



INTERNATIONAL FEDERATION OF REPRODUCTION RIGHTS ORGANISATIONS

# IFRRO GENERAL PAPERS

## IV

### Emergent RROs

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## 1 Introduction

At its centenary meeting in April 1996 in Barcelona, Spain, the 25th Congress of the International Publishers Association (IPA) passed a resolution calling for the creation of an independent Reproduction Rights Organisation (RRO) in every country of the world. This resolution was a resounding endorsement of the work of IFRRO and its development programme which encourages any joint effort by authors and publishers in any nation to form an RRO. The purpose of an RRO is to obtain financial reward for authors and publishers whose works have been photocopied.

Apart from the IPA, IFRRO's mission has the support of many international authors' and/or publishers' organizations. Furthermore, IFRRO cooperates with the World Intellectual Property Organization (WIPO) in all regions of the world.

## 2 Financing

Although, generally speaking, RROs are non-profitmaking organizations, they are businesses nonetheless and the successful ones are run in a very business-like manner.

In order to get off the ground, an RRO needs start-up capital just like any other business. Every existing RRO has borrowed seed-corn money and/or necessary manpower from the people who will eventually benefit most from its creation i.e. the authors and publishers themselves.

If an RRO is established properly, the loans required are relatively small and short-term, while the benefits are considerable and long-lasting.

For example, in 1982, the Copyright Licensing Agency (CLA) was founded in the UK by twelve publishers each of whom lent GBP 1,500 (DEM 3,750), with the authors' societies providing manpower and unlimited enthusiasm. The GBP 18,000 (DEM 45,000) loan was paid back in a very short time and, by 1996, less than 15 years later, CLA had distributed over GBP 50 million (DEM 125 million) to British authors and publishers.

Once an RRO begins to issue licences and starts collecting fees, it is well on the way to becoming self-financing. As soon as the initial loans have been repaid, regular distributions begin to flow to the beneficiaries. The key to success is the issuing of licences.

IFRRO can help RROs to obtain seed-corn money. In 1996, IFRRO established a Development Fund using voluntary contributions and loans from its member organizations. In appropriate cases money can be lent to newly-established RROs providing any such loans are matched by local authors and publishers.

### **3 Licensing**

Today's emergent RROs may suffer from major disadvantages compared with those already established. They are being set up in countries where there are fewer resources and many political, economic and social problems, all of which require urgent action. On the other hand today's emergent RROs have a great advantage - they can, through IFRRO, draw on the experience and support of the established RROs.

Experience shows that each market should be thoroughly researched in order to decide which sectors will bring the maximum return in the shortest time. The actual choice of the first sectors to license will depend on the conditions in the country concerned and on the provisions of the copyright legislation. Normally a sector-by-sector approach is the wisest one to adopt.

Every domestic market for photocopy licensing in the world can be divided into the following categories:

- education at all levels
- government, regional and local public administration
- trade and industry
- publicly-funded bodies
- church administration
- professions
- public and research libraries
- cultural institutions
- research bodies
- copy shops and other places with photocopying machines which are open to the public

Most RROs started by licensing the education sector because schools and universities are heavy copiers of copyright material and because education is normally controlled either by the state or by the church. As education is usually centrally directed it is easier to locate the decision-taker with whom to negotiate about large sections of the system.

In the same way, in national and local government departments and in public bodies, it is generally possible to locate the person who has the responsibility for making sure that copyright legislation is complied with.

It is the licensing of business and commerce that produces the greatest problems and the greatest challenges but it is in this sector that the greatest rewards can be achieved.

When starting to license manufacturing industry, it is normally feasible to begin with the research-and development-driven sectors: pharmaceuticals, chemicals, electronics, engineering, energy and defence. In commerce, banking, financial services and insurance are logically the first to be approached. In trade, document suppliers, press-cutting agencies and copyshops are the first targets. In the professions, lawyers, accountants and surveyors are heavy users of copyright material.

Since there is so much experience already available, newly-established RROs do not need to re-invent the wheel. The IFRRO Secretariat, the appropriate IFRRO Regional Committees and individual RROs are more than willing to provide help to emergent RROs.

## **4 IFRRO's Regional Development Programme**

Since its foundation in 1980, one of the main aims of IFRRO has been to foster the establishment and development of RROs in countries where none exist.

From the outset, IFRRO has helped national rightholders to form and develop RROs by providing advice, encouragement and education. Since 1992, IFRRO's regional development programme has become more focused. In particular, three developments have taken place:

1. Regional committees have been established to deal with development work in all areas of the world:
  - Europe
  - Asia/Pacific
  - Latin America and the Caribbean
  - Africa and the Middle East
2. In 1996, IFRRO established a Development Fund funded by voluntary contributions from its members to provide assistance to emergent RROs.
3. IFRRO has developed educational material covering all aspects of the work of RROs.