This report covers the period July 2013 – June 2014 during which the Board was made up of Rainer Just, (VG Wort), President; Hélène Messier (COPIBEC), First Vice President; Jim Alexander (Copyright Agency), Second Vice President; Directors: Tracey Armstrong (CCC), Kevin Fitzgerald (CLA), Mats Lindberg (BUS), Michael Mabe (STM) and Yngve Slettholm (Kopinor); Substitute Directors: Ana Maria Cabanellas (IPA), Heikki Jokinen (IFJ), Dora Makwinja (COSOMA) and Benoît Proot (Reprobel). The Board met three times: October 2013 in Istanbul; February 2014 in London; and June 2014 in Lilongwe. Two e-votes were carried through, in July 2013 and in February 2014.

Effective protection of Authors’ rights and Copyright is necessary to support a vibrant national and regional culture. The “free information” model is a direct threat to the livelihoods of creative and professional people and therefore also to the economy. Continuing innovation and investment depends on nurturing Authors’ rights and Copyright. Those rights are also fundamental human rights. It is a Board priority to communicate this at discussions on exceptions and limitations to the exclusive rights of authors and publishers at international, regional and national levels. Exceptions and limitations are main topics on the agenda of the meetings of the World Intellectual Property Organisation (WIPO) Standing Committee on Copyright and Related Rights (SCCR). They are also among the principal ones in the European Commission’s review of the EU copyright rules and in any national copyright law revision.

At the heart of the discussion is access. The illegal market for copyright works represents a threat to a dynamic and innovative creative sector. Unauthorised uses are not efficiently fought through anti-infringement activities only; it must be made easier for users to access and use intellectual property legally than illegally. This represents a challenge, which the Board aspires to addresses in the Strategic Plan for its future work. Collective rights management provides appropriate solutions when direct licensing is not practicable. Functioning RROs is essential in a strategy to improve legal access to copyright works. To this end the Board also opted for yearly regional RRO meetings, to replace the former Senior Managers Forum, for the exchange of best practices and information, and strategy development for improvement of RRO work taking account of local and regional needs and requirements.

The Copyright sector is a key component of the creation of economic growth, employment and wealth. Agreements with authors, publishers and RROs are the most effective means of giving users access to published works and of encouraging the creation of new ones. They meet dynamic user needs in a way that limitations and exceptions can never offer. This is not evident to all; it needs to be communicated effectively and regularly. With the aim of harmonising approaches, the Board endeavours, through cooperative efforts with the international author and publisher association members of IFRRO, to launch a campaign to provide easy access to relevant information on Authors’ rights and Copyright, and to evidence the value of those rights and the creative sector.

1. Membership
As at 30 June 2014, IFRRO has a total of 145 members in 78 countries. 89 members are RROs, of which 21 are Associate and five Provisional RRO members; and 56 are Creator and Publisher Association Members. This represents a net increase of four members since last FY. Collected fees by RROs was, for the time, down, decreasing by 8% to € 785 million.
One new Associate RRO member – OperaScrisa.Ro; one new Provisional RRO Members – URRO (Uganda Reproduction Rights Organisation); and two new Creator and Publisher Association Member – APA (American Photographic Artists, USA) and BASYAYBIR (Turkish Professional Association of Printing and Publishing) - were approved during the FY. In addition, Associate RRO member EDISAM merged with BESAM, retaining the name of BESAM (Copyright Holders Association of Literary and Scientific Works, Turkey), which was subsequently approved as an Associate RRO member.

2. ORGANISATION AND STRATEGIES
The Board has adopted a Strategic Plan, and an Operational Plan for the Financial Year (FY) 2014-15. Both documents are made available to the membership with the Reference material for the General Meeting 2014. The three key trends that set the premises for the Board’s Strategic Plan, are (i) The unprecedented speed of technological development and change; (ii) Copyright owners being on the defensive and losing position in the communication battle; and (iii) Politicians and academic copyright defendants often siding with users. Taking this as a starting point, the Board will (A) endeavour to understand better and anticipate future trends, both with respect to possible user needs, authors’ and publishers’ requirements and future business models of copyright holders; (B) Encourage RROs to develop new roles and business approaches, in collaboration with authors and publishers and their associations, with the aim of facilitating the development of solutions that address appropriately consumer needs, whilst respecting the requirements of the copyright holders; and (C) Develop, maintain and coordinate communication and information activities, with the aim of ensuring better understanding of the positions and requirements of authors, publishers and RROs, and to enhance their influence in the political environment.

In April 2014, the Board also adopted an Authors’ and Publishers’ Charter, developed in collaboration with authors’ and publishers’ representatives, which it invited the international authors and publishers association members of IFRRO to endorse. At the time of the finalising of the Board’s Annual Report, one organisation has endorsed it, whilst three have informed that they are not in a position to do so. The Board wishes to explore with the international author and publisher member organisations how to take the initiative forward.

The Board has also agreed to a Board Code of Conduct; the handling of Board documents, which inter alia implies that the Executive News, which summarises the Board decisions after each Board meeting, be posted to the Members Only section of the IFRRO website; and the performance of self-assessment on the functioning of the Board meeting after each meeting. It also decided to follow up the mandate from the AGM 2007 and raise the membership fee to compensate for some of the increases in the Belgium cost of living index.
At the bi-annual review, the Board reconfirmed the mandates of all Regional Development Committees and Technical Working Groups (WG), and agreed to make changes to the Visual WG membership, to allow for a core membership for active working group purposes, and a larger forum for information exchange; apply half yearly reporting to the Board of all committees and WGs; stand down the Technical Standards Committee; transform the Musical WG into the Musical Forum; and suspend the work of the Middle East Development Committee, until further notice. The period under review clarified that the authors’ and publishers’ gatherings facilitated by IFRRO at its main events shall continue without making them part of the IFRRO formal structure.

It also considered criteria for the future location of the IFRRO World Congresses (IWC), which must consider the usefulness to IFRRO’s own agenda, including that European locations should be selected during significant election years. It should also take account of: (i) security and health concerns; (ii) the availability of a willing or “needy” host; (iii) whether the location has the potential of drawing a sizable audience, the logistics / cost are reasonable, there have been recent IFRRO events in the country or region, an adequate balance / spread throughout the RRO world is achieved, and the organising of the IWC in the country contributes to supporting legislation or copyright reform in the country or region; and (iv) that a good but not extravagant hotel standard can be offered for the main IWC venue.

3. POLICY ISSUES AND STRATEGIC COOPERATION
Enhanced focus on exceptions and limitations to exclusive rights
The WIPO SCCR\(^1\) agenda has now turned its main focus on a Treaty for broadcasting organisations, and exceptions and limitations for education and libraries and archives, which are core issues to the IFRRO membership. The Board has therefore opted for extended IFRRO delegations to the SCCR meetings, to ensure that information and IFRRO’s position are communicated broadly and appropriately. It wishes to thank, in particular, Kevin Fitzgerald, Mats Lindberg and Dora Makwinja from the Board; and Magdalena Iraizoz of CADRA, Roy Kaufman and Antje Sörensen of CCC, Hong Taek Chung and Hwan Kyung of KORRA, George Zannos of OSDEL, Raffaella Celentano and Simona Porzia of SIAE, and Zeinep Atiker of Yaybir for their invaluable assistance to the IFRRO President, CEO and General Counsel at the SCCR meetings that took place during the period under review.

In May 2014 the IFRRO CEO, signed a letter to the European Union on behalf of 22 international rightholder organisations urging to ensure that WIPO sticks to a balanced mandate for copyright framework.

Enhancement of Collective Management
IFRRO continues to cooperate with WIPO on the TAG of Excellence project to develop a voluntary quality mark on transparency, accountability and good governance for Collective Management Organisations (CMO). The IFRRO CEO chairs the Reference Group, made up of representatives of international federations representing CMOs, and WIPO. The CEO also chaired a panel on TAG that was organised by the US Patent and Trade Office (USPTO) and WIPO in May 2014. The Reference Group will now consider the involvement of national CMOs; authors’, performers’, publishers’ and producers’ organisations; users and consumers; and governments, as well as the certifying procedure and institution.

Cooperating for better solutions to identify rights and authorise use of copyright works
Digitising and making available cultural heritage: orphan works and out-of-print works
During the period under review, the IFRRO CEO has chaired the Memorandum of Understanding (MoU) on Out-of-Commerce works’ implementation task force, which has monitored the progress in the application of the MoU. Beyond France, Germany and Norway, which have projects to make available cultural heritage (Annual report 2013, page 3), there are proposed amendments to the Slovak Copyright legislation to implement the EC facilitated Out-of-Commerce MoU signed by IFRRO and other stakeholder organisations.

ARROW – Accessible Registries on Rights and Orphan Works and European digital libraries
ARROW is a tool to assist in search for rights status and authors and publishers of text-based works in an automated, streamlined and standardised way, with the aim of reducing the time and cost involved in the search process. IFRRO has joined the ARROW legal entity, which was established as an association under Italian legislation in September 2013, with the Italian Publishers Association (AIE) as the administrator. The

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\(^1\) Standing Committee on Copyright and Related Rights
ARROW Intellectual Property Rights (IPR) agreement grants full exploitation rights to the ARROW Association with respect to all technical enhancements contained in the ARROW system, enabling the ARROW Association to manage the ARROW system after the end of the EC-funded phase.

The EC sponsored ARROW Plus project expired in 2013, with the final conference on 4 December 2013 in Brussels, supported by Member of European Parliament (MEP) Françoise Castex. The IFRRO Standard Software for RROs\(^2\) was made ARROW compliant, and International Standard Text Code (ISTC) and International Standard Name Identifier (ISNI) were acquired for integration into the ARROW system.

Persons who are blind or print disabled
The WIPO Stakeholder Platform on enhanced access to persons who are blind, visually impaired, or otherwise print disabled, agreed to replace the TIGAR project by a permanent multi-stakeholder entity. The Accessible Books Consortium (ABC), expected to play a vital role in the implementation of the Marrakesh Treaty on enhanced access to published work for print disabled persons, was officially launched on 30 June, at the WIPO SCCR. It is located at the WIPO headquarters; audited by the WIPO external auditors; governed by a Board, made up of 5 rightholder representatives, 5 representatives of print disabled people, WIPO, with the WIPO DG acting as the ABC Chair; and donors contributing CHF 200,000 or more. Rightholder seats are earmarked for IFRRO, IPA and the International Authors Forum (IAF), the IFRRO seat being occupied by the CEO. ABC covers three main activities: (i) Inclusive Publishing, to encourage the publishing of more works born in accessible formats, \textit{inter alia} through the signing up to a Charter on Accessible Publishing; (ii) Sharing of technical skills and know-how through a technical assistance and capacity building programme, primarily directed towards countries under development; and (iii) Further development of the TIGAR international database and book exchange, hosted by WIPO. The immediate ABC tasks include developing licensing arrangements to replace the current Memorandum of Understanding.

The European Trusted Intermediary Network (ETIN) is an EC-facilitated initiative to implement the EU MoU signed in 2010 by stakeholder representatives concerned, including IFRRO, on improved access to copyright works for persons with print disabilities. Beyond the establishment of an ETIN Board to govern it, with Rainer Just representing IFRRO, the project has had limited activities during the FY under review.

Linked Content Coalition (LCC) and the Rights Data Integration (RDI) project
IFRRO has been a part of the Linked Content Coalition (LCC), a cross-media project which aims to create a structure for rights management on the Internet, based on existing open standards to ensure interoperability, with the CEO as a member of the ABC Board. On 31 March 2014 various standards organisations, such as ISNI and ISTC, formed Linked Content Coalition Limited (LCC Ltd.) as a legal entity under English Law, to replace the original initiative. The LCC “brand”, together with IP rights created during the project phase was transferred to the new entity. IFRRO will be invited to join the informal unincorporated LCC Forum, to be established for wider stakeholder engagement, to be hosted initially by the European Publishers Council.

RDI (Rights Data Integration)
With the aim to provide a proof of concept for the LCC, several of its partners, including IFRRO, are collaborating in the Rights Data Integration (RDI) project. It is sponsored by the European Commission under its Information and Communications Technologies Policy Support Programme (the “ICT PSP”) for 50% of the budgeted eligible costs. RDI aims at demonstrating how intellectual property rights can be efficiently managed and traded online. It will develop a structure that enables users to find and access information on the ownership of content, demonstrate how different expressions of rights and rights management can be handled through a central hub to be built using the LCC Common Rights Framework. The project, which totals 13 partners, will run for 27 months from its start-up in October 2013. Within the project, IFRRO will be acting as a source of information on creations by cooperating with its members.

Cooperating on a better understanding of the future
CISAC (Confédération Internationale des Sociétés d’Auteurs et Compositeurs)
The Board aims to keep up the cooperation with CISAC. This currently includes technical standards works. CISAC is also an observer to the WIPO initiated project on a good governance quality mark (TAG).\(^3\)

\(^2\) See 5 Standard Software package for RROs, page 7
\(^3\) See Chapter 3 on page 3 and Chapter 6.1 WIPO on page 7
IFLA (International Federation of Library Associations and institutions)
The IFRRO President and CEO attended the IFLA congress in Singapore in August 2013, and IFRRO and IFLA collaborate in the conference programme on the enhancement of a culture for books and reading, which also involved WIPO, IPA, IAF, CERLALC; the national RRO, authors‘, publishers‘ and library organisations; and Indecopi, the national Intellectual Property Office.

4 CERLALC, see page 8

4. MEMBERSHIP RELATIONS, COMMUNICATIONS AND INFORMATION
IFRRO Communication Strategy
IFRRO‘s communication strategy focuses on addressing the challenges that IFRRO and its members are facing in a world that increasingly emphasises the need for access to intellectual property to build the future knowledge based economy, and, at the same time, often underrates the copyright sectors‘ ability to provide it through individual and collective management of rights. Proactive and positive response centred round coherent initiatives communicating appropriate messages on copyright and collective management are required to document the importance of the text and image sector – to knowledge, education, research, culture and cultural diversity, as well as to economic development.

To support the strategy, IFRRO has proposed an Authors‘ and Publishers‘ Charter, and teamed up with EMMA, ENPA, EVA, EWC, FEP, IFJ, IPA and STM to launch a Value of Copyright campaign. This will include a website - Copyright Link - aimed at establishing a single access point online for international and local information on Authors‘ rights and Copyright, with a particular focus on the text and image sector. The website is scheduled to be launched in October 2014, during the Frankfurt book fair, and include relevant legislation, useful facts, details on the history of copyright, its value, usage and importance, in addition to news and events. It will also be used to showcase copyright advocates identified by IFRRO and its members.

Assistance to members
The Regional RRO meetings, organised as a part of the IFRRO Regional Development Committee meetings, focused on good governance and the development of activity plans for RROs to become fully operational. Awareness raising events, open to authors, publishers, users of copyright material, and the public, were organised in conjunction with the meetings, which were held in Yaoundé (Cameroon, hosted by SOCILADRA) and Lagos (Nigeria, hosted by Repronig) for the French and English speaking African RROs; Bangkok (Thailand, hosted by the Thai Publishers and Booksellers Association) for the Asian RROs; Vilnius (Lithuania, hosted by LATGA) for selected European RROs; Lima (Peru, hosted by PERU REPRO) for Central and Latin American RROs; and St. Kitts and Nevis (hosted by ECLLA) for the Caribbean RROs. The feed-back from the meetings is that they have achieved their purpose of enhancing RRO cooperation.

IFRRO continues to support members, at their request, in relation to copyright legislation or litigation. During the FY under review assistance was, in particular, given to members in China, Lithuania, Russia, Spain and the UK, including making submissions on legislation and copyright amendment bills. IFRRO responded to the UK Orphan Works consultation, and made presentations in conjunction with bilateral talks that EU have with Turkey and the US. To assist CEDRO in Spain, IFRRO engaged in information exchanges and meetings with the pertinent Spanish ministry, and co-signed, with other organisations representing CMOs, authors and publishers, in May 2014, a letter to the European Commission, regarding Spain‘s private copying scheme. IFRRO is supporting Reprobel in the litigation against HP, including through a statement made available to the Court of Justice of the European Union (CJEU).

IFRRO joined amicus curiae brief in The Authors Guild v. Google
The Authors Guild has appealed Judge Denny Chin‘s ruling in the case against Google Inc. At the specific request of the authors‘ groups, the IFRRO Board decided for IFRRO to join IPA, STM and the former US Register of Copyrights Marybeth Peters in an amicus curiae brief, and support a separate brief filed by the International Authors Forum (IAF). In the joint brief, amici argue that the previous court‘s fair use analysis conflicts with court precedents, which require US courts to assess each instance of copying “case-by-case”. It also questions whether its approach complies with the US‘ international obligations.
Cooperation and coordination with international author and publisher association members

Meeting with international authors’ and publishers’ organisations in membership of IFRRO continues to be a priority issue for the Board. During the period under review, the IFRRO President and CEO attended a EWC Board meeting to discuss issues of common interest. Meetings were held regularly at Executive levels with EMMA, ENPA EVA, EWC, FEP, IFJ, IPA and STM for the purposes of information exchange and coordination, including on WIPO SCCR and EU related matters. Authors’ and publishers’ gatherings were facilitated in conjunction with the IWC in Istanbul in October 2013, and the mid-term events in Athens in June 2014.

Periodical publications and other information activities

At the SCCR meeting in April / May 2014, IFRRO organised a side event on best practices on making available cultural heritage by libraries, with contributions also from Professor Hong Taek Chung (KORRA), Christian Roblin of SOFIA, Damian Schai of STM, and representatives of the French ReLire and the German National Library out-of-commerce works projects. The compiled presentations are available on IFRRO’s home page and at the WIPO library. For the 28th SCCR meeting in June / July, a best practice document on how rightholders and RROs provide easy access to text and image works in libraries and education was prepared and broadly disseminated. Also this document is available on the IFRRO website.

During the period under review, three documents were prepared demonstrating how RROs contribute to the offering of seamless access to text and image works: In the Quick guide series, *Seamless Access to Content and How RROs Help to Enable it* was published in October 2013; the *Toolkit for licensing, including micro licensing in text and image works* was prepared, with EMMA, ENPA, EVA, EWC, FEP, IFJ and STM, within the framework of the EC initiative Licences for Europe; and the *Easy Access to Copyright published works*, showing best practice examples of how access to text and image works in libraries and education is best provided through agreements with authors, publishers and RROs, was extensively disseminated to WIPO Member States delegations in conjunction with the 28th WIPO SCCR meeting in June/July 2014.

IFRRO has also published with WIPO a joint study on Text and Image based Copyright Levies. It is the first comprehensive and detailed study of text and image levies (TI levies) world-wide. It analyses the origins, scope and current use of these levies around the world, their role in ensuring easy legal access to copyright material. The aim is to provide transparent information on the administration of the levy system with regard to authors, publishers, users of copyright works, manufacturers, importers, and other stakeholders.

The Board agendas continue to be posted on the Members Only section of the IFRRO website one month prior to the meetings, and Executive News after each Board meeting informs the membership’s executives and boards of the most important Board decisions. The IFRRO Newsletter was published seven times and the Digital Alert appeared quarterly during the period under review. Monthly Alerts have been sent to members to remind them of important deadlines and information that has been disseminated by IFRRO, and to give links to articles and events.

5. **Facilitating development of RRO business approaches**

**Business models and cases**

The IFRRO Business Models Forum (IBMF) chaired by Tracey Armstrong (CCC) offers opportunities for the exchange of best practices and discussions to stimulate development of RRO business models, and for the communication and exchange of views on the Board’s policies in the area. The forum in October 2013, in Istanbul, focused on *Copyright, Cultural Diversity and Collective Management*, with high quality speakers from within and outside the region.

**Technical standards and identifiers**

The Board appointed Mark Bide, Chair of PLS, as the new Chair of the ONIX Governing Body (OGB), which otherwise consists of Franziska Eberhard (ProLitteris), David Grundy (ALCS), Heather Reid (CCC), Pablo Ruiz de Elvira (CEDRO) and James Boyd (IFRRO).

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6 [http://www.ifrro.org/sites/default/files/toolkit_licensing_tex_timage_works_l4e.pdf](http://www.ifrro.org/sites/default/files/toolkit_licensing_tex_timage_works_l4e.pdf)
7 See 6.3 European Union, page 10
The IFRRO Technical Standards Committee (TSC) has completed its task of assessing the need for an IFRRO Party Identifier and concluded that it is premature. The TSC has therefore been stood down.

IFRRO is a member of EDI EUR, which is responsible for a number of standards of interest to IFRRO members, including ONIX for RROs, and administers the ISTC and ISNI International Agencies, bringing welcome coordination to this important area. Graham Bell has replaced Mark Bide as Managing Director. The CEO is on the Management Board, with James Boyd also attending selected meetings.

During the period under review, the ISNI Board re-elected the CEO as Chair of the ISNI-IA. James Boyd is also actively involved in the ISNI work for IFRRO. There are now around 8 million assigned ISNIs, and three Registration Agencies (RAG): Bibliothèque Nationale de France (BNF); Ringgold Inc.; and Bowker. The recruitment of IFRRO members as ISNI members is progressing, with Access Copyright, CEDRO, COPYRUS, ICLA, PLS and ProLitteris having already taken up membership.

The International ISTC Agency (ISTC-IA), of which the CEO is Treasurer, assisted in the Board work by James Boyd, has met twice in the last year. Nielsen has stood down from the Board, and the Chairmanship of the ISTC-IA has been taken up by José Macarro of CISAC. The latest assignment figures for ISTC stand at around 184,000 records. The ten appointed registration agencies represent interests across the globe, located as they are in each of the following countries: Belgium, Canada, China, France, Germany, the Netherlands, New Zealand, Poland, Russia and the UK. There remains a need to fill the gap left by Bowker in the United States. Two meetings of all the Registration Agencies have taken place to compare use cases for ISTCs. At the last one in June, it was decided to set up a Working Group to consider what kind of clustering rules the market needs, including a data model for them, initially within ISTC. The group will report back to the ISTC-IA in September 2014.

Standard Software package for RROs
The IFRRO standard software package for RROs was launched at the IWC in Istanbul. An agreement has been negotiated, although not yet signed, with WIPO, which will enable it to be renamed the WIPO/IFRRO Software environment (WISE). WISE is a cloud based system with the four modules rightholders, works, licensing and distribution, fully compliant with messages, standards and identifiers used by RROs, such as ONIX, ISNI and ISTC. The agreement with WIPO includes contribution to the development and set up costs, as well as to initial maintenance fees for early RRO adopters and translations costs.

6. Work in relation to Intergovernmental Bodies

6.1. WIPO (World Intellectual Property Organization)
WIPO is one of IFRRO’s key partners. The main relationship is with the Copyright Infrastructure Division9, headed by Director David Uwemedimo, which is also responsible for the TAG initiative and the ABC10, as well as the IFRRO-WIPO Report on copyright levies in the text and image sector11. Dr Francis Gurry has been elected for a new 6 year period as Director General. The Assembly of Member States and the SCCR meetings are attended by the IFRRO President and the CEO, selected SCCR meetings also by the General Counsel and other IFRRO members. In addition to the SCCR, the Secretariat keeps a watching brief on the meetings of the Committee on Development of Intellectual Property (CDIP) and on the discussions Traditional Cultural Expressions / Folklore / Traditional Knowledge discussions.

During the FY under review, IFRRO provided speakers for and collaborated with WIPO in the organising of five conferences, seminars, workshops and fact finding missions: one in Africa; one in Latin America; one in Asia; the WIPO-USPTO conference on collective management; and the WIPO-SIDA training course.

6.2. UNESCO (United Nation’s Economic, Social and Cultural Organization)
IFRRO has NGO status with UNESCO. IFRRO’s Assistant Policy Advisor Pierre-Olivier Lesburguères attended the first Forum of NGOs in official partnership with UNESCO in September 2013, and the panel session on Inclusive Education in December 2013, both events at the UNESCO headquarters in Paris.

10 See Chapter 3, pages 3 and 4
11 See Chapter 4, page 7
IFRRO also assisted IPA in its preparation of the nomination of COSOMA for the UNESCO International Literacy Prizes 2014, and, at the recommendation of IPA, nominated the Dutch Publishers Association and Booksellers Federation’s *Commissie Propaganda van het Nederlandse Boek* for the same award.

**6.3. European Union**

The Secretariat, on occasions accompanied by the IFRRO President, the European Group Executive Committee members, or member organisations, met with EU institutions to present IFRRO’s position on relevant EU initiatives and other issues of importance to the IFRRO community. This included the work on the collective rights management directive, the EC consultation on the EU Copyright rules, issues on the WIPO SCCR agenda, and in relation to bilateral talks that the EU conducts with other countries.

**European Parliament (EP), European Commission (EC), and European Council**

The EP elections resulted in increased seats for nationalists and euro-sceptics. Although they remained a minority, the possibility for the EP to instruct the EC has been augmented. This implies in turn that it is important that Intellectual Property Rights be dealt with separately.

The former Luxembourg Prime Minister, Jean-Claude Junker, is the new European Commission President. At the time of the finalising of the Annual Report it is not known who will be the Commissioner responsible for authors’ rights and copyright, nor whether it will remain in the Directorate General (DG) for Internal Market and Services, or be moved to another DG.

During the important discussions for the IFRRO membership on library and educational exceptions at the WIPO SCCR, and on the EU Copyright Rules, Italy assumes the EU Presidency the second half of 2014, followed by Latvia the first half and Luxembourg the second half of 2015.

**European Commission (EC) Consultation on the EU Copyright Rules**

On 5 December 2013 the European Commission launched a public consultation on the EU Copyright Rules. IFRRO submitted that the EU should continue pursuing pragmatic approaches, rather than aiming for a single EU Copyright Title. Also, there is a need for EU to adopt an overall Intellectual Property policy. The Consultation is being followed up by a White Paper, in which the EC sets out its proposal for the high level approach and further work on the examination of the EU Copyright Rules. The key issues for IFRRO are exceptions and limitations (education / illustration for teaching; libraries and archives / large scale digitisation); text and image levies; text and data mining; user- generated content; and copyright enforcement.

**Collective Management Directive**

The EU Collective Rights Management Directive that was published on 20 March 2014 addressed satisfactorily the main concerns submitted by IFRRO. This includes the explicit preservation of the various RRO models of operation. The EU Member States must transpose the Directive into their national laws, by 10 April 2016.

**Licences for Europe stakeholder dialogues**

IFRRO and several of its members participated actively in the “Licenses for Europe” stakeholder dialogue, launched jointly by European Commissioners Michel Barnier (DG Internal Market and Services), Neelie Kroes (DG CONNECT) and Androulla Vassiliou (DG Education and Culture). The initiative aimed at delivering rapid progress through practical solutions for cross-border access and the portability of services; user-generated content and licensing for small-scale users of protected material; facilitation of deposit and online accessibility of films and cultural heritage; and text and data mining for scientific research purposes.

The IFRRO Board regrets that user groups opted to walk out of the dialogue, leading many of the 10 pledges presented at the final Plenary on 13 November 2013 to become unilateral rightholder ones. IFRRO led the collaborative work with IFRRO members EMMA, ENPA, EVA, EWC, FEP, IFJ and STM, supported also by the European Publishers Council (EPC), of a toolkit for licensing, including micro licensing, in text and image works, which the IFRRO General Counsel presented at the final Plenary. The organisations commit to promoting awareness of the toolkit, support continued dialogue with users and the EC to explore further ways in which user needs can be met via innovative solutions, and the Linked Content Coalition (LCC).

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13 See 3 Linked Content Coalition, page 5
Copyright levies

Following the EC-appointed mediator António Vitorino’s report on copyright levies (Annual Report 2013, page 9), the European Parliament (EP) adopted a report levies drafted by Member of European Parliament (MEP) Françoise Castex. The scope of the report is limited to private copying levies.

6.4. ARIPO (African Region Intellectual Property Organization)

In 2006, IFRRO signed a cooperation agreement with ARIPO, which represents 19 English and Portuguese-speaking Sub-Saharan African countries. The ARIPO Director General, Mr. Fernando dos Santos, was a speaker at the IBMF in Istanbul in October 2013. ARIPO cooperated in the African RRO meeting in Lilongwe (Malawi) on 12 and 13 June 2014.

6.5. OAPI (Organisation Africaine de la Propriété Intellectuelle)

OAPI represents 17 French-speaking Sub-Saharan African countries. It is lead by DG Mr. Paulin Edou Edou. His mandate was renewed for another 5 years at the Council of Ministers’ meeting in 2012. An agreement on co-operation covering all major IP relevant activities was signed in 2007. OAPI cooperated in the African RRO meeting in Lilongwe (Malawi) on 12 and 13 June 2014.

6.6. CERLALC (Centro Regional para el fomento del Libro en America Latina y en el Caribe)

IFRRO and CERLALC signed an agreement on cooperation in 2009. CERLALC’s Director General is Mr. Fernando Zapata Lopez, with Mr. Yecid Andrés Ríos Pinzón as Deputy DG, responsible for authors’ rights and copyright. IFRRO and CERLALC cooperated in the organising of the Enhancement of a culture for books and reading Conference in Lima (Peru) 14 and 15 November 2013.

6.7. LAS (League of Arab States)

LAS is an intergovernmental organisation, representing 22 Arabic countries, which works towards the enhancement of the relations between its members, including on intellectual property issues. IFRRO is negotiating an agreement on cooperation with LAS, parallel to the ones previously signed with ARIPO, OAPI and CERLALC.

7. REGIONAL DEVELOPMENT ACTIVITIES

Annual reports submitted from the European Group and regional development committees document the achievements in the respective regions. The financial aspects of the development work are reported separately in Chapter 9 Finances and in the Financial Statement 2013-14.

Asia Pacific Committee (APC)

The region counts 15 RROs in membership of IFRRO, including two Music RROs. FILCOLS, IRRO and YRCI have successfully started up licensing activities. In India, the Delhi High Court’s decision on alleged unauthorised copying at the Delhi University is still pending. IFRRO has supported IRRO and the rightholders in their efforts. The Committee and IFRRO Secretariat continue to actively follow the copyright amendment bill introduced in China. A revised version, with only minor amendments was introduced in 2014, on which IFRRO submitted its comments. China, India, Indonesia, Malaysia and the Philippines remain priority countries for the APC, which is chaired by Caroline Morgan (Copyright Agency) and met twice during the period under review.

African Development Committee

Africa counts 13 RROs as members of IFRRO, which is one more than at the time of last year’s Annual Report: The Board has approved URRO (Uganda Reproduction Rights Organisation) as a new Provisional RRO member. Copyghan, BBDA, COSOMA and DALRO continue their positive developments and as the Continent’s reference RROs. Priority is given to assisting Kopiken, Kopitan, Repronig and Zimcopy to develop their licensing activities. Also, in an agreement with the Namibian copyright holders’ organisations and authorities, assistance is provided to NAMRRO for it to become operational, with prospects for licensing activities to start up in 2014. The African Development Committee, which is chaired by Greenfield Chilongo (Zimcopy), met three times during the period under review.

14 See also page 6 IFLA
European Group and European Development Committee

European Group (EG)
The European Group met twice during the FY. The Executive Committee, currently consisting of Kevin Fitzgerald (CLA) as Chair, Anders Kristian Rasch (Copydan) and Robert Staats (VG Wort), is up for election at the EG meeting in October 2014. The EG has followed closely the EU CRM directive, the EC Consultation on the review of the EU Copyright Rules, the EC facilitated Licences for Europe initiative, and the ARROW\textsuperscript{15} Plus project. Following the elections to the European Parliament in May 2014 and the appointment of a new European Commission later this year, the EG Executive Committee, assisted by the IFRRO Secretariat, will assess how to best interact with the new Members of European Parliament (MEP) and relevant Commissioners.

The EG meeting in June in Athens had a special focus on the EC EU Copyright Rules consultation, with introductory remarks offered by Irini Stamatoudi, Director of the Greek National Copyright Organisation, who chaired the EU Council WG the first half of 2014. The EG will monitor closely the EC consultation and the White Paper that sets out the intention on how to follow it up.

The period under review has seen important DG Internal Market and Services initiatives to document the importance of Intellectual Property Rights (IPR): A joint Office of Harmonization for the Internal Market (OHIM) and European Patent Office (EPO) report documents that IPR-intensive industries generate 39% of the total economic activity (GDP), 35% of all jobs, and some 90% of export and import in the EU. The copyright sector alone represents 4.2% of the GDP and is one of the IPR sectors that offers a positive trade balance. Another OHIM study showed that 96% of Europeans believe that IP is important because it supports innovation and creativity by rewarding inventors, creators and artists for their work, and 69% value it because they believe it contributes to the creation of jobs and economic well-being. At the same time, an average of 34% thinks that buying counterfeit goods can be justified to save money and 22% think downloading is acceptable when there is no legal alternative.

A study requested by the EP Legal Affairs Committee on Contractual Arrangements applicable to creators, published in January 2014, analyses of the different copyright provisions, contractual legal principles and jurisdiction in eight EU Member States (Belgium, France, Germany, Hungary, Poland, Spain, Sweden and the UK) in respect of their protection of the rights of creators in the digital environment, whilst an Expert Group report commissioned by the EC DG Research and Innovation welcomes initiatives to make Text and Data Mining (TDM) through licensing easier and requests, nonetheless, a mandatory TDM exception for non-commercial uses.

European Development Committee (EDC)
The EDC met twice during the year under review, in Vilnius (Lithuania) in October 2013, and in Riga (Latvia) in May 2014. Both meetings were, combined with successful stakeholder awareness raising seminars, organised in cooperation with LATGA in Vilnius, and Latrepro in Latvia, and with the participation of the respective Ministries of Culture at both events. Europe counts 47 RROs with IFRRO membership, of which 25 are full RRO members. The Balkan and Baltic States remain priority countries for the committee work, with the start up of RRO activities in Serbia and Latvia in 2014. The EDC is chaired by Samantha Holman (ICLA).

Latin America and the Caribbean (LAC)
The Committee met three times during the period under review, including separate RRO meetings for the Central and Latin American RROs in Lima in November 2013, and the Caribbean RROs in St. Kitts and Nevis in March 2014. There are 11 RROs members of IFRRO in the region, the same as last year. ECCLA is a sub-regional RRO for six Eastern Caribbean States, so the RROs in Latin America and the Caribbean cover 16 countries. TTRRO signed its first licensing agreement in May 2014; SEA Panama was formally approved as the national RRO in June 2014 and is now ready to start up licensing activities; PERU REPRO and ACODERE (Costa Rica) have filed applications to the appropriate authorities to be approved as RROs. Whilst new legislation on collective management and Internet piracy was enacted in Brazil, the copyright amendment bill is still pending. Activities keep on focusing on the start-up of RRO activities in Costa Rica, Peru and Panama, licensing by the Caribbean RROs, and supporting the development in Brazil. Ana Maria Cabanellas (CADRA) chairs LAC.

\textsuperscript{15} See further on this in Chapter 3 ARROW, on page 3
8. TECHNICAL WORKING GROUPS AND FORA

IFRRO Education and Enforcement Task Force
The purpose of the IFRRO Education and Enforcement Task Force (IEETF), chaired by Jim Alexander (Copyright Agency), is to (i) assess education and enforcement activities in general and those carried out by IFRRO members in particular, (ii) make recommendations to the IFRRO community on education and enforcement activities with the aim of communicating best practices and suggested activities to the IFRRO membership, and (iii) make recommendations on education and copyright enforcement activities that IFRRO could support. It met once during the period under review. IFRRO members have contributed information, which is available on the IFRRO website, in addition to further best practices uploaded to the Members Only page, on copyright education programmes and enforcement activities. During the FY, at the recommendation of IEETF, the Board approved a contribution from the Enforcement Fund towards IFRRO’s Amicus curiae brief in the Authors Guild’s case against Google; IPA’s litigation expenses against international websites; and towards IRRO’s litigation expenses against Delhi University.

Musical Working Group
The Musical WG met once during the FY under review, in conjunction with the IWC 2013 in Istanbul, to share best practices and assess its future. At its request the Board agreed to transform the WG into a forum, chartered with facilitating the exchange of relevant information on the reproduction of musical works in print, open to any IFRRO member. Current focus is to expand the licensing of musical work in print to more countries. The Chair, Marc Hofkens of SEMU, follows, in particular, up initiatives in the Netherlands and China.

Newspaper and similar periodicals Working Group
The WG provides and exchanges relevant information to IFRRO members on the analogue and digital licensing of material from newspapers and similar periodicals. This includes information on requirements for digital services in the news and journalistic media and how these can be monetised for the rightsholders of original copyright materials, and benchmarking different business approaches. The current focus is on the sharing of best practices on business approaches, including on the licensing if the use of Newspaper and similar publications in education. The WG has been kept updated on relevant court cases, notably the CEDRO Youkiosk.com case in Spain and the NLA-Meltwater case in the UK. The WG, which is chaired by Sandra Chastanet (CFC), met twice during the FY.

Technical Standards Committee (TSC)
During the period under review, the Board decided to stand down the TSC, which had been chaired by Franziska Eberhard (ProLitteris). Its main task had been to assess the potential for the development of an IFRRO Party Identifier based on ISNI. A webinar in January 2013 was followed up by a questionnaire to selected RROs, which documented limited interest for an IFRRO Party Identifier at this stage.

Visual Material Working Group
The Visual Material WG, chaired by Mats Lindberg (BUS), is chartered to study and recommend solutions on matters involved in reprography and similar reproduction of still images contained within books, journals and newspapers and to determine strategies for co-operation and closer involvement of the visual creators in the field of reprography. During the period under review, the IFRRO Board agreed to make changes to the Visual WG membership, to allow for a core membership for active working group purposes, and a larger forum for information exchange. The WG has focused on statistical methods, also to identify the value of visual material for distribution purposes. It has kept a watching brief over the ARROW Plus work, Google Book search, EU CRM directive, and other topics relevant to the image sector. It met twice during the FY.

Equipment Levy Forum
The Equipment Levy Forum (ELF) is an informal forum open to all IFRRO members for the exchange of information between RROs administering equipment levies. It met twice during the period under review, chaired by Kurt van Damme (Reprobel). In addition to the exchange of practices, ELF has been kept informed of the IFRRO-WIPO Report on text and image levies 16, and of relevant court cases.

The FY under review saw numerous important decisions at the Court of Justice of the European Union (CJEU): On 27 June 2013, the CJEU ruled in favour of VG Wort, that the concept of reproductions on paper

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16 See Copyright levies on page 9
or any similar medium as expressed in Article 5.2(a) of the European Copyright Directive (EUCD) includes those made using a printer or a personal computer, where the two are linked together. Also, a reproduction of the work authorised by the rightholder does not impact on the payment of the levy; On 11 July 2013, the EUCD ruled in favour of the Austrian CMO Austro-Mechana, against Amazon.com, that general blank tape levies are permitted under the EUCD, as long as there is a system of reimbursement, for instance upon re-export of the device or media that is levied. It also held that the payment of the levy in one EU Member State does not exclude the obligation of paying it in other Member States, and that a part of the levy may be transferred to social and cultural institutions, provided the rightholders benefit from it and the income is shared among eligible rightholders on a non-discriminatory basis; On 10 April 2014 the EUCD ruled that private copying levies only apply to reproductions from a lawful source.17

Important decisions are pending regarding the publishers’ statutory right to a part of the text and image levy. In conjunction with the litigation between Hewlett-Packard and Reprobel, the Belgian Court has referred the issue to the CJEU. In Germany, an author has brought the same issue before the German courts; a ruling is expected in the coming FY.

The Forum continues to maintain a watching brief on online cross-border sales of devices; Reprobel has won a lawsuit in France against Pixmania and obtained the authorisation to seize their relevant bank account documents.

IFRRO Public Lending Rights Forum
The IFRRO Public Lending Forum (IPF), chaired by Benoît Proot (Reprobel), is an informal forum open to all IFRRO members. It was convened twice during the period under review. A database with key information relevant to the administration of PLR has been developed and made available on the Members Only page, with contribution also from non-members of IFRRO, who, in its turn, is provided access to the data. The Forum also monitors the implementation of the EU rental and lending rights directive.

Legal Issues Forum
The Legal Issues Forum (LIF) is a forum open to all IFRRO members for the exchange of information on legal issues. Chaired by Caroline Morgan (Copyright Agency), it met twice during the year under review to examine inter alia the implications of the WIPO Marrakesh Treaty and recent developments in legislation and litigation worldwide. In conjunction with the IWC 2013, the LIF also organised jointly with the IFRRO Regional Committees and Technical Working Groups a session on exceptions and limitations for education, and the licensing of digital content.

9. FINANCES
Operational accounts
The year-end balance on the operation, i.e. excluding the Development Fund and the Enforcement Fund, resulted in a surplus of €1,257 against a budget surplus of €200. A total of €213,300 of paid membership fees was allocated towards development work and transferred as voluntary contributions to the Development Fund. The Board proposes that the FY’s surplus be transferred the operational reserve, which will then amount to a total of €485,755, as of 30 June 2014. The Board proposes that the AGM approves the release of €80,000 from the operational reserves towards communication activities, which will bring the reserves to €405,755. This equals some six months of the budget yearly spending, which is considered indicative of a sound fiduciary practice.

Development Fund
Three IFRRO members contributed a total of €12,500 directly to the Development Fund during the FY, whilst €213,300 was transferred as voluntary contributions from the membership fees. WIPO contributed €10,000 to a cooperation activity in Africa, resulting in a total Development Fund contribution of €235,800. As in previous years, members also contributed financially through their own development funds and by not charging IFRRO when participating in development activities.

17 The Case Adam BV and others v. Stichting de Thuiskoie, Stichting Onderhandelingen Thuiskopie vergoeding
A total of €282,863 was paid out towards previously approved grants during the FY. As at 30 June 2014, the Development Fund held €1,088,459, of which €355,671 had already been allocated through Board decisions towards specific projects. This leaves a total of €732,788 available for new projects. 18

**Enforcement Fund**
IFRRO members contributed an additional €25,500 to the IFRRO Enforcement Fund. €32,047 was paid out to support enforcement activities, bringing the fund balance to €97,012 as of 30.06.2014.

**Tax issues**
The Belgian tax authorities’ examination of IFRRO’s tax liabilities on interests yielded on saving accounts, as reported in last year’s Board Annual Report, has not been concluded, and there has been no contact with IFRRO on the issue during the FY.

**10. The Secretariat**
Since July 2011, the Secretariat has been based at Rue Joseph II, 9-13, Brussels (Belgium). The Board has approved moving premises to Rue du Prince Royal 85, 1050 Brussels on 1 September 2014, where the IFRRO Secretariat again will be co-located with IFRRO members EVA, EWC, SCAM and SOFAM, and other international copyright and authors’ rights organisations.

Olav Stokkmo is Chief Executive and Secretary General, with Anita Huss-Ekerhult as Deputy Secretary General and General Counsel, responsible for legal work at the Secretariat. James Boyd is responsible for IFRRO’s work on technical standards, communications, and product development, and Veraliah Bueno Álvarez maintains the IFRRO website, and attends to selected communication and information activities, and event managing. Céline Rafalowicz, retired on 1 May 2014, and was replaced by Manuela Francesia as Office Administrator, handling secretarial matters, including the day-to-day bookkeeping. The contract with Pierre-Olivier Lesbargues as an Assistant Policy Advisor has been renewed for another 12 month period, till 1 June 2015; he is, in particular, involved in regional development work and assists in EU and WIPO-related issues. Marc Van Brussel is the IFRRO accountant, employed on a consultancy basis. IT is outsourced to IT Anywhere, a Belgian IT service company. The organisation chart of the Secretariat is set out on the next page:

18 See list of projects in the DF Balance on the Year end accounts
Regional Development Representatives (RDR) reporting directly to the CEO were contracted to assist as follows: Africa: Zimcopy/Greenfield Chilongo with priority countries Tanzania, Uganda, Zambia; Asia: CLASS/Paul Wee, with focus on Indonesia and the Philippines; Caribbean: Carol Newman focusing OCES, Belize and the Caribbean network; Panama and Costa Rica: María Fernanda Mendoza. RROs have been established in all target countries, the RROs in Panama and Costa Rica are not yet IFRRO members.

11. Future perspectives

Whilst there will always be scope for change, solutions for seamless access to copyright works exist and they work. It is vital that this be demonstrated and clearly communicated. At the same time as there is enhanced political focus on appropriate user access to text and image based copyright works, Authors’ rights and Copyright are also under attack, with increased demand for legislation to ensure unremunerated user access and uses. The Board will work to provide the membership with improved understanding of future trends, with the aim of enabling RROs to proactively develop their roles and business approaches, in collaboration with authors and publishers and their associations. The objective is to enable them to respond appropriately to dynamic user needs and requests from political environments for appropriate access to published works and innovative solutions to address the digital future, whilst respecting author and publisher requirements.

To this end the Board will also maintain communication and information activities at the heart of its activities. IFRRO will work jointly and severally with authors and publishers and their associations with the intention of ensuring better understanding at political and user levels, as well among the general public, of the positions and requirements of authors, publishers and RROs, and to enhance their influence in the political environment. It is essential that the fundamental principles of Authors’ rights and Copyright be defended, and the value of those rights be evidenced. The creative and cultural industries fuel the digital economy and support the creation of wealth, employment, economic growth and cultural diversity. The creative sector also inspires and promotes freedom of expression. The Board’s ambition is to contribute to bringing this clearly to the attention of users of copyright works and to arenas where authors’ rights and copyright are discussed.

Brussels, 30 June 2014

Rainer Just
President