

Video Games Europe response to the European Commission's call for feedback on the Geo-Blocking Regulation

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Video Games Europe welcomes the opportunity to contribute to the call for feedback on the Geo-Blocking Regulation, hereinafter *the Regulation*.

Around 52% of Europe's population plays games, ranging from single player games to online multiplayer games where some play with others across the world, at the same time. Consumers across Europe have an unprecedented choice to access video games: they can choose numerous ways to play games (on mobiles, consoles, and PCs). They have a vast choice of genres of games, and benefit from a wide array of different business models, including free-to-play.

Demand for cross-border access to video games has not been identified by consumers as an obstacle, because of the wide availability of games. This was confirmed in the first short term evaluation report undertaken by the European Commission in 2020¹. The report looked at whether to extend the scope of Article 4(1) of the Regulation, according to which traders shall not apply different conditions for accessing goods or services based on a customer's nationality, place of residence, or place of establishment, to electronically delivered non-audiovisual copyright protection content, currently exempted from this general rule.

Regarding video games the report concluded that:

- Consumer demand for cross-border access to games and software is low;
- Availability gaps mainly affect titles with relatively low demand/rating;
- Distribution practices for video games are largely based on non-territorial and nonexclusive licensing;
- An extension of the Regulation could lead to reduced revenues for developers/publishers as the potential increase in consumption may not fully make up for the possible reduction in prices;
- The potential impacts on video games-specific national-transparency requirements (such as age ratings) would need to be considered as well.

Following the Commission's first evaluation report, subsequent reports do not point to any consumer access issues regarding video games, including the **Commission 2024** <u>staff working</u> <u>document</u>, and the **European Court of Auditors** <u>special report</u>: "Unjustified geo-blocking in ecommerce – The Regulation provides a balanced framework, but challenges remain in implementation". In its_response to the Court of Auditor's special report, the Commission indicated that it had already undertaken in 2020 a detailed analysis of an extension, including to copyright-protected content.

¹ <u>EUR-Lex - 52020DC0766 - EN - EUR-Lex</u>

Video Games Europe believes that the current exception in the Regulation from the nondiscrimination rule for access to goods and services (Article 4(1)) that applies to electronically supplied services whose main feature is to provide access to electronically delivered nonaudiovisual copyright-protected content, remains justified.

In its forthcoming evaluation and consultation process, Video Games Europe recommends the Commission to consider any potential impact on businesses and their competitiveness before imposing additional rules that would introduce further administrative burdens, and directly impact their business models.

Last but not least, professionally created content is expensive to produce and often requires years of investment. Europe is particularly talented in creative content production and copyright protection ensures a return on this investment. Rightsholders must be able to decide on the distribution of their digitally delivered content. Therefore, the principle of commercial freedom in accordance with the EU acquis and principles, including international copyright principles, is key to staying competitive globally and to continuing to produce high quality content.

About Video Games Europe

Since 1998, Video Games Europe has ensured that the voice of a responsible video games ecosystem is heard and understood. Its mission is to support and celebrate the sector's creative and economic potential and to ensure that players around the world enjoy the benefits of great video game playing experiences. Europe's video games sector employs over 110,000 people in Europe and is worth €25.7bn, and 53% of Europeans are video game players. We publish a yearly <u>Key Facts</u> report with the latest data on Europe's video games sector.

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