IFRRO BOARD REPORT 2007

This report covers the period July 2006 – June 2007 during which the Board met three times: in October 2006 in Auckland in conjunction with the General Meeting (GM); in March 2007 in Geneva in combination with the joint IFRRO – WIPO committee meeting; and in June in Washington. One e-vote was carried through, in April 2007.

During the period under review the Board was made up of Peter Shepherd, CLA (President); Michael Fraser, CAL (First Vice President); Magdalena Vinent, CEDRO (Second Vice President, Director till 1.11.07); Jens Bammel (IPA, Substitute Director till 1.11..07), Bruce Funkhouser (CCC), Franziska Eberhard (ProLitteris), Jean Lissarrague (CFC) and Anne Louise Schelin (IFJ) (Directors); Christer Johansson (BonusPresskopia), Mats Lindberg (BUS), Michael Mabe (STM) and Hélène Messier (COPIBEC)(Substitute Directors, all from 1.11.07). Litten Hansen (COPYDAN) served as 2nd Vice President, Pieter Bolman (STM) and Ferdinand Melichar (VG Wort) as Directors and Joanna Cave (DACS) as Substitute Directors 1.7-1.11.06,

Initiatives undertaken have enabled progress on the Board’s three key focus areas: digital arena, regional development and communication, with significant achievements. A Copyright Industry Focus Group (CIFG) allows creators and publishers, their international trade associations and RROs to discuss industry specific solutions for the text and image based sector in the digital arena. The core principles for Repertoire Exchange Mandate (REM) approved by the Board establish a basis for soliciting digital mandates from creators and publishers exchangeable between RROs. Successful pilots are being run on ONIX for RROs with the aim to make repertoire exchange and distribution of revenues between RROs more efficient.

There are new RROs established, of which two already approved as new RRO members of IFRRO, and working parties to set up new ones in all regions. This work is successfully supported by Regional Development Committee programs, the Secretariat and the hands-on assistance of Regional Development Representatives. Noting that regional development work constitutes an IFRRO core business area, the Board proposes that this year’s GM votes a new membership fee and voting structure to ensure stable financing of these activities independently of the voluntary contributions to the IFRRO Development Fund.

The encouraging development of IFRRO and its focus areas is only made possible through membership engagement. The Board wishes to thank the members for their invaluable contributions to surveys, pilots, submissions on proposed legislation and other issues as well as to development work including through providing high quality speakers at conferences, workshops, training sessions and seminars. This broad involvement is an important resource for IFRRO also in respect of its further evolvement.

1. **Membership**

As at 30 June 2007, IFRRO counts 50 RRO members and 61 national and international authors’, visual artists’ and publishers’ associations, a total of 111 members, a net increase of 4 members since last FY.
Two new RRO members – the Chinese Oral and Literary Copyright Intermediary Association (COLCIA, Taiwan ROC) and the Mauritius Society of Authors (MASA) – and 2 new Associate Members – the Sociedade Portuguesa de Autores (SPA, Portugal) and Sámikopiija (Sápmi) - were approved during the FY, thus adding a total of 4 new organisations to the IFRRO membership. No organisation left during the FY, but Gestautor has cancelled its membership as from 1 July 2007.

2. ORGANISATION
The Board has followed up discussions at the last years’ GMs on the incorporation of the financial contributions to the IFRRO development work into the membership fees. It proposes that the GM 2007 votes a revised structure increasing the dues by 14% for the lower tiers up to 49% for the RROs that collect more than EUR 25 mill. per year, to be adjusted annually by the Belgian cost of living index and phased in over a period of 2 years starting with the membership fees to be invoiced 1.7.08. The Board further proposes that the estimated increase of some EUR 220,000 be used to finance also development of technical standards.

The Board has discussed criteria for deduction by RROs from collected revenues to cover administrative costs. A revised recommended IFRRO Code of Conduct specifying the need for transparency and administrative charges to reflect the level of services provided will be circulated to the membership and posted on the IFRRO Home page the coming FY.

The current practice is that a RRO member must have direct representation on governing bodies by both creators and publishers. At present 14 of the 64 members that collect and distribute reprographic fees have status as Associate Members because they do not fulfil this criteria. The Board is examining whether there are conditions under which these members could be granted RRO membership.

Also, noting that 13 of the IFRRO members are involved in the administration of Public Lending Rights (PLR), the Board has discussed the establishment of a PLR Forum for these members and is analysing the consequences of offering full membership to PLR organisations. Reactions from some author groups urging IFRRO to refrain from setting up the PLR forum caused the Board to decide to put this initiative on a halt.

3. POLICY ISSUES AND STRATEGIC COOPERATION
Orphan works
An orphan work is one for which the user is unable to identify or locate the rightsholder. The Board adopted at its March 2007 meeting a statement that encourages regulators to support voluntary solutions between rightsholders and users including the development of guidelines for diligent search of rightsholders to the work prior to the use of it; development of appropriate database solutions; respect for moral rights to the extent possible; rightsholders’ entitlement to remuneration; and legislative measures where appropriate.

IFRRO-CISAC co-operation
Last year’s Board report informed of the structure of the co-operation between CISAC and IFRRO which on a practical level has been carried forward on the development of the standards ISTC (International Standard Text Code) and ISNI (International Standard Name Identifier) (See further down 9 Technical Issues.) There is also agreement to organise a joint IFRRO – CISAC board meeting in 2008.

Relationship to IFLA (International Federation of Library Associations)
There has been regular contact with IFLA during the period under review inter alia with the aim to co-organise activities to further the understanding between IFRRO and IFLA and their constituencies. During the IFLA Congress in August 2007, an IFRRO delegation will meet with representatives from IFLA’s Board, copyright committee and regional representatives to discuss the basis for cooperation. The IFRRO Board has responded positively to an initiative from Tarja Koskinen-Olsson to collaborate with IFLA in a project which also includes EWC and IPA to develop a book culture in targeted countries.

The Board acknowledges that there are differences of opinion between IFLA and IFRRO on some key issues. Following a declaration made by IFLA at a WIPO meeting in February 2007, the Board issued a statement
(in the Reference Material) in which it emphasises the important work of RROs providing access to copyright material and assistance to the furthering of a local publishing industry also in developing countries.

4. MEMBERSHIP RELATIONS

The relationship between IFRRO and its members and the rightsholders remains a Board priority. Initiatives launched during the past two FYs have been carried forward. As a part of the rightsholder consultation program the President and Secretary General have met with the Board of EWC and EVA and agreed a meeting with the STM Board. The past 14 months, consultative meetings have been held with all international trade associations in membership of IFRRO with the exceptions of FIPP, which will be approached during the coming FY. Planned future activities include meetings with individual rightsholders in consultation with national RROs as well as national and international rightsholder associations.

The topic for the Senior Managers Forum 2007 hosted by CCC in Salem (USA) and attended by 28 Senior RRO officers was Business and Product Development. Some of the issues discussed will be considered carried forward into next year’s Forum in Helsinki, possibly in combination with communication issues following requests from the membership for enhanced focus on this area.

Posting of the Board’s agenda on the Members Only (intranet) page on the IFRRO website combined with an Executive News directed towards the management of the member organisations has been carried forward with the aim to enable transparency and membership influence on Board discussions. The Members Only is essential in maintaining membership relations and a new section which allows IFRRO members to post their own and consult other members’ digital mandates and bilateral has been added.

An IFRRO objective is to provide a platform for IFRRO members and rightsholders to meet and partner. To this end IFRRO arranged for two creators (associations) and one publishers (associations) meeting during the period under review. Along with the Technical Working Group, Fora and Regional Development Committees the IFRRO GMs are the main network building activity. A membership enquiry has been made to further improvements on the organising of GMs also to enhance the building of networks and partnership.

5. DIGITAL ISSUES AND TECHNICAL STANDARDS

The year under review has emphasised exchangeable digital mandates to RROs, the establishment of a platform for discussions of industry specific solutions and the development of technical standards.

Repertoire Exchange Mandate (REM) for collective licensing of digital uses

The Board adopted in April a set of Core Principles for Repertoire Exchange Mandates (REM) (annexed) worked out in close co-operation with and following extensive consultation with authors’ and publishers’ representatives. They aim at providing creators and publishers with certainty on basic criteria that RROs will observe in respect of digital mandates and repertoire licensing. This includes the right to opt in to a licence, opt out when it is modified, and obligations for RROs to provide access for authors and publishers to appropriate information. The RRO licence must not conflict with the primary use of the work, be supported by local rightsholders, respect moral rights and enable default price and other conditions when they are not set by the rightsholders themselves. Further work will be done on the applicability of the REM in different legal environments and to the various models of RRO operation.

A rightsholder vision for the digital environment

With the aim to create a platform for rightsholder in the text and image based industries to develop a vision for the digital environment the Board established a Copyright Industry Focus Group (CIFG) attended by individual creators and publishers, their international trade associations in membership of IFRRO and RROs represented on the IFRRO Board. A first meeting was held in Brussels on 11 September 2006. The CIFG meeting in Oxford on 8 and 9 January, 2007, which included introductory remarks by Google’s Europe Director Jens Redmer on the digital future, counted 25 participants and adopted a statement (annexed) encouraging rightsholders to continue to develop solutions for the digital era themselves rather than leaving it to non-rightsholders. It further acknowledged that IFRRO members have a role to play to develop solutions; encouraged IFRRO to continue its work on technical standards and enhance its understanding of systems being deployed and developed as well as rightsholder requirements in relation to the digital environment.
Technical Standards: ONIX for RROs; ISTC; ISNI; ACAP

IFRRO is currently involved in the development of various technical standards, all with the aim of improving the efficiency of the work of RROs and enabling all IFRRO members regardless of their IT and/or other technical skills and investments to benefit from them.

ONIX for RROs is a set of standard messages for the electronic exchange of information being developed under the ISO approved ONIX standard, which already includes ONIX for Books and ONIX for Licensing and which is increasingly being used in relation to the print media. The ONIX for RRO work is lead by the IFRRO Digital Strategy – Technical Subcommittee (DS-T) and includes pilot programmes on (i) Repertoire exchange involving CLA, CCC and PLS; (ii) Title specific distribution involving Access Copyright, CEDRO and ALC; and (iii) Non title specific distribution with the involvement of CEDRO and Kopinor. In addition to IFRRO, Access Copyright, CAL, CCC, CEDRO, CLA and Kopinor contribute financially to this work enabling the signing of a contract with Editeur on the continued development of the ONIX for RRO messages and the running of the pilots.

For the overall governance of the ONIX for RROs standards the Board has established a Governing Body and adopted governing rules and criteria for projects to develop these standards. The Board will appoint the members of the Governing Body in the first quarter of the coming FY.

ISTC (International Standard Text Code) is an ISO approved standard to identify textual works, e.g. scientific text, journalistic articles, poems, novels. The IFRRO Board decided at its meeting in March 2007 to form a consortium with CISAC (Confédération Internationale des Sociétés d’Auteurs et Compositeurs), RR Bowker and Nielsen Book Data to develop the ISTC. IFRRO joins the ISTC consortium as a “Group” made up of IFRRO and 9 member organisations (Access Copyright, CAL, CCC, CEDRO, CLA, COPYDAN, ProLitteris, Stichting Reprorecht, ALCS) which also contribute financially in addition to IFRRO. As at 30 June 2007, articles of Incorporation of the ISTC Agency is under construction and an agreement with a database developer is being negotiated. The assignment of ISTCs is scheduled to start in 2007 as required to maintain the ISO approval. Peter Shepherd (IFRRO President and CLA), Franziska Eberhard (Board and ProLitteris), David Grundy (ALCS) and the Secretary General are the main IFRRO responsible for the ISTC work.

ISNI (International Standard Name Identifier), an ISO approved rightsholder authority standard containing factual information on rightsholders (creators and publishers) offers the necessary link between the ISTC as the work identifier and the appropriate rightsholder. IFRRO and CISAC have agreed to form a joint working party on the ISNI and ISTC. Franziska Eberhard (IFRRO Board and ProLitteris) is the prime liaison between IFRRO and CISAC in this work. The joint working party also includes David Grundy (ALCS), Tom Hamilton (CCC) and Ana Puebla (CEDRO).

ACAP (Automated Control Access Protocol) aims at developing a system by which rightsholders of content published on Internet can provide information to consumers on permissible use, to be recognised by and communicated via search engines. It is unclear to what extent the ACAP can be used by and/or have an impact on RRO work. Its development is, nonetheless, of importance to rightsholders represented by IFRRO members and the Board approved that IFRRO become an ACAP member as of July 2007. IFRRO will consider an ACAP Use Case, preferably linked to the work carried out on ONIX for RROs.

European Commission i2010 Digital Libraries initiative
(See 7 Work in relation to intergovernmental bodies, Europe.)

6. INFORMATION AND COMMUNICATION

Communication and information activities continue to be among the Board’s key focus points. The joint IFRRO-WIPO publication Collective Management in Reprography is now available in Chinese and Russian, in addition to English, French and Spanish. The Art of Copying explaining why and how to include visual material in the RRO repertoire has been widely disseminated during the FY under review.

With the view to improve the communication and information activities and adapt them even better to member requirements, in conjunction with the June 2007 Board meeting in Washington (USA), and in agreement with CCC and in co-operation with AAP and ACO, focus groups with creator and publisher representatives
were organised to discuss information on IFRRO’s priority areas. Valuable information was provided that will assist in improving information activities, and the Board will consider similar exercises at future Board meetings with rightsholder representatives from other continents. It is apparent that the website plays a key role in the IFRRO information and communication strategy. Short and medium term efforts will include improving the archive functions and the thematic structure of the Home and Members Only pages.

The Key Communication messages as presented at last year’s AGM have been incorporated into all major IFRRO information activities including the Newsletter published 7 times during the period under review. Spring 2007 the IFRRO Update was launched. The intention is for this brief e-mail bulletin to appear twice a month with 23 roundups on news, events and internal developments to help the members stay updated on key issues. The Digital Alert, which is sent also to selected members of IFRRO member organisations in addition to the membership, is produced under the supervision of Bruce Funkhouser, the Chair of the Digital Issues Forum. It appeared with 3 issues during the FY under review.

7. WORK IN RELATION TO INTERGOVERNMENTAL BODIES

WIPO (World Intellectual property Organization)
The co-operation agreement with WIPO, which remains a key co-operation partner for IFRRO, establishes a joint forum that met twice during the year under review: in Auckland in conjunction with the IFRRO GM 2006; and in Geneva on 16 March, 2007 when the Board and Regional Committee Chairs also met with the Deputy Director Generals Michael Keplinger and Narendra K. Sabharwal and the Directors of the WIPO Regional Bureaus. A major achievement during the FY under review was the piloting of the joint training program for ARIPO Members States (see further down under ARIPO, page 6). The Joint Committee meeting in March also discussed longer term commitment to achieve identified goals in specific target countries.

In addition to the twice-yearly IFRRO-WIPO meetings, relevant WIPO meetings throughout the year are mainly attended by IFRRO’s Honorary President, Tarja Koskinen-Olsson and the Secretary General who also attended the WIPO General Assembly in September 2006. The Standing Committee on Copyright and Related Rights (SCCR) meeting on 18-23 June concluded that there is currently no basis for a Treaty on Broadcasters’ rights. The last 2 meetings of the Provisional Committee on the Development Agenda (PCDA) which took place in February and June 2007 classified 111 proposals from the Member States into six clusters: (i) Technical assistance and capacity building; (ii) Norm-setting, flexibilities, public policy and public domain; (iii) Technology transfer, information and communication technologies (ICT) and Access to knowledge; (iv) Assessment, evaluation and impact studies; (v) Institutional matters including the mandate and governance; and (vi) Other issues, of which clusters (i)-(iii) are most interesting for IFRRO. The WIPO General Meeting in September 2007 is expected to decide that further work on these issues be on the SCCR agenda. IFRRO will in particular follow a proposal from Chile on a set of minimum exceptions to the exclusive rights.

In respect of Traditional Knowledge (TK) and Folklore the Intergovernmental Committee on Generic Resources is discussing draft provisions for enhanced protection of TK and traditional cultural expressions (TCE) against misappropriation and misuse, which is an important issue in developing countries. With an international regime for the protection of TK and/or TCE, the rights need to be managed and collective management by RROs is one viable option.

During the FY under review IFRRO provided speakers for and/or collaborated in the organising of 9 WIPO conferences, seminars and workshops: 1 in Africa, 3 in Asia, 2 in Europe, 2 in Latin America and 1 in the Middle East. Besides, 2 major events were co-organised in Africa: A follow-up of the WIPO - IFRRO training program on the administration of reprography for RRO personnel in 5 African countries (Benin, Burkina Faso, Cameroon, Madagascar and Mauritius) took place in Ouagadougou on 2-4 April, 2007 with Sandra Chastanet (CFC), Alexander Wybo (Reprobel) and the Secretary General as IFRRO speakers; A training seminar on intellectual property and administration of rights in text and image based works was co-organised with ARIPO and WIPO on 23-28 April, 2007 (see further down ARIPO, page 6).

UNESCO (United Nation’s Economic, Social and Cultural Organization)
UNESCO and IFRRO co-organised with other rightsholder organisations including IPA an Anti Piracy Training the Trainers (APTT) seminar in Windhoek for lawyers, judges, customs and police officers from 9
Sub-Saharan African countries and representatives from COSOMA, DALRO, NAMRRO (Namibia), Zamcops (Zambia) and Zimcopy on 18-21 September 2006. IFRRO/IPA speakers were Simon Bell (PA, UK), Patricia Judd (AAP), Carlo Lavizzari (DALRO) and the Secretary General. Follow-up seminars have been organised in Malawi, Namibia and Zimbabwe with reported positive effect on anti piracy work in Zimbabwe. An ATTP seminar for Eastern African countries is scheduled for September 2007 in Tanzania.

The IFRRO Secretary General made a presentation at Le Désire d’une diversité culturelle organised by the Belgium Francophone government in cooperation with UNESCO on the UNESCO Cultural Diversity Convention.

Africa
ARIPO (African Region Intellectual Property Organization) is an intergovernmental organisation that represents 16 English speaking sub-Saharan African countries with which IFRRO signed an agreement on cooperation in 2006 covering all major IP activities. This forms the basis for the ARIPO-IFRRO-WIPO collaboration on the development of a training program for IP officials and RRO personal in the ARIPO Members States piloted 23-28 April, 2007 at the ARIPO training centre in Harare. Tarja Koskinen-Olsson was contracted to develop the teaching material and Joy Foster, IFRRO’s Communication and Information Officer represented IFRRO and lectured at the event. The training seminar was considered by all involved as a success with a request for a follow up. IFRRO and WIPO plan to co-publish the teaching material.

OAPI (Organisation Africaine de la Propriété Intellectuelle) represents 16 French speaking Sub-Saharan African countries. The Board has agreed to sign a co-operation agreement with OAPI on the model of the one with ARIPO which will form a basis for the translation of the reaching material from the ARIPO WIPO-IFRRO training seminar for a similar event for the OAPI Member States and RROs.

SADC (Southern African Development Community) and IFRRO signed a co-operation agreement in 2000. The importance of this agreement is largely reduced by the signing of the agreement with ARIPO and has not been active during the FY under review.

Asia-Pacific
APEC/IPEG (Asia Pacific Economic Co-operation/Intellectual Property Experts Group)
The IFRRO First Vice President Michael Fraser and the Secretary General were invited to and gave a presentation of potential co-operation activities between APEC/IPEG and IFRRO at the APEC meeting in Canberra on 24-25 January, 2007. IFRRO has proposed a co-operation agreement which is currently being considered by APEC. Dillys Yu (HKRRLS) and Paul Wee (IFRRO Regional Development Representative (Asia) and CLASS) participated in the APEC/IPEG IP Seminar in Hong Kong on 8-9 November, 2006.

Europe
IFRRO is active in the European Commission i2010 Digital Libraries initiative which aims at establishing a multilingual access point to the European cultural and scientific heritage. IFRRO’s Honorary President, Tarja Koskimen-Olsson is a member of the High Level Expert Group (HLG) established to advice on how to address challenges posed by the initiative. Tarja Koskinen-Olsson and Olav Stokkmo are members of the copyright subgroup, which also includes Myriam Diocaretz (EWC) and Anne Bergman-Tahon (FEP) tasked with proposing solutions to specific copyright issues arising in the context of digitising and making available copyright works in libraries, archives and museums. Focus has been on digital preservation, orphan works and out-of-print works. A model licence for the granting of rights to digitise and make available out-of-print works is being implemented; sector specific guidelines for diligent search of rightsholders to orphan works; criteria for databases and for rights clearance centres are being developed.

Latin America and the Caribbean
CERLALC (Centro Regional para el fomento del Libro en America Latina y en el Caribe)
IFRRO co-operates actively with CERLALC and was represented at its annual meeting on 8 February, 2007. CERLALC meets as an observer in the IFRRO Regional Committee for Latin America and the Caribbean and co-organised a workshop on reprography with IFRRO on 23 April in Bogotá. Several activities inter alia linked to book fairs in Latin America are foreseen in 2007 and 2008. The contract with CERLALC on regional development work has been renewed for one year.
OECS (Organization of Eastern Caribbean States) which is a co-operation between the 6 Caribbean islands Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines. was represented at the 2005 and 2006 consultations on a regional structure to administer reprographic rights in the Caribbean. A seminar co-organised with IFRRO for rightsholder and government representatives from OECS countries on 22 June, 2007 in St. Kitts decided to form a sub-regional RRO for OECS countries.

8. REGIONAL DEVELOPMENT ACTIVITIES
Development activities have progressed successfully in all regions as documented in separate regional development committee reports to the GM.

Tools in the regional development work
The main tools to assist in the regional development work are the (i) Manual on how to establish an RRO, launched in 2006; (ii) Manual on how to Mentor a newly established RRO; (iii) Business plans for the regional development work; and (iv) Regional Development Representatives to assist in the hands-on work. The Mentor Manual finalised in March 2007 by a working party led by Tarja Koskinen-Olsson and otherwise made up of Victoriano Colodrón (CEDRO), Jean Lissarrague (CFC), Brian O’Donnell (Access Copyright), Karen Pitt (CAL), John-Willy Rudolph (Kopinor) and Franziska Schulze will be made available to the membership. A template for a regional business plan for development work has also been worked out.

Regional Development Representatives reporting directly to the Secretary General have been contracted in all regions and, with the exception of Peru, priority countries remaining unchanged: Africa: Zimcopy/Greenfield Chilongo with priority countries Tanzania, Uganda, Zambia; Asia: CLASS/Paul Wee, with focus on Indonesia, Malaysia, the Philippines; Europe: Raymonde Kilpatrick, focusing Bulgaria, Malta, Slovenia; Latina America: CERLALC/Monica Torres Cadena, main focus on Costa Rica, Ecuador, Panama.

IFRRO Development Fund
The IFRRO Development Fund is an important tool and reported separately under 10 Finances.

Asia Pacific Committee
The region counts 10 Collective Management Organisations (CMOs) in membership of IFRRO that administer reproduction rights, 8 with RRO status. Since last year, COLCIA, the RRO in Taiwan Republic of China has been approved as a member of IFRRO. Whereas progress has been made in Indonesia which has set up a working party to develop a RRO and in Malaysia, the positive development of the Filipino RRO reported last year has been halted. Contact has been maintained with APEC/IPEG (see 7 Asia Pacific). The Asia Pacific Committee (APC) met once and organised one telephone conference during the period under review. Chair is Caroline Morgan (CAL) who replaced Michael Fraser as at 15 March, 2007.

Development Committee for Africa and the Middle East
Africa counts 7 CMOs administering reproduction rights in membership of IFRRO, all with RRO status. During the period under review one new member (MASA) was approved. The Board notes with satisfaction progress in the region. Copyghana, Kopiken and Repronig have signed their first licences enabling the collection of their first reprographic fees, and the modified legislation in Zimbabwe enables Zimcopy to start licensing activities. The training arrangement in co-operation with WIPO for selected French speaking African countries has started up and is scheduled to continue the coming year. The ARIPO-IFRRO-WIPO training program piloted in Harare in April 2007 is considered also for French speaking countries in co-operation with OAPI (see 7, Africa). The Development Committee for Africa and Middle East (AMC) chaired by John-Willy Rudolph (Kopinor) with Jean Lissarrague (CFC) as Vice Chair with a special responsibility for French speaking countries met once during the year under review.

European Group and European Development Committee
The Board approved at its meeting in March a modification of the structure by which the former European Development Working Group (EDWG) was changed into the European Development Committee (EDC) reporting to the IFRRO Board. Europe counts 36 CMOs administering reproduction rights in membership of IFRRO, 24 with RRO status. No new RRO, but two new Associate Members have been approved during the year under review, one administering reproduction rights for indigenous people (Samikopiija).
European Group (EG)
The European Group met twice during the FY. André Beemsterboer (SR) is EG Chair and forms with Magdalena Vincent (CEDRO) and Yngve Slettholm (Kopinor, replacing Francis de Braekeleer as of 7 June, 2007) the EG Executive Committee.

Copyright levies in the European Union Member States
The draft Recommendations on copyright levies were taken off the Commission’s agenda in December 2006. New initiatives regarding this issue are not expected in the coming year.

EC Recommendation on cross-border licensing of musical works
January 2007 the European Commission launched a stakeholder consultation on the Recommendation of October 2005 on cross-border licensing of musical works. IFRRO made a submission in which it inter alia seeks clarification on the scope of the Recommendation.

Review of copyright directives
The 2 studies commissioned by the European Commission from IViR on (i) the recasting of the EC copyright directives and (ii) the Members States’ implementation in of the Information Society Directive (2001/29) were published in 2007. The coming FY’s work of the EG will give priority to the assessment of these studies, in particular regarding their evaluation of the exceptions and limitations, collective management issues, orphan works, technical protection measures and the Member States factual reports.

European Development Committee (EDC)
The EDC/EDWG met 3 times during the FY under review. A business plan for the regional development work elaborated under the contracted leadership of Tarja Koskinen-Olsson with Samantha Holman, Raymonde Kilpatrick and the Secretary General in a reference group forms the basis for priorities in the region. Bulgaria, Malta, Moldova, Portugal, Slovenia, Turkey and Ukraine are target countries. Since last FY SAZOR has been approved by the authorities as the Slovenian RRO. The Board thanks Reprobel for receiving a delegation from Ukraine’s Intellectual Property Office for a study visit in June 2007 of the Belgian legislation and model of operation of reprographic rights. EDC Chair is Samantha Holman (ICLA).

Latin America and the Caribbean
There are 8 RROs in the region in membership of IFRRO, all with RRO status: No new member has been approved during the year under review. Together with CEDRO the 6 Spanish and Portuguese speaking countries form GEDRI (Grupo de Entidades de Derechos Reprográficos de Iberoamérica) to promote RRO activities in Latin America which has its own web page (www.gedri.com) to inform of relevant activities. Main target countries in Latin America are Costa Rica, Ecuador, Panama and Peru. In the Caribbean a 2nd regional consultation was held in 2006 focusing on the development of a viable business plan for RRO activities in the Caribbean. Andrew Martin, a Canadian independent consultant with experience in RRO activities and knowledge of the region was contracted to carry out a feasibility study delivered summer 2006. A sub-regional RRO for the OECS countries is under construction. The Committee for Latin America and the Caribbean (LAC) chaired by Victoriano Colodrón (CEDRO) with Brian O’Donnell as Vice Chair and responsible for the Caribbean met twice during the period under review.

9. TECHNICAL WORKING GROUPS AND FORA
Digital Issues
IFRRO work on the digital addresses political issues; technical issues; commercial issues through providing assistance to the development of business models; communication, dissemination and exchange of information between members and others. On the political level the CIFG (Copyright Industries Focus Group) emphasises the copyright industry sector in general and offers a platform to discuss industry wide solutions, whereas the DSC (Digital Strategy Committee) focuses on the IFRRO and RRO strategies in the digital arena. On the technical level interoperability and development of standard messages and tools based inter alia on ONIX is of prime importance. This work is carried out through the DS-T (Digital Strategy – Technical Subcommittee). On the commercial level, IFRRO provides a platform for discussions of technical solutions, frameworks and scenarios as well as rightsholder consultations to facilitate the work of RROs on the development of adequate business models for the digital environment. The communication and
information exchange are organised on 3 platforms: the IFRRO Digital Issues Forum (DIF) open to all IFRRO members; the Digital Issues Alert; and the Members Only on the IFRRO Home page.

The IFRRO Structures on digital issues may be summarised like this:

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**Digital Strategy Committee (DSC)**
The DSC met once during the FY to review the activity plan and the co-ordination of initiatives on digital issues and to prepare the strategy for the work on the Repertoire Exchange Mandate for digital licensing and sample digital bilaterals. The DSC is chaired by Peter Shepherd.

**Digital Strategy Committee – Technical Subgroup (DS-T)**
The DS-T is tasked with proposing solutions to technical issues arising from the work of the DSC to which it reports. A main task has been to carry forward and supervise the piloting of the ONIX for RROs. DS-T met once in addition to monthly telephone conferences. It is chaired by Alicia Wise (PLS).

**Digital Issues Forum (DIF)**
The DIF was convened twice during the year under review *inter alia* to discuss progress on the work on standards (ONIX messages, ISTC and ISNI), digital mandates and licensing. The DIF in Auckland on 31 October also examined a future scenario based among others things on a SWOT Analysis carried out by Rightscom Ltd. on behalf of IFRRO. DIF Chair is Bruce Funkhouser (CCC).

**Legal Issues Committee**
The Legal Issues Committee (LIC) has a consultative role to the Secretariat, the Board and the IFRRO members. During the year under review it has met twice and undertook *inter alia* information exchange in relation to recent legal developments and the regulation of RROs by authorities, such as Copyright Boards and Tribunals. Future activities include plans to develop information on the licensing and making of electronic course packs. Committee Chair is Caroline Morgan (CAL).

**Working Group on Copying of Visual Material**
The Working Group on Copying of Visual Material is chartered to study and recommend solutions on matters involved in the reprography of still images contained within books, journals and newspapers and to determine the strategy for co-operation and closer involvement of the visual creators in the field of reprographic rights. The publication *The Art of Copying* launched at the AGM 2006 outlines the relationship between visual artists and material and reprography and offers an excellent tool on the inclusion of such material in the licensing schemes of RROs. A watching brief is kept on digital issues relevant to visual material Future work will also include distribution of collected fees to visual creators, nationally and on the basis of bilaterals. The WG met once under the chairmanship of Mats Lindberg (BUS).

**Working Group on Licensing of Musical Works**
The main purpose of the WG is to analyse challenges, make studies and recommend solutions in respect of reprographic reproduction of musical works. During the FY under review the WG has analysed the implementation of the European Commission Directive 2001/29 (Information Society Directive) in respect of musical works; and carried out an informal spot survey on the relative share collected and distributed for
musical works by those which include such works in its repertoire. In the coming FY the WG aims at finalising the survey on licensing of musical works. The WG met once chaired by François Leduc (SEAM).

**Working Group on the Licensing of Newspapers and similar Publications**
The main activity of the WG, which met twice during the FY, has been the exchange of information. A report on Collective Management by RROs in the field of Newspapers and similar Publications has been made available to the membership on the Members Only page of the IFRRO web site. Future work of the WG will focus on how RROs conclude licensing agreements with users and how these agreements are structured to include material relevant to the WG. WG Chair is Franziska Eberhard (ProLitteris).

**Equipment Levy Forum**
The Equipment Levy Forum (ELF) established as an informal forum for the exchange of information between RROs administering equipment levies and others that take an interest in these issues met twice. In conjunction with the business plan for regional development work the Forum has assisted in the establishment of a country fact sheet on reprographic levies. Also, the Forum is assisting the Secretariat in developing a factual and informative publication on reprographic levies. The ELF in May 2007 adopted a resolution urging the Romanian government to reconsider the reprographic levies, which have been reduced unreasonably, as well as the limitations and exceptions to the exclusive rights in the Copyright Act. Implementation of the EC Information Society Directive has led to (Spain) or is proposed to bring (Germany) changes to principles on which their levy systems are based. Whereas equipment potentially covered by levies is broadened, tariffs which were previously established by law will have to be negotiated between the RROs and industry representatives. We refer to the Status Reports submitted by CEDRO and VG Wort. ELF is chaired by Frédéric Young (Reprobel).

**10. FINANCES**

**Operational accounts**
The year end balance on the operation, i.e. excluding the Development Fund and the Communication Policy Project, was made up with a surplus of € 62,306 against a budgeted surplus of € 4,000. The surplus is proposed added to the operational reserve which will amount to a total of € 332,278 as at 30 June 2007, or more than 6 months of the budgeted yearly spending indicating a sound economic situation.

**Communication Project**
The 2003 AGM allocated € 200,000 towards a Communication Project. This amount has been set aside on a separate fund and is accounted for separately. As at 30 June 2007, there is a total of € 31,606 left on this fund which will be reduced further during the coming FY due to printing of publications, further development of the web pages, IFRRO participation at the Frankfurt Book Fair and other communication activities.

**Development Fund**
The IFRRO Development Fund is accounted for separately. Fourteen IFRRO members contributed a total of € 212,704 directly to the Fund during the FY, a net increase since the previous years. In addition, members contributed financially through their own development funds, which is the case of Kopinor or by not charging IFRRO’s Development Fund when participating in development activities, which was the case for CFC, ICLA and Reprobel.

The Board approved allocations totalling € 273,426 towards 29 development projects, all in the form of grants: one directed towards Africa and the Middle East, 7 towards the Asia Pacific region, 6 towards Europe, 9 towards Latin America and the Caribbean and 6 towards co-operation with WIPO and UNESCO in Africa, ALAI and towards General purposes. A total of € 270,814 was paid out during the FY.

As at 30 June 2007, the Development Fund amounts to € 1,082,660, of which € 655,077 has already been allocated through Board decisions towards new and/or existing projects. This leaves a total of € 427,582 available for new projects.
11. THE SECRETARIAT

The Secretariat is based in Rue du Prince Royal 87, Brussels (Belgium). As from September 2005, it is co-located with other international organisations such as the European Visual Artists (EVA) and the European Writers Congress (EWC). Olav Stokkmo is Secretary General with Franziska Schulze as Deputy Secretary General. Joy Foster is responsible for the communication and information activities including the IFRRO web page, whereas Céline Rafałowicz handles secretarial matters, including the day to day book keeping. Jean Pierre Exsteen is engaged on a consultancy basis to assist with the book keeping and Maxime Fury with the IT, bringing the organisational chart to look like this:

![Organisational Chart]

*IT is outsourced, administered by Joy Foster

12. FUTURE PERSPECTIVES

RROs stand ready to offer their services to complement individual direct licensing by creators and publishers themselves whenever they find it appropriate. The CIFG offers a platform for rightsholders to develop a collective vision for digital licensing solutions including defining the role of RROs. Ongoing works on standards aim at increased efficiency in rights administration. In the digital arena the implementation of the Repertoire Exchange Mandate (REM) provides a good basis for digital collective licensing. RROs may also be required to examine their roles and services for the digital environment. Whereas collective licensing agreements have been the main and for some the only area of activity for RROs in respect of photocopying, in the digital arena RROs may also have to look into whether rightsholders require and, if so, how they can act as agents for rightsholders including administering collectively individual licensing schemes.

Copyright holders increasingly face challenges by movements and pressures worldwide. Limitations and exceptions to the exclusive rights continue to be on many agendas. Chile has put forward a proposal of a minimum set of exceptions especially in favour of education and libraries expected to be discussed within the framework of WIPOs’ Standing Committee for Copyright and Related Rights (SCCR). The study commissioned by and delivered to the European Commission on the implementation of the EC Information Society Directive recommends a set of mandatory exceptions in combination with a non-exhaustive list of non-mandatory exceptions, which changes radically the concept of the current directives. In countries with levy systems there are proposed changes that may also influence on their concepts.

Request for wider exceptions are often coupled with demands for unremunerated free access. This increases the importance of legal access to Intellectual Property through adequate channels and information on the importance of copyright and its industries and how unremunerated access may seriously damage the building of viable national publishing industries. IFRRO activities the past FYs have aimed at developing means to assist creators and publishers to address what we see as the main challenges. The Board believes that important instruments have been developed and that time has come to focus on implementation.

Brussels, 30 June 2007

Peter Shepherd, President
IFRRO Repertoire Exchange Mandate (REM) for Collective Licensing of Digital Uses

Adopted by the voting members of the IFRRO Board 30 April, 2007

Starting point:

1. IFRRO supports individual and, where in the view of rightsholders appropriate, voluntary collective licensing for some digital uses.

2. Where rightsholders in a particular territory are able to opt into digital collective licences the same option should be directly available to rightsholders from other countries. Nothing in this document is intended to affect the freedom of any rightsholder to enter into direct relationships with RROs or any other third party.

3. As an alternative to direct licensing of RROs in a particular country, IFRRO encourages rightsholders to consider a Repertoire Exchange Mandate (REM) engineered through a network of RROs. The REM allows a rightsholder, who does not have the capacity or inclination to manage a large number of collective licensing arrangements, to reach out to foreign territories, where the rightsholder’s work may be used in digital formats. The REM is to be non-exclusive, and may apply to any type of voluntary licence, whether transactional or blanket or otherwise. The REM enables voluntary licensing to take place on a broad and inclusive basis.

4. The REM is based on the principle that any RRO who wishes to use an REM is voluntarily mandated by its rightsholders to do so.

5. For practical reasons the REM leaves the rights to be granted unspecified. The rights to be granted, to the extent that they are held, are those required under the voluntary collective licences to be entered into in the country of destination. Whilst the REM is not available in case of mandatory statutory licensing, RROs operating under a statutory licensing system may seek to obtain the required mandates from rightsholders in order to benefit from the REM.

6. In order for rightsholders to retain control over the exploitation of their works, RROs authority under REM is guided by a series of principles set out below. Abiding by these will be part of the conditions for a Repertoire Exchange Mandate envisaged by IFRRO.

Principles
These principles are to be carefully scrutinised when an RRO that has created a collective licence involving digital rights (Licensing RRO) is seeking to add repertoire emanating from other countries to its licences from another RRO (Repertoire Holding RRO).

? RRO undertakes to abide by and complies with the IFRRO Code of Conduct.

? The collective licence provides terms that allow monitoring and enforcement of the licence terms. The licensing RRO undertakes to conduct ongoing activity to ensure that the terms are complied with.

? Licensing RRO undertakes copyright and compliance awareness and education activities.

? Licensing RRO will grant licences that are specific and circumscribed in a way that neither conflicts with the primary uses and markets for the works in question, nor with the normal exploitation of the works, or the legitimate interests of the rightsholder.

? The Licensing RRO will ensure that the collective licences that it will enter into are generally supported by the relevant representative group of national rightsholders.
Where the collective licences to be entered into primarily rely on repertoire from particular Repertoire Holding RROs, the Licensing RRO will ensure that the collective licence is generally supported by the relevant representative groups of those rightsholders.

Licensing RRO will ensure that relevant information enabling the rightsholders/rightsholder groups to assess the licences is available to them.

Where the RRO is obliged to act in a particular way because of a particular legal obligation, the RRO will substantiate the obligation to the rightsholder and offer an easy opt-out procedure.

The scope, terms and limits of the collective licence in questions must be made clear to Repertoire Holding RROs.

The Repertoire Holding RRO will be informed by the licensing RRO of changes in mandates and licensing conditions.

Transparency: The RRO will provide information to its mandating rightsholders, whether foreign or local, within reasonable periods of time, on a regular basis and in clear language that is fit to facilitate easy understanding of:

- The way in which it operates
- Details on all programmes abroad in which the rightsholder takes part through it
- The amount collected for the rightsholder concerned under title-specific licences and under non-title specific licences and in the aggregate in each case to all rightsholders
- The total administration costs deducted from the amount originally collected on behalf of the rightsholder
- The rightsholder can ask the RRO to produce such supporting documentation as appropriate and in particular title by title reporting

Efficiency: the Licensing and the Repertoire Holding RRO ensure:
- Short payment cycles
- Cost efficient administration
- Expeditious changes to mandate/pricing when instructed

Accountability: the RRO pays out to the rightsholder all such fees it collects on his behalf through such channels as was agreed (directly, via an RRO, via other organisations)

The licence must provide for an expedient, effective and simple opt-out mechanism.

The REM applies to each category of collective licensing separately, i.e. the collective licensing of digital uses in a new segment requires a separate approval. Changes to existing collective licenses may be made, subject to notification of rightsholders.

Moral rights be respected
- Integrity
- Attribution

Pricing:
In the absence of a price set by the rightsholder, the Repertoire Holding RRO may set a default price. In the absence of such a default price, the licensing RRO in the country of destination may set, at its own discretion, a default price.
Appendix 2

Copyright Industry Focus Group
Conclusions and recommendations reached at Oxford meeting, January 8th & 9th 2007

The Copyright Industry Focus Group (CIFG) is a group of individual authors, visual artists, publishers, rightsholder-organisations and RRO representatives, established by IFRRO in 2006 with the aim of developing a broad vision of the digital future, and solutions for creators and publishers. The following is a statement of the conclusions and recommendations reached by the CIFG at its meeting in Oxford on January 8th and 9th, 2007:

• We believe that, in order to realise fully the opportunities of the digital era, copyright holders must be given the freedom to enable the creation, search, discovery and dissemination of high quality content online, in conditions of legitimate use, based on sustainable business models.

• We take the view that online rights management solutions controlled by rightsholders contribute to the creation of, and enhance legal access to, copyright-protected works for the benefit of authors and other rights holders, users and society as a whole.

• We support the development of standards and systems which enable rightsholders to provide users with legal access to their works within an interoperable framework, thus facilitating access and allowing rightsholders to continue to control the terms of use in the online environment.

• We believe that, in areas where rightsholders have mandated IFRRO’s members, IFRRO has a role to play in the development of such systems, on the understanding that the products developed would be based on open standards and would be controlled and owned by the authors and other rights holders as a whole rather than by IFRRO or by RROs.

Accordingly:

• We encourage IFRRO to continue its work on the development of standards related to repertoire, licensing and distribution.

• We urge IFRRO to develop a wider understanding of online rights and content management systems currently deployed and under development, in order to avoid re-inventing wheels.

• We recommend that IFRRO develops a strategy for discussion with key influencers within publishing at national and international level, and with national rightsholder organisations, with a view to building a base of industry-wide understanding.

• We recommend that IFRRO further develops its understanding of the needs of rightsholders and users.

• We ask IFFRO to produce an activity plan underpinning the above for the period leading up to its 2007 AGM.

Copyright Industries Focus Group
Oxford, January 9th 2007

Statement adopted by members of the CIFG as follows:
Representatives of IFJ, EVA, IPA, FEP, STM, IFRRO and RROs BonusPresskopia, CAL, CCC, CEDRO, CFC, CLA