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Session 2 « New Business Models for Effective Protection of
Copyright and Related Rights in the Cloud »

Cloud Computing pose major new challenges...

3 types of technical architectures which echoes very different ecosystems

1. “ Dumb Locker ”

- “Personal” Storage Space
- Each file needs to be uploaded on a server
- ▶ Time, bandwidth and storage space consuming
- ▶ Problem of Control : any content can be uploaded without consideration to the lawfulness of the source, content can easily be shared with many other users

2. “ Smart Locker ”

- Cloud service scan the users’ content library and identify content (no uploading)
- Matched Content is included in the User’s Cloud Library
- Cloud Service Users can access any content on his Cloud Service Library via downloading or streaming

3. “ Cloud Streaming ” Music Services

- No more ownership of the content file : access
- On-demand access service to over 18 m songs, wherever the user is, linked to subscription
- Users can generate playlists
- Users can either stream music online or download a local copy (DRM protected) of their music to listen to it offline

3 different business models

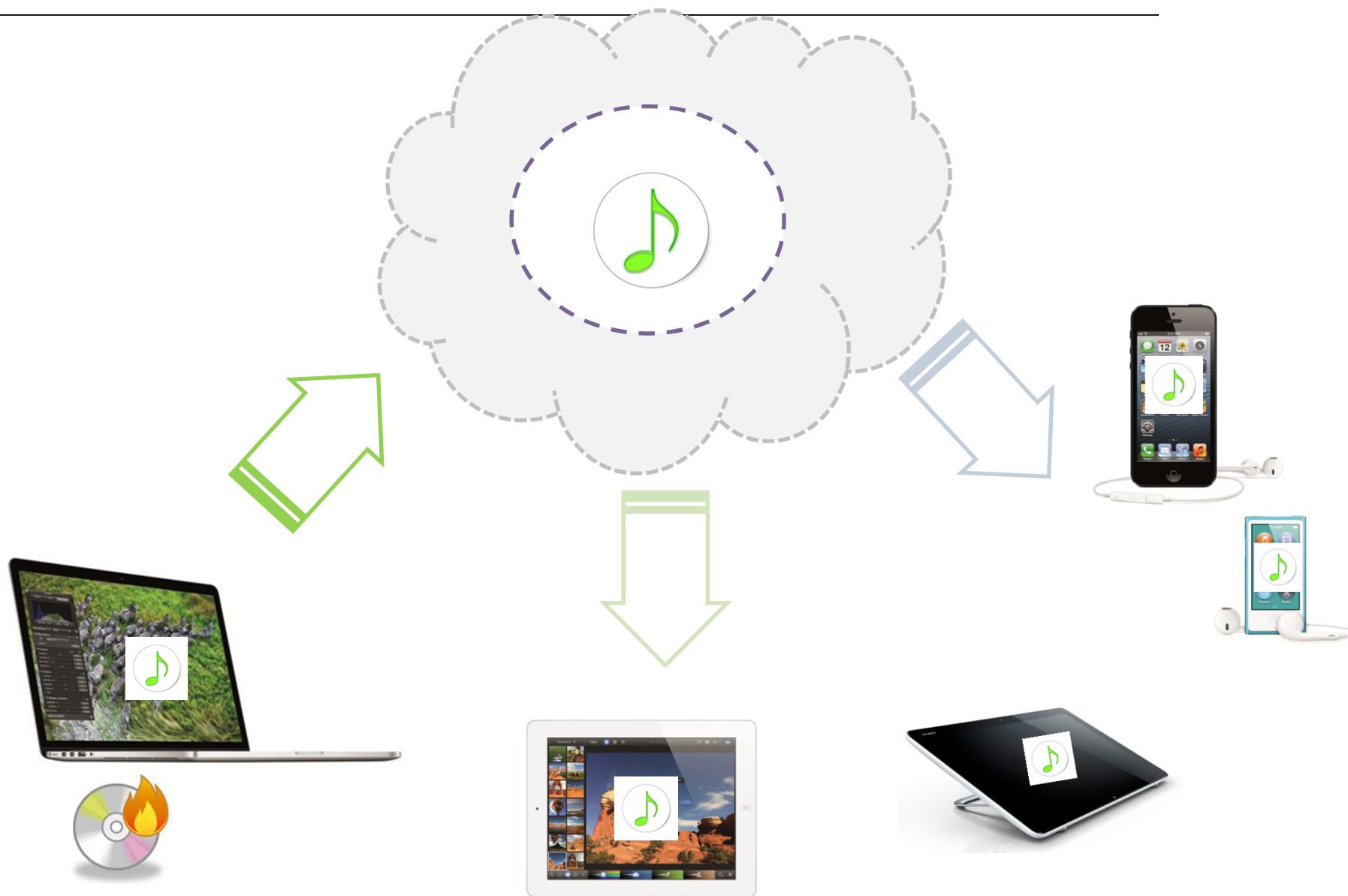
Music Lockers

- “Dumb” model : users only pay for the storage space (often 2 versions : free , ad-financed / premium based on a fee or subscription to the service)
 - Limited upside for the users
 - Provides incentives for IP Infringement usages, very detrimental to rightholders
- “Smart” model : users pay for storage space and for value-added services
 - Content is licensed, through contracts with rightholders
 - Additional remuneration is provided to rightolders (based on 1 year subscription @ c. 25\$)
 - Users can enjoy an extension of the content usage (multiple devices transfer / high quality audio-files ...)

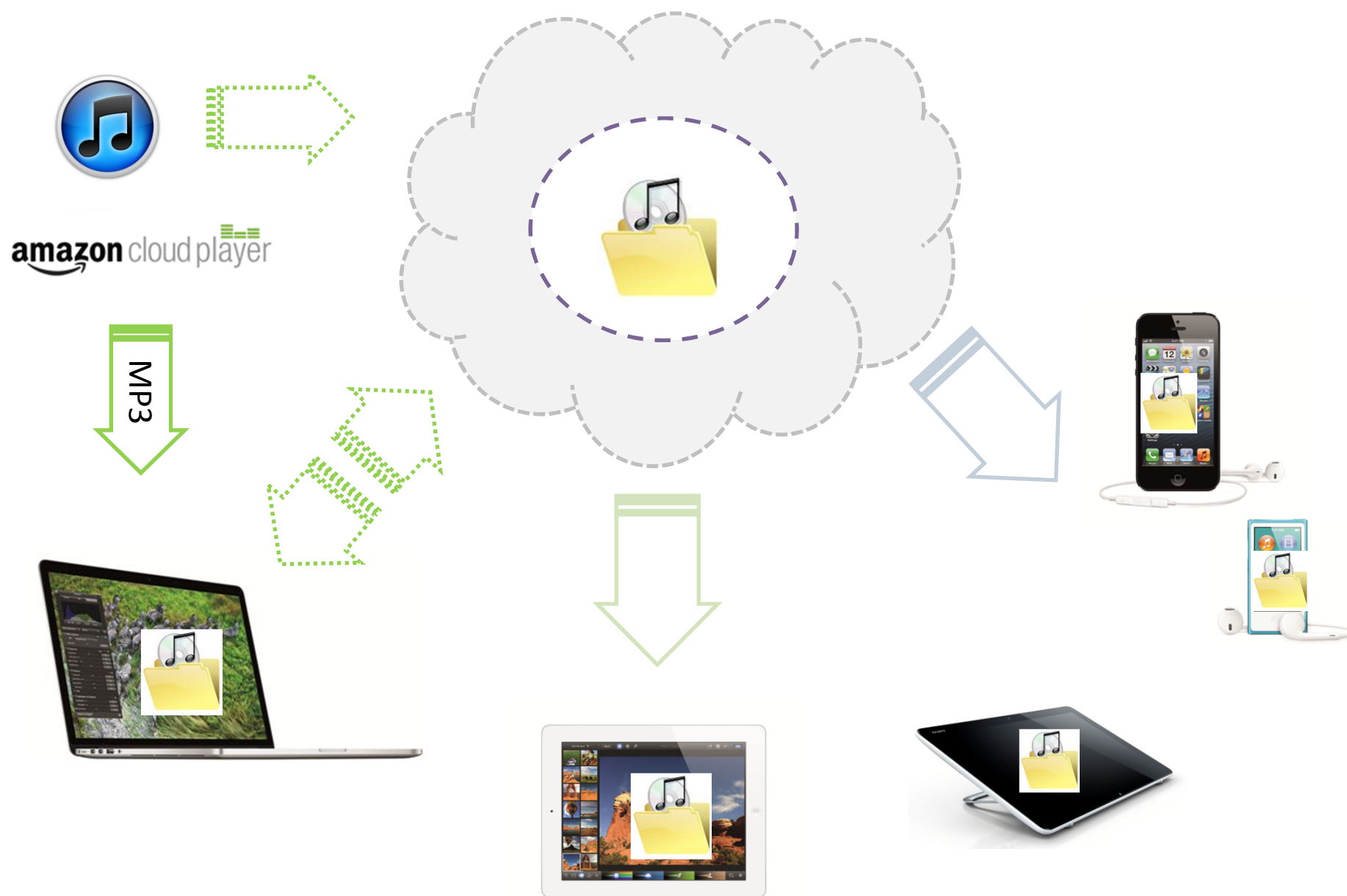
Streaming Services

- “Subscription” model : users pay for access to a library of content (3 versions : free – with limited access, 4.99 €/month - computer version, 9.99€ - premium version which includes mobile)
 - Partnerships with social networks (eg. Spotify & facebook) and bundling with ISP offers (eg. Spotify & SFR / Deezer & Orange) to increase audience reach
 - Music subscription is transforming the way people experience and pay for tracks and albums.
 - Significant growth potential and associated revenue for rightholders
 - Consumers subscribing to music services globally is estimated to have increased by nearly 65 per cent in 2011, reaching more than 13 million, compared to an estimated 8.2 million the previous year
 - In Sweden, for example, subscription accounted for 84 per cent of digital revenues in the first 11 months of 2011, boosted by its national champion Spotify. Other markets saw sharp growth in subscription revenues, including France which saw an increase of more than 90 per cent in the first 11 months of 2011

« Dumb Locker » Architecture



« Smart Locker » Architecture



« Streaming models » Architecture

