





## **Annex II - Gestdem 2018/0793**

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Doc.12



## EUROPEAN COMMISSION

Directorate-General for Communications Networks, Content and Technology

Digital Single Market

**F.2 E-commerce & Platforms**

### MISSION SILICON VALLEY, USA

**19 - 23 JUNE 2017**

### MISSION REPORT



## AUDIBLE MAGIC

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Participant: [REDACTED]

- Audible Magic is a 17 years old company concentrating on automatic recognition of sound (soundtrack) on music, film and television. They are currently working on video identification. They experiment with other types of inappropriate content (hate speech, etc).
- Rights holders have to make the effort to identify the content (register their works). They don't pay anything.
- Their clients are the platforms. Pay based on volume/number of files. [REDACTED]  
[REDACTED]  
[REDACTED]
- Takedown notices are very expensive to deal with and offer a poor user experience. AM reduces costs for rights holders because it reduces the number of notices. AM maintains good relations with the rights holders.
- AM consider that it is better to use a third party technology than developing its own one: technology evolves and requires constant update: plus, it provides with "the arms' length" for platforms (keep distant from the blocking decision).
- AM does not consider itself liable.
- Who decides about fair use? An automated system informs the uploader and allows to challenge the decision. It changes the burden of proof, as the user has to demonstrate that the content is covered by fair use.
- The SCOTUS decision not to revise the Lenz case helps maintaining an automatic system with simply a "subjective belief" that the content is not covered by fair use. It is clear that computers cannot identify fair use. However, there is only a very limited number of fair use cases.
- Question: how to keep regulation innovation-friendly, that allows small platforms to grow? Technology can keep costs down. But if there is always a need to have a human in the loop, it is not possible to save resources.
- Among AM clients there are not only well-know platforms, [REDACTED]  
[REDACTED]  
[REDACTED]
- [REDACTED].
- AM is the biggest company in the market, but there are others, like Bmat (Spain).
- The number of identifications in AM is 100 times higher than web crawlers.
- AM is analyzing license possibilities to allow small platforms monetize content. The copyright directive can incentivize the business model. At the same time, without Art 13 there would still be a need for monetisation agreement. This licensing system will be developed in 1Q 2018 for a surcharge.
- UGC has doubled in the last 2 years.

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**From:** [redacted] [mailto:[redacted]@ina.fr]  
**Sent:** Wednesday, June 29, 2016 12:04 PM  
**To:** [redacted] (CNECT)  
**Cc:** [redacted]  
**Subject:** Ina-Signature

Personal Data

Bonjour [redacted]

Suite à notre échange téléphonique d'hier, vous trouverez la note en attaché sur laquelle vous pourrez pleinement vous appuyer pour votre réflexion et publication.

N'hésitez pas à revenir vers moi si besoin de clarifier des éléments, pour toute question, tout commentaire, toute info complémentaire,

Très bonne journée à vous,

Bien cordialement,

[redacted]

--



Ina-Signature  
Direction des collections  
Ligne directe : [redacted]  
Mobile : [redacted]  
Skype : [redacted]

Personal Data

[www.ina.fr/signature](http://www.ina.fr/signature)

Suivez-nous sur Twitter ! @audiovisuel

*Avant d'imprimer, pensez à l'environnement !*



# INA Signature

*for video-sharing platforms*

The content distribution monitoring solution  
to optimize the value of copyrighted videos

## The main reasons to implement our content management solution

Why should you set-up means to manage the distribution of contents on your platform?



→ Increase drastically your capacity to **monetize audience** on contents published on your platform and protected by copyright.



→ Grow the audience and the value of your platform by empowering partnerships with publishers while providing them with reliable means to control the distribution of their copyrighted contents:

- ✓ Encouraging publishers to distribute on your platform **valuable and audience-driving contents**
- ✓ Developing **long term relationship** with publishers
- ✓ **Differentiating** from others platforms to **attract valuable publishers**, cautious with their contents and the value they get








→ Secure legally your activity by preventing legal issues and conflicts with rights holders, their associations or administrations



→ Simplify your moderation tasks on your platform by automating rejection of contents which have already been moderated



# What scenarios to set-up reliable means to control the distribution of contents on your platform?

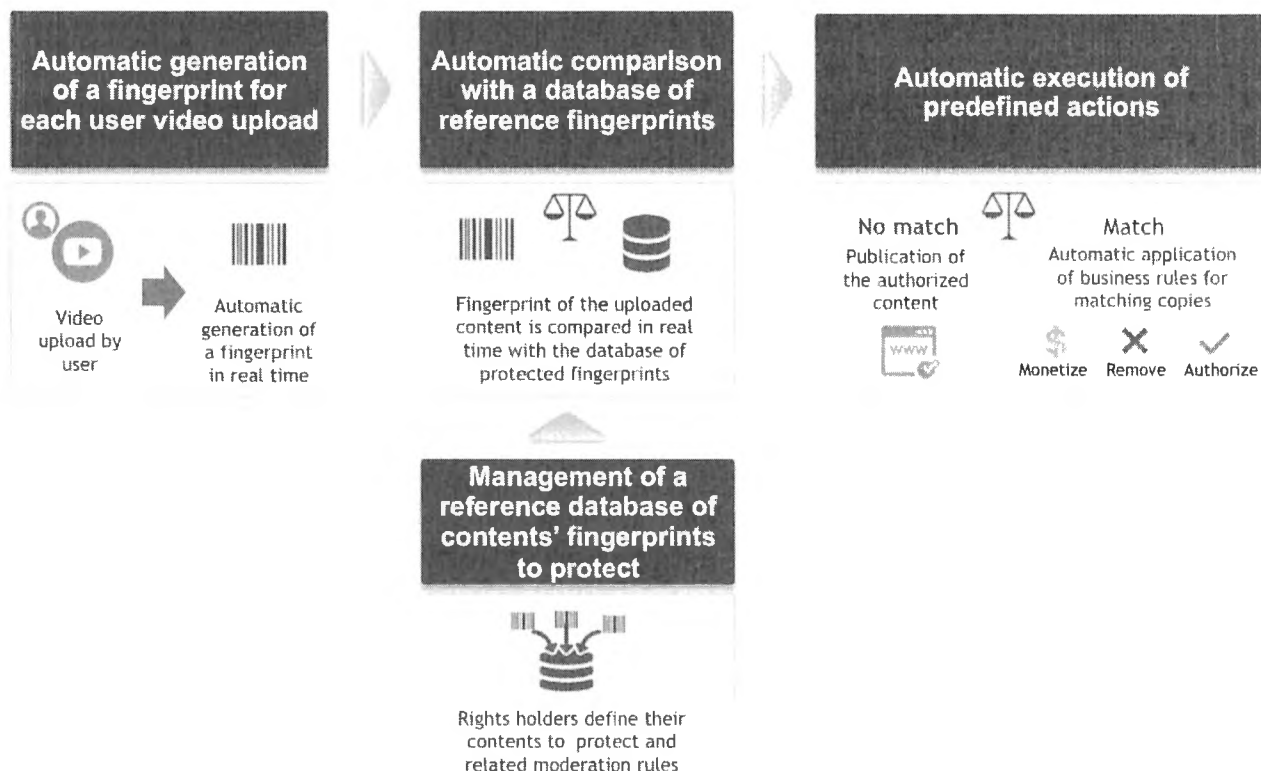
	For whom? 	Protection scope 
Integrate a <b>market solution</b> 	Platforms willing a market standard solution with <ul style="list-style-type: none"> <li>- Proven technology</li> <li>- Limited development and maintenance cost</li> <li>- Quick time to market</li> </ul>	Protection of partner content registered on your platform + Protection of contents from all publishers using the solution and registering their content centrally
Develop your <b>own solution</b>	Platforms willing to master entirely their own ecosystem, with major R&D budgets focused on protection, and low issue (=years) on time to market <div>   </div> Time consuming in R&D      High expenses in R&D	Protection only of partner content registered on your platform

The benefits of using the INA Signature solution



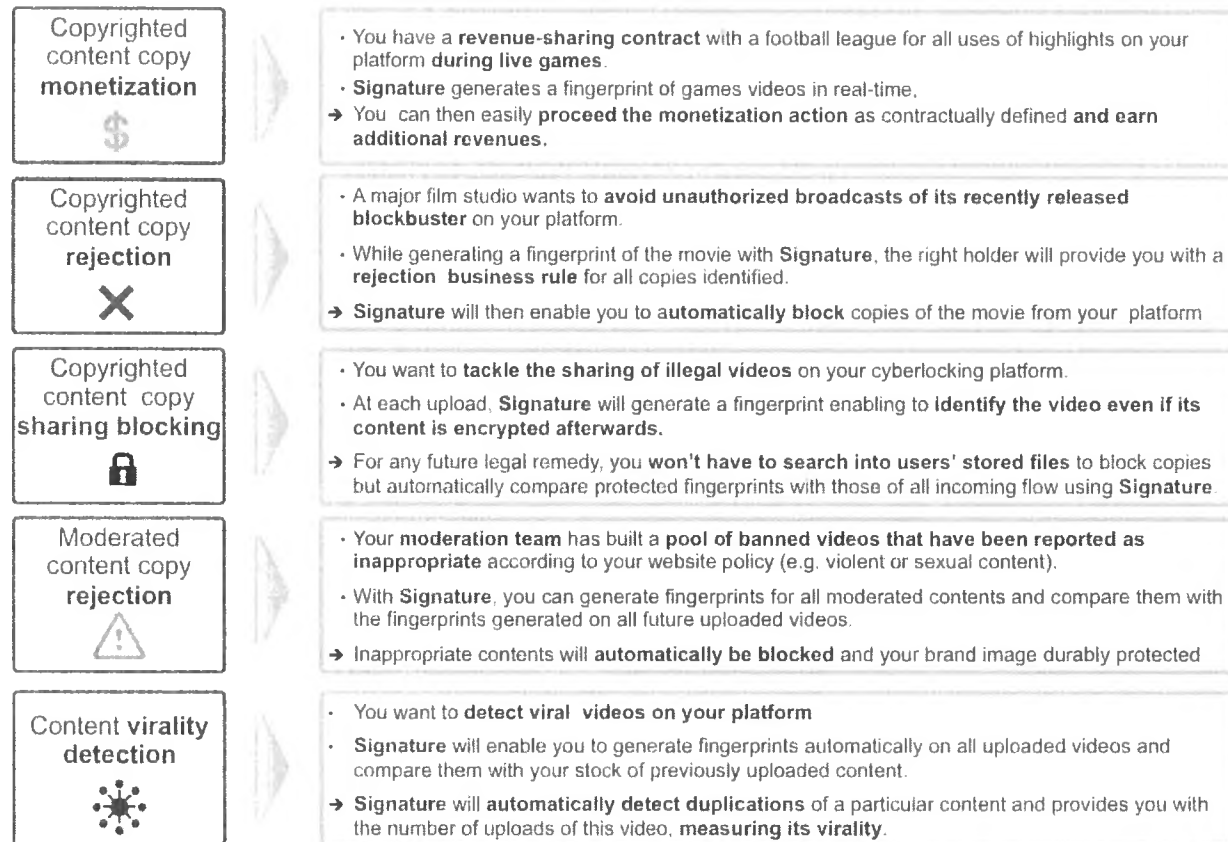
## What features does INA Signature include ?

- INA Signature offers features at each step of the monitoring process to ensure a complete protection of contents.
- Video sharing websites can set-up features to detect potential copies uploaded on their platform, a priori (during upload) or a posteriori (once videos are uploaded), compare copies to protected contents and take measures towards identified copies according to business rules defined by rights holders.





## Examples of value-added monitoring use cases on video-sharing platforms:



## How does INA Signature fingerprinting process compare to other identification technologies?

### What is a fingerprint?

- Video fingerprints are small digital genetic codes, computed from the digitized images of a video sequence, and designed to represent its content.
- A set of fingerprints computed from a video sequence is a very condensed piece of information representing the essence of the sequence.
- In practice, computing fingerprints from digitized video files is a very simple process: a software program allows to quickly compute one fingerprint file per video file. Technically, the fingerprints are computed from the luminance of various areas of the images and from the motion information in the sequence. The video file is neither modified nor copied in any database.

### Signature differentiates from watermarking

**Watermarking** is an invisible tattooing operation, that only allows to identify tattooed copies. On the contrary, a fingerprinting process analyzes very closely a content copy and then deduces a genetic code without modifying the content. The fingerprint is then valid to identify any past and future copy of the video.



## What are the key benefits of using INA Signature on your platform?

- Automatic fingerprint generation for all user generated video contents
- Easy to plug: comparison is available in SaaS
- Benefits from 5 years of R&D and avoids development and maintenance expenditures linked to the development of a owned solution
- Automation of business rules application avoiding a costly and tedious manual moderation

- Robustness of the software: detection even with modifications on content enabling a reliable moderation
- Virtually no technical false detection: alert only in case of an actual copy → enable to automate detection on high volumes
- Speed of execution of the comparison enabling to take a decision at the uploading process
- The solution has been successfully tested and implemented for years with Dailymotion on a large scale of contents
- Possibility to share monetization revenues with rights holders

**+ Simple to implement and run**

**Super efficient**

**ina Signature**

**+ Scalable**

**Standard**

- Scalable: capacity to manage high volumes
- Platforms can use INA Signature in other usages than copyright protection → constitution of a specific database for all contents to moderate
- Get additional info on success of content ex : detect buzz (virality index)

- Fingerprints stored in the INA reference database are related to valuable and audience-driving contents with a high business potential from major rights holders, already including key US movie studios and international sports leagues



## Frequently Asked Questions

### To which extent can Signature detect transformed video copies?

- ➔ INA Signature detects copies even with significant modifications between the protected content and the distributed copy
  - INA-Signature has regularly been benchmarked in tier 1 of rights holders and expert tests
  - The samples below illustrate a **variety of transformations** types that Signature has successfully detected on actual use cases; Signature robustness includes support of those transformations in real-world cases: text and graphic overlays, color / B&W changes, crops, camcords, video compression, video format changes, audio track changes.
  - INA-Signature is **available for further tests** as needed to check it satisfies your needs



*On the left the original content and on the right the broadcast content that was properly identified by Signature. This illustrates the reliability of the technology.*



## How reliable is the Signature comparison process?

- Signature avoids **false negatives** (non-detection of a copy whereas it is one) and **false positives** (false detection of a copy whereas it is not one) with **zero technical false detection identified over several years** of operation for a large UGC use case.

## How fast is the Signature fingerprint generation process?

- Fingerprints are generated **up to 20 times faster than real-time**, depending on the source video format
- *e.g for a 3 minute standard video, fingerprint can be generated in less than 10 seconds*

## How fast is the Signature fingerprints comparison process?

- The technical setup is scaled depending on the detection time requirements per use case
- For example, video sharing platforms integrate the comparison feature during the video upload and initial processing (time **below 2 min**), so that the user experience remains smooth
- *Actual daily operations compares in live sport matches streams or uploads during the events*

## How much content can Signature compare?

- INA Signature offer to its clients the ability to **process high volumes of requests simultaneously**
- *e.g. with Signature, INA monitors automatically about 100 TV channels in real-time to identify copies of its distributed archives*



## Get started with INA Signature

INA enables you to set up a free Proof Of Concept to quickly and easily discover Signature's key features

### Free discovery test (1 day)



- Upload of the videos to be compared onto INA server (reference videos & potential copies)
- Fingerprint generation and matching process performed by INA
- Manual restitution of the results

### Advanced test (1 month)

- Fingerprint generation test made on your own
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94366 Bry-sur-Marne Cedex - France



# INA Signature

## *for rights holders*

The content distribution monitoring solution  
to optimize the value of copyrighted videos

**Maximize the value of your video assets by monitoring their distribution**

### Why should you monitor the distribution of your videos?

Three key facts make the monitoring of contents' distribution essential to secure the financial sustainability of rights holders.

- 1) The evolution of video consumption: expansion of access points to video content (TV, smartphones, tablets, games console...); increasing non-linear, interactive and social usages; multiplication of free access to contents.
- 2) The diversification of monetization sources: fragmentation of rights distribution between various territories/zones, broadcast medias (TV, mobile, web) and distribution chronologies (live, replay, recorded, VoD...), makes its control more difficult.
- 3) Illegal content viewing, with continuously evolving broadcasting and sharing technologies, toughen the need to track and control contents, in order to prevent rights holders revenues endanger.

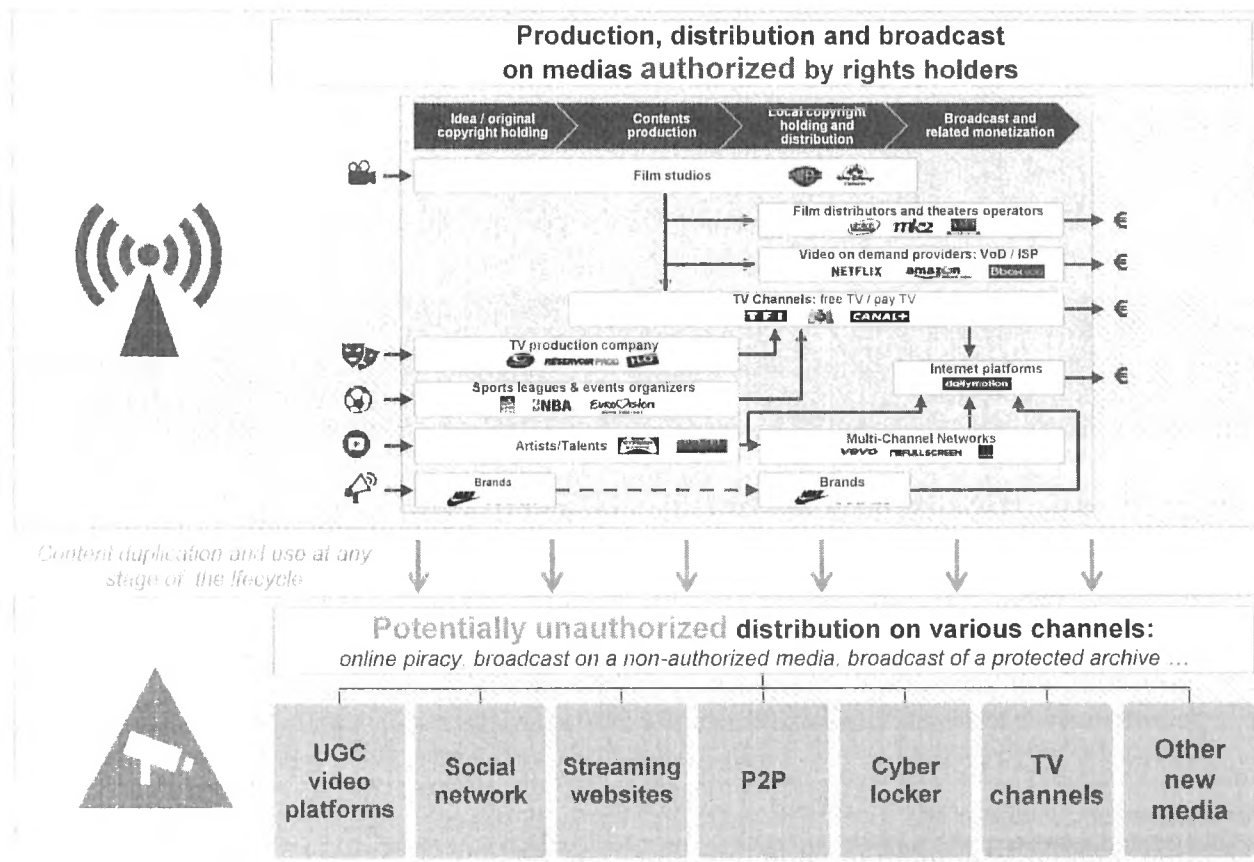
### *Examples of use cases where video distribution monitoring brings value:*

- For a TV show, maximize its replay audience on the channel's branded platforms.
- During an event (sports, music...), maximize the live audience on TV/Internet platforms used by the brand.
- For original content produced firstly for digital, maximize the audience and monetization on all Internet distribution channels.
- For a blockbuster movie, maximize cinema ticket sales, tracking and avoiding unauthorized distributions on the internet during its early life, while still taking advantage of the buzz created on Internet platforms.
- Maximize Internet revenues and identify TV broadcasts for long tail catalogs and re-use of archives.

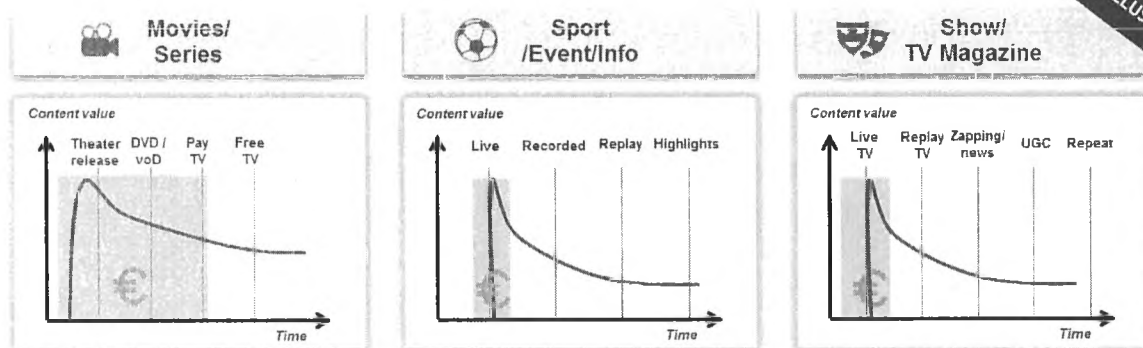


## What contents and medias should you monitor?

- Unauthorized and/or non-monetized distribution of copyrighted videos can occur all along the contents' distribution chain, on a multitude of platforms and chronologies:



- It is key for your business to extend the monitoring scope to a wide technological, functional and chronological field to ensure maximization of the revenues from content distribution.
- Maximizing revenues related to your copyrighted contents implies to control the distribution and monetization of your videos on all accessible medias, especially at key moments of their lifecycle. Whatever their nature, video contents should be protected as early as possible.

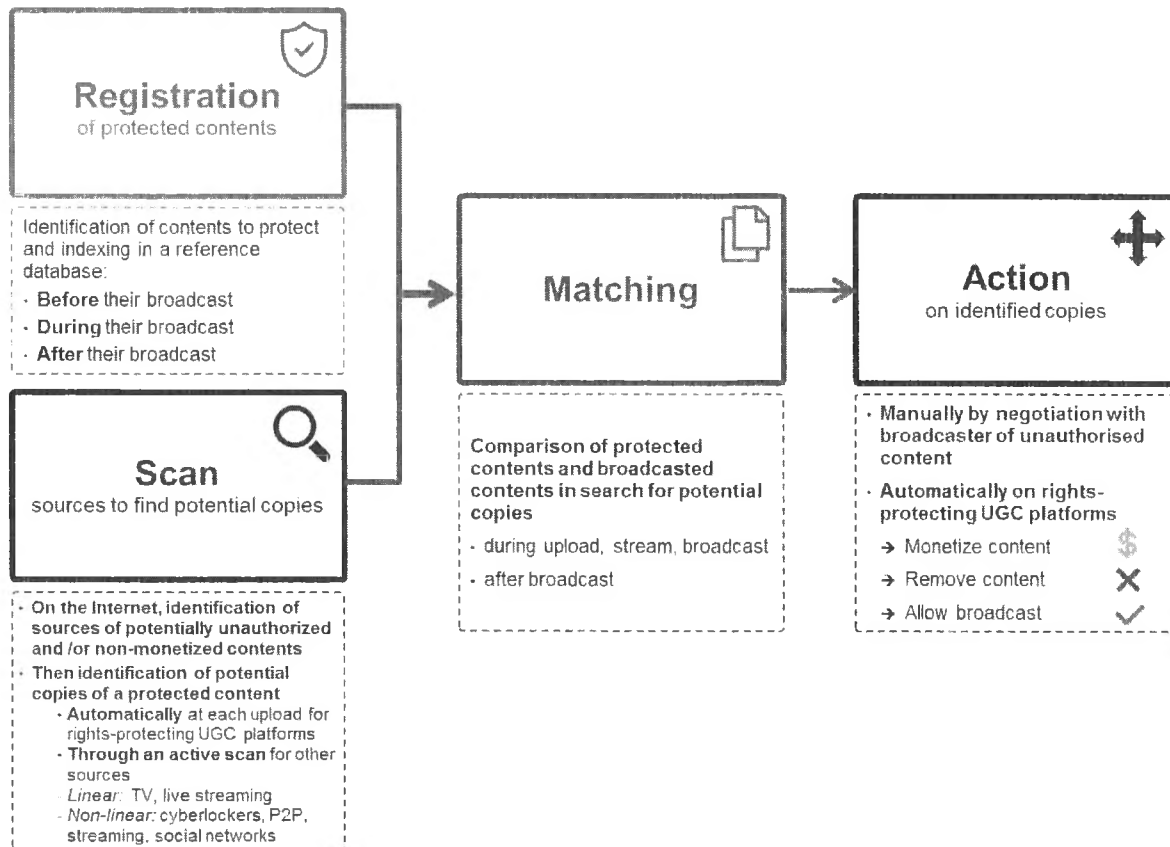


ILLUSTRATION



## What key steps should you follow for an effective monitoring?

- ➔ Monitoring aims at finding existing broadcasted copies on TV or on the Internet of your copyrighted contents and taking actions towards distributors of these copies. In order to apply this process, depending on your budget and priorities, you will have to define: the contents you want to protect, the sources to monitor (automatically verified platforms and other sources), and the types of actions to take per content.



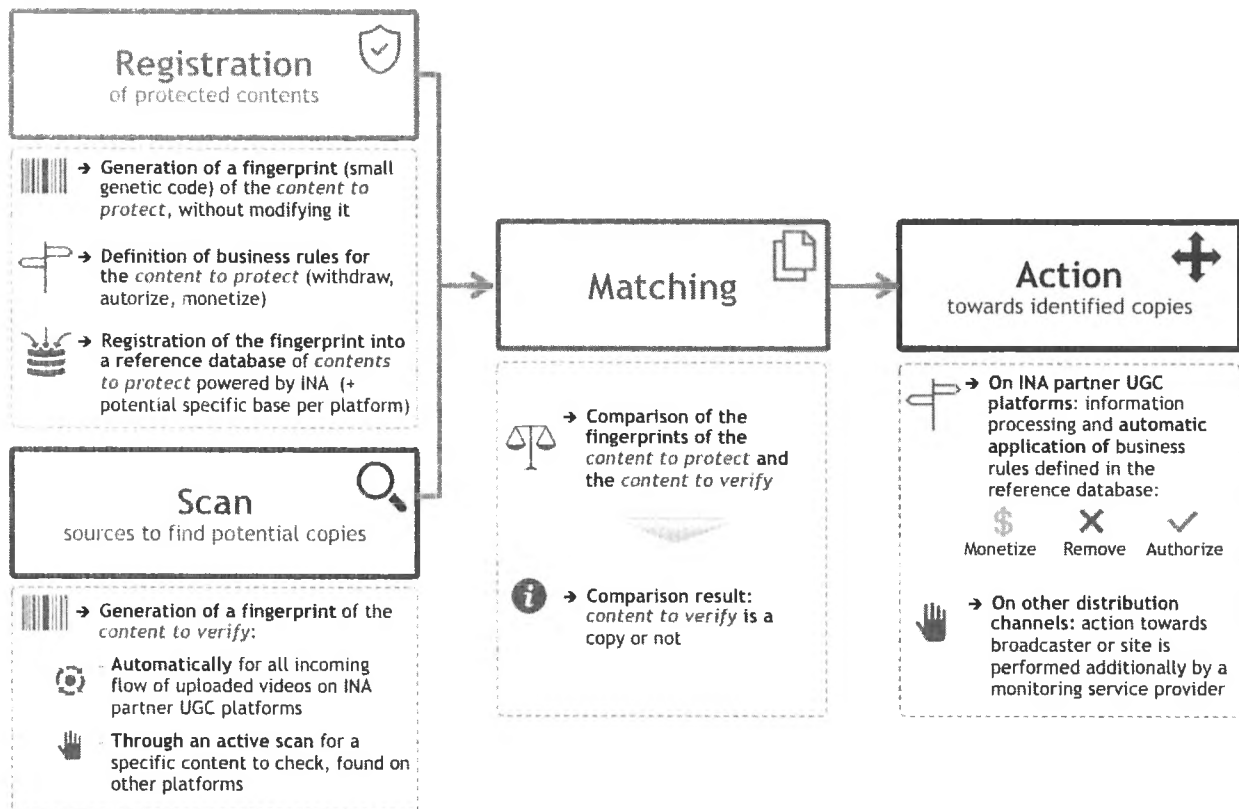
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# Benefits of using the INA Signature solution

## What features does INA Signature provide to monitor content distribution?

- INA Signature offers features at each step of the monitoring process to ensure a complete protection of contents:



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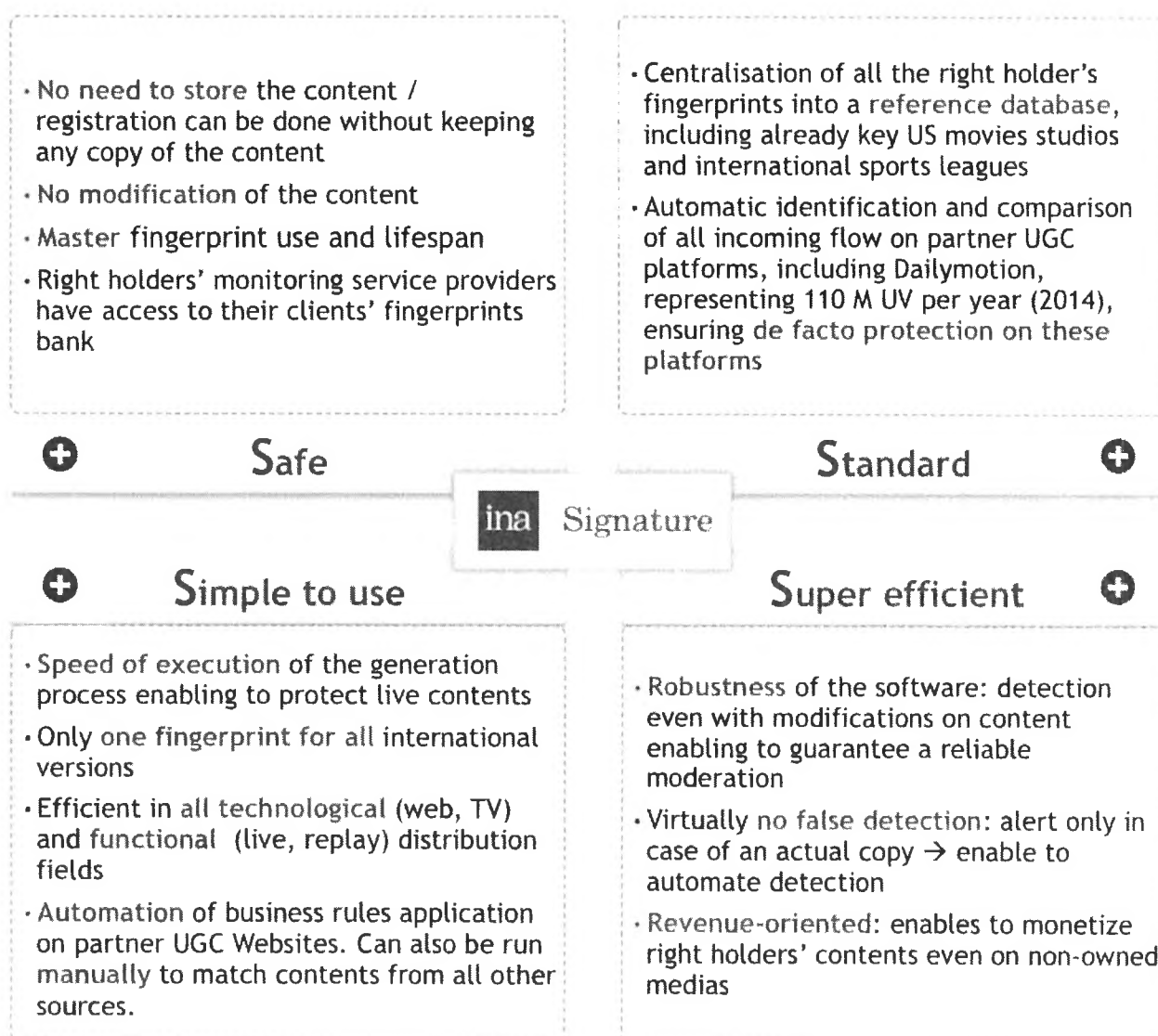


## Signature is neither watermarking nor Digital Rights Management

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**DRM technologies** are a set of technical measures intended to control what users can and can't do with the media and hardware they have purchased. DRM implies the set-up of encryption and conditional access technologies. While offering a good level of protection in a closed network, copies can always happen and monitoring is necessary.

What are the key benefits of using INA Signature for monitoring service providers and rights holders willing to protect on their own?





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# Note

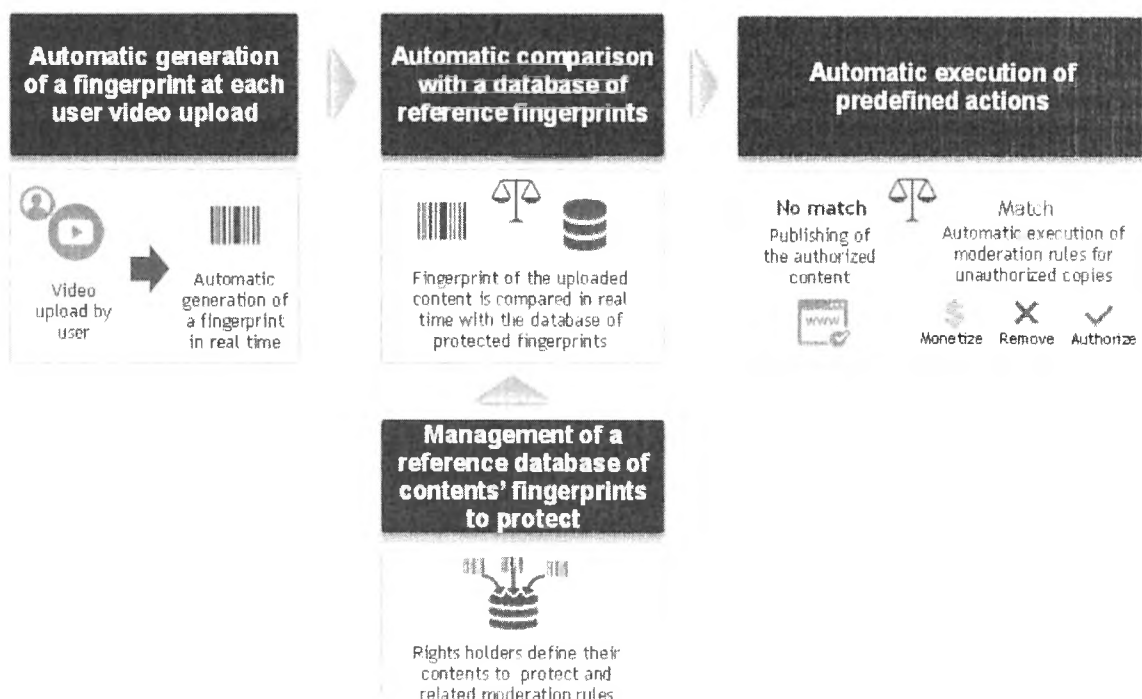
**EMETTEUR :** Service Développement & Missions / Signature  
**DESTINATAIRE :** Sarah JACQUIER, Commission Européenne / DG Communications Networks, Content and Technology (CONNECT)  
**DATE :** 28 juin 2016  
**SUJET :** Questions / Réponses sur la technologie Signature

## I. Illustration du fonctionnement de Signature

La technologie Signature, issue de la recherche et développement de l'Ina, est opérationnelle depuis 2008. Cette technologie est construite autour de deux composants :

- Le premier génère une empreinte à partir d'une œuvre de référence ou d'une vidéo candidate
- Le second compare un flux d'empreintes issues de vidéos candidates avec une base d'empreintes de référence.

L'Ina endosse le rôle de tiers de confiance, en opérant sa solution telle une zone « neutre » qui réunit les détenteurs de droits et les sites de partage.







## II. Questions / Réponses

### Quel est le mode de fonctionnement pour un ayant droit ?

Pour générer les empreintes et les métadonnées, les ayants droit ont accès à 3 solutions :

- Une solution logicielle, lorsqu'ils disposent des compétences et justifient de volumes importants.
- Un réseau de partenaires (laboratoires et prestataires « antipiracy »), lorsqu'ils délèguent cette gestion.
- Une solution de type « Box », pour les ayants-droit qui souhaitent protéger un flux « live ».
- (en chantier) Un service en ligne, adapté à de petits volumes, doit être prochainement proposé.

A l'exception du dernier service, l'Ina n'a pas besoin d'avoir accès au contenu. Cette condition est d'ailleurs une exigence de certains studios, qui génèrent des empreintes pour des contenus jamais diffusés.

### Quel est le coût du service pour les ayants droit ?

L'ayant-droit paye un loyer pour les empreintes « actives » (celles prises en considération lors des analyses).

Il a la possibilité de générer et de stocker gratuitement un nombre illimité d'empreintes. S'il fait appel à un partenaire, alors ce dernier facture les coûts liés à la génération.



### Pourquoi ce service est-il payant, à l'inverse de solutions concurrentes qui sont proposées gratuitement ?

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Les principales solutions déployées sur le marché s'appuient sur une reconnaissance audio. Cette dernière est peu coûteuse, mais elle ne permet pas d'identifier des contenus transformés (par exemple l'utilisation d'extraits dans une vidéo dont la bande son a été modifiée).

Google propose une solution intégrant la vidéo (« CONTENT ID ») sur son site Youtube. Il dispose des ressources techniques et financières pour proposer cette solution gratuitement, et l'utilise par ailleurs pour son programme de monétisation.

Le cadre légal actuel n'étant actuellement pas contraignant pour les sites de partage, ces derniers privilégient la mise en œuvre de solutions « économiques », sans nécessairement prendre en compte leur efficacité.

La solution Signature ne sacrifie pas la qualité : elle permet de détecter des intégrales et des extraits, est robuste aux transformations des contenus, est utilisée pour des applications « live », est automatisée en raison de l'absence de faux positifs.

Depuis 2008 l'Ina a notamment travaillé à rendre cette solution plus compétitive, dans un contexte où le « CLOUD » rend la puissance de calcul plus facilement accessible.

La structure de coût de la solution Signature - principalement liée à la puissance de calcul nécessaire, beaucoup plus importante en vidéo qu'en audio - est donc corrélée au flux à analyser quotidiennement (sites de partage) et à la taille de la base de référence (ayants-droit).





Si la génération et le stockage des empreintes représentent un coût marginal, maintenir ces empreintes actives génère des coûts à chaque comparaison. C'est pourquoi le modèle actuel prévoit une contribution des ayants-droit.

**Quelle le nombre de contenus protégés actuellement ?**

La base de référence contient plus de 650 000 références de contenus vidéo. Elle comprend des contenus de stock (catalogues) et de flux (événements sportifs).

Chaque ayant-droit signe une lettre accord avec l'Ina, dans laquelle il prend plusieurs engagements pour le bon fonctionnement de la base de référence.

**Quel est le mode de fonctionnement pour un site de partage ?**

Le site (UGC, réseau social, cloud privé...) calcule les empreintes des vidéos uploadées par les internautes. Ces empreintes sont envoyées à l'Ina qui les compare avec les empreintes de la base des contenus de référence. L'Ina retourne les actions à appliquer à ces vidéos (bloquer, autoriser, monétiser).

A l'inverse d'un mécanisme de « Notice and takedown », le système filtre le contenu avant sa publication. Le système permet ainsi d'éviter la réapparition du contenu (« staydown »).

**Quel est le tarif pour un site de partage ?**

Le tarif appliqué dépend notamment du mode d'exploitation de la solution : en mode service ou en mode logiciel.

A titre indicatif, l'analyse de 500 000 requêtes (~83 000 heures de vidéo) est proposé au tarif de 2 600€ HT (juin 2016), dans le cadre de notre service premium (en mode service 24/7, avec un temps de réponse pour chaque requête inférieur à 2 min, afin de ne pas dégrader l'expérience de l'internaute).

Le tarif est calculé en fonction du volume (nombre de requêtes et durée moyenne des requêtes) et du niveau de service requis (délai de réponse, flux instantané à analyser, disponibilité 24/7).



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### III. ANNEXES

- Document de présentation du service à l'attention des sites de partage
- Document de présentation du service à l'attention des ayants droit



**BTO – Meeting with Soundcloud – 8 February 2017**

- For Soundcloud: [REDACTED]
- For the Commission: [REDACTED]

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**On art 13 /value gap in the new copyright proposal:**

- Soundcloud expressed concerns as to legislating on technologies. They underlined that technologies are evolving (e.g. voice recognition) and should not be legislated as it leads to huge costs since the implementation of technologies requires an important workforce and that they cannot be entirely outsourced.
- They added that they consider that some technologies and business processes are trade secrets and that some information cannot be shared with right holders, which they may need to do if there is litigation.
- They would like to have clear obligations imposed to right holders.
- They feared that recital 38 will have an impact on the ECD Directive and that they cannot benefit anymore from Article 14.
- In addition, they highlighted that the scope of services covered by Article 13 is too wide and that it would be better to concentrate on sector-specific measures in particular in the music industry.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

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scope



## BTO\_F5 -YouTube -September 22 2015 - Functioning of YT media platform

**Date of the meeting:** 22/09/2015

### **List of participants:**

For the Commission:

[REDACTED]

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For Google/Youtube:

[REDACTED]

### **Main topics discussed:**

#### **- Clarifications:**

- "YT partners"= those who have a commercial agreement with Youtube to monetize their content. It goes beyond being a simple USER who accepts terms and conditions.
- Content that is on Youtube can be uploaded by partners and by users. In order to upload, you must have an account, i.e you must have accepted YT's terms of use.
- YT does not use the concept of official content, it speaks of "channels". You have a channel when you upload (you can be partner or a regular user).
- All categories of content on YT look basically the same to users (UGc, partner content)
- Some services can be subscribed to (e.g. the Muppets), but not a big hit amongst consumers.
- No answer received to the question as to how many of the videos on YT are music related.

#### **-About Content ID:**

- Content ID acts as a pre-upload blocking system and in this way more convenient than notice and take down (post-upload). Contents matched by Content ID can simply not be uploaded on YT
- Content ID is either (i) built in the partner contracts, or (ii) content ID used even if you have no commercial agreement with Youtube (more commonplace in 2008, compared to today).
- 400 years of video monitored each day on YT; applies to past videos also.
- Content ID applies to all content uploaded on Youtube provided that fingerprints are given.
- Content notified and taken down a first time is not added to Content ID database (because they fear it would result in an over blocking situation)
- Manages territoriality



- The AV industry prefers the blocking approach (in case of disputes over the clearance of rights, YT does not arbitrate and lets the user and right holder process the issue between them).

#### Contracts:

- There are simple Content ID contracts when contracting parties just want to block contents and not monetize them.
- When a partner wants to monetize, the agreement contains additional provisions giving rise to a revenue sharing agreement (all of them are pretty much the same, the financial conditions vary on a case by case basis).
- They include a licence on content (for all kinds of uses of content on the platform).
- Contracts with CMO's are broad: does not relate to music videos only, but covers music in sports, broadcasts, etc.

[REDACTED]

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[REDACTED]  
[REDACTED]



**BTO meeting CAB Gabriel with Google – 24/11/2017**

- **For Google:** [REDACTED]
- **For EC:** [REDACTED] (CAB Gabriel), [REDACTED] (Connect I2)

Persona  
l data

1° Google is really worried about the chaotic developments in the Council regarding **Value Gap** (one new text every two weeks). In their View, Art.13 is merely not needed:

- they use well-functioning **content ID technologies**, ensuring identifying, monitoring (including removing) and monetising of protected contents and;
- they have "**licences**" in place with major labels ([REDACTED]) and other agencies representing small labels.

Commercial information

They also reported on the recent partnership with CNC France (Centre national du cinéma et de l'image animée) and ALPA (Association de lutte contre la piraterie Audiovisuelle) aimed at reinforcing copyright protection for the on-line exploitation of audiovisual works. You Tube will make its content ID algorithm available to ALPA (rights-holders will be able to add their works to the content ID filter to ensure that their films are not placed on YouTube without their consent).

Regarding **performers**, they considered the problem comes from the intermediaries (Labels, CMOs) not redistributing them, sufficient revenues (not from You Tube that pay the Labels). They further insisted that You Tube (multi-purposes platform) is not **Spotify or Apple** (iTunes) (dedicated to music). They have different markets and therefore comparison between them (licences, remuneration) is not relevant.

They recalled that creative industries need Google (You tube) for promotional reasons (**win-win situation**).

All in all, they contended that **the market** is already solving the issue raised behind art.13.

Without prejudice to the above, they considered that the EC proposal should at least precise **the penalties** in case of non-compliance with the filtering obligations, they raised doubts on the **services targeted** (what about cloud services, etc.) and on the **interplay** of the proposal with the eCommerce Directive (in their view, communication to the public or not, as hosting provider, they benefit from the liability exemption under art.14).

Out of  
scope

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]



**BTO I2 and Facebook on copyright - 27 September 2017**

- Facebook: [REDACTED]
- Commission: [REDACTED]

Personal  
data

[REDACTED] clarified that they were following with a lot of interest discussions on value gap, including about the questions sent by some MS to the Council Legal Service.

[REDACTED] explained Facebook's partnership-based approach to business. They prefer collaborating and relying on technology rather than complex legislation that risks being implemented in a diverse manner in MS.

[REDACTED] explained that Facebook works with both legacy and new press publishers, developing partnerships to attract readers and drive new traffic. [REDACTED] said that Facebook Journalism Project has met 2,600 publishers worldwide since January, developing news products and offering training and tools for journalists. They focus mainly on local news. Regarding Instant Articles, Facebook respects paywalls and subscription models and some publishers get up to 100% of the generated ad revenues.

Regarding value gap, [REDACTED] referred to the fact that written text is not out of the scope of the Article, which gives rise to concerns about possible censorship. [REDACTED] claims that all large-scale platforms already have industrial standards to control their content, not only filtering and blocking, Pirate Bay being a very different issue which is not related to the reality of real hosting service providers like Facebook. [REDACTED] explained Facebook main tools in this context (Rights Manager, Audible Magic).



\*\*\*

- **FACEBOOK:** [REDACTED]  
[REDACTED]  
[REDACTED]
- **F.5.:** [REDACTED]  
[REDACTED]

[illegible]

Out of scope



■ [REDACTED]

- The value gap issue:

- We explain that the value gap discussion is above all on certain hosting service providers who distribute content. The intervention would be related to communication to the public without reopening art 14 of e-commerce directive. There is no intention to intervene on hyperlinking or to propose internet taxes.
- FB confirmed that despite their willingness to develop more partnerships with content owners, as demonstrated by the instant articles project for press sector, they remain an UGC platform. They are however aiming at creating more value for everyone, including content owners.
- As to current content identification tools, they use Audible Magic which is also in charge , on their behalf, of solving issues linked to notifications for illegal content. They have been developing their own content management tool (made public in April this year, for trial with right holders). This tool is meant to have enough flexibility so that it can be used not only for blocking content but also for content management in case of partnerships. They are also working on filtering live streaming (important for content that needs to be blocked quickly, e.g. sport events). It is not excluded that they may use both blocking of content and some agreements with right holders in parallel. But these developments are still in early stages. They should send more information on their content management tool.