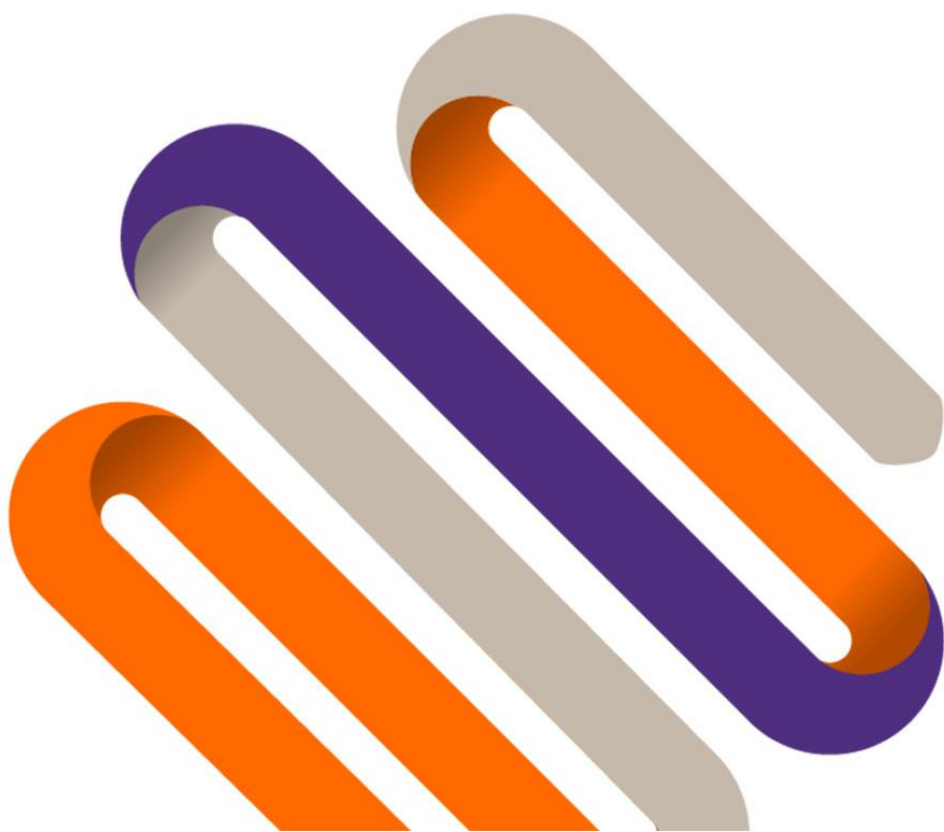




The impact of the European Commission's Recommendation on combating online piracy of live events

4 November 2024



Despite the Recommendation from the European Commission, piracy continues to thrive at the expense of live events

In 2023, the European Commission published a Recommendation on combating online piracy of sports and other live events. This non-legislative act encouraged member states and all relevant stakeholders to take appropriate measures against the unauthorised retransmission of live events, while guaranteeing the necessary safeguards to protect fundamental rights

Despite this Recommendation, Grant Thornton's analysis shows that there were at least 5.30 million unauthorised retransmissions detected in the first half of 2024. More than 80% of these were not suspended before the end of authorised retransmissions

Most notices were submitted to Dedicated Server Providers (DSPs), of which only 12% were suspended - compared to online platforms, of which 89% of notices were suspended

The European Commission's Recommendation

The Recommendation highlights that:

- The unauthorised retransmissions of live events have a significant impact on the revenues of event organisers and broadcasters. The development of technology and infrastructure has made it increasingly difficult for member states to manage its impact on the economy and the community
- The transmission and retransmission of these events requires significant investment and contributes to economic growth and job creation. The lost revenue from the unauthorised retransmission of these events has a substantial impact throughout the value chain

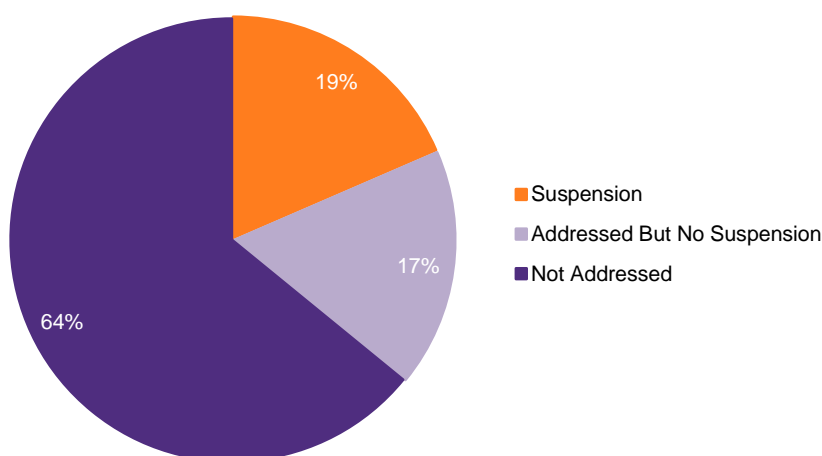
- To monitor these risks, the Recommendation requires the European Union Intellectual Property Office (EU IPO) to assess its impact using specific KPIs derived from data collected from various stakeholders, including sports rights owners and broadcasters
- Grant Thornton has been given exclusive access to data supporting this by the Live Content Coalition (LCC), a group of representatives of leading European live content producers, broadcasters, and exhibitors

Grant Thornton's findings

Grant Thornton's analysis of the data provided, created in partnership with the Live Content Coalition, finds that in general, only a small proportion of takedown notices led to suspension with intermediaries showing low responsiveness to notices. The key findings to note are:

- **5.30 million** takedown notices relating to unauthorised retransmission of live events were submitted to intermediaries
- **980,000 (19%)** resulted in the suspension of the unauthorised retransmission of a live event before the end of the authorised retransmission
- **920,000 (17%)** were addressed by the intermediary but didn't result in a suspension whilst **3.40 million (64%)** notices weren't addressed at all

Outcomes of takedown notices



The data demonstrates the scale of piracy issues and the challenges in mitigation, with even a small number of addressed notices being equally likely to result in no action as they are to be suspended

The notices typically involve an email notification to intermediaries, prompting a response to either contest the notice or take action. However, in many instances, these are ignored. The data within Grant Thornton's analysis highlights the level of cooperation among intermediaries in 2024:

- **512 (20%)** intermediaries ignored all notices
- **121 (5%)** intermediaries actioned all notices (i.e. all notices led to suspension)

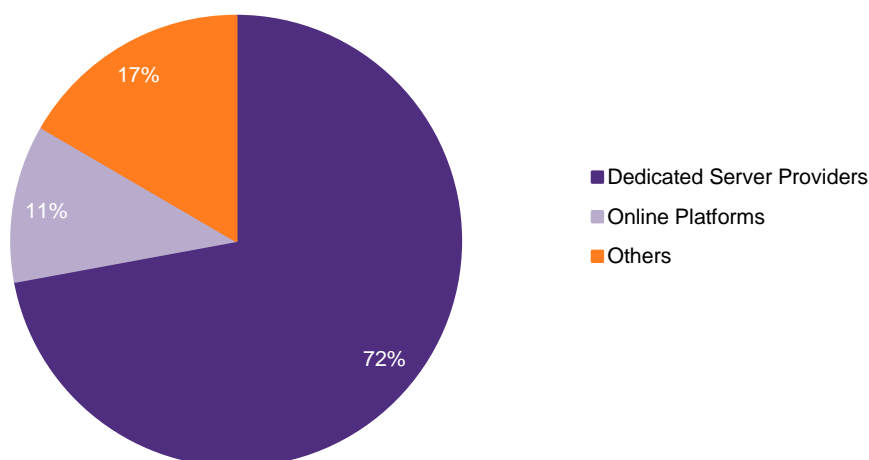
Grant Thornton's analysis also shows a **2%** decrease in notices submitted in Q2 2024 compared to Q1 2024. However, this may not signal a decline in piracy as it could be a result of major sporting leagues concluding midway through May, reducing the availability of live events. In addition, these findings are based on data submitted by several major stakeholders, the full scale of the online piracy issues are expected to be much larger

Dedicated Server Providers (DSP) remain a priority

The data suggests DSPs are a major issue for sporting events with major football leagues detecting high numbers of illegal retransmissions:

- **3.82 million (72%)** of notices were submitted to DSPs of which only **12%** being suspended during live transmissions, lower than the average suspension rate of **19%**
- The percentage of notices submitted to DSPs increased from **67%** in Q1 2024 to **77%** in Q2 2024

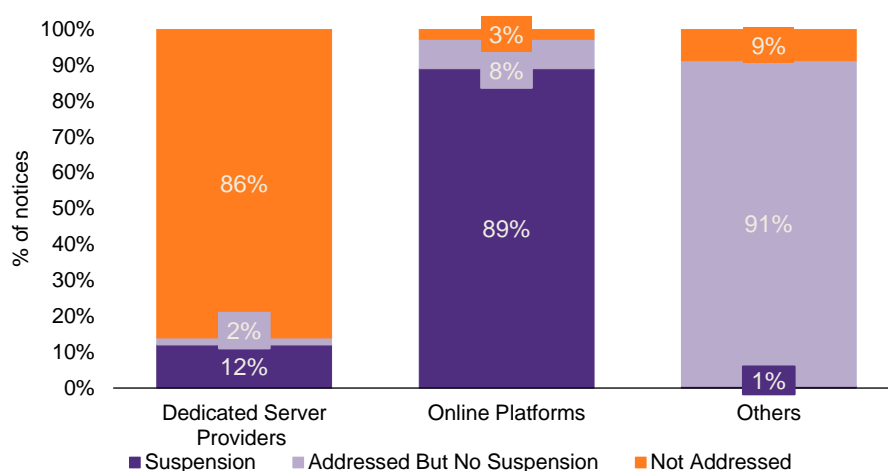
Notices by intermediary types



With such a low percentage of these retransmissions being suspended, it indicates that although some action has been taken, there is room for improvement in DSPs' effectiveness at removing illegal retransmissions during the events. In comparison to other intermediaries:

- **600,000 (11%)** of notices were submitted to online platforms, with **89%** of these leading to suspension
- **880,000 (17%)** of notices were submitted to other hosting providers, with less than **1%** leading to suspension

Outcomes of notices by intermediary types



* Some numbers may not add up to 100% due to rounding

However, **81%** of the notices submitted to online platforms that led to suspensions were based on cooperation agreements which is significantly higher than the **2%** of notices submitted on the same basis to DSPs, demonstrating the positive impact of having such agreements in place

The data indicates higher levels of cooperation is required

As of the end of the second quarter of 2024, **only 10%** of takedown notices were submitted based on having cooperation agreements in place, dropping from **12%** in Q1 2024 to **9%** in Q2 2024. These agreements are between the holders of rights and intermediaries where intermediaries agree to action the submission of notices from the rights holders

Grant Thornton's analysis of this data finds that of the **550,000 (10%)** of notices that were submitted based on cooperation agreements; **79%** resulted in suspension, **8%** were

addressed but didn't result in suspension and only **13%** weren't addressed at all. This indicates that while not ensuring full compliance, cooperation agreements are more effective when implemented. However, their coverage is limited

Looking ahead

Efforts to combat piracy are ongoing, with the LCC striving to emphasise its impact. The LCC would like broader cooperation from DSPs which would significantly reduce unauthorised event transmissions and minimise the impact

The European Commission has suggested additional escalation measures and urges jurisdictions to empower event organisers to take legal action against unauthorised event retransmissions. In the data shared with Grant Thornton, 108 court injunctions were sought in 2024, with **106 (98%)** being approved, further constraining unauthorised stream providers' capabilities

The LCC and rights holders will continue to seek tighter controls, and additional data will be provided every six months. Grant Thornton will continue to provide insight and track key trends. The next publication is expected to be released in Q1 2025, including all of 2024 data

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The data provided

The EUIPO is supporting the European Commission in monitoring the effects of the Recommendation by gathering data from national authorities, rights holders and a number of intermediary services. Data has been shared for Q1 2024 and Q2 2024 from **11** rights holders (including major sports leagues and broadcasters) with Grant Thornton. We were provided with the data that was also shared with the EUIPO and this covers the first two quarters of 2024 and underpins the analysis and insights included in this document

Glossary

Intermediary - a third-party entity that acts as a facilitator in addressing instances of content piracy. Intermediaries receive and process requests, such as take-down notices, from media rightsholders regarding unauthorised distribution of copyrighted materials

Takedown notice - a formal request submitted by a copyright holder to an intermediary or online service provider, requesting the removal or disabling of infringing content from a website or online platform due to copyright infringement

Dedicated Server Provider (DSP) - a company or organization that offers dedicated server hosting services, including server hardware, network infrastructure, and management for hosting websites, applications, and data

Online platform - a digital service that connects two or more groups of users, such as businesses or individuals, for social or commercial purposes. These may include social media, online marketplaces, app stores, etc

Others - all other hosts of streaming services

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About the Live Content Coalition

The Live Content Coalition is a group of representatives of leading European live content producers, broadcasters, and exhibitors. As representatives of live events, including sports, music concerts and festivals, broadcast television and video on demand services, and tickets sellers, we are all united in the fight to stop piracy



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