

EU Public Consultation on Child Safety and Mobile Phone Services ISFE Response

EXECUTIVE SUMMARY

ISFE, the Interactive Software Federation of Europe represents the European interactive software industry¹ which produces entertainment and educational software for use on personal computers, videogame consoles, and portable devices and also on mobile phones. This industry now constitutes the fastest growing ‘content’ sector in Europe. We welcome the opportunity to contribute to this important consultation.

ISFE would like to commend the European Commission for this examination of the critical matter of child safety in the context of the phenomenal increase in mobile phone services. ISFE feels that the risks involved in playing mobile games are of a similar magnitude to those assessed by the government/consumer/industry working group which met between May 2001 and May 2002 and gave birth to the Pan-European Game Information (PEGI)² system. We therefore fully agree that a voluntary pan-European rating system for mobile games would be a very worthwhile endeavour. Recent consumer surveys carried out for governments and industry clearly support our assertion. ISFE is therefore glad to reiterate in this submission that the PEGI system is readily available for implementation by mobile phone service providers on their networks. The comments that are set out hereunder are based on four years of experience of the PEGI system providing safer content for minors.

Background – Two Key Surveys of the Mobile Market for Games

1. In 2004, the Organisation for Economic Cooperation and Development (‘OECD’) for the first time, addressed the interlocked issues of online games and mobile entertainment in two seminal papers: “*Digital Broadband Content: the Online Computer and Video Game Industry*”³ and “*Digital Broadband Content: Mobile Content, New Content for New Platforms*”⁴

¹ **ISFE** Membership consists of the following: **Associations** - AESVI (Italy), ADESE (Spain), BIU (Germany), BLISA (Belgium), ELSPA (UK), MDTS (Sweden), NISVI (The Netherlands), NMS (Norway), SELL (France), SIEA (Switzerland). **Companies** – Activision, Atari, Eidos, Electronic Arts, Konami, Microsoft, Nintendo, SCEE (Sony Computer Entertainment Europe), Take 2, THQ, UbiSoft, VUG (Vivendi Universal Games), The Walt Disney Company France

² www.pegi.info

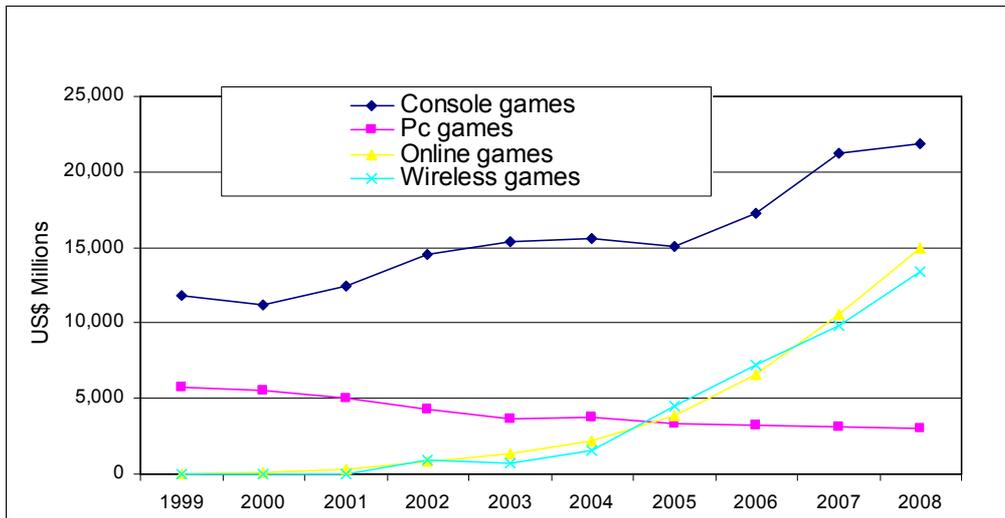
³ (DSTI/ICCP/IE(2004)13/FINAL)

⁴ (DSTI/ICCP/IE(2004)14).

These studies have identified a number of facts that are key to this consultation and we feel we should restate them here:

- Quoting a Price Waterhouse Coopers report, the OECD sets out the growth of the online and mobile segments of the game industry as follows:

Figure 1. The world computer games market



Source: OECD based on PwC (2004).

- The OECD finds that “the most advanced business models and game concepts for mobile devices are in Asian markets”, with Europe predicted to catch up fast:

Wireless share of overall game revenues (projections)

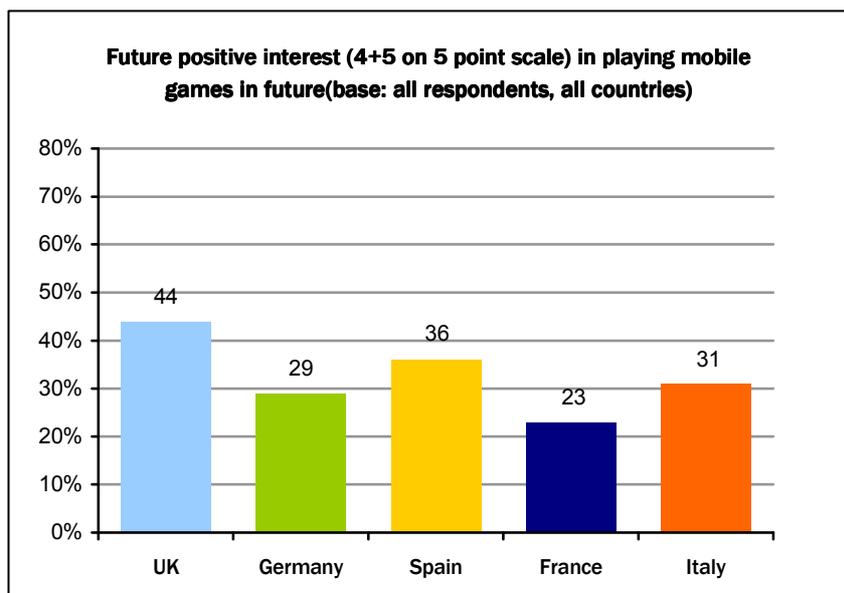
Regions	2006	2008
US	15 %	18 %
EMEA	22 %	28 %
Asia/Pacific	24 %	27 %

- The OECD points to mobile platforms raising “issues of privacy and security that must be addressed by ongoing policy initiatives in this area” and also states that “consumer protection in a mobile environment must be directly addressed”.
- More precisely, Recommendation # 5 of the “OECD Broadband Development Recommendations” reads:

“Member countries should implement ...a culture of security to enhance trust in the use of ICT by business and consumers, effective enforcement of privacy and consumer protection, and more generally, strengthened cross-border cooperation between all stakeholders to reach these goals.”

2. Meanwhile, a survey commissioned by ISFE with **Nielsen Interactive Europe** exposed a lack of appetite for mobile games amongst European consumers.

The interest of European game players as a whole in playing games on mobile phones is relatively small; only 32% of the total sample. One in five respondents (20%) say they are undecided as to whether they will play games on their phone in the future and almost half (47%) say they will either ‘probably’ or ‘definitely’ not play games on phones at all. This is largely by French and German respondents who show high levels of negative interest (60% in Germany and 58% in France) and therefore low levels of positive interest in playing mobile games in the future:



Conclusions Although the OECD also lists other, technical, limitations as hampering growth in this area, the main lesson from the Nielsen findings is that if more attention is given to the OECD's "culture of security" by ensuring mobile games are properly rated more games will ultimately become available on mobile networks. This is because proper rating of mobile games would allay legitimate concerns of European parents regarding the impact of mobile gaming on their children and therefore help mobile operators overcome a considerable obstacle to expansion of the number and type of games offered on their networks. This would in turn unleash what we see as a considerable amount of pent-up consumer demand. The foregoing explains why ISFE, representing the European games industry, is happy to comment herein and is also keen to jointly confront the issue of child safety in the mobile environment with all concerned stakeholders.

Risks

- 1) *Can you provide the Commission's services with figures and examples on risks raised by the use of mobile phones by children and young people?*

For obvious reasons, ISFE will limit its analysis to games played on mobile handsets. We believe that exposing minors to unsuitable content on mobile networks presents exactly the same risks as exposing minors to unsuitable content offline or on the Internet. The international, multi-skills working group that met in 2001 with a view to set up a harmonized rating system for digital content came up with six main areas of risk identified by corresponding descriptors:⁵



More recently, a seventh descriptor has been added upon the recommendation of the PEGI Criteria Committee in order to identify risks linked to gambling:



⁵ Violence, Bad Language, Fear, Sexual Content, Drug Taking, Discrimination respectively.

As clearly stated in the EICN report (see page 9 in the Commission's consultation paper), there are different types of content services which are available over mobile phones: **Content offered by network operators, Content provided by third parties by agreement with network operators (2), Content available on the Internet to which the network operator gives access (3), User-generated content of all types (4).**

While category 1 is clearly within the remit of mobile network operators, ISFE's membership can legitimately claim an active involvement in improving the safety of content in the other three classes as follows:

2. Content Generated by Third Parties by Agreement with Network Operators

As early as in 2002, the PEGI Code of Conduct provided in Article 1 that:

*“The present Code shall apply to all interactive software products including: videogames, computer games, education/reference on CD ROMs, **irrespective of their format or method of distribution, either off-line or on-line**, by the members of the Interactive Software Federation of Europe (ISFE), or any other publisher or trade association which, without being members of this association, decide to comply with this Code.*

*This Code shall also apply to **products distributed electronically by whatever means**, such as Internet, including on-line retailing of packaged products and on-line distribution, as far as these activities are initiated in the European Economic Area territories, and in Switzerland, within the control of the signatories to this Code.”*

In addition, as PEGI self-regulation makes a point of being practical for users, the PEGI guidelines devote a full section to the specificities of the mobile environment as follows:

PEGI Guideline D. Wireless Products

‘Definition: *Interactive software product **directly available from an on-line service on a mobile device (i.e. mobile phone or PDA)**. If a product is sold on-line through an Internet service providing access code or phone number allowing the download of the interactive software product, the guidelines related to downloadable products apply. The notion of wireless product only covers interactive software with different levels of play and multiple screens or backgrounds. It does not cover basic interactive software (such as Snake, cards game etc.) for which an age rating is not necessary. Information related to the age rating of a wireless product has to be legibly displayed on the screen of the mobile device before a consumer is able to buy, download, or to play it for the first time.*

Due to space constraints and to quality of mobile devices screens, it is possible to display only the age rating under text form (3+, 7+, 12+, 16+, 18+) preceded by the mention “www.pegi.info”. However, ISFE strongly recommends that the age rating and content descriptor(s) icon(s) be displayed when the quality and/or the size of the mobile device’s screen is appropriate. In that case the PEGI icon(s) should measure at least 23 pixels x 23 pixels.’

3. Content available on the Internet

ISFE is, together with the European Commission, currently working on strengthening the guarantees already provided by the PEGI system as part of the *Safer Internet* Programme. The project is equally funded by ISFE and the Commission and our joint purpose is to improve on recommendations already made to parents with respect to games played online. We currently provide parents with a combination of a regular PEGI rating as assigned by the PEGI Administrator to content exhibited by the publisher and also a warning to the effect that the content is likely to change during online game play.

Our ambition is now to give European parents an even higher level of service in this area. Authorizations will therefore be given to online gaming providers, who first sign up to the *PEGI Online Safety Code* (‘POSC’), to affix a **PEGI Online** (‘PO’) label to their operations. As a result parents will know that all PO label holders are committed to protect minors when they play games online and have taken effective, verifiable measures to this effect. All the relevant details to make this two-year project (September 2005 to September 2007) a success are now being worked out by the *PEGI Online Working Group*, which in turn reports to a broader constituency, the *PEGI Online Plenary*.

A standing invitation has been made by ISFE to those involved in mobile games industry to contribute to the works of these bodies. ISFE would like to avail itself of the opportunity provided by consultation to reiterate that the contribution of the mobile industry is indispensable if the PEGI Online project is to take on a mobile dimension.

4. User Generated Content

The fast uptake of online gaming means that the ISFE membership is a major contributor in the growth of user-generated content. Again, the PEGI Online project addresses this issue from a perspective of protecting minors from unsuitable content online. However as the content concerned is generated as the game is played, the rating of the original content is often of little assistance. The PEGI Online Working Group has recommended a twofold solution to this problem,: a commitment by the operators concerned to safeguards contained in the POSC as well as independent verification by the PEGI Online Administrator that the commitment to PEGI-rated content guaranteed by the PEGI Online Label has been met.

The work of the POWG has so far focused on websites accessed from PCs and consoles. The POWG will consider conditions specific to mobile gaming as soon as the right expertise is enlisted.

2) Do you see specific risks associated with the use of pre-paid cards, which ones?

The PEGI system is based on the assumption that parents care about the suitability of the content to which their children are exposed. Parents therefore appreciate intelligible, independent guidance to this effect. Rightly or wrongly, parents are portrayed as the “gate-keepers” who decide whether or not content is allowed into the home. Parental control tools provided by games console manufacturers expand this “gate-keeping” remit and make its execution more effective.

Leaving the realm of packaged games for those that are downloaded adds a layer of complexity that parental control tools and the PEGI Online project have been developed to address. Parental control tools can identify the applicable PEGI ratings on downloaded games. Once enabled to read the “PEGI Online” label, they will also allow parents to prohibit access to sites that do not flag the label.

Itemized monthly phone bills indeed provide a monitoring tool as regards the detailed usage of the household’s mobile handsets. This tool affords the same control offered by parental control devices available on consoles or PC software, but obviously only ex-post.

Sadly, the same does not hold true for pre-paid cards, whose modus operandi takes place mainly beyond the home, hence out of parents’ reach. We are however willing to work with the mobile phone industry to develop an appropriate response based on our experience of the PEGI system and the aforementioned use of parental control tools.

Regulatory framework

3) Please identify which of the above risks are not covered by the current national regulatory, co-and self-regulatory frameworks.

4) Do you think the current balance between regulation/co-regulation and self-regulation is the right one?

The game industry is not in a position to make educated comments on existing regulation aimed the mobile phone services industry. However, we believe that the OECD’s call for “a culture of security” should not go unheeded. Nor should the Nielsen findings of 2005 be ignored: i.e. why European consumers, already so eager to play games on a huge variety of platforms, are so reluctant to play games on mobile handsets.

Our experience with PEGI allows us to say that self-regulation of the kind generally applicable to the games industry in Europe ⁶, has, so far, met its intended purpose. In this respect, it is interesting to compare the outcome of a poll taken by Nielsen over a year after the launch of PEGI with results of a survey conducted by Australia's OFLC⁷ three years after they set up their own rating system.

In a country whose population is much smaller and displays cultural and linguistic diversity that are no match to Europe's OFLC found the following: *in Australia only 42% of parents, 35% of non-parents were aware of a classification system.* In Europe, close to 60% of respondents to the PEGI questionnaire admitted to being aware of the system. While unaided awareness was considerably lower at 20%, recognition reached 72% when respondents were shown PEGI symbols.

These enviable results originate, in part, from ISFE's effective network of member national trade associations (NTAs). All member NTAs have contributed to the design of PEGI, notably by sharing their experience of the national rating schemes they had been running for years. NTAs have subsequently invested time and money in national communication plans coordinated by ISFE⁸. These communication plans have proven effective, as evidenced by the 2004 Nielsen survey⁹.

The PEGI system has also demonstrated its ability to mesh with existing legal rating schemes e.g. in the UK, Finland and Portugal. More cooperation with governments can only make PEGI more effective, in, for example, gaining the assistance of governments in helping enforce PEGI recommendations on points of sale. Interestingly, France's CSA¹⁰ now also seems to be moving in this direction ; in July 2006, the CSA took the existing and self-regulatory PEGI rules on advertising as the reference point for the amended CSA rules regarding 'watershed' observance for TV advertising of games.

⁶ i.e. half way between sheer self-regulation and government regulation, see the role of government representatives in PEGI's underlying structures such as the PEGI Advisory Board and the PEGI Complaints Board

⁷ Office of Film and Literature Classification

⁸ (see www.isfe-eu.org : please go to « Press Center » and choose « Info Campaigns »).

⁹ Another such survey is now in progress.

¹⁰ Conseil Supérieur de L'Audiovisuel

Technical solutions

- 5) What measures do you recommend in the different areas described below, and why? By whom should they be implemented?
- 5a) Classification of commercial content.
 - 5b) Opt-in /opt out. Should the Opt-in (where the user has to explicitly request access to adult content rather than by default) approach be applied in all EU countries?
 - 5c) Age verification: should Mobile network operators implement face to face identity check to determine the age of the user? Should this process also be applied when a customer buys a pre-paid card?
 - 5d) Filtering and blocking systems. Should filtering systems be installed by default when the subscription allows internet access?
 - 5e) Chat rooms. Should chat rooms accessible by children be moderated (in an automatic way or by a person)?
 - 5f) Raising awareness among parents and children
 - 5g) Dedicated mobile phone packs for children, for which age group?

Responses to technical questions is better left to those who best know the technical environment; the mobile operations themselves

However, we wish to point out that limitations as to the use of PEGI visuals pertaining to screen size or other technical constraints have already been dealt with in the 2004 PEGI Guidelines (see Guideline 'D' quoted at page 5 above) In case any other limitations warrant examination, ISFE is always ready to address these issues jointly with the mobile services industry.

Beyond technology, two other considerations seem of paramount importance in light of our experience with PEGI:

- European consumers deserve an elaborate but self-explanatory rating system: PEGI's five age classes certainly do a better job than, for example, a simple divide between, say, content for minors and content for adults. PEGI's different content descriptors are also much appreciated by European consumers as they give a clear explanation of why a game has received a particular rating.



- As European consumers would obviously not trust an industry to pronounce on the suitability of its own products, PEGI's provisions include an independent verification system which has been recognised as a substantial improvement on earlier national self-rating schemes by consumers. We see no reason why games played on mobile handsets should lack this important feature which has been key in building consumer trust in the PEGI system.

European solutions

6) Among the measures listed above which ones would be useful to elaborate at European level? For which ones would it be useful to discuss/exchange best practices at European level?

As will be clear from the responses set out above ISFE strongly believes in the merits of self-regulation and is willing to share 'best practices' in this respect with all interested parties. One of the often unsung merits of the PEGI system is its transparency. This feature will make it all the more easy to share our methods and experience with the mobile services industry.

We hope that the reluctance of most European consumers to play games on mobile handsets ¹¹ will act as a potent incentive to the mobile services industry to work jointly with ISFE to identify ways of providing mobile customers with the same level of confidence that PEGI already provides on all other games platforms.

**ISFE Secretariat, Brussels.
October 16 2006**

¹¹ Nielsen 2005 survey *ibid.*