



Netflix reaffirms policy against Canadians accessing U.S. site

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TORONTO - But company denies report that it has begun cracking down on Canadian subscribers who mask their locations to access U.S. content.

Netflix, Inc., has restated its policy against virtual border crossing, a practice that has seen a growing number of Canadians bypassing regional blocks to access the streaming service's U.S. catalogue.

"We employ industry standard measures to prevent this kind of use," Netflix said Monday after digital issues blog TorrentFreak said the company had begun a crackdown on users who mask their locations to access American content while in Canada or elsewhere.

Netflix subscribers who employ free or fee-based services such as virtual private networks (VPNs) to present a misleading American IP address, while not breaking the law, are violating terms-of-use agreements with the company based on complex licensing deals with content providers.

Los Gatos, Calif.-based Netflix, however, denied that it has launched a new effort to block subscribers who access its service using VPNs and other tools that work around geolocation restrictions.

"There have not been any recent changes," Netflix said in a statement.

Over the weekend, TorrentFreak said the campaign — which could also affect users legitimately trying to guard their privacy — was spurred by a request from movie studios that want full control over what subscribers can view in their respective countries.

TorrentFreak founder Ernesto Van Der Sar said in an email that movie studios are not happy with "deviant subscribers" since they undermine the value of rights to licences for movie and TV content, even though Netflix still gets its subscriber revenue.

He said Netflix is testing a variety of blocking methods that include querying the user's time zone through a web browser or mobile device GPS and comparing it to the time zone of their IP address.

"I don't have any hard data, but there are probably well over 100,000 Netflix pirates worldwide," Van Der Sar said, adding that streaming service Hulu has already implemented "very broad VPN and proxy blockades."

Netflix, which is available in a few dozen countries, each with a different content library, is growing rapidly in Canada, with an estimated three million households using the service. According to research by Media Technology Monitor, more than a third of English-speaking Canadian subscribers use the American version of Netflix to access content not available north of the border.

Of those polled in a separate survey, nearly nine in 10 said they found the subscription fee service to be "excellent" or "good" value for their money, and the average user spent 1.5 hours a day watching TV shows or movies with the service.

Netflix, which launched in Canada in 2010, is not regulated by the country's broadcast watchdog under provisions of a new media exemption. It has refused to provide business data on its subscriber base, revenue and investments in Canada and is not subject to Canadian tax.

Some consumers, though, have complained about a lower monthly usage allowance, poorer-quality streaming and an inferior video selection in Canada compared to the Netflix offerings in the U.S.

Netflix has cited bandwidth caps as a factor that limits options here and also says it is working to improve its content in Canada.

Not seen in Canada

According to the website "Netflix Canada vs. USA," Netflix Canada offered 4,359 movies or TV shows as of Jan. 5, while Netflix stateside boasted 8,584 titles.

According to the site, offerings available on Netflix in the U.S. but not in Canada currently include seasons of TV series such as *30 Rock*, *Sons of Anarchy*, *Louie*, *The Office*, *It's Always Sunny in Philadelphia* and *Hawaii Five-0*, along with such films as *The Italian Job*, *Django Unchained*, *High Noon*, *Almost Famous* and *Rosemary's Baby*.