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To the CEOs of the Major Studios
and to whom it may concern

1st November 2014

Dear Ladies and Gentlemen

The utilisation of 35mm film in cinemas for more than a century has been highly successful and reliable in the matters of light and colour composition, the storage media and the structure of the emulsion. Projection technology has achieved a world wide accepted standard, making analogue films available everywhere, completely independent of state and continental borders. Continual developments and improvements in film technology such as safety film, multiple soundtracks and extended film formats (Cinemascope) have occurred and been accepted without difficulty and without restraints.

All national and international film studios delivered through associated and independent film distributors to *every kind* of cinema without influencing the projection equipment in use. The careful and responsible handling of the borrowed film material was the basis of each hiring contract. Only the availability of film titles and/or the strategic marketing policies led to planned delays in the release of films in cinemas.

With the appearance of DVDs in the middle of the nineties making films accessible to private households and then the development of digital projectors (beamers) the digitalisation of films and the substitution of analogue films began.

The „Digital Cinema Initiative“ (DCI) is an association of American film studios, formed to create and promote a DCI-standard for digitalised cinema. Primarily developed for the US market, this costly product, so-called „standard“ is being introduced into the European area.

Small cinemas, both in the towns and in the country areas, have invested in digital projection equipment (digital projector, server and digitalplayer). The financial subsidising of cinemas to install so-called „DCI conform equipment“ has been considerable, but also controversial. There are still many cinemas using projection technology which is not DCI compatible. The necessary servers to use the DCI standard – the A-cinema, ROPA and AdMovie – are available with expensive commercially available components.

The A-cinema and AdMovie systems are based on a codec developed by the Fraunhofer Institute and the associated DCP-player. The German Fraunhofer Institute was involved in

the development of the JPG2000 file format and its application in accordance with American specification. Although the German institute played a significant role in the development of the file format JPG2000¹, cinemas are being excluded from film delivery if they do not have equipment conforming to the American DCI standard.

The conversion to projection equipment which is exclusively DCI conform, based on American specifications, is restrictive to further application possibilities.

We, the undersigned, (and users of AdMovie servers) receive no film DCPs from distributors such as Buena Vista Group/Walt Disney, 20th Century Fox, Metro-Goldwyn-Mayer, Paramount Pictures, Sony Pictures Entertainment, Universal Studios and Warner Bros. Pictures, although we could show them in a secure environment, i.e. protected from copying or misuse.

The DCI standard involves more than just the technical ability to project the film. It extends to a watermarking of both film and soundtracks and a logging of the activities of the projection equipment – an intrusion in the cinema operation which was not available with the 35mm analogue film projection.

We wish to maintain our freedom, in accordance with the equality principle, to operate our cinemas and show films according to the arrangements we make with the distributors.

Certainly we understand the legitimate concern to safeguard intellectual property rights and to protect films against unauthorised use. However we consider it wrong to nurture a general suspicion of misuse against cinema operators and to use this as a justification for the imposition of an exclusively DCI compatible projection in cinemas.

The numerous examples of recorded videos in internet, often of current releases (sometimes before their official release!) demonstrate quite clearly that the restrictive DCI technology is inadequate to solve the problem of misuse. The films for A-Cinama and AdMovie servers are coded and within the server system are unable to be copied.

The playlist uses the “easyDCPPlayers+” interface to play the film, and offers no possibility to convert the coded format. The playlist receives its own server certificate, synchronised with the KDM-key. This makes an export of the films on the playlist impossible. The player in the AdMovie system permits a screening of the film exclusively according to the conception of the DCI group. A transformation or playing of a film on any other system is impossible. Even identical equipment needs its own KDM key to permit the cinema operator to run the film.

The Cinama Playlist is presented to the Fraunhofer institute and is given a release to be used on a specific easyDCPPlayer+. The Fraunhofer institute can also deliver a version of DCPPlayer+ with the extension NE (No export).

With the Fraunhofer easyDCPPlayer a digitalisation is possible at a price affordable by small and middle-sized cinemas, and which would also guarantee the marketing of their DCPs. Security depends on the trust between the partners as agreed in their contract, as has worked satisfactorily in the past, and without the general suspicion of cinema operators by the big film studios.

¹ “The moving image technology department of the Fraunhofer Institute developed the test plan for the digital cinema, commissioned by the six major studios DCI, Hollywood. For the implementation and supervision of the digital Roll-outs in Germany, we work under contract to the “Filmförderanstalt” and in cooperation with the French “Commission Supérieure Technique de l’Image et du Son CST. The Fraunhofer IIS is a partner of and technology supplier to the Distribution platform for digital cinema DCP-Germany” (<http://www.iis.fraunhofer.de/de/bf/bsy/fue/dcinema.html>)

In particular we have witnessed a closing down of many cinemas in country areas, cinemas where the operators either cannot afford the installation of CPI conform equipment or don't wish to. The requirements to qualify for financial subsidisation are unable to be fulfilled by small cinemas, especially those film societies run on a voluntary basis. The closure of so many cinemas is deplorable.²²

The A-Cinema and the AdMovie servers offer a significant alternative. We have contracts with German film distributors which operate very effectively. As such we view the discrimination by the American studios, which hitherto have supplied 35mm film without problem, as an abuse of the principle of equality by a market dominant group.

We cannot comprehend that it is the American distributors who insist on DCI conformity, and that they have not once issued a Bluray-license or released existing 35mm copies. (e.g. Universal „The Medicus“). In a press release from the German FFA (Filmförderanstalt) at the end of 2013, it was announced that they were providing 5 million Euros for the promotion of film distribution and media. Alone for the film „The Medicus“ 400,000 Euros was provided to subsidise the distribution.

Although this was promotion with German public money, the Universal distributor refuses to deliver the film other than in CPI standard format.

There are German film distributors who rely on honest contractual partners and deliver DCPs uncoded. It will hardly be in their interest if the American studios reduce the number of German distributors they are prepared to deal with and compel them to adopt the CPI standard.

We seriously request you to reconsider your film distribution practise and enable film projection systems such as A-Cinama and Admovie servers based on the Fraunhofer Institute players to be used as alternatives to the DCI standard systems.

Cordially yours,

Werner Schramm,

for the Society for the Promotion of Film Culture

and the following cinemas:

Mitarbeiter Cinémathèque Leipzig

Kino in der Schauburg, Zella-Mehlis

Ebersbacher Film-Theater und Kulturverein e. V., Ebersbach

² “... according to information from the Film and Cinema Office in Hessen, eleven cinemas have closed down in the last three years. Nine of them were the last remaining cinemas in their locations without any sight of a replacement. At least the same number of cinemas are threatened with the same fate...” http://www.faz.net/aktuell/rhein-main/regionales-kinosterben-noch-lange-nicht-die-letzte-vorstellung-12312840.html?printPagedArticle=true#pageIndex_2; Die nächste Welle des Kinosterbens <http://www.faz.net/frankfurter-allgemeine-zeitung/wirtschaft/die-naechste-welle-des-kinosterbens-11125512.html>

¹ http://www.ffa.de/index.php?page=presse_detail&news=1123

Kulturfabrik Meda e.V., Mittelherwigsdorf

Kunstabauerkino e.V., Großhennersdorf

Steinhaus e.V., Bautzen

Free Cinema e.V. | Lörrach

Filmklub Kurbelkiste e.V. | Siegen

Lamm Lichtspiele | Erlangen

Kommunales Kino mon ami | Weimar

Kino im Walzenlager | Oberhausen