IFRRO submission on the Green Paper «Unlocking the potential of cultural and creative industries»

This submission is made by the International Federation of Reproduction Rights Organisations (IFRRO). IFRRO represents and links Reproduction Rights Organisations (RROs) worldwide. RROs administer reproduction and other relevant rights, including certain forms of digital uses, in copyright text- and image-based works on behalf of publishers and authors, including visual artists. These rights are normally referred to as reprographic rights. Members of IFRRO include national RROs, and national and international associations of creators and publishers.

If Europe has to remain competitive as stated in the introduction of the Green Paper, IFRRO believes that it needs to guarantee the right conditions for creativity and innovation to flourish. The first and foremost condition to foster creativity and innovation and sustain cultural diversity is to maintain a balanced copyright framework as currently exists in European legislation. Corollary to that, ensuring that these rights can be effectively enforced is the main guarantee that creators and publishers obtain a fair return on their efforts and investments, and that they will be able to engage in new creations or innovations.

We will limit our further comments to questions which are the most relevant ones to the IFRRO membership and to the management of copyright in text and image works.

PUTTING IN PLACE THE RIGHT ENABLERS

New spaces for experimentation, innovation and entrepreneurship in the cultural and creative sector

- How to create more spaces and better support for experimentation, innovation and entrepreneurship in the CCIs? More particularly, how to increase access to ICT services in/for cultural and creative activities and improve the use of their cultural content? How could ICTs become a driver of new business models for some CCIs?

We question the assertion in the Green Paper that the digital environment "substantially changes traditional production and consumption models, challenging the system through which the creative community has up to now drawn value from content". One of these traditional ways
of drawing value for text and image works for their secondary use is through collective management by RROs.

The role of RROs is to support their members in the administration of secondary reproduction rights and facilitate access to works by users who might also be Cultural and Creative Industries (CCIs). By mandating professional organisations to manage certain of their rights, authors including visual artists and publishers can concentrate on their creative and publishing activities giving to RROs the mission to manage uses which can most efficiently be accomplished through collective management of rights and be remunerated for the use of their works, not only in their own country but throughout the world.

In 2009 EU RROs collected EUR 1.026 billion on behalf of hundreds of thousands of European authors and publishers. Total collections in the EU have risen steadily in the last two decades, which shows that RROs have had no difficulty in more than keeping pace with the increasingly digital environment. To enable them to continue to do so, copyright legislation at both national and EU level must also keep pace with the changing environment. For this reason we look forward to entering into a constructive dialogue with the Commission on the three initiatives by the Commission referred to at the end of section 2. We cannot comment further on these initiatives, especially the proposed directive on the management of rights, until an initial proposal has been published, but we will be happy to do so at that time.

Recognising the role played by RROs in complementing the primary offer to access works of CCIs and licensing of their own creations is important. Also, in order to ensure smoother access to works in case of secondary use, RROs collaborate in the development of harmonised standards.

Arrow, the Accessible Registries of Rights Information and Orphan Works¹, is an example where rightholders and their representative organisations including RROs are working together with libraries to simplify the management of rights information. The objective is to overcome the challenges of identifying rights, rightholders and rights status in works including whether they are orphan or out-of-print and provide information on the clearance of rights to protected material thus contributing to a more inclusive European Digital Library.

The Commission should encourage and continue to support the development, test beds for and the deployment of such standards, protocols and projects to help develop new CCI business models and realise business opportunities such as the ones mentioned above.

**Better matching the skills needs of CCIs**
- How to foster art and design schools/business partnerships as a way to promote incubation, start-ups and entrepreneurship, as well as e-skills development?

- How could peer-coaching in the CCIs be encouraged at the level of the European Union?

¹ [http://www.arrow-net.eu/](http://www.arrow-net.eu/)
ACCESS TO FUNDING
- How to stimulate private investment and improve CCIs access to finance? Is there added value for financial instruments at the EU level to support and complement efforts made at national and regional levels? If yes, how?
One of the underlying questions in the explanatory chapter is how to value copyright. We would urge the EC to make use of the definitions elaborated within the framework of the World Intellectual Property Organization (WIPO)\(^2\), also when carrying out studies on contributions of the copyright based sectors to the economy.

At a time when copyright is challenged, it is understandable that some private investors might be reticent in betting some money on a project if they do not have the guarantee to have some return on their investment. A stable copyright framework is important along with efficient enforcement as underlined in our introductory remarks but moreover, a clear sign from the legislative authorities that investors’ contribution to the creation of works will be valued and respected is crucial.

At a local level, RROs, as well as authors and publishers associations, play an important role in supporting creators, publishers and CCI’s by helping them understand copyright, contracts law, how to manage their rights, etc. They are real providers of services to their members.

Also, RROs, in agreement with their members, the rightholders, have programmes which aim at supporting directly creators and publishers in developing projects. This includes professorships at universities, enabling exposures in galleries, financial contributions to authors and publishers to the realising of projects including grants to finalise book projects, purchase of technical equipment, education, training, internship, mentoring and experimental workshops.

In Belgium, Reprobel’ s member society VEWA (the Collecting society representing authors of educative and scientific works) funds on a yearly basis 28 academic fellowships for researchers and/or professors from developing countries\(^3\).

The E-content funding is both a good example and an appropriate model for such funding. More emphasis should be put on what should be funded under such programmes. For instance, the development of a European digital library and related business models would benefit from financial incentives to start digitising projects and awareness raising in addition to building infrastructures.

- How to improve the investment readiness of CCI companies? Which specific measures could be taken and at which level (regional, national, European)?

LOCAL AND REGIONAL DEVELOPMENT AS A LAUNCHPAD FOR GLOBAL SUCCESS

Local and regional dimension
- How to strengthen the integration of CCIs into strategic regional/local development? Which tools and which partnerships are needed for an integrated approach?

The work of RROs furthers cultural diversity and identity by nurturing local cultural expressions. National RROs represent large constituencies of national rightholders in most cases and ensure that they receive remuneration for uses of their works, both nationally and across borders through bilateral agreements with other RROs.

Besides the role played by authors and publishers in the sustainability and enhancement of cultural diversity, many RROs provide further support to local rightsholders through social and cultural assistance schemes. They thereby make an important contribution to the creation of further works, while at the same time satisfying the demand of users for the secondary use on reasonable terms. A pre-condition of global success for CCIs throughout the EU is therefore to ensure that there is a fully functioning RRO in each member state, and both EU and national assistance should be made available in support of this goal. EU assistance could follow the example of the PHARE programmes, which included valuable assistance with the establishment of RROs in EU candidate countries. IFRRO participated in these programmes. Unfortunately, since the end of the PHARE programmes and the expansion of the EU to 27 states, development support at EU level has been less effective and there are still several EU member states without a fully functioning RRO.

Europe could also support the development of exchange programmes, giving the opportunity to RROs to exchange best practices on how they operate, how they are investing in local creation, etc.

**Mobility and the Circulation of Cultural and Creative Works**

- What new instruments should be mobilised to promote cultural diversity through the mobility of cultural and creative works, artists and cultural practitioners within the European Union and beyond? To which extent could virtual mobility and online access contribute to these objectives?

In the text sector demand for cross-border supply of works is strongly influenced by language. Foreign language works are usually accessed in translation from a source within the user's member state. There is however quite strong demand for cross border on-line supply of academic and scientific journal articles. This demand is met partly by the publishers directly, and partly by document delivery services such as libraries licensed by RROs.

Arrow, the Accessible Registries of Rights Information and Orphan Works, is an example where stakeholders including RROs are collaborating to simplify the information about and the management of rights information. This system will contribute to the mobility of cultural and creative works, as well as to the development of new business opportunities.

**Cultural Exchanges and International Trade**

- Which tools should be foreseen or reinforced at EU level to promote cooperation, exchanges and trade between the EU CCIs and third countries?

Europe has a solid experience and tradition in the establishment and running of organisation and good organisational behaviour and governance as well as in administering copyright. This could to a larger extent be put to use to the benefit of cultural exchange and international trade with the EC as the facilitator. The EC could be directly involved in copyright education, training, mentoring, awareness raising programmes and the like.

IFRRO is already cooperating with other organisations such as the World Intellectual Property Organisation (WIPO) to promote the protection of intellectual property rights throughout the world. This includes co-financing activities developed within this framework. It promotes awareness in developing and strengthening the necessary infrastructure for collective management organisations, as well as increasing awareness of copyright and collective management in general and reprographic reproduction rights in particular, and their benefits to the owners of copyright, users and the society at large. It also has experience from running
education, training and mentoring programmes that enable partners to carry out, jointly or separately, courses for the training of the staff of collective management organisations of the countries to which the cooperation agreement relates.

The cooperation includes activities in developing countries, as well as in least developed countries in Central Asia, and Central and Eastern Europe. In Africa and Latin America initiatives such as capacity building, education, awareness raising and copyright enforcement related activities also involve the close cooperation with the regional intergovernmental bodies: l’Organisation Africaine pour la Propriété Intellectuelle (OAPI), the African Regional Intellectual Property Organization (ARIPO) and el Centro Regional para el Fomento del Libro en America Latina y el Caribe (CERLALC).

We believe that the EC in collaboration with stakeholder representatives could contribute to existing projects, and also develop new ones to complement existing initiatives with the objective to enable a better understanding of the value of copyright and how it can benefit the development of culture, knowledge, education, research and economy. There is, for instance, a need for comprehensive programmes that address the whole value chain of the text and image based sector, from creatorship via publishing and accessibility through distribution channels, bookstores, libraries and licensing also in the form of collective management of rights, to stimulating readership.

Also, the EC could contribute to and co-finance the development of a standard or framework software packages for the management of rights in collaboration with the rightholders organisations.

TOWARDS A CREATIVE ECONOMY: THE SPILLOVERS OF CCIs
- How to accelerate the spill-over effects of CCIs on other industries and society at large?
As copyright plays an important role in the development of CCIs, education in schools on copyright and their management, maybe including how to get a license from rightholders should be part of their programme.
Specific programmes copied on the Erasmus exchange programme could also help sector specific exchange of expertise between CCIs. RRO can play a role in facilitating such activities among their members regarding this aspect of copyright.

- How can effective mechanisms for such knowledge diffusion be developed and implemented?

- How can "creative partnerships" be promoted between CCIs and education institutions / businesses / administrations?

- How to support the better use of existing intermediaries and the development of a variety of intermediaries acting as an interface between artistic and creative communities and CCIs on the one hand, and education institutions / businesses and administrations, on the other hand
The central role of RROs is to play as intermediaries to the benefit of authors and publishers and users including CCIs. RROs monitor the secondary use of works, negotiate with certain categories of users, grant licenses, collect remuneration and distribute it to their members. Ensuring the intermediary role played by RROs can be maintained in the best conditions for their members and their users must certainly be taken into consideration by the European Commission when developing policies for CCIs.
Besides, RROs are engaged in promoting the role of creating and publishing and provide support to their members in their interaction with educational institutions, corporations and administrations.

RROs have also developed programmes which aim at educating younger generations on the importance of copyright for the sustainability of culture. An example is CEDRO, the Spanish RRO, which has launched “¡Es de Libro!”\(^4\), an educational program with the aim to encourage the value of books as a way to access information and knowledge, and as one of the basic pillars of education and culture. It has also the goal to spread the importance of creation and the character of the author, as well as the need to respect the rights of intellectual property that allow its development.

Another example is the IP education program run by the Portuguese RRO, AGECOP in cooperation with the Portuguese collective management societies representing authors, artists, producers and publishers. This programme, Big ©\(^5\), is designed for schools and students aged 12 to 20. The project is based on a behavioral, innovative and creative approach of education for IPR respect in the digital era. The purpose is to involve students and encourage them to produce original works in seven areas of creation – music, lyrics, video, design, online promotion, writing and media. The winners are rewarded with the production, distribution and selling of their works. Copyright royalties will then be distributed to the creators, students and teachers.

The EC could lend its support in various ways to such programmes.

Respectfully submitted,

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Esdelibro, that starts its way in the course of 2006-2007, has the support of the ministries of Education and of Science and Culture, and is conceived as a set of proposals directed to the educational community to put at their disposal the information and materials needed for a better knowledge of the book, reading and textual creation sector, the author’s rights and its educative and cultural importance. Until now 11,400 students and 1,400 teachers have taken part in this programme.

\(^5\) [www.grandec.org](http://www.grandec.org)