

Telecommunications Council, Information and Communications Policy Committee
Digital Content Trading Promotion Committee 2nd Meeting Minutes

1 Date and Time: Friday, October 6, 2006 15:30-17:00

2 Location: Auditorium, Mita Kaigisho

3 Attendees (Honorifics omitted)

(1)Committee Members (including expert committee members)

Jun Murai (Chairman), Nagaaki Ohyama (Deputy Chairman), Mutsuya Asano, Tomoyuki Ikeda, Ryohei Ishii, Tsunetoshi Ishibashi, Yu Inaba, Gota Iwanami, Noriyuki Uei, Tetsuya Ohbuchi, Naotaka Kacho, Makiko Kawamura, Junichi Kishigami, Nobuhiko Sato, Kazuo Shiina, Mitsuo Sugawara, Yoshiyuki Seki, Nobuko Takahashi, Shuichi Tago, Fujio Nakajima, Miki Nagata, Ichiya Nakamura, Akio Nosaka, Hidetoshi Haeno, Toshio Fukuda, Yoshitaka Hori, Tatsumi Yoda (A total of 27 persons)

(2)Observers

Makoto Kawase (Agency for Cultural Affairs), Tomoko Kohno (Japan Electronics and Information Technology Industries Association), Yuichi Tsubouchi (Sony Corporation), Shuji Nakamura (Mitsubishi Research Institute, Inc.), Yoshiji Nakamura (Japan Association of Music Enterprises), Keiya Motohashi (Japan Broadcasting Corporation), Kensuke Yasue (Mitsubishi Research Institute, Inc.)

(3)Secretariat

Ogasawara, Director, Contents Development Office, Information Policy Division, Information and Communications Policy Bureau

(4)MIC

Suzuki, Director-General; Terasaki, Director-General for Policy Planning; Katsuno, Deputy Director-General of the Information and Communications Policy Bureau; Sato, Director, Information Policy Division; Ando, Director, Terrestrial Broadcasting Division

【Chairman Murai】 Now, I would like to start the second meeting of Digital Content Trading Promotion Committee under the Information and Communications Policy Committee of the Telecommunications Council.

I have been informed that Mr. Takada, Mr. Takenaka, Ms. Doi and Mr. Tokoro cannot attend today's meeting. Also, as you can see in the reference provided on your desk, seven persons are attending as observers. I trust that this is acceptable.

Today, based on the schedule outlined in the last meeting, we will discuss the current status of the rules on content usage, including the Copyright Law, through confirmation and Q&A.

First, I would like the secretariat to explain the rules on content usage, and then Mr. Kawase

from the Agency for Cultural Affairs, who is attending as an observer, will update us on the progress with the study at the Council for Cultural Affairs.

Since this committee is participated in by a great number of people, and today's agenda is related to various positions and issues, I would like to give you an overview of the proceedings before starting the discussion.

Firstly, the secretariat will describe the reference, followed by the report on the current legislative status of the Copyright Law by Mr. Kawase. I am fully aware that you may want to voice opinions on for example, whether it is appropriate to maintain such a system, or how the shape of the system should be. However, today's purpose is to confirm the mechanism of the system or the current status of debate about it. Please note that today's committee meeting does not aim to assess the system or the future shape, and I will direct the meeting accordingly.

Regarding the "current status of discussions," we will confirm the details within the necessary range with regard to the rules on content usage, such as the 'copy once' rule. You may be inclined to discuss whether a certain opinion is right or wrong, but today's committee meeting will focus on confirming the details within the necessary range.

I have asked some people to explain the technology issues, such as EPN, considering the opinions that some members, including Mr. Shiina, voiced last time. We are developing a schedule to provide presentations at the meeting after next and later. We will discuss the technology issues after the detailed preparation status and the mechanisms are explained. Nevertheless, since the agenda we set for today is "confirmation of the current status" as I mentioned at the beginning, I would like you to engage in proactive questions and answers as well as confirmation before moving on to further discussion. Thank you in advance for your cooperation.

Now, I would like to start the proceedings. I would like the secretariat to give us the outline, including a review of the reference materials.

【Director Ogasawara】 I represent the secretariat, that is the Ministry of Internal Affairs and Communications, and I would like to review and explain the reference materials.

First, let me check the references. Reference 1, titled "Current Status of Rules on Content Usage," has a "Reference" section attached to it. In creating Reference 1, the Agency for Cultural Affairs has provided us with tremendous support, including provision of the materials submitted at the Council for Cultural Affairs. I would like to take this opportunity to thank the Agency for their cooperation.

Meanwhile, in Reference 2, we are disclosing the public comments on copyright protection methods for your reference in future discussions, as they are related to this committee's agenda. They are part of the public comments received up to September 16 on the issue of "optimal

utilization of terrestrial digital broadcasting and the roles of the administration toward penetration” in the Telecommunications Council’s third interim report dated August 1. In terms of numbers, 76 comments out of a total of 212 public comments are related to the issue of copyright protection methods. We have received diverse opinions from a very wide range of entities, including consumer groups, individuals, business operators, and copyright organizations.

We are also providing the immediate future schedule again as Reference 3. The Chairman has already said that today’s meeting on October 6 is the second meeting to discuss the agenda for the current status of the rules on content usage. We are setting up opportunities to discuss the technology-related issues in the fourth and fifth meetings.

Representing the secretariat, I would now like to briefly explain Reference 1 and the attached reference section. For some parts, I will ask Director Kawase from the Agency for Cultural Affairs to elaborate on later.

Now, please look at page 1 of the main part of the reference material. Some people attending here may be very familiar with this, while some are not. During the course of the discussions held to compile the August 1 interim report, some people pointed out that, with regard to the rules for private use under the Copyright Law that are serving as the basis for the rules on digital content usage, the current status and understanding of the current status should be shared properly in discussing the ‘copy once’ rule. In response to that, I would like to introduce Article 30 of the Copyright Law that specifies reproduction for private use.

Regarding a work forming the subject matter of copyright in Paragraph 1, when a user reproduces the work for personal use, family use or other similar uses within a limited circle, which is referred to as “private use,” the user can make a copy except in the cases listed in items 1 and 2. Although the basic rule is to obtain approval from the author for reproduction of the work, it is permissible to make a copy without approval. The requirements are: use of the copy is limited to personal use, family use or other similar uses within a limited circle; and the two cases listed below do not apply. These are the current rules of reproduction for private use.

Meanwhile, I understand that Paragraph 2 was added after 1992. It stipulates specifically on digital recording that, in the currently defined cases of reproduction for private use, any person who makes sound or visual recording on a digital recording medium specified in the Cabinet Order by means of a recording machine having sound or visual recording functions specified in the Cabinet Order must pay a reasonable amount of compensation to the copyright owners concerned. Basically, the person who makes the sound or visual recording must pay a reasonable amount of compensation to the copyright owners concerned—that’s the current rule.

Now, please move on to the next page. Here, we are using the reference material provided at the Council for Cultural Affairs without modification, which plainly outlines the purposes of

Paragraphs 1 and 2 of Article 30. Firstly, it cites the reason for the private use specified in Paragraph 1 of Article 30, namely the aforesaid reproduction for personal use, family use or other similar uses within a limited circle. That is, it is virtually impossible to regulate activities at home, and the number of such reproductions is small and does not unfairly cause damage to economic interest.

Secondly, the so-called recording compensation system describes that the purpose of imposing compensation on any person who meets certain conditions of sound or visual recording for private use is to strike the balance between right protection and fair use. These are the outline and basic purposes of Paragraphs 1 and 2 of Article 30.

Starting with page 3, the remaining pages provide related information. Basically, reproduction without the copyright owners' approval and against the aforementioned rules is subject to the penalty specified in Article 119 of the Copyright Law. It was stipulated in 2004 that copyright infringement is a criminal act that is punishable by imprisonment for a term not exceeding five years or a fine not exceeding five million yen, on the premise that the right-owner should file a suit. To give you the number of infringement offenses that have actually happened, 445 cases were seized in 2005, and 315 cases in 2004.

The two cases listed here as examples of such offenses are often referred to as the incidents that drove the implementation of the 'copy once' rule. After the launch of BS digital broadcasting in December 2000, it became possible to record programs on VHS tapes in the D-VHS format that retain the high-vision quality and the sound quality. This reference introduces only the facts the media reported; In both cases, the content was recorded onto D-VHS tapes with high sound quality and high image quality, and the tapes were sold without modification at Internet auction sites at the price of 6,500 yen per tape in the first case and 4,000 yen to 5,500 yen in the second case. The infringers of these cases were arrested, and sentenced; for example, a three-year imprisonment and four-year suspended sentence in the second case. Reportedly, these illegal trading cases partly triggered the introduction of the 'copy once' rule.

The next page briefly introduces the revisions to the Copyright Law in relation to digital sound or visual recording. One is the private sound or visual recording compensation system quoted in (2). It is explained that the system intended to pay reasonable compensation in return for the private sound or visual recording by digital means that allows making extensive reproductions in enormous quantities as well as at a quality as high as those of commercial CDs. Furthermore, in 1999, the provisions on private reproduction with regard to the so-called circumvention of technical protection were established.

Pages 7 and 8 refer to the terms of "fair use" and "time shifting," which were frequently used in the presentations in the course of the discussions held up to August 1.

These are the current status of the rules in Japan. The laws of the United States have provisions on reproduction for private use, but the definitions are slightly different from those in Japan. First of all, the concept of “fair use of a copyrighted work” exists judicially. Fair use is defined by referring to criticism, comment, news reporting, teaching, and other cases as examples of “fair use of copyright” that does not constitute copyright infringement. Additionally, the factors (1) through (4) are listed as the criteria to determine whether a case is considered fair use or not. These allow us to interpret that fair use is a doctrine established by precedents, and that how to handle the four factors should be decided on a case-by-case basis, or more specifically, left to the judgment in each case.

One example of the precedents is the “Betamax Case,” in which the concept of “time shifting” was presented. Universal Studio filed the case against Sony America, claiming that general consumers’ acts of recording televised programs with home VTRs constitutes copyright infringement. The Supreme Court ruled that the act of recording by consumers for the purpose of home time-shifting is fair use and therefore does not constitute copyright infringement, indicating the four requirements to identify time shifting as fair use.

Some of the specific reasons provided are: Such an activity is noncommercial and non-profit; The programs are offered free of charge; If the use is for commercial purposes, possible future harm can be estimated. However, if the use is for noncommercial purposes, the respondent who claims copyright infringement must prove the harm, and it was not proved in this case; and so on. At any rate, the precedent has been established that, as long as it is within the range of time shifting, reproduction is considered fair use and does not constitute copyright infringement.

These introduce the current status of the rules in Japan and the related provisions in the US Copyright Act. In the Reference section, we are providing some of the information disclosed at the Council for Cultural Affairs, namely the data on the reality of so-called private video recordings.

First, page 1 shows a yearly comparison, although it is assumed that use of slightly different methods and sources makes a complete comparison impossible, as stated in the Note. Regarding the frequency of video recording, the combined percentage of those who record video everyday and those who record video 2-3 times per week is on the rise, from 28.5% in 1991 to 38% in 2005. Therefore, people who record video almost everyday or 2-3 times per week are apparently increasing.

Page 2 shows the survey results on video recording sources. Both in the 1991 survey and the 2005 survey, those who record video from TV are predominant. In the 1991 survey, people are observed who record video from TV and who record video from friends’ video tapes, albeit at small percentages.

Page 3 is on the purpose of video recording. Some questioned in the course of the discussions

held up to August 1 whether, besides people who recorded videos to watch televised programs that they otherwise would have missed, there were any people who made recordings to watch the content repeatedly or for their personal collection. In 1998, for example, you can see that a certain percentage of people record videos because they cannot watch the program when it is televised, which means time shifting, and people who want to watch the program repeatedly, which is somewhat similar to a personal collection. Also in the 2005 survey, time shifting accounts for a considerable percentage. The percentage of those who record a counterprogram listed right above, which can be regarded as a kind of time shifting, is also noticeable. You can see a certain percentage of cases where people archive content for personal use, as well.

Regarding the trends in digital media used for recording, VHS tapes still account for more than half as of March 2006. However, the total of hard disks built into DVD recorders, hard disks on PCs, and DVD media make up almost one third.

Furthermore, the possible future trends are shown on page 5. The red indicates the number of DVDs, and the dotted line indicates full cassette videotapes. You can see that DVDs are on the rise while videotapes have already been overtaken by DVDs and are on the fall, implying a future increase in digital recording.

These briefly introduce the current rules and facts. Now, in relation to these, I would like Director Kawase to update us on the progress at the Council for Cultural Affairs.

【Observer Kawase】 OK, I will give you some supplementary explanation. As Director Ogasawara has outlined the system, I will focus on the ongoing review of the private sound/visual recording compensation system at the Private Recording Subcommittee under the Copyright Committee of the Council for Cultural Affairs.

Before I get into the topic, I would like you to look at page 1 of the reference material provided by MIC and find Article 30 of the Copyright Law. You may already know this, but I would like to elaborate on the system.

The Copyright Law focuses on the act of making reproductions of a work, and recognizes the right from a long time ago. Nevertheless, the right to make reproductions is not given without conditions. Copyright can be controlled to facilitate the use if there is a certain reason. Article 30 of the Copyright Law is one of the rules that controls the right. However, this does not mean that making unlimited copies for private use is permitted. There are rules, such as in the provisions of the Article: Firstly, the purpose must be for private use; Secondly, the user of the copy must make the copy themselves; Lastly, the case falls under neither items 1 nor 2.

In the meantime, devices for sound or visual recording did not exist in 1970 when the Copyright Law was enacted. Therefore, it was not estimated that making reproduction for private use, which was then deemed very minor usage, would harm the interests of right-owners.

However, due to the advancement and spread of devices for sound/visual recording and subsequent household penetration of the devices, the making of copies at individual households increased in quantity, albeit still as minor usage, and therefore was likely to harm the right-owners' interests in terms of the total number of copies. And that's the reason why the private sound/visual recording compensation system in Paragraph 2 was introduced in 1992.

The system specified in Paragraph 2 intends to permit private use of works while striking a balance between users' act of making reproductions and the right-owners' interests in the form of compensation. This system was introduced in 1992, when various conditions were different from now. And we are now reviewing the system to take into account the differences in the conditions. Then, which conditions have changed? The system was introduced based on the assumption that reproductions are made using devices and media for private reproduction. However, the means people use to make copies has actually changed from dedicated copying devices to general-purpose devices.

For example, people used to record video by using a video deck and a dedicated recording media, but they can now do it with a PC. PCs are not created for the purpose of sound or visual recording, but sound or visual recording is just one of the functions of the PC. It has become apparent that the number of cases of making copies with such devices is actually increasing. In the meantime, although the focus of the compensation system was copies made with independent devices and media, all-in-one devices, including so-called hard disk devices, are now emerging.

Another change is in the copyright protection technology. It becomes possible to limit the number of copies to a certain extent if devices are equipped with copyright protection technology. If there is protection technology that allows the user to make copies within a limited range, for instance three times, arguments exist as to whether copying up to three times should be regarded as requiring compensatory measures or not. We are intending to review the system afresh by considering such aspects.

As I said earlier, it is a well-known fact that the current system is becoming so to say dysfunctional due to the current reality of reproduction and the emergence of new protection technology. Therefore, the system needs to be radically reviewed in consideration of these circumstances.

We would like to reach a certain conclusion by next year, and revise the system at an early stage, or radically revise the system, putting the abolishment of the system into perspective where necessary. That's all.

【Chairman Murai】 Thank you very much. Now, I would like to start the Q&A session for points you'd like to clarify or confirm, in regard to the explanations provided so far. Please feel free to

Speak out. Yes, please.

【Mr. Uei】 I'm Uei from TBS TV (Tokyo Broadcasting System Television, Inc.), as someone who has been actually engaged in a copyright-related job in a broadcasting station, I would like to give my comments, including the knowledge I have acquired. Since I am not an expert like the preceding speaker, Director Kawase from the Agency for Cultural Affairs, or Professor Ohbuchi from the University of Tokyo, please allow me to tell you what it is like on the ground.

Firstly, I would like to explain the "case of illegal trading of broadcast program" on page 5 of the reference material on the current status of the rules, which Director Ogasawara described at the beginning. I would like to pick up the first case, the case where a person who recorded the "Johnny's Muscle Ranking" program televised on BS-i was arrested for violating the Copyright Law after the recorded videotapes were sold on the Yahoo auction site. BS-i is actually a satellite broadcasting company affiliated with TBS, and therefore I have witnessed this case from the beginning. Therefore, I may be able to elaborate on it to a certain degree.

BS digital broadcasting was launched in December 2000, and the initial penetration of complying devices was very low. Because of that, the content broadcasted on BS channels had scarcity value even at that time. When there were a series of cases where videotapes that simply recorded broadcast programs were traded on auction sites, BS broadcasters realized that such cases should not be left uncontrolled. Considering the copyrights of our broadcast programs, or the rights of various right-owners related to the broadcast programs, and theatrical films we have purchased, we were at a loss how to deal with the free recording and trading of such programs. Therefore, all BS digital broadcasters, a total of eight at that time, consulted together and studied how to launch an initiative to drive out these videos being traded on auction sites. Since we found that the program referred to here had very often been sold on auction sites by the same person, we launched our initiative by obtaining evidence through bidding at an auction.

We did this because, as explained earlier, the Copyright Law is an offense subject to prosecution on complaint, and the police cannot do anything from the beginning unless a right-owner initiates any action. Therefore, we had to obtain evidence under a personal name—of course, we could not use our station's name in doing so—and brought the evidence we obtained to two regulatory authorities, the Ministry of Internal Affairs and Communications and the National Police Agency, to demonstrate that such items had been traded and that we needed to crack down on them. That's how it happened.

The police finally took action as they saw how deeply troubled we were, and consequently detected the case by arresting the offender for violating the Copyright Law. However, we found out, as we had imagined to some extent, that the arrested person was not a professional criminal

but an ordinary fan, a fan of Johnny's Stars who had taken a wrong turn. Nevertheless, we could not ignore the case and proceeded with our initiative.

Even after that case, we have continued to this date to conduct daily checks to see if illegal reproductions are being sold on auction sites, and to warn against such incidents if there are any, and ultimately to consider legal measures if the infringer does not stop the sale or repeats it even after the warning. Although our current focus is copies of analog broadcasts, we are repeating almost the same process every day. It is like a whack-the-mole game, and we cannot handle all the cases. We imagine that when high quality and degradation-free reproductions primarily of digital broadcasting start being sold, the situation will become out of control.

Actually, when we consulted with the Ministry of Internal Affairs and Communications and the National Police Agency, as I have mentioned, they told us that it is unreasonable to ask them to take action while leaving the door open and allowing property to be stolen, that we should lock it with a key at least, and that it's reasonable to complain when property is stolen even after being locked, but it's unreasonable to leave property unlocked and complain about what happens to it later. I believe these backgrounds led to the introduction of the content protection technology and COG.

Of course, we are not assuming at all that illegal copying will be eliminated just by the COG technology while the broadcasters need only watch what happens without doing anything. We have no doubt that legal action is necessary. However, as I have said, human nature is weak, and people who usually have no malicious intention, or who have never been involved in this kind of crime, may fall victim to temptation when they come to know that the content can be sold on auction sites for high prices, and when they happen to have a reproduction of that content they had made, they accidentally commit a crime, the significant crime of copyright infringement as a consequence.

I once asked the manufacturers present today about content protection policy. They told me that their objective was "Keep honest people honest." It really convinced me. Therefore, the direction we are envisaging right now is to leave honest people in a situation where they can continue being honest, so that ordinary good people are ultimately prevented from becoming criminals, while taking legal action against professional criminals who are outside of these assumptions, malicious criminals who slip through.

That's all my thoughts on this issue. Thank you.

【Chairman Murai】 Thank you very much. Are there any other comments? Yes, please.

【Mr. Shiina】 The secretariat clarified the issues related to the private visual recording compensation system. When I participated in a study group that was the predecessor of this committee, device manufacturers were discussing at the council under the Agency for Cultural

Affairs on the basis that development of various technological protection measures had already eliminated the necessity for systems like the compensation system. On my first visit to the Ministry of Internal Affairs and Communications, however, I found that some people advocated replacing the 'copy once' signals with EPN. If I remember rightly, I asked if that was not contradictory, but no answer was given to my question at that time. My intention now is not to point it out, but to confirm facts with the device manufacturers. I would like to ask whether they think right-owners will be harmed in various ways when EPN is in operation under circumstances where no such compensation system is available.

【Chairman Murai】 Are there any comments from the device makers?

【Observer Kohno】 I am Kohno, Vice Chairperson of the Copyright Committee of JEITA. I am not sure if my comments will answer your question directly, but I understand, as Mr. Kawase said, that the Council for Cultural Affairs is now discussing what happens to the cases that adopt the copyright protection technology in relation to private recording or compensatory measures when the copying or the making of reproductions is conducted according to the use rule.

The concept that JEITA is envisaging, which will be discussed at the Council for Cultural Affairs in the future, is this: Reproductions approved under effective agreements, or reproductions that are available with technological protection measures or the copyright protection technology, which we think refers to EPN, based on the intention of copyright owners, do reflect the intention of the copyright owners, and accordingly do not prevent normal use or cause unexpected economic losses regardless of the volume of the reproductions created. However, we think that whether this is right or not should be discussed at the Council for Cultural Affairs in the future.

【Mr. Shiina】 As for the recording target mentioned here, could you specify the effective agreements or the protection measures that reflect the right-owners' intention in terms of terrestrial broadcasting?

【Observer Kohno】 We are now talking at least whether terrestrial digital broadcasting should adopt COG or EPN. Allowing free copies without any protection is another matter. A decision to choose whether, in addition to CAS, the use rule for COG or the use rule for EPN may need to incorporate copyright owners' intention, whichever we choose. If not, it cannot be true copyright protection technology or a technological protection measure, and consequently different issues may be raised.

【Mr. Shiina】 I don't think the question is either such a deep issue or a choice between COG or EPN. Am I right in understanding that, under the current situation where EPN is being advocated, the right-owners' interests are not infringed when the current broadcast programs are recorded and copied?

【Observer Kohno】 Whether it infringes interests or not may depend on whether it is approved or not. The right-owner side or content/provider side cannot control an analog broadcasting service that is provided without any protection technologies. EPN is a technology that is assumed to control at least data transmission. Although it does not allow indiscriminate retransmission over the Internet, the infringement is likely to be within the anticipated range, or the range is predictable to the extent that the number of copies is open.

【Mr. Shiina】 So, am I right in understanding that it does not infringe rights?

【Observer Kohno】 I believe that reproductions are within the agreed range.

【Mr. Shiina】 I see.

【Chairman Murai】 Thank you very much. After the EPN technology is explained, it will be discussed at the meeting following the next one. Thank you very much for your comments. Are there any other comments? Yes, please.

【Ms. Kawamura】 I have a comment on what the representative from TBS has said, but before that, I would like to ask a question to the representative from the Agency for Cultural Affairs. I may have missed the very last part, but I think you said that you would review it over the next one year. Could you explain the reason why you have decided to review it?

【Observer Kawase】 As I have mentioned earlier, the current compensation system was established in 1992, and the reality of private reproduction today is totally different from what it was in 1992. As I explained, the major means of making copies was by using dedicated devices and dedicated media back then, but now copying with general-purpose devices, such as PCs or all-in-one type devices, has emerged. Although the current system was designed based on the assumption that copies are made with devices and media, it has become possible to make copies without separate media because all-in-one devices have been developed.

Additionally, the perspectives of the parties concerned on how to assess reproduction within the scope of copyright protection technologies differ as if people had exchanged opinions in

advance. Therefore, it was decided to review the current system by considering how to coordinate these perspectives—that's how things have developed.

【Ms. Kawamura】 As Chairman Murai said that this committee would not discuss the rights and the wrongs of the compensation system, I would just like to confirm this: Currently, the 'copy once' signals are applied to terrestrial broadcasting, so that reproduction is allowed just one time and data copied from a hard disk to a DVD is "moved." On the other hand, I heard that the compensation is not applicable to hard disks. Is it correct that compensation is applied to devices and media? This may not be a question to ask the Agency for Cultural Affairs...

【Observer Kawase】 It is not applicable to all-in-one devices, but is applicable partly to functions, for example, to a device's function to copy to an inserted DVD-R.

【Ms. Kawamura】 May I confirm one more thing? I am not sure if I should ask the Agency for Cultural Affairs or the manufacturers, but although the compensation may not be applicable to hard disks, is it not applicable to recorder devices?

【Observer Kawase】 Some devices have various functions besides functions of visual recording or sound recording. Since the current system assumes that copies are made with separate devices and media, it imposes the compensation on the parts that have the private sound or visual recording functions, rather than on the entire devices in accordance with the percentage of compensation. In other words, the criteria for imposing compensation is, for example, if a device priced at 100,000 yen comes with various other functions, the compensation system is applied to the part having sound or visual recording functions.

The contradictory aspect of the system is, as you have just said, the current system design was based on the assumption that devices and media are separate, instead of assuming all-in-one devices. I think that's a big problem.

【Chairman Murai】 Yes, Mr. Tago, please go ahead.

【Mr. Tago】 I would like to comment as a representative of the manufacturers who take care of collecting the charge from consumers. There are devices called DVD/hard disk recorders. The charge is imposed on the DVD part, but not on the hard disk. The corresponding part is at least subject to compensation. The compensation is reasonably imposed on media that are intended for video recording.

【Observer Kohno】 I'm sorry but let me add one thing. The current compensation system does not distinguish the recording of analog broadcasting from the recording of digital broadcasting. As explained at the beginning, it is imposed broadly on those items specified by Cabinet Order. The targets of the current Cabinet Order are digital magnetic tapes in terms of magnetic tapes, DV and DVHS, optical disks for DVD devices, and media for video recording and dedicated devices. Is this description correct, Mr. Kawase?

【Observer Kawase】 Yes.

【Ms. Kawamura】 Thank you very much. Please give me some time to get organized.

【Chairman Murai】 Yes, thank you. Any other comments? Yes, please.

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【Ms. Nagata】 I would like to ask a question to the representative from TBS. You said: You have been monitoring the auction sites; The current situation is like a whack-a-mole game; And things will be out of control after the complete switch to digital broadcasting. You said that when you find infringement through monitoring, you do, for example, warn against it and take legal measures. Could you tell me the number of legal measures you have taken, and the number of cases that you referred to as a whack-a-mole game, the cases that will be out of control? I would like to know the numbers because I could not figure out the percentage of those who are honest but commit the crime on impulse and the percentage of professionals who commit crimes with malicious intention.

【Chairman Murai】 Yes, please.

【Mr. Uei】 I would like to answer the question. Maybe my explanation was not sufficient. We do not take legal action so frequently. As I have said, currently, it takes considerable time and effort to take legal measures. It is so troublesome that you cannot cope with them if you don't have a dedicated section. You might have understood this to some extent from the previous explanation. Therefore, what we mainly do these days is finding sales of reproductions not only on auctions sites but also on the web sites of ordinary people and then sending messages requesting them to delete their sales, saying, "Please stop this kind of activity as it constitutes copyright infringement." There is actually no limit – we are sending approximately 20 deletion requests everyday. However, some people ignore the deletion request we send them. We need to re-check and follow up on them, and these tasks must be included in our efforts.

Besides those cases, there are the sales of reproductions by professionals at places associated

with gang groups or on auction sites as I mentioned before, which should be detected mainly by the police. Rather than considering them as civil cases, we ask the police to take action against those cases. We use expert testimony, which takes a considerable amount of time, and implore the police to detect those cases we can confirm, telling them, “These are definitely pirated copies.” That’s all.

【Chairman Murai】 I would like to ask a question, too. I remember you said that the situation you explained was happening for analog broadcasting and would become more serious after the switch to digital broadcasting. I cannot clearly see the difference between what happens in analog broadcasting and what happens in digital broadcasting. Could you please explain?

【Mr. Uei】 In fact, you cannot find the actual source unless you purchase the copy as evidence. Under the current situation where the ‘copy one’ generation system is adopted, ordinary people can create two copies by using one or two devices. In the case of digital, people can create limitless numbers of copies. Therefore, we imagine that most of the copies currently sold on auction sites are basically created from analog sources.

【Chairman Murai】 Yes, Ms. Kawamura.

【Ms. Kawamura】 On that point, namely limitless numbers in the case of digital, do you mean when broadcasting switches to digital? Or, when the recording method becomes digital?

【Mr. Uei】 My assumption is that the source is digital broadcasting and the content protection method is EPN, instead of COG, as we are discussing here.

【Ms. Kawamura】 This is what I mentioned in the study group: DVDs are being sold even when analog broadcasting is in use, and DVDs record video digitally. Making reproductions with no degradation from the original must have been possible with digital recording even when analog broadcasting is in use. Furthermore, DVDs can record video only at standard picture quality even after the launch of digital, or terrestrial digital broadcasting. Broadcasting with the same picture quality and without copy restriction has actually been provided for years since the launch of DVDs and will continue by 2011. Although people often say that the damage will increase after the switch to terrestrial digital and may have serious consequences, it does not sound convincing to me because I assume ordinary people cannot make copies with high-vision picture quality for low cost at this point. Digital recording with standard picture quality has actually been possible, and I don’t understand why things will become suddenly worse as soon

as terrestrial digital broadcasting starts.

【Mr. Kacho】 I am not so familiar with the technology, but I heard that if you record high-vision broadcasting with next-generation DVDs, the video quality will improve four times compared with DVDs currently on the market. In terms of theatrical films, mass production of videos of almost original quality will become possible. Could anyone elaborate on that point?

【Chairman Murai】 Is it better to ask some representatives from the manufacturers?

【Mr. Nakajima】 High-vision broadcasting programs can be recorded with high-vision quality. That's true.

【Mr. Kacho】 No, what I heard is that if high-vision broadcasting programs are recorded on next-generation DVDs, such as blue ray or HD DVDs, the video quality of the DVD will improve four times to a level very close to the original, so that it will become possible to mass-produce videos of almost original quality. Is this true? What is the actual quality?

【Mr. Nakajima】 I think the quality of the output will be the same as that of the broadcast program. I am not sure what it means to say that the copy quality will improve four times.

【Mr. Kacho】 It has a great capacity.

【Mr. Nakajima】 The capacity is great.

【Mr. Seki】 Therefore, although the program quality is currently degraded to the standard, it may become possible to almost quadruple the quality in terms of the number of pixels or something.

【Mr. Kacho】 What is the understanding of broadcasters?

【Observer Motohashi】 Engineers may provide a difficult explanation if they try to answer honestly and precisely according to their engineers' conscience, but from my perspective in a non-engineering position, the question seems to be – please correct me later if I'm wrong – that high-vision program will be recorded with high-vision quality if you use next-generation DVDs. Ms. Kawamura earlier pointed out that current DVDs record high-vision programs with standard quality. With next-generation DVDs, high-vision quality program will be copied with high-vision quality at home, as stated in the question.

【Chairman Murai】 Yes, please.

【Mr. Kacho】 Thank you very much.

【Mr. Nakajima】 With quadrupled precision, exceeding the broadcast quality?

【Mr. Kacho】 It means the quality will be improved over that of current DVDs. It must be so, naturally. That's it.

【Mr. Nakajima】 The airwave (quality) will be improved.

【Chairman Murai】 The explanation by Mr. Motohashi means the (video) quality is the same as the broadcast quality.

【Mr. Hori】 I understand that representatives from performers' groups who were not given a chance to witness the proceedings that led to adoption of the 'copy once' rule are invited to this committee because the council has become more or less aware of performers. I greatly appreciate this. I assume that inviting our group, a performers' group, instead of an individual performer, as a right-owner means that business operators in the field have finally been recognized to some extent after 50 years. And, from this perspective, I would like to make some comments.

How many of the people attending this meeting watch TV programs all day and every day from "Mezamashi TV" in the morning through variety programs at midnight, by using so-called electric recording media as part of their life? Or, who actually make copies? In fact, people in their teens and twenties are demanding use of the media as much as possible with greater convenience and at a much faster speed. However, they are not represented here.

The discussion has been focusing on technologies, but those who intend to make a copy do not care whether it is digital or analog. And only a handful of people across Japan consider the making of copies wrong. The majority of people make copies casually and sell them on auction sites casually, thinking that it can't be helped if they are found out. The second largest groups are those who want to earn extra money from it, thinking they can just quit when they get caught, or do it again under a different name. The smallest group is the so-called "dishonest traders" who intend to sell pirated products at full scale.

Then, what's the difference between digital and analog? Simply put, digital allows you to make copies faster with higher quality, and technically enables you to make copies in high

volumes. When you dub an analog videotape as fast as possible, it will take two hours to dub a 2-hour VTR. The story is as simple as that, from the perspective of those who make copies. Whatever the method is, people who want to make copies do make them. Therefore, I frankly think that the discussion is completely out of touch with the copy issue in essence.

I remember that some people at the last meeting argued about why allowing free copies was wrong. We understand, however, that digital technology has advanced to a certain level so that it has become easier to protect against copies, something that we couldn't help but pass over in the past.

Reportedly, almost half of the viewers of the currently disputed YouTube are Japanese. Someone asked earlier, "What are the exact damages?" I don't think the damages can be assessed only as an amount. If you search on keyword "Johnny's" on YouTube, you will get 5,000 or 10,000 hits easily. These videos are of course copies of televised programs. You may simply say, "Then, you should just delete them." However, small companies like ours cannot afford to watch them from morning to night and send deletion requests in each case. Although someone said legal measures should be taken, we don't have the time or funding to spend one or two years for every one of those cases.

We have a TV production company, but most TV production companies cannot afford to file a lawsuit against copyright infringement. Under such circumstances, we need to know more about the reality of production, since there are many types of producers besides TV broadcasters, and have more future-oriented discussions.

Mass media reports make it look as if the bother of handling performers' rights were hindering content trading. As business operators, we come here to talk about economics, not about culture or technology. We maintain that this country should stand up as a country built on intellectual property. We should develop the entertainment industry into an export industry like China or Korea does. We are participating in this discussion so that we will be able to earn profits. We do not want to participate in a barren controversy.

To what extent do the police or the courts understand entertainment-related copyright? These people have hardly watch any variety programs or TV drama since they graduated from school. We can hardly discuss legal theory with these people. Even though we ask them, "Please crack down on infringers," they say most of the time, "The programs are enjoying great exposure, which means they are very popular." Therefore, I do hope that this committee will get down to the reality at the bottom, and discuss how our excellent Japanese entertainment content can be traded in Asian regions and contribute to the country's economy.

【Chairman Murai】 Thank you very much. Yes, Ms. Kawamura, please go ahead.

【Ms. Kawamura】 Mr. Hori said it didn't matter whether it's analog or digital, but I didn't question the technology. What I said is that, for a long time, since more than one year ago, I've heard people referring to digital broadcasting as the basis for adopting the 'copy once' rule, claiming digital broadcasting would allow us to make copies much more easily. I've been trying to clarify the difference that makes this possible, but no one has answered my question.

【Mr. Hori】 I thought I answered your question, although from an amateur perspective. The fact that digitization allows people to make large numbers of copies in a short period will pose a very serious problem. Especially when the content is delivered to pirates in the same way, pirated copies with higher picture quality, or with almost the same quality as commercial products will begin to circulate. Some amount of degradation doesn't bother general users. There are many who don't care at all as long as they can see the content. And such people exist all around the world. They don't mind some noise if they can buy a copy cheap, so that dishonest traders will receive huge amounts of money despite the low unit price. And the performers' side thinks this situation very dangerous – that's what I meant.

【Chairman Murai】 Yes, please. Is your comment on another issue?

【Ms. Kawamura】 What I felt during the discussion on technology is... You said that it had become possible to make copies in high volumes. You appropriately said that general consumers did not care about picture quality so much. This must have been possible ever since DVDs were commercialized, and the recording of analog broadcast programs onto DVDs has been possible for years. Then, from that point, have the damages become enormous? In other words, what I want to stress is that the business has been running in the analog era. I have never heard stories like some business going bankrupt, or Johnny's becoming unable to generate a profit due to YouTube. Rather, I feel that people have started to protect content only since it has become possible to easily protect copies with broadcast technology. It was simply impossible in the past – I have heard it said like this several times, including Mr. Hori's earlier comment.

I also wanted to comment on the opinion from the representative from TBS as well. Although Mr. Hori referred to people who don't think making copies is evil. I would like to return back to basics and confirm whether private use is evil, whether making copies for oneself is evil. Moreover, it is written here as if it were approved or allowed. It states that compensation must be paid even within the range in the case of newly developed digital devices. Please let me confirm once again whether it is allowed or not, and whether we are paying money even within the approved range. Can anyone answer my question?

【Mr. Shiina】 The convenience of digital reproduction is this: Copying broadcast programs directly onto DVDs may take the same number of hours as the program itself, but when a hard disk is used, a file on a hard disk can be copied onto a DVD in a much shorter time than the actual program hours. That's where the convenience of digitalization lies.

You are saying, "It has been possible, and what's the problem now?" As Mr. Kawase has explained, hard disks have improved the convenience. In the case of recorders with built-in hard disks, the DVD portion of the recorders are subject to the charge while no charge is imposed, no money is paid, on the hard disk portion. Very sorry, but not on hard disks. Therefore, please note again that hard disks have contributed to convenience. Not only the issue of rights but also the issue that no money is paid on that portion were raised and studied on another occasion, not in this committee. I hope that you can understand these circumstances.

【Chairman Murai】 Yes, please.

【Observer Kawase】 As I have explained, in terms of reproduction for private use, no-one is questioning whether making individual copies at home is evil or something. Compared with the past, reproductions made at home have increased, but they are basically minor usage, or for use in a closed range. And there is no discussion as to whether that part is good or evil. The problem is that the accumulated total of all the copies made in every household consequently harms right-owners' interests, as they say, "Many drops make a shower." Based on the judgment that such a situation was occurring, the compensation system was introduced. Therefore, from the legal perspective, private use under the Copyright Law, or whether copies made by individuals is good or evil with regard to the related compensation system, is not in dispute.

【Chairman Murai】 Yes, please.

【Mr. Uei】 I am sorry, but I don't know much about technology, as my understanding is almost at the amateur level. I would like to leave discussion of the theory to the technology experts. In general, it is said that the biggest difference between analog and digital is that digital data hardly degrades even after repeated dubbing. Analog data degrade so that, after a few copies, the picture automatically degrades to such a level that even amateurs who don't care about picture quality would say, "I won't pay for that." Therefore, degradation works almost like automatic copy control.

However, as you may imagine, digitalization allows recording videos retaining the high picture quality without much degradation, and such copies might become widespread when

digital broadcasting is introduced – That’s what I mentioned.

【Mr. Kacho】 I would like to comment from the perspective of a film producer. Science has been advancing day-by-day, from VHS tapes to DVDs, and to next-generation DVDs. That means copies are becoming closer and closer to the original, and I find this very threatening. Additionally, if unlimited reproductions become possible, it will completely crush the package business. We feel it is a real threat. I wanted to stress that.

【Chairman Murai】 Yes, please.

【Ms. Kawamura】 Stories of high school students or teens making large numbers of copies, or lots of copies being sold on auction sites were reported. Mr. Hori referred to the number of people who record programs almost every day. The survey shows that those who record every day and those who record, not every day, but a few times a week account for 30%. Compared with that number, the percentage of people who bother to make copies to sell them on auction sites must be very small, incomparably small compared to the entire audience, if calculated based on 100% household penetration of TV across Japan.

What we, as a consumer group, would like to say most is this: A representative from the NAB (National Association of Commercial Broadcasters in Japan) has said somewhere that copies must be controlled to prevent the acts of just a handful of people, or to prevent people from committing crimes thoughtlessly, rather than in consideration of economic damages. I find this very annoying. Why must copies be controlled for these reasons?

Most people, over 99%, do not bother to take the time to make copies and sell them on auction sites for fun. The number of people who use auction sites is really small, compared with the overall TV audience. TV is watched by tens of millions of people, including the elderly, in 100% of households.

I am talking about TV programs that use public airwaves that are different in nature from commercial DVD software or things like that. However, people say, “threatening, very threatening,” referring to auction sites most of the time. Those who run the auction site should cooperate with the detection efforts. Rights infringement is happening in almost every scene. Cases of infringement, not limited to copyright infringement, are happening, which is hateful, and people are doing their utmost to prevent them by detecting or arresting the infringers. Metaphorically speaking, you can prevent women from being molested while travelling if you bind the hands of all the men on the train, but you cannot do it that way. Is it possible mechanically to take such a measure?

Another important point is that there is no choice for consumers. The material on the

Copyright Law uses the word “balance” – the balance with fair use. But, basically, you control copies to minimize damages caused by rights infringement as well as rights infringement itself. Since it does not mean we don’t have to consider consumer convenience, we should naturally discuss what the appropriate extent of control is, or whether we should control everything, across the board.

If you assure us that we can be confident about it, we will impose control where we think it right, rather than across the board. For example, if broadcasters are allowed to have a choice, consumers may choose a station that does not impose control. If we try that, disadvantages of imposing the ‘copy once’ rule may be greater than the advantages. Because it is not supported by consumers. Imposing the ‘copy once’ rule may cause a significant fall in revenue to the station. I think, since the situation does not allow us to have a choice, such a daring measure has been taken. While consumers have no choice, copy control is being imposed on all programs across the board. This is going on while we are not provided with any information, including the name of the production that insists on the control. That may be a separate discussion from the rights and the wrongs of copy control, but we feel that as well.

【Chairman Murai】 Yes, please.

【Mr. Hori】 I couldn’t fully understand your point after the middle, but the thinking that TV is watched by many citizens, many people, and only a part of them actually make copies is the conventional Japanese audience-oriented view. It is a fact that, in this long tail age, only a handful of infringers, or only a part of young people, are generating enormous amounts of money. Although you said rights infringement is happening in almost every scene, rights infringement should not happen. Including human rights – infringement should not happen.

If we stand on the basis that copying is ok because they are TV talents or because everyone watches the content free of charge, people will continue to insist that all content or entertainment should be provided free of charge. Then, no industry will grow in that field. Japan cannot become a country built on intellectual property. That is one issue.

Technologies have been advancing very rapidly. When the Copyright Law was enacted in 1970, presumably, at the household level, only very wealthy households could afford even one device. And they used one-hour tapes. The dubbing they did was completely different from the copy making of today. Currently, an HUD video has a 400-hour capacity. That is equivalent to 200 two-hour dramas. How many ordinary people watch 200 programs at all? Under all these circumstances, why must we allow free copying when one copy is allowed? To what degree must convenience be secured for free? Do all Japanese people find it convenient? Is it ok even if that affects one industry? We must develop the industry. We must develop the market.

Right now, in the emerging entertainment market, Japan occupies a dominant position in Asia. Thanks to user cooperation, the market has been developing. However, China and South Korea have been developing the industry into an export industry as a national commitment. The entertainment industry in Japan is domestic. The number of consumers is just 120 million, since the Japanese language is used. Therefore, to develop it together with everyone, I have been requesting that we have future-oriented discussions in this committee. We don't care much about history. And for that reason, I am suggesting that we should assemble many different consumers since consumers have been diversifying.

Some generations spend a longer time on the Internet. Some age groups spend a longer time on mobile phones. The time when the entire nation sits in front of the TV is over. Moreover, we have on-demand TV. Everyone knows. Therefore, we should now consider what to do for the future – that's the only request from our side.

【Chairman Murai】 Yes, please.

【Ms. Kawamura】 I completely agree that rights infringement should not happen, and I am very unhappy about the way he referred to my comments. It should not happen on any occasion. However, if some cases can be prevented mechanically while some cases cannot, is it right to mechanically control actions that over 99% of the public, ordinary people who may not be committing any crime, have been allowed to do, in order to develop an industry? If it is not controlled, will the industry really fail?

I really question that point. I am asking not just for words, but for some data, specific damages, or possible impacts. Not just words, but how the 'copy once' rule can prevent it and what kind of damages will be caused if the rule is not imposed.

【Chairman Murai】 Yes, please.

【Mr. Iwanami】 Since I was late, I have followed the discussion only from the middle, after the issue of compensation for video recording, but people seemed to talk past each other. Since I thought some points could be organized if the facts are clarified, I would like to make just a few comments on those points.

It is certain that technology-related issues are very complicated, but the issue of digital technologies, especially the issue of digital copies, and the issue of imposing the 'copy once' rule on broadcasting are apparently different, as you know. As we've seen how the issues got confused and discussions became conflicted in the past, I would suggest that we make a document to easily overview the issues so that we can confirm which issue is being referred to

at any time. That is one point.

Secondly, there were comments on auctions, and I presume that all members assembled here agree that sales of illegal DVDs on auction sites must be strictly cracked down on. The problem is the cause-and-effect relationship between the problem and the broadcasting copy guard. Therefore, what we need to investigate is how many illegal DVDs are on sale, and how many of them are sold as pirates as against how many copies recorded by ordinary individuals are on sale. These can be clarified if we conduct sampling surveys for a week or for a month several times. We should investigate these things. It is easy to distinguish the former from the latter. DVDs sold by pirates come in printed packages.

Another point is, if we conduct further investigation, we should check the sources of illegal DVDs. It is important to check if the source is analog broadcasting, digital broadcasting, or commercial DVDs.

Additionally, the discussion on the issue of video recording compensation was undoubtedly conflicting to some extent. The compensation is charged for DVDs, devices like hard disk recorders, and presumably such media as DVD-Rs. As already said, it is not charged for hard disk devices only. Some may say that not imposing charges on those is the problem. Therefore, I would suggest that we investigate how many hard-disk-only recorders are sold and how many DVD recorders are sold. We may be able to obtain these figures immediately, if we try. We should check the facts in order to prevent the discussions from getting confused. That's all.

【Chairman Murai】 Thank you very much. Since it's time to bring things to an end, I would like to summarize today's meeting.

First, everyone here is attending to discuss the promotion of digital content trading. I have reiterated one point ever since the time of the predecessor of this committee, "The Study Group on the Promotion of Terrestrial Digital Broadcasting," which discussed the usage of terrestrial digital broadcasting. The point is: TV is the most influential medium in this country, and the content business, which Mr. Hori has mentioned, has a global competition arena. Therefore, it is important to ensure that content created in our country is properly accepted and developed in the global market. To that end, Japan should take the initiative on digital broadcasting from greater strategic perspectives – we have proceeded with discussions by reiterating this point. Therefore, establishment and development of the content business, as Mr. Hori said, may be the key issue for this committee.

And regarding the establishment of the content business, I have repeatedly stressed a point: the environment for the creation of content is significantly advancing amid digitization, and what children growing up in such an environment model themselves after is the content distributed as TV programs. In order for our next generation to have the abilities to create

content, the digital broadcasting market must be developed into a very attractive market. And we are discussing what we should do to that end.

Another point is that technology issues are very confusing even for me, although I am considered an expert. Regarding the 'copy once' rule or EPN, in what mode will programs be broadcasted in digital broadcasting? Or, in what mode will digitally recorded content be traded? If the broadcast quality improves, the content will surely be recorded on better-quality media. There are several existing methods for trading, such as DVDs and movies. And digital technologies that allow quick circulation of copies in such trading have been developed – we must consider these backgrounds. In other words, we have already had the challenges we must address. However, it is somewhat difficult to discuss all these issues. We should organize them technically. As promised earlier, in the next meeting or the one after next, we will have an opportunity to fully understand the characteristics of digital broadcasting at the time of its launch, and how digitally recorded content will become difficult to trade or how it will be easily traded. Only after that will we proceed with discussions clarifying the proper concepts of technologies, as well as considering the option of having separate discussions.

The third point is the issue of compensation, which Mr. Shiina mentioned several times. As Ms. Kohno supplemented the point, the current compensation system is intended for media and DVD devices. Mr. Shiina has pointed out several times that there is no compensation for hard disks. There is a separate issue for compensation, namely what the mechanism of the system is and whether it can be a key to solving any problems amid the advancing digitization. Since there are various people having various roles besides right-owners, and the technologies at this point are not perfect, we will set the current technologies forth as a premise but make adjustments as we go. Moreover, since technologies are changing very rapidly and we need to advance by coping flexibly with the changes in those technologies, we also need to clarify this aspect in a proper manner. I would like to proceed with the discussions by organizing these views. The rough direction we should take is to develop Japan's digital broadcasting market into a strong and attractive market as well as an opportunity to create a globally competitive content industry, and ultimately into a market where content that our next generation can model itself after is traded.

Today, we have discussed various rules and asked and answered related questions. You must have been informed of the immediate future schedule of this committee. If you have some issues you must ask or discuss in the future, or comments on individuals or bodies this committee should interview, or on meeting proceedings, please advise the secretariat of them. Since the discussion hours of this committee are limited, I may ask for some adjustments in advance – I would greatly appreciate your cooperation with this.

Are there any comments from the secretariat?

【Director Ogasawara】 Reference 3 we are handing out today contains the same information we provided last time. We would like to briefly reconfirm the time and location. The next meeting on October 24 on “content usage trends in other countries” will be held from 16:00 to 17:30 here at the Mita Kaigisho. I will inform you of the specific room number at a later time.

Next time, on trends in other countries, we would like to introduce the trends of copy control in the United States, or the trends in South Korea, or in Europe, which have been discussed many times by this committee.

For the fourth meeting onwards, we are sorry, but the schedule is not finalized yet. We are now adjusting it. As soon as it is finalized, probably in the fourth and the fifth meetings, we would like to discuss specific facts about content protection technologies, as Chairman Murakami has directed and some have pointed out today. That’s all.

【Chairman Murai】 Thank you very much. Is that OK? Yes, please.

【Ms. Takahashi】 I am sorry to take up time, when we’re running out of time. Although Chairman Murakami said it should be reported to the secretariat, I would like to request two points now because the timeline is approaching.

One is about the overseas situation to be discussed next time. The news that the French Parliament has passed a new copyright law was delivered over the Internet. The issue has been attracting great attention since the end of last year. It was initially reported that a law that recognizes the private use of copyrighted content downloaded from the Internet might be enacted. A consumer movement rose when the Senate overturned the directions shown by the National Assembly. It seems quite similar to what’s happening in Japan between consumers and providers or between any other parties. Since my French is poor and I cannot properly check the news over the Internet, I would appreciate it if the secretariat could provide this information.

The second point, which may relate to the technology issue, is the public comments provided in Reference 2. I scanned through them and found a very strong comment, which is number 38 from the manufacturer on page 14. It says “We think the current operation rule on the move function needs to be reviewed through a highly transparent process in order to study a platform that allows users to enjoy digital broadcasting with a safe and proper content protection method in a better environment. The process should be carried out by including users on a public occasion.” I would like this manufacturer to attend the meeting, and I would like to ask you to consider it. That’s all.

【Chairman Murai】 Secretariat, is that all right?

【Director Ogasawara】 I see. We would like to consider our response to your opinion.

【Chairman Murai】 Well, is everything ok? Then, I would like to conclude today's meeting. Thank you very much.