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Cinema on Demand Pilot

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Introduction

Reelport is developing the leading Cinema on Demand service for independent films in Europe.

In cooperation with a number of renowned film festivals, the tiscali business GmbH and with the financial help of the Media Plus program of the EU, we are building a database and a playout center where cinema operators can search, buy and download films in screening quality.

In order to promote the reelport platform, we are planning a pilot project from November 28th to December 4th 2005. During this week, cinemas across Europe can show films offered by the reelport platform for free. It is only the box-office revenues that shall be divided between the cinema and the rights owner in the usual manner.

In order to protect distributors and cinemas from any financial risk, reelport will carry all costs resulting from this event. Specifically, reelport will pay:

- the encoding of the films according to the needs of each cinema
- the implementation of the required DRM system
- access to the reelport online film catalogue
- the delivery of the films from the reelport playout center
- the delivery of promotional material
- fees for cinema networks (such as XDC or CinemaNetEurope)

The condition for the cinema is that the film is chosen from the films available on the reelport platform. Furthermore the cinema has to have the digital equipment to show the film in a quality that lives up to the standards of the distributor/ rights holder. Finally, the distributor shall deliver to reelport a copy of the film that is of sufficient quality for the use in the cinema.

I. Reelport

Reelport is a project of a number of renowned film festivals, the tiscali business GmbH and the EU's Media Plus programme. It is our mission to bring the traditional role of the festivals as a market platform for film business professionals into the digital world.

The reelport distribution platform rests on two pillars: With the online film catalogue, the traditional print catalogue is complemented by all the search features that a contemporary database can offer. Moreover, the catalogue offers the possibility of watching the film or its trailer online. The reelport playout center then allows for the transfer of a screening copy onto the computer of the cinema.

II. Cinema On Demand

Reelport is Europe's first Cinema on Demand service. It will provide cinemas with flexibility in programming so far unknown. With Cinema on Demand, the cinema operator will be able to target special interest groups like ethnic minorities or sci-fi fans. He can program special documentaries dealing with recent events, present user's choice competitions, or simply experiment with films that he could not show until now.

Due to the fact that with Cinema on Demand a film is normally only shown in one cinema or two, promotional activities may be limited to newsletters, flyers, trailers and posters. We believe, however, that the possibility to tailor a program for the local audience will bring back a generation of cinema goers that has lost its interest in "event cinema" that Hollywood is feeding us with.

III. Equipment

To take advantage of the Cinema on Demand service, the cinema has to be equipped with a projector, a computer and an internet connection.

The requirements for the projector depend on the quality that is demanded by the distributor. As a general rule, we recommend the standards advertised by CinemaNetEurope (resolution 1, 3 K, contrast 4000:1). However, we make exceptions if the distributor/rights owner is either demanding DCI standards, for example, or if lower e-cinema standards suffice.

The computer does not need to fulfil specific requirements apart from the fact that it needs a hard disc big enough to store the film. Again, exceptions apply where ever the distributor/rights holder demands additional DRM (digital rights management) features (see Security below).

Because reelport is delivering the films on hard-disks, there is no special requirement for the internet connection. It is used to deliver the keys to unlock the encrypted files. It is also possible to download the film files of course. If this method of delivery is chosen, a 2/Mbit connection is the minimum requirement.

IV. Rights Owners

Distributors and producers have the chance to develop new sources of revenue. With no costs for prints and limited costs for advertising, a whole new range of films can be distributed. If you as a rights owner want to present your films on reelport's Cinema on Demand platform, we need the following information/ material:

- List of films including the usual information (director, year etc.)
- Available language versions and subtitles
- List of available promotional materials
- Information about the rights (percentage, countries)
- A DVD/CD/file with the film/a trailer for the online film catalogue
- A screening copy (either a digital format like HD or Beta SP – we do not digitize 16 mm or 32 mm)

V. Films

At this stage, the emphasis is clearly on short films and documentaries. Because of the fact that there is already a great variety of films accessible in the reelport online film catalogue, there is a film or film roll for any kind of programme (horror, comedy, children etc.). If a cinema is interested in a particular short, documentary or feature film, please contact us. We will try to arrange an agreement with the rights owner to put it on the platform.

VI. Formats

Reelport can encode the film into every format that is required by the cinema or the playout-center. In general, reelport is using mpeg2 files. If the distributor demands a DRM encoding of the file, reelport will produce an encrypted .wmv file and transfer the keys in time. DCI's JPEG2000 is possible, too. If you want to know more about the specifications, please contact us.

VII. Delivery

Reelport is delivering hard disks containing the film 1-2 weeks before the screening. Thus, there is still sufficient time to replace the film if the data is corrupted or the hard-disk is damaged. If required by the cinema and agreed upon by the rights owner, reelport will produce and deliver a DVD. If the cinema is connected to a playout center, reelport will transfer the file to the playout center.

VIII. Security

Reelport's strategy against piracy depends largely on which degree of security the distributor demands. If a film that is to be shown is offered by a distributor who is already distributing DVDs for cinema use, for example, no additional DRM measures have to be taken. If a distributor requires a higher level of security, reelport will encrypt the files and provide a key for every screening. All cinemas that are already connected to existing playout centers (like CinemaNetEurope or XDC) will make use of their DRM systems.

IX. Schedule for participating in the pilot project

- Until the 4th of October 2005, distributors and producers can provide reelport with the list of the films they want to put on the platform (including the information as mentioned in lit. IV.).
- Until the 4th of October 2005, the cinemas shall provide reelport with information regarding the hardware within the cinema (beamers, servers).
- On the 5th of October 2005, the Online Film Catalogue will be opened. Cinemas will receive a password which allows for the search and the viewing of the films available. New films will be added continually.
- Until the 14th of October, the cinemas shall inform reelport which films they want to show.
- Until the 4th of November, the conditions shall be settled in cooperation with the distributor.
- As soon as an agreement has been reached, promotional material will be shipped to the cinema and the films (Beta SP, all digital formats including DigiBeta - NOT 35mm or 16mm) will be sent to reelport.
- From the 11th November onwards, reelport will send the Hard-Disks/ DVDs requested by the cinema to the cinema.

- Between the 28th of November and the 4th of December, the films shall be shown in the cinemas. It is up to the cinema to decide upon the time of the day and the number of screenings that will be shown.

X. Future Plans

Reelport will use the lessons from the pilot project to further develop its Cinema on Demand platform. From May 2006, cinemas will receive an interface that will enable them to get the rights cleared online, whereas distributors will be able to acquire the information about ticket sales and the overall box-office of their films.

It is our hope that especially the smaller, lesser known films will obtain the chance for distribution that they deserve. There is an interest in the audience for content that reaches beyond the fast food films provided by Hollywood, but this interest has to be nurtured with great films. This is what we want to achieve.

For further questions please contact: info@reelport.com

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