has also set up expert group to consider broader issues, this comprises Greg Bensberg, Andrew Dumbreck, Campbell Cowie, Jeremy Oliver, Louise Banyard, Kathleen Stewart, Dilip Roy, Peter Madry, and David Harrison

The content management arrangement proposed for DTT HD

The draft DTG “D Book” specification for HD receivers specifies three levels of Content protection

Level	Within receiver	Portable media	Home network	Internet
<i>Free access – no encryption</i>	No restriction	No restriction	No restriction	No restriction
<i>Free access – encryption</i>	No restriction	No restriction (encryption required)*	No restriction (encryption required)	Not permitted
<i>Managed copy</i>	No restriction	Single copy allowed+	No restriction (encryption required)	Not permitted

* No restriction to making Blu-ray discs

+ One Blu ray disc may be made

BBC proposal for Content Management on HD DTT

Original Plan

- The DTG “D Book” specification includes content management scheme for HD content (not SD) on DTT
- Content management, as with other aspects of the D book, would not be mandatory for receiver equipment, but was expected to be required under the “Freeview HD” trade mark licence, and so be widely adopted by manufacturers.

Recent (and very late in the process) proposal from the BBC

- The BBC argued at the DTG Council early in August that enforcement of content management arrangements in receivers only by the trademark licence agreement was insufficiently robust for content owners, and a higher level of compulsion was needed to ensure that the best quality content was available to the platform.
- The BBC’s proposal is for royalty free licence agreements between the BBC and individual manufacturers. The licence gives the manufacturer access to some BBC intellectual property, codes used to compress the EPG and other text, in return for an agreement by the manufacturer to implement the content management arrangements.
- The DTG Council approved the proposal, and asked for clarification of the regulatory position. The BBC later contacted Ofcom, and requested an urgent decision.
- “Fair use” copying definitions are under review with respect to device and format shifting, and the “D Book” spec may need to change later to reflect any changes in the law

Options available for Ofcom

1. Agree to BBC proposal and allow linkage of use of SI compression algorithm with requirement for manufacturers to incorporate DRM facility as specified by DTG
 - Gives certainty to manufacturers to invest in production
 - Keeps T2 launch on track
 - Improves likelihood of good content offering on the HD DTT platform
 - Risk of challenge on linkage to DRM inclusion
2. Reject BBC proposal
 - May lead to limited HD content being available to BBC and other PSBs
 - May lead to delay in launch of T2
3. Agree to BBC proposal for technical change but consult more widely on proposed use of broadcast flag to control access to content on platform. Because of overlapping regulatory interest should work with trust or BBC executive on scheme
 - Keeps T2 launch on track
 - Ongoing risk of challenge
 - Long and possibly contentious consultation on DRM rules

A summary of the responses to Ofcom letter

- **Broadcasters**

- Are supportive, as are the other multiplex operators
- ITV and C4 say that the BBC's arrangement is necessary
- C4 said "that it would not be able to make a significant amount of their acquired programming available on the HD service, without the proposed measures in place".
- The exception is Top up TV who, understandably, would like to see an encryption scheme that would be adequate for pay content

- **Manufacturers**

- Some support the BBC proposal, if reluctantly, (though we have yet to receive any formal replies from this group)

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- Philips mentioned the desirability of a uniform solution for the European market.
- **Individuals and small development companies**

- We received around 200 contributions from individuals and small companies, universally against the proposal.
- These were mainly about the restrictions the BBC's proposals would place on those using personal computers to receive TV services.
- Some were opposed in principle to the use of content management on public service channels.
- While some of these had made incorrect assumptions about the way the content management would be implemented, some made valid points and we are in the process of analysing the responses.