

**MOTION PICTURE ASSOCIATION – INTERNATIONAL**  
(a limited liability corporation incorporated in the United States of America)

Under license from Motion Picture Association



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**SUBMISSION FROM THE MOTION PICTURE ASSOCIATION-INTERNATIONAL**  
**TO THE PROJECT NIMS INDUSTRY DIALOGUE ON NIMS – CONNECT**  
**REQUIREMENT**

**To:**

**Patrick Pang**  
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**Submitted by:**

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Kindly contact us if you require further clarifications or follow-up.

Thank you,

A handwritten signature in black ink, appearing to read 'R. Krishnan', with a horizontal line underneath.

Krishnan Rajagopalan

**THE COMMENTS OF THE MOTION PICTURE ASSOCIATION-INTERNATIONAL  
TO THE PROJECT NIMS INDUSTRY DIALOGUE ON NIMS – CONNECT  
REQUIREMENT**

**1. INTRODUCTION**

The Motion Picture Association-International ("**MPA-I**"), a trade association representing the interests of six international producers and distributors of filmed entertainment, including television programming,<sup>1</sup> submits the following comments to the industry dialogue paper entitled "Project NIMS – Industry Dialogue on the NIMS - Connect Requirement" ("**Industry Dialogue Document**"), issued by the Infocomm Development Authority of Singapore ("**IDA**") and Media Development Authority of Singapore ("**MDA**") on Nov 30, 2010.

The MPA-I appreciates this opportunity to provide its comments to the Industry Dialogue Document. The MPA-I looks forward to working collaboratively with the IDA and MDA in further refining the Project NIMS CF STB requirements and technical specifications.

**Technical Standards for Compliance by NIMS CF STBs**

We understand that, following the launch of the NIMSCo RFP, which seeks to appoint the NIMSCo to put in place the open access NIMS Platform and achieve mass adoption of NIMS CF STBs, IDA and MDA are in the process of considering regulatory options to enhance the value proposition that NIMS CF STBs would bring to consumers. Specifically, in the current Industry Dialogue Document, the IDA and MDA have requested respondents to weigh in on the need for technical standards for compliance by NIMS CF STBs<sup>2</sup>.

In response, the MPA-I requests that the IDA and MDA require the selected NIMSCo to set up and operate a comprehensive Certification, Labelling, Licensing and Enforcement regime for Project NIMS CF STBs, components of which will include technical standards. The protections afforded by the creation of such a regime will likely result in a wide range of content being made available on the CF STBs and will help IDA and MDA maximize the value and benefits of the Project NIMS effort. Specifically, the selected NIMSCo must:

**A. Create a Licensing Regime With Technical Standards for CF STBs**

The NIMSCo must identify Licensed Technology and use the license of such Licensed Technology to require compliance with various license terms. The MPA-I requests that the NIMSCo require the various participants in the CF STB ecosystem (such as IPTV operators, CF STB manufacturers, component manufacturers, etc) to sign a license agreement with the administrator of the Licensed Technology, pursuant to which such participants obtain: (a) a license to use the Licensed Technology; (b) access to the detailed technical specifications; (c) access to security infrastructure; and (d) a license to use the Project NIMS label on its devices. Only participants who sign such a license should have access to the foregoing elements; moreover, the license itself should require full compliance with its requirements. The license should only allow licensees who are

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<sup>1</sup> The MPA-I serves the following six companies: (1) Paramount Pictures Corporation, (2) Sony Pictures Entertainment, Inc., (3) Twentieth Century Fox Film Corporation, (4) Universal City Studios LLLP, (5) Walt Disney Studios Motion Pictures, and (6) Warner Bros Entertainment Inc.

<sup>2</sup> Section 4.2.2 of the Industry Dialogue Document

in full compliance with the license to have a license or access to any of the foregoing. Furthermore, the license agreement should contain the standard terms that are usually found in content protection technology licenses, including, without limitation, the following:

- i. Third party beneficiary rights to obtain injunctive relief and liquidated damages for breach of the license agreement;
- ii. Change management rights by content providers  
An established, flexible procedure to easily react to changing market needs (such as approving new outputs, changing specifications, addressing stolen keys, etc), along with an escalation/arbitration process overseen by the IDA and MDA to resolve disputes.
- iii. Revocation and renewal procedures;
- iv. Compliance Rules. The Compliance Rules typically impose on the licensee the following requirements, among others:
  - Content usage rules;
  - Approved outputs, with appropriate content protection signalling; and
  - Approved DRMs; and
- v. Robustness Rules. The Robustness Rules typically impose on the licensee an obligation to robustly implement the security features of the device to prevent tampering.

#### **B. Certification, Labelling and Licensing**

The selected NIMSCo must define a stringent certification program that is approved by content owners before the CF STB standards and specifications are finalized and made available to adopters.

The selected NIMSCo must require stringent security audits before certifying CF STBs. The audits should include, at a minimum, a test to ensure that implementation of all of the security requirements in each device have been robustly implemented in accordance with the Robustness Rules (as described above) and a check to ensure that each test device materially conforms with the Compliance Rules (as described above).

In clause 7.6 of the NIMS Connect document, the IDA and MDA state that Nationwide RSPs will have the flexibility to roll out operator specific hardware and software to differentiate their apps & services, and have indicated that they may allow Nationwide RSPs to apply for exemptions for content, applications and services for which the repurposing process would pose significant technical challenges. It is important to have some flexibility to allow RSPs to be a part of the CF STB ecosystem; while enabling this flexibility, the IDA and MDA should ensure that any modified hardware or software adopted by RSPs as a result of granted exemptions is still subject to the NIMSCo certification process.

#### **C. Operate a Compliance Monitoring and Enforcement Program**

In order to ensure the security of the CF STB ecosystem, the licensing administrator (NIMSCo) for the CF STB ecosystem must monitor the marketplace for compromised or unlicensed devices and take immediate action against any breach in security through revocation and renewal, court action for injunctive relief and/or damages, and/or by termination of the license.

The MPA-I urges the IDA and MDA to require that the selected NIMSCo create a stringent compliance and enforcement program (similar to that operated by a number of successful content protection regimes such as CableLabs in the United States) to enhance the ability of the Project NIMS CF STB ecosystem to be and remain a trusted platform for the distribution of high value content.

## **Concerns over support for unlawful options - access to infringing content and CF STB security**

The IDA has already summarized various concerns<sup>3</sup> that the industry has with respect to OTT support on Project NIMS CF STBs, and we wish to both reiterate as well as supplement those concerns.

The capability of a CF STB to access the Internet could lead to innovative consumer experiences by increasing interactivity, metadata access, and enabling personalization. However, inclusion of such capability must be carefully implemented to minimize the impact of unlawful, pirated content available on the Internet. To date, experience has shown that the economic viability of content services that rely purely on Internet distribution has been significantly and unfairly challenged because such content services have had to compete directly with illegal content which is rampantly available and often free.<sup>4</sup> This is in contrast to Pay TV content services that have long-standing economic viability, in significant part, because the authorized receivers of such content services aim to provide a secure environment for legal content and do not provide ample access to unlawful, pirated content via an unmanaged access to the Internet.

The MPA-I has serious concerns about an unmanaged “over the top” network model of CF STBs that provides unfettered access to infringing content from the Internet. Such a CF STB will likely damage lawful content distribution by enabling a distribution platform for competing illegal services that offer infringing content to users. In addition, providing the end-user an unfettered ability to install applications or access the web on the CF STB will inevitably compromise the security of the CF STB.

The MPA-I therefore urges the IDA and MDA to refrain from mandating OTT access from Project NIMS CF STBs.

## **2. CONCLUSION**

The MPA-I and the producers and distributors it represents appreciate the opportunity to provide comments to the Industry Dialogue Document and respectfully request that the IDA and MDA take the comments into consideration as they continue to make progress on Project NIMS.

The inclusion of these considerations in Project NIMS will result in an enhanced solution that will benefit all the participants in the Project NIMS CF STB ecosystem, namely (a) consumers by increasing choices for operators and the range of content, (b) content owners by increasing the

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<sup>3</sup> Section 2.2.3 of Industry Dialogue Document: “However, most respondents highlighted concerns over OTT and DTT. Respondents cited that OTT support would add cost and complexity to the NIMS CF STB. In addition, support for unmanaged OTT services will likely cause a diversion of revenue streams from the NIMS Ecosystem. Some respondents expressed that T-Government services should not be delivered over OTT due to the lack of quality of service parameters.”

<sup>4</sup> Media tracking company Screen Digest recently reported that 2009’s U.S. online movie consumer spending came in more than 20% under its forecasts due to underperformance of the electronic sell through business. The market remains under \$300 million. They also reduced forecasts for 2014 by 30%. (Source: Screen Digest Insight Report, April 6, 2010). At the same time in 2009, the population across six main peer to peer networks rose to 18 million simultaneous users, the highest peer to peer population seen since the start of 2007. BitTorrent, the largest peer-to-peer protocol, had over seven million simultaneous users. (Source: Envisional, Q42009). A recent study of files on BitTorrent by former Princeton professor and current Chief Technology Officer of the United States Federal Trade Commission (Dr. Ed Felton) found that 100%, or every single movie or TV show, found in the study of the network (476 titles) was likely infringing. (Source: Ed Felton, “Census of Files Available via BitTorrent,” posted 1/29/10).

confidence that their rights will be protected by the CF STB ecosystem, and (c) IPTV operators by enhancing the viability of the CF STB ecosystem.

The MPA-I looks forward to engaging with all participants to further refine the Project NIMS CF STB requirements and technical specifications.