Speech by Adam Singer, Chair of the Authors’ Licensing & Collecting Society (UK) at the IFRRO AGM 2015

Yesterday, Anne Leer of WIPO gave us a list of what we should be thinking about. Today I am giving you pretty much the same list but asking how we should think about it.

It all starts 37,000 years ago when the caveman Ugh creates the first recording, ( -cue Lascaux hand print---- ) and asks: “do I invite the neighbours to take a look, marvel at the invention of art and then go out spreading a civilising culture of, - “I just love how you are softening the walls in here” - or do I monetise my art, call it edition one of Cave and Gardens and charge the neighbours 2 knuckle bones a view and stop unauthorised copying with my handy dandy copy club?

This dilemma is still with us, spread the word from bibles to blogs, or monetise the word from books to newspapers. How many people you can reach and how much you can earn is determined by technology.

The right to make a living from words is embodied in copyright, regardless of the technology you use: but copyright is like life. Life has been hanging on for 500 million years, and every creature, including you, is an interpretation of life. 99% of these interpretations are extinct. What makes you think it’s different for creatures of copyright?

Life gets to deal with errant asteroids, and still survives; and copyright gets errant technology, and still survives. The difference between a life extinction event, and technology eradication event, is that in technology nothing ever dies, it just fades away.

Technology is an abundance generator, and before the digital age abundance was constrained by mechanical frictions; the pen, the press, the truck and the humble shelf. The copyright we know created business models based on this mechanical era; those models are not working so well in this new era of frictionless abundance.

The issue is not copyright, but that abundance has shifted power to the consumer by providing more choice than they will ever have time for; and so the consumer is saying: “I don’t think your movie, your music or your book is worth what you once charged for it; so bid for my attention.” .......In other words we are entering the Dutch auction from hell where prices are bid down not up.

Consumers are opting for Netflix over their cable TV, or Spotify over owning CDs, or the Huffington Post over the New York Times. Buying content to own, be it DVD, CD, book or newspapers is on the wane.... as we choose the cheaper stream.

These changes alter how much money; who gets the money; and who collects the money. In that future it’s hard to see how it will be us - in this room - collecting that money. So today I am not talking about art, or the human craving for art, but about how we - us here - think about supporting art. Art is an economic activity and as our caveman might say “no food, no art about food.”

So let’s start with this. The conference organisers asked me: “Adam in an emergency, how do we clear a room full of writers?”
Publishers know a burning room when they see one; but writers obsess about the nature of flames, are they orange or ochre; do they gobble or consume? Well if you want to clear a room of writers, just get an economist to shout: “inventory” or “content”, and writers will flee before you can say “supply and demand”.

If you write for fun, economics are irrelevant, but if you want your words to earn money, they must enter the market and be subject to technological and economic forces. These are horrible words but in reality it’s just a constant game of ‘paper, scissors, stone’. The trick is not crying ‘scissors’ when the world has moved to ‘stone’.

When Ugh’s hand shaped that paint he simultaneously invented ink, art, recording, and the foundations of writing. That was the greatest single moment in the history of communications. It was the first time a thought from inside your head got stored outside your head.

Over the next 37,000 years we refined writing tools, brush, stylus, pen, print, and the keyboard, which enabled runes, hieroglyphs, letters, and symbols. We then worked on ‘signal carrier tech’, in other words clay tablets, parchment, paper and e-books, and then started the most boring conversation in the history of art; the - ‘that will never catch on’ debate about clay tablets vs scrolls; or printed books vs e-books; as when a bunch of medieval monks sat round a mug of mead saying: “parchment now that’s a proper recording medium, not like your fire starting paper; if you want your words to last you need a quill pen, and a bit of dead sheep skin.”

It’s the same today - the only difference is a preference for Chardonnay over mead. The key thing about iterations in carrier tech, manuscripts, print, or e-books, is that at each turn they enabled a greater spreading of the word. Here is the heart of the debate. It has always been ‘spread the word’ or ‘monetise the word’. Google vs Authors Guild can be seen as yet one more round in an age-old battle of ‘spread the word’ or ‘monetise the word’.

All the major book-based faiths, Judaism, Christianity and Islam, believed in spreading that word. To spread the word you needed to record it, copy it and ensure literacy among a priesthood to convey it. The aim of any good Prophet was ‘spread the word’ and get followers. Then you monetised your followers by getting them to build temples, make donations and sponsor art.

This should remind you of something. The clue is in the word ‘followers’: it is used by, among others, Twitter, Spotify and Facebook. Their model is similar, ‘spread the word’ and ‘monetise your followers’, by reselling their attention as in advertising, or merchandising. What links prophets and bloggers is they are about selling the audience as opposed to selling to the audience.

Major religions are the progenitors of the social media model, and start up religions often borrow ideas to broaden their appeal. A good example is western Christianity’s adoption of December the 25th as the date for Christmas.

This was Saturnalia, a straight theft from Roman religion, to give Christianity a fun boost in the deep midwinter and help it appeal to pagan revellers. You can just a hear an early bishop saying: “look you Saturn worshippers, we are not taking anything major from you, just a feast or two”.
You are thinking: where the hell is he going with this? This is what Google has done, in the case of the Authors Guild and the digitising of books. Google has ripped the Saturnalia out of them and said: “we are not taking anything major, just the best feasty bits that prop up your living”........Or, to ask a question from a junior maths course: how many “fair use” excerpts does it take to make a whole book pointless?

However there is another view: that we have mass literacy at all. That we have a demand for the written word is due to the ‘spread the word’ model that dominated creative economics from our caveman to the invention of print; and shock horror in this new world Google might be right, they might be the 21st century equivalent of a scriptorium in Lindisfarne, spreading the word and driving demand to buy that word. The problem is, we just don't know. We don't how the resurgence of the ‘spread the word’ model, as manifested by Google, will sustain creative life.

It’s frightening to see the 500 year old ‘monetise the word’ model we have known be under this threat; so we dwell in fear. When in 1932 Roosevelt made his famous quote about fear it was the time of the Great Depression, and he said: “the only thing we have to fear is...fear itself”. However the seldom quoted second part goes on with: “nameless, unreasoning, unjustified terror which paralyzes needed efforts to convert retreat into advance.”

We - rights organisations - can be afraid to advance; our natural urge is to retreat into the comfort of the known. That is what we do when we examine the ‘ifs’ at IFRRO or ‘wipe outs’ at WIPO or bowel movements in Brussels.

We spend hours in the commas and colons of ‘the now’ and not enough time looking at where we are going.

This is hard and frightening, as the greatest level of creativity that humanity has ever known, has been sustained by copyright. It was copyright that made the ‘monetise the word’ model so successful in a time where analogue technology maintained prices.

If you invented copyright today you wouldn't saddle it with a name like copyright, you would call it a 'sharing app', and name it, 'Share Bear'; “hey dude have you used Sharebear yet? It's this great app like Snapchat; you send out your words, they last on the screen for life plus 70 years and then they disappear, but while on the screen you get paid?” How cool is that?

Oh, if only it were that simple. Actually it is that simple; that is copyright in a nutshell. But how far can traditional copyright be stretched? Each iteration of technology; pen, printing press, the web, increases the size of the audience, but at each increase in abundance, the unit cost of the book, the disc, the creative item falls. We got away with this while the audience grew quicker than falling costs, but now it's the other way round; the prices we can charge are falling quicker than the audience is growing.

I am often accused of being an evangelist for techno determinism, and asked what relevance do these technological issues have to writing?
I hear it when a writer asks: “why do I need to know about Buzz Feed or Craig's list?” I am puzzled, as a major tool in writing is metaphor, and these new businesses are metaphor-fodder. Metaphors illustrate forces as in “winter of discontent”, or “fear in a handful of dust”, or emotional insights such as my very own poem about Facebook: “I wandered unfriended as a cloud”.

Now you see why I will never be a writer; but metaphors from outside help us think about our insides, they illustrate the invisible forces we are dealing with. Scientists will tell you without fresh metaphors you can't think, or even talk about the forces that are affecting you.

In that spirit to use an already hackneyed phrase “music is the canary down the mine”. Meaning, if that poor bird is strapped to a defibrillator having beak to beak resuscitation we had all better watch out! For us it’s not the bird that is the metaphor but music itself, as where music is going all content is going. Forget about the differences between listening or reading or watching - it's about the falling prices caused by abundance.

In the vinyl age of LPs a track in today's money cost roughly $1.60; with CDs it dropped to about a dollar; iTunes took it to $0.75 cents, and with the arrival of Spotify and other streaming services, it is now $0.006 of a cent per track.

For music to make a living, it has had to move from a direct sales, ‘monetise the word’ model, and rely increasingly on a ‘spread the word’ model. Music still makes money from discs, and downloads, but heavily relies on advertising revenues from YouTube, subscriptions from Spotify, and by driving followers to attend concerts. For example, Taylor Swift's 2013 earnings were $39m, of which only $9million came from direct sales. The rest came from assorted subscription and access models.

Mark Mulligan, a music analyst, notes that: “music is moving from a sales model which guaranteed up front revenue to an access model where revenue is fractionalised over many years. In the sales era a purchased album generated $10 of gross revenue whether it was listened to once or a thousand times. In a streaming service an album that is listened to once generates 10 cents and only reaches $10 when listened to a hundred times”.

I know we don't read a book 100 times; just that one paragraph from Fifty Shades of Grey: but we too face this shift from sales to access as we see the arrival of e-book subscription services, as in Subcribd or Oyster, or Amazon Unlimited; they all hint at Netflix for books, but they have yet to be a success. To quote a Forbes article: “Users consume e-books differently than they do other subscription products. Unlike Spotify, where a user can consume hundreds of songs a day, the average reader is lucky to get through one book a week. Music and movies can be measured in minutes and hours, but e-books have to be measured in weeks or months. Therefore, it takes more time - and money - to build a viable service”.

The article goes on to point out that music subscription went through a long gestation. There were pre-iTune services, PressPlay and Rhapsody, that didn't work. But over ten years people kept working at subscription, till they got it right in the guise of Pandora or Spotify. Technology iterates until it gets it right, and subscription in e-books does not work .......... yet.
It’s true that a force that drove music to $0.006 cents a track was piracy, which we don’t have to the same extent. The point about digital technologies is that they enabled the consumer to revolt. All through the mass media age of the 20th century people had no choice but to buy content at what they felt were imposed prices. Rightly, but mostly wrongly, they saw copyright not as an enabler of creativity, but as a defender of entrenched monopoly. Digital tech with its effortless copying and distribution gave them the weapons to change all this - by starting a revolution where consumers were led by digitally empowered Robespierres who showed them how to overthrow the ancienne analogue regime by stealing its content.

If you were part of the old media-bestowing establishment, then like the French aristocracy you will never understand why the people stormed the cyber Bastille, or why those in revolt failed to grasp that creators needed to be paid. Revolutions can be terrorising events and piracy was the guillotine of the digital revolution.

Piracy accelerated a fall in prices, and the ubiquity of the technology made it hard to enforce regulation against piracy. So prices have dropped where piracy is less worthwhile; but piracy was only part of the issue. Digital tech destroyed barriers to entry and gave us greater access to ever more content, and then the only way to get our attention was to lower the price, and the prices we knew that sustained us old legacy institutions are never coming back.

All this would have happened slower without piracy yet, in my view, would still have happened, as the issue was abundance, the effects of which can be seen in the vast over-supply of advertising space that is lowering the revenues for free TV and print. You can see it in publishing as advances for writers dry up. Why provide an advance? Just let them self-publish, and see how they do. So, self-publishing - is it freedom or just a free audition? ……Like a bar-room band playing for tips.

In the Ancienne regime the only way to market was through media majors like broadcasters, studios, publishers. In the post-digital aftermath, the media majors have been eclipsed by the new digital majors; and media majors do not have the power they once did - but the majors endure, as in a world of rising noise they are still the ones who can get their artistes heard.

This is why it is as hard as ever for new artistes to break through as the noise level is so high, and why legacy artistes like the Rolling Stones, or established movie franchises like James Bond do well as they float above the noise.

The question any musician after a night of blues and bourbon might ask is if copyright can only get me $0.006 of a cent per lovingly created track, what’s the point of a copyright system that can’t provide a living? You can see the same in writing as it gets harder to live by words alone. If I knew the answers to all this I would be Skyping you from my private jet, but let me put these final thoughts to you:

There are big holes in my argument, not least as there is no clear divide between ‘monetise’ or ‘spread the word’. It’s nuanced, but there is no fun in nuance when giving a talk, hopefully I have provided some metaphors to fuel a debate about are we - ‘rights organisations’ - fit for this world?

My belief is that abundance is fantastic, and it’s the best time to be a creative. It is a golden age for television writers; there are millions being made from creating games, and creations are reaching audiences they would never have got to.
There is the rise of YouTube and blog millionaires - admittedly few - but a while ago there were none. There are creatives getting opportunities though the net and social media they would never have had under the ancienne regime. You can make money in this new era, just not in the way you used to, and for most us – that’s people and institutions - we are too old to change.

Copyright is a child of technology, and it’s from technology some solutions will come. It’s worth checking out block-chain tech and copyright, and how researchers are looking at ways to make this offspring of bit-coin protect digital files. Ironically if block-chain works for copyright it means copyright as a law becomes redundant, as the technology provides all the protection you need. Before you argue with me, let me say: “we ain’t even close, but it could be coming and its worth checking out”.

The shift to the ‘spread the word’ models should be good for us, as ‘spread the word’ is a variation on a blanket license theme and that’s what we do. It’s also good for us that the old legacy models are taking time to die; so we will be around for a while, but ponder this:

The history of disruption shows that seldom, if ever, does one self- disrupt. Blanket licensing means it’s very prone to be ‘app’ed’, and that app will come from a start-up. If I were investing from scratch I would look for an app that shifts blanket payment from using companies to using individuals; it would send money to publishers and - most alarming of all - to authors and it would automatically keep a tally and just turns up on an individual’s expense claim, thus ending all those boring blanket licensing conversations.

Like Apple forcing iTunes on to the record companies, I would find a digital partner with the power to force it on to the rights-holders, and the cost per item, or per excerpt will drop like a stone as in music. If that happens next week, then this is the last IFFRO conference!

If that doesn’t get you, then text books will. In this future text books make no sense, and it’s where their content is ripe for access and subscription models.

It hasn't happened yet, but if it does happen, why do we believe we would still be relevant? What unique skills do we have that can't be bought by a corporation with a mission to organise the world’s knowledge? Apple Music and Spotify are blanket licensing operations, and the thing which would make sense for them would be an app that privatises collective rights management.

Now I am teasing, don't take all this too seriously. But the question is this: how do we think about these issues?

Olav, (CEO of IFRRO) you and IFRRO have done a remarkable job, in proselytising copyright, getting countries around the world to see the benefits that copyright brings, you too are to be applauded. But, and you knew there had to be one, we are all creatures of the mechanical copyright world. Where do we discuss our relevance in a post-mechanical, digital copyright world?

So, Olav, could I put in a plea for regular sessions, where we get outsiders to give us metaphors, to help us think about our insides. Where we can be less self-referential, and use the knowledge of other sectors to help us innovate?
To be fair to you Olav I know you agree. And my question is how do we do all the stuff that you have made IFRRO so good at, while ensuring we raise our eyes to see what’s coming?

As Ugh our caveman would have said: “I want to create art and stories forever; but if the price of bison bones keeps falling, I will have to give up art and take up clubbing for a living, and we know what that did for humanity”.