

Q1. Do you agree that copy management would broaden the range of HD content available on DTT and help secure its long term viability as a platform?

A1. We agree that the copy management or content management mechanism is required by content providers (primarily the Hollywood movie studios (“Studios”) that produce much of the content that is shown on “premium” television channels) in order to allow it to be shown by HD television distributors, at least in the early distribution window time periods. Thus, a content management system gives the Studios a sufficient level of confidence in the security of the UK HD DTT platform in order for them to release a commercially viable volume of HD content to the key HD content distributors. Furthermore, the presence of such a content management system will serve to enhance the possibility of funding for new HD content creation. It is our understanding that without a content management mechanism, the availability of HD content to the viewer will be limited not only in genre but in quantity also. Without this solution, content distributors such as CH4 and Ch5 whom have been granted a slot on the multiplex will find it difficult to secure the HD format version of the current content that is broadcast on the SD platform.

Q2. Do you agree that the BBC’s proposed multiplex licence amendment represents the most appropriate means for securing an effective content management system on HD DTT?

A2. As a manufacturer involved in both the content management discussions with the Digital Transmission Licensing Administrator (“DTLA”) and within the DTG, we feel that the proposal provides the best solution for the FTA broadcast platform at this time. As the Ofcom notice indicates, there are other solutions possible (such as encrypting the signal or direct regulatory requirements), however, based upon the discussions we have had, and as noted by Ofcom, such alternatives make the solution significantly more complex and expensive, or would make the rollout of the HD DTT platform significantly delayed. It is imperative to ensure that effective content management mechanisms are only available in conjunction with a conditional access or similar method which guarantees enforceability of such licenses. This is applicable to such effective content management mechanisms as Digital Transmission Content Protection (“DTCP”), Advanced Access Content System (“AACS”) and Content Protection for Recordable Media (“CPRM”), which are very widely used to protect especially premium content. The BBC’s proposal successfully meets the requirements of such licenses, and therefore makes it possible to establish a sound HD broadcast market not only for content providers in terms of content protection but also for manufacturers with

regard to provision of a fair and competitive market, and, most importantly, for consumers from the view point of availability of rich content.

Q3. Do you agree with the proposed change to Condition 6 in the Multiplex B Licence?

Our opinion is that the proposed text is acceptable.

Q4. Do you agree that Multiplexes C and D should be granted a similar amendment to their Licences as Multiplex B?

We are not familiar with the licence agreements themselves, but if this question is in relation to ensuring the service data for HD services is available for HD receivers (i.e. cross carried), then we believe the same amendment should be given. We believe that this amendment should be clear that it is only allowed for HD services, and SD services shall remain as they are.

Q5. Do you agree that the BBC's proposed approach for implementing content management would safeguard citizens and consumers legitimate use of HD Content, and if not, what additional guarantees would be appropriate?

The BBC's proposed approach would allow consumers flexibility in the legitimate recording of content, by allowing them to make copies onto removable Blu-ray discs and using their home network to enjoy content around their home and using recording devices apart from their receiver. DTCP is the leading content protection technology for home networking, having been selected by the broad-based, multi-industry consortium, Digital Living Network Alliance ("DLNA"). We believe that the proposed solution will reduce the number of non compliant HD receivers in the market than would the simple solution of a Freeview trademark licence. It is our understanding that this solution is by no means a total solution for countering piracy of content and has never been proposed as such a solution. This solution is intended to be for the mass market of CE users who have the intention of continued lawful and pleasurable use of the UK HD DTT FTA service provided.

It is well understood that enforceability of trademark license is not effective, and therefore does not preclude ill-intended manufactures from marketing non-compliant products without the trademark.

In our understanding, -3% of SD receivers sold in the UK market are not Freeview compliant, with high-valued content at stake. This ratio could increase significantly for HD Freeview unless an adequate enforcement mechanism is introduced. This scenario would eventually harm content providers as well as content distributors in offering them insufficient protection of their content, and it would -also harm

manufacturers through the creation of an unfair market place and most importantly would hurt consumers through the lack of high-valued content on the UK HD DTT service.

Q6. Do you agree that the BBC's proposed choice of content management technologies will have only a negligible impact on the cost of HD DTT receivers and their interoperability with other HD consumer equipment?

We agree the impact on CE receivers in the mass market is negligible. It is our understanding that the BBC will use the Huffman Code for the EPG/service data with or without the licensing dependent upon the Ofcom outcome and without the content management controls as specified within the D Book that all content providers will struggle to secure valuable and varied content for their viewers. This will not only impact to the DTT platform but strengthen the competing platforms, this will either force viewers to switch to competing platforms to view content that they are entitled to watch and leave the DTT platform in the standard definition era for the foreseeable future.

[Our organisation – name redacted] have always been a strong supporter of the Freeview licensing scheme and have always targeted this licensing as a key factor for our products. Therefore with or without Ofcom's agreement to the BBC proposal, [our organisation] will implement both the Huffman Code and the content management mechanism as specified within the D Book. If Ofcom prohibits the use of the Huffman Code, then it is impossible to utilize all of the content management capabilities as specified within the D Book, as doing so will necessarily infringe applicable intellectual property rights of the content management mechanism.

Q7. Do stakeholders agree that the BBC's proposed Huffman Code licensing arrangement would have negligible effect on the market for HD DTT receivers?

We agree that the licensing arrangement will have a negligible effect on the market for HD DTT receivers. As mentioned above, we understand the BBC and other content providers on the multiplex have always planned to implement the Huffman Coding to the EPG data. Therefore, as the current licence terms to manufacturers for the Huffman Coding table is are free of charge but linked to the correct implementation of the content management controls, the effect on ourselves is negligible.

Q8. Do the BBC's proposed content management states and their permitted use for different categories of HD content meet the requirements of other HD broadcasters on DTT?

We are not a broadcaster and not directly involved with the purchase of content for broadcast we cannot answer for them. However as we have been involved with the DTLA discussions over the solution for the UK DTT FTA platform we are confident that this solution does provide an agreeable solution for the content makers to be more comfortable with the use and controls of their content. We have been told that content providers are insisting on content management as a condition of licensing their high value content for the UK DTT FTA platform.

It should be well understood that DTLA requires content providers and broadcasters to follow Encoding Rules, which define the maximum level of protection implementable in accordance with source categories. In the case of HD Freeview content, if DTCP is used, all of the content may be copied in HD picture quality at least for one generation while most of the content is expected be copyable without any restriction. The Encoding Rules are aimed to balance the content providers' desire to protect their content with the customary and legitimate copying practices of consumers. Lastly, it is worth noting that Studios are fully supportive of the Encoding Rules.

Q9. Are there any issues that you consider Ofcom should take into account in assessing the BBC's proposal, that have not been addressed by this consultation?

No additional issues come to mind.