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Hollywood puts 3 Baltic countries into a Second Class of E.U. or Hollywood does not recognize E.U.'s single market from May First 2004

Hollywood wants to control the home release of movies in different countries and has therefore divided the world into six groups. These so-called “regions” are made purely out of business considerations and has no relation to do with language or culture.

This division of groups is used in codes on DVD disks and DVD-players (i.e. Dell Computer deliver all DVD-drives with a hardware-region chip together with software “WinDVD” from www.intervideo.com).

A DVD disk can only be played on a DVD-player with the same regions-code. Thus, an English language native in United Kingdom (region 2) cannot on his DVD-player see English language movies made in Canada (region 1) or Australia (region 4).

As for the European Union, it will from May 1, 2004 be extended with new members, amongst others the three Baltic countries, and these countries thus be part of the European Single Market.¹

However, when it comes to DVD-players - and thus possible DVD-movies to play - the three Baltic countries will be in a somewhat “Second Class” as Hollywood have put these three countries in group no. 5 (Former Soviet Union, Indian Subcontinent, Africa (except South Africa), North Korea and Mongolia), whereas the rest of the European Member States belong to group 2 (including Japan, South Africa, Middle East and Egypt).

Thus, Hollywood regions system prevents the new European Union to work as a single market with free trade of DVD-players and movies made in the European Union Member States.

This imply that the consumers in the European Union from May 1, 2004 will have to be required to have two DVD-players, one for zone 2 and one for zone 5, if they want to be able to see all movies produced in all Member States.

Furthermore, the E.U. consumer will against main principle of the Single Market not be able to buy DVD-movies from any seller in the E.U. as Hollywood does not allow zone 2 DVDs to be sold in the three new member states, which are in zone 5. Opposite, the previous member states (all in zone 2) will not be able to buy DVDs sold in the new member states as these are in zone 5 and Hollywood does not allow zone 5 DVDs to be sold in zone 2.

Such a regime is against the European Single Market and can only be prevented by E.U. if the producers of DVD-players are ordered to issue a feature that merge zone 2 and 5 into one and

¹ The main principle behind this is similar to the U.S. Constitution’s “commerce clause”. No American state would accept to be put into another DVD-zone that the rest of the states in the U.S.

offer a way for the consumer to change the region settings of his/her already existing DVD-player.

It should be noted that the region code by the movie industry also is argued to be a copyright feature, see for example the case against DVD-Jon in Norway².

However, this is an inferior argument since for example region 2 consists of countries with different copyright legislation (Europe, Turkey, Israel, Japan, South Africa, Iran, Iraq, Egypt and the Arabian Peninsula) - Should the grouping be made out of copyright concern for example Australia and New Zealand (group 4) should be easily grouped with Europe.

A view of the grouping made by Hollywood shows the grouping is made purely out of profit considerations and only to a small extent from the perspective of the risk for copyright violations.

Thus, there should be no real reason for the European Union not to require that the producers of DVD-players on May 1st 2004 issue a feature that merge zone 2 and 5 into one and offer a way for the consumer to change the region settings on his previously bought DVD-player.

Furthermore, that the European Union issue rules that allow zone 2 and 5 DVDs to be sold in each of the Member States of the European Union.

As for the zone-grouping should be noted, that it is somewhat only for the benefit of the American movie industry as the grouping prevent for example people with background in India, but living in Europe from buying in India DVD-movies made by the India movie industry (in English language or with English subtitles) and that are not of cost considerations sold outside India – unless of cause the India movie industry decides to sell DVDs zone-free.

Copyright owners should invent another system than the present DVD-region-code to prevent misuse of their rights. The present grouping is in practice of no real value as any consumer in a foreign country can buy a DVD-player with a foreign region-code and legally bring it back home.

Thus, what is in the real interest of the copyright holders is a feature that prevents the buyer from copying the DVD-movie. In this respect should be remembered that when customers decades ago bought a lacquer disc they had no right to require a substitute if the customer damaged the lacquer disc - just as well as a buyer of a book if a dog eats parts of the book has no right to require a substitute or a right to photocopy the whole book (to have a back-up). If broken, they must buy a new.

The copyright holders should make a feature on DVDs that prevent the content from being copied, thus requiring the original DVD to be used every time the content is wanted to be watched or heard. On the other hand, any DVD-player should be able to play the original DVD.

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² Unofficial translation into English can be found at < <http://www.geocities.com/hssph/misc.html#Cases>>.