



GSME position paper on High Level Group report on DRM

GSME welcomes the opportunity to comment on the High Level Group report on DRM, which we consider a balanced output, since it recognizes:

- the benefits of DRM systems;
- the importance of open standards, interoperability and trust models, delivered by the industry,
- the major achievements in the mobile sector in that regard;
- the impact that the development of DRM systems has had on the legal framework for rights management.

DRM systems represent a great opportunity for all the sectors represented in the High Level Group in general and for the members of GSM Europe in particular. They enable the growth of further content services and new applications for the benefit of all legitimate stakeholders. The report reflects this well. In addition, GSME would like to stress that mobile operators are strategically placed in the value chain for mobile content and applications over mobile platforms: their early involvement and continued support to the development and adoption of DRM systems should be recognized. Mobile operators are already making use of DRM systems to support their content services, including services such as ring tones, games and music downloads. This gives mobile operators valuable experience in the development and use of DRM systems and experience of putting together commercially attractive content services that rely on DRM.

GSME supports open standards and considers that interoperability is a key objective. The adoption of these open standards, which leads to high levels of interoperability is in the interests of both the content and mobile industries. It is the industry itself, rather than the regulator, which is therefore best placed to develop and deliver these open standards and to ensure interoperability. But interoperability on its own is insufficient to ensure the commercial success of new digital content services. DRM systems must also enable attractive services to be offered. They must not place undue restrictions on the use of content such that customers are turned away from the services. This means that DRM systems will need to be able to support a wide range of rights, including, for example, the right to make private copies and the right to forward content from one device to another ('superdistribution'). Of course it will also be necessary for rights holders to make available the rights to content required for these services.



The report addresses DRM systems on a number of different platforms, including but not restricted to mobile platforms. It reflects fairly the different stages of development and adoption of DRM systems by these different platforms, from a standardization point of view as well as from a market perspective. It is clear that whilst mobile platforms are relatively new - since few mobile networks existed 15 years ago -, the rapid progress achieved over the last two years in developing mobile DRM standards within OMA is impressive. Implementations of the OMA DRM version 1 standard are available on a growing number of handsets and the version 2 of the standard is already finalized. The OMA DRM standards are gaining significant support from both inside and outside the mobile telecoms industry and GSME is satisfied, therefore, that OMA is referenced within the report. Of course, whilst OMA was initially focused on mobile, the Open Mobile Alliance is not restricted to mobile issues and is actively working on interoperability solutions with other platforms.

The current developments and the prospects of acceleration in the adoption of DRM systems – led by achievements in the mobile sector – justify the debate on the legal framework for rights management. Therefore GSME also welcomes the report in so far as it recognizes the objective to avoid double taxation and the need to reform levies when DRM systems are available.

GSME is a natural partner in any further Community action in this field and remain fully available to respond to any request for further information the Commission might have.