

## IFRRO BOARD REPORT 2006

This report covers the period July 2005 – June 2006 during which the Board met three times: in October 2005 in Madrid in conjunction with the AGM; in March 2006 in Geneva in combination with the meeting of the joint IFRRO – WIPO Committee; and in June in Berlin. In addition, four e-votes were carried through, in December 2005, in February (2) and June 2006.

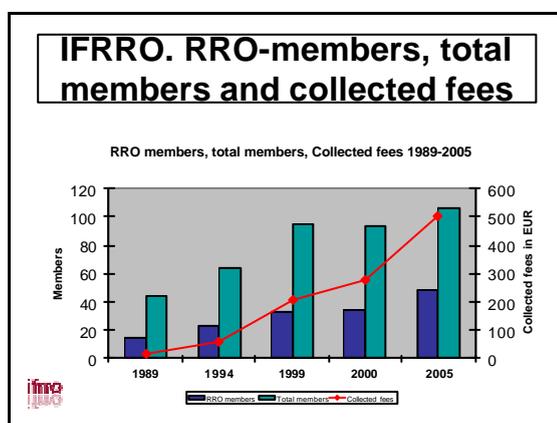
As announced at the AGM 2005, in addition to the implementation of the AGM decisions the main focus of the Board during the FY under review has been on information/communication, the digital arena and development work. It is the Board's view that substantial progress has been made on all these sectors. With the aim to better inform of the importance of the copyright sectors the Board approved key messages to be communicated by IFRRO. The result of this work was only made possible by a broad involvement of the membership which included invaluable contributions from RRO communication officers. The key messages as approved by the Board are also on the 2006 AGM agenda for further discussions.

The new structures established to address issues related to the digital arena which was put into effect as from the beginning of the FY has served its purposes and enabled intensified and persistent activities in the area. Short term solutions have been proposed to provide guidance to the membership in the field of document delivery through the adaptation of recommended key principles. A proposal for standards for rights data exchanges has been worked out and main prerequisites to approach solutions for digitisation mandate exchanges has been circulated to the members for comments with the aim to work out proposals for digitisation mandates to be discussed at the AGM 2006.

IFRRO's regional development activities have successfully supported copyright in every region through the programs of the Regional Committees. During the FY under review the Board has taken initiatives to develop means to support these activities, e.g. in the form of written material that are needed, including a tool to facilitate the inclusion of visual material in the RRO repertoire, and the engagement of Regional Representatives. The development work is becoming increasingly more a part of the IFRRO core business leading to enhanced pressure on the resources available. Documents assessing the development work since the establishment of the Development Fund in 1996 and principles for future funding of the IFRRO development work are therefore presented to the AGM 2006 for discussions.

### 1. MEMBERSHIP

As at 30 June 2006, IFRRO counts 48 RRO members and 59 national and international authors', creators' and publishers' associations, a total of 107 members, which represents a net increase of 3 members since last FY.



Three new RRO members – Fjölrit (Faeroe Islands), IRRO (Indian Reprographic Rights Organisation, India) and SIAE (Società Italiana degli Autori ed Editori, Italy) – and 3 new Associate Members – The

International Publishers Rights Organisation (IPRO, Netherlands), Société Française d'intérêts des Auteurs (SOFIA, France) and Polska Kziaska (Poland) - were approved during the FY, thus adding a total of 6 new organisations to the IFRRO membership. Three associate members including a Music RRO – Cámara Chilena del Libro, CCLI and Musikediton – left IFRRO during the year, the first because it joined fully SADEL, the national RRO in membership of IFRRO, CCLI because of the new membership fee structure and Musikediton because it went into bankruptcy.

## **2. ORGANISATION**

The Board has continued the work it started the previous FY on increasing the transparency of the organisation and the adaptation of recommendations to new requirements. A recommended Code of Conduct has been adopted. It addresses the main issues of RRO activities: general issues; rightsholder representation and relationships; the relationship with users; and distribution policies. The Code is posted on the IFRRO Home page and annexed to the Board's Annual Report. While the Code is mainly directed towards emerging RROs, the Board encourages all members administering reproduction rights to assess how they comply with it.

IFRRO grants observer status to organisations which have a declared interest in exploring IFRRO membership. The Board decided during the FY that the status as observer is automatically cancelled 2 years after it has been granted unless expressly renewed by the Board. The list of Observers is examined annually by the Board at its meetings in June. At the beginning of the period under review there were 11 Observers, each of which were contacted in writing twice by the Secretariat to solicit their interest for further Observer status with IFRRO. Only the Polish Chamber of Books replied that they wanted to keep up the status and was granted a new 2 year period as an IFRRO Observer.

## **3. POLICY ISSUES**

### **Bilateral Agreements**

Following the European Commission Recommendations on cross-border licensing of musical works, the Board decided to seek outside counsel to assess the IFRRO Model Bilateral Agreements. This led to the adoption of new sets of Sample Model Agreements for A-type and B-type agreements to replace the previous ones. The changes concern clauses 6.1, 6.2, 7.2 and 7.3 as well as Principles 7 and 8 and Recitals 2 and 3 in the old model agreements regarding territoriality and representation. The new agreements are on the 2006 AGM Agenda for clarification purposes..

### **IFRRO-CISAC co-operation**

The Board has endorsed the proposal for a further development of the co-operation between IFRRO and CISAC (Confédération des Sociétés d'Auteurs et Compositeurs) on 4 levels: Task forces to work on specific issues of co-operation; a High Level group made up of the President, Bruce Funkhouser, Franziska Eberhard, André Beemsterboer, Jane Carr (until 1 May, 2006 when she left ALCS) and the Secretary General to meet twice a year with CISAC to discuss strategic issues related to the co-operation; Director/Secretary General meetings *inter alia* to ensure progress in the work on which co-operation has been decided; the exchange of information.

The High Level Group met once during the period under review and decided to defer the next meeting till there is a final clarification on the IFRRO participation in the commercialisation of the ISTC (see further down). The administrative leadership of the 2 organisations has had regular contact through meetings and e-mails. Moreover, IFRRO is a regular receiver of the CISAC-BIEM News and CISAC gets IFRRO publications including Member News, but excluding Executive News. There is also exchange of views on positions on policy issues of common interest.

### **ISTC (International Standard Text Code)**

The ISTC is the unique, international ISO approved identifier of individual textual works. It shall provide a way for textual works to be uniquely distinguished from one another for the purposes of administering rights to such works. It could thus prove useful for e.g. RROs when distributing collected fees to rightsholders and for the administration of rights in the digital environment. Current members of the ISTC consortium are

CISAC, Nielsen Book Data (a UK bibliographic data provider) and R.R. Bowker (a US bibliographic data and ISBN provider).

A task force made up of Bruce Funkhouser, Franziska Eberhard, Jane Carr (till she left ALCS on 1 May, 2006) and the Secretary General was established to explore with CISAC an IFRRO participation in the consortium to commercialise the ISTC. The Board decided during the period under review to take up decisions with the partners on an IFRRO participation in the ISTC consortium. It foresees that also RROs or other IFRRO members that wish to join the consortium should be allowed to do so. Key outstanding issues as at 30 June, 2006 include a review of the business plan and governance model and a decision on the practical day to day operation of the ISTC.

#### **Co-operation with IFLA**

The Board has given high priority to the start up of a dialogue with representatives representing users of copyright works. During the IPA Copyright symposium in Montréal in April 2006 representatives of IFLA (the International Federation of Library Associations) and IFRRO met to discuss possible co-operation activities. The Board approved in principle that IFRRO starts discussions with IFLA and IPA on a concerted effort to develop a book culture in developing countries. It further decided to solicit author involvement through the participation of EWC. It is further foreseen that organisations such as WIPO and UNESCO could be invited to take part in the project. A working party made up of Tarja Koskinen-Olsson, the President and the Secretary General met with IFLA in June to take the initiative further with the scope of reaching final clarification by the end of 2006.

#### **Digital issues**

(See 5 Digital Issues on page 4)

### **4. MEMBERSHIP RELATIONS**

The relationship between IFRRO and its members and the rightsholders they represent remain a key priority task to the Board. This includes striving to achieve a maximum of membership involvement in respect of IFRRO submissions and comments to draft proposals on new legislation.

During the FY under review a new *Members Only* page has been launched which endeavours to meet the needs of the membership. There are separate working zones and discussion fora for the IFRRO working groups and committees. Distribution lists available for all members enable the IFRRO members to use the Members Only to e-mail messages with attachments to members and group of members; and a database provides access to information as well as the possibility to export data to a spreadsheet for further work, for instance for the purpose of comparison of data.

With the scope to increasing transparency and the possibility for the members to exercise influence on key decisions, the Board agenda is posted on the Members Only approximately one month prior to the Board meetings and an *Executive News* reports on main Board decisions shortly after the meetings.

Moreover, a *Members News* has been launched during the FY under review to allow IFRRO members to exchange information more comprehensively of their activities. It is the Board's wish that this will stimulate and further the contact between the IFRRO members and contribute to the development of new ideas and ways to address challenges.

A *Senior Managers Forum* was launched in 2005 to enable RRO personnel on a senior manager level to discuss issues of importance to several RROs. This year's meeting which took place in London on 1 and 2 March consider information and communication activities was attended by 35 Senior RRO Information and Communication Officers. Following the conference, a forum has been established on the Members Only that allows for this group to continue the exchange of views and information.

During the FY, IFRRO has supported HKRRLS and the Hong Kong International Publishers Association (HKIPA) in the consultation process on possible modifications of the Hong Kong Copyright Ordinance, the outcome of which is still not final. Submissions have also been made in support of JRRC, JAACC and JBPA on proposed new legislation in Japan. IFRRO will continue to put resources into offering such assistance to

its members whenever required. It is, however, a prerequisite that it be done at the request of local RROs and/or rights holders associations.

## **5. DIGITAL ISSUES**

As announced at the Madrid AGM, the Board has focused on finding short term solutions to outstanding International Document Delivery (IDD) issues and to working out digitisation mandates that would enable an exchange of them between RROs.

### **A rightsholder vision for the digital environment**

Acknowledging that adequate solutions to challenges posed to the print media sectors by the digital environment require co-operation among rightsholders concerned and their representatives, at the IPA Copyright symposium in Montréal in April 2006 the President proposed that a joint vision for the digital arena be developed through a concerted effort. In the wake of this initiative, which was well received by rightsholders present at the symposium, the Board decided to establish a Strategic Focus Group (SFG) to develop the vision. This work should comprise looking at licensing solutions and the mapping out of roles of the different players, including those of RROs. The Board has appointed the IFRRO President, Pieter Bolman, Anne Louise Schelin, Joanna Cave and the Secretary General to be on the Strategic Focus Group and invited all international publishers' and authors' including visual creators' organisations to appoint members.

### **Digitisation mandate**

User groups and legislators continue to stress the need for especially educational institutions to be able to digitise copyright works for internal use. It is of importance that solutions be found shortly that enable the licensing of digitisation of works and the posting of them on closed internal networks (intranets), and that this includes both national and foreign works. A document in which the President has outlined key issues and principles was discussed at the Digital Issues Forum (DIF) in Berlin on 30 May, 2006. It has also been circulated to the membership for comments by the end of August. Parallel to this consultation process and taking the principle document as a basis, the Board has chartered Caroline Morgan as Chair of the Legal Issues Committee and the Deputy Secretary General to draft (a) digitisation mandate(s) to be considered by a reference group made up the members of the Strategic Focus Group (see above). The Board aims at presenting (a) mandate(s) for discussions at a session in conjunction with the AGM 2006.

### **Rightsholder consultation**

With the aim to better understand rightsholder requirements in relation to the digital environment, during the FY under review the President and the Secretary General have conducted a consultation process with the Boards and/or copyright committees and/or chief executives of the international organisations in membership of IFRRO. Meetings have been held with ENPA, EVA, EWC, FEP, IFJ and IPA. A consultation meeting with the STM Board is foreseen in the second half of 2006. The meeting with the IPA Board and copyright committee was also attended by other members of the IFRRO Board and the Deputy Secretary General.

### **SWOT Analysis of RROs in the digital environment**

To get a better grip of the possible roles of RROs in the digital arena, the Board contracted Rightscom Ltd. to carry out an analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the RROs in the digital environment. The report, which also included 3 different scenarios, was discussed at the Digital Issues Forum (DIF) in Berlin on 30 May, 2006. It has been circulated to the IFRRO members and posted on the Members Only page. As a follow up to the SWOT analysis, a working party made up of the President, Michael Fraser, Bruce Funkhouser, Pieter Bolman, Anne Louise Schelin and the Secretary General has been tasked with developing a scenario to be discussed at a DIF session in conjunction with the AGM 2006.

### **International Document Delivery (IDD)**

The Board adopted 3 sets of recommended Key Principles for RRO owned databases for international document delivery which include 2 lists of elements that it recommends to check against to ascertain that the principles be put into practice. The key principles on policy issues are rightsholder control; non exclusivity; non discrimination; and adherence to technical principles that are already devised and known at the time of the adherence. A checklist has been established to ensure compliance with key legal requirements. The key principles on technical issues comprise the use of the ONIX standard and the XML format. The Key Principles has been sent to the members. Those who own IDD databases have been asked to adhere to them.

## 6. INFORMATION AND COMMUNICATION

Information and communication remain a focus area of the Board. At the 2005 AGM the membership was invited to discuss key communication messages. This was followed up at the Senior Managers' Forum and later by the Board, which has adopted the following key messages, which the AGM 2006 is invited to discuss:

**KEY MESSAGES**  
**when communicating a positive image of copyright and RROs**

**Main messages**

- Copyright and RROs contribute to the establishment of an economic basis for CULTURE, KNOWLEDGE and EDUCATION
- RROs provide legal access to copyright works in these areas through easy licensing mechanisms at a fair price

**Additional messages when appropriate**

- Knowledge industries, creators and publishers contribute to cultural diversity, economic growth of nations and the creation of employment
- Cultural and knowledge industries contribute largely to the GDP (Gross Domestic Product) of nations.

The IFRRO *Newsletter* was published 8 times during the FY under review. The subscription has nearly doubled to 445 subscribers since last FY, and is on a continued increase.

The *Digital Alert*, which is sent also to selected members of IFRRO member organisations in addition to the IFRRO members 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.

A Manual on how to set up and manage an RRO and reproduction rights was launched in Berlin on 31 May, 2006. This work was carried out by a task force chaired by Tarja Koskinen-Olsson and involved Hans-Petter Fuglerud (Kopinor), Judy Marks (Access Copyright), Caroline Morgan (CAL), Victoriano Colodrón (CEDRO) and Franziska Schulze (Secretariat). It was circulated for comments to a reference group made up of Sebastián Bloj (CADRA), Greenfield Chilongo (Zimcopy), Samo Kutos (SOZA, Slovenia), Dr. Micheline Manalastas (PRRO, Philippines), Dr. Mono N'djana (SOCILADRA, Cameroon) and Paul Wee (CLASS) before it was finalised.

## 7. WORK IN RELATION TO INTERGOVERNMENTAL BODIES

### WIPO (World Intellectual Property Organization)

WIPO remains a key co-operation partner for IFRRO. The 2003 co-operation agreement establishes *inter alia* a joint forum that met twice during the year under review: in Madrid in conjunction with the IFRRO 2005 AGM; and in Geneva on 22 March, 2006 where the IFRRO Board and Regional Committee Chairs also met with the Directors and staff of the WIPO Regional bureaus as well as the Deputy Director Generals Rita Hayes and Geoffrey Yu. A major achievement during the FY under review is the agreement in principle to develop joint training activities for African countries in co-operation with ARIPO, the relevant regional intergovernmental body.

WIPO meetings are mainly attended by IFRRO's Honorary President, Tarja Koskinen-Olsson and the Secretary General. The discussions on the Development Agenda, launched by a group of countries under the leadership of Brazil and Argentina, continue to influence on the WIPO activities. Two meetings were held in 2006 – in February and in June. The aim is said to be to achieve at a more member driven organisation that is open to addressing the concerns of all stakeholders and in particular those of the civil society. A result is that the general climate towards copyright appears to become more negative. IFRRO was present and made submissions at both meetings in support of a continued co-operation between the private and public sectors

and the need for appropriate management structures for the administration of intellectual property rights to strengthen the copyright industries and provide access to copyright works

IFRRO also attended the WIPO General Assembly in September 2005 and the Standing Committee on Copyright and Related Rights (SCCR) which met in May, 2006.

IFRRO provided speakers for x WIPO conferences and seminars during the FY, 1 in Africa, 1 in Asia and 1 in Europe, and co-organised 2 seminars in Africa. WIPO and IFRRO is also co-operating to offer a training program in administration of reprography for the Collective Management Organisations in 5 African countries (Benin, Burkina Faso, Cameroon, Madagascar and Mauritius), which will be carried forward in 2006-07.

#### **UNESCO (United Nation's Economic, Social and Cultural Organization)**

UNESCO and IFRRO, involving also IPA co-operate on an anti piracy initiative – *Training the trainers* - in which judges, customs and police officers, lawyers, judges and RRO personnel (when applicable) will be trained in how to identify and fight piracy including unauthorised reproduction of printed works. Representatives from 7 Southern African countries (Botswana, Lesotho, Malawi, Namibia, South Africa, Zambia and Zimbabwe) will be trained in Windhoek (Namibia) in September, 2006. Those who take part in the training have an obligation to further train officials in their home countries. If successful, an extension of the program to cover other continents and other parts of Africa will be discussed.

IFRRO provided speakers for 2 UNESCO conferences inn the Asia Pacific region during the FY under review.

#### **ARIPO (African Region Intellectual Property Organization)**

ARIPO is an intergovernmental organisation that represents 16 English speaking sub Saharan African countries, and which also has a co-operation agreement with WIPO. On 25 September, 2006 IFRRO and ARIPO signed an agreement on co-operation which will cover all relevant IP activities in which ARIPO is involved: training, legislation, information and awareness campaigns. The agreement opens up for a joint ARIPO-IFRRO-WIPO project on the development of training activities in copyright and collective management of rights, with a special focus on reprography at the initial pilot stage, for the ARIPO Member States. Tarja Koskinen-Olsson and the Secretary General represent IFRRO on the working party that has been established to develop this project.

#### **CERLALC (Centro Regional para el fomento del Libro en America Latina y en el Caribe)**

IFRRO co-operates actively with CERLALC and is invited to its annual meetings. CERLALC meets as an observer in the IFRRO Regional Committee for Latin America and the Caribbean. During the FY under review IFRRO and CERLALC co-organised a workshop on 3 April in Guadalajara on private copying. Several activities *inter alia* linked to book fairs in Latin America are foreseen in 2006 and 2007.

#### **APEC/IPEG (ASIA PACIFIC ECONOMIC CO-OPERATION/INTELLECTUAL PROPERTY EXPERT GROUP)**

The Secretary General was invited to give a presentation of IFRRO at the APEC/IPEG meeting in Hanoi on 21-22 February, 2006. This has led to discussions on a further co-operation, *inter alia* on a copyright conference scheduled to encompass collective management of rights in the Asia Pacific region, to be organised in conjunction with the APEC/IPEG meeting in Australia in January 2007. The further development of the contact and co-operation with APEC/IPEG is yet to be finalised and will be on the agendas of the Asia Pacific committee, the Secretary General and the Board in the coming FY.

## **8. REGIONAL DEVELOPMENT ACTIVITIES**

There has been substantial development activities carried out on all continents. These are accounted for in separate reports from the different IFRRO regionalcommittees to the AGM, with a synopsis further down in this chapter of the Board's report.

In order to address appropriately the development work, the Board identified the need for the following tools:

- ✦ A Manual on how to establish and run an RRO, launched on 31 May 2006
- ✦ A Manual on how to mentor an emergent RROs, currently being developed
- ✦ Business plans for all regions to enable the development work to be focused. Work has started on a business plan for Europe with the intention for it to be a template to be used also for the other regions
- ✦ Regional Representatives to assist the Secretariat and the Committees to carry out the hands on work in priority countries

**Regional Representatives** have been contracted in all regions: Zimcopy/Greenfield Chilongo (Africa), CLASS/Paul Wee (Asia Pacific), Raymonde Kilpatrick (Europe), and CERALC/Monica Torres (Latin America and the Caribbean). The Regional Representatives take instruction and report to the Secretary General. However, they are not IFRRO employees. Contracts have been signed with the respective companies/persons on a consultancy basis.

Priority countries and goals have been agreed with each of the Regional Representatives: Tanzania and Zambia (Africa); Indonesia, Malaysia and the Philippines (Asia); Bulgaria, Malta and Slovenia (Europe); and Costa Rica, Ecuador and Peru (Latin America). The model with Regional Representatives will be assessed by the Board before the one year contract period has expired.

The **Development Fund (DF)**, which represents an indispensable tool in IFRRO's development work, is based on voluntary contributions from the membership. As reported at last year's AGM, the current and planned level of activities will lead to the need for allocations in excess of the expected level of contributions. The Board has started to look into the financing of the DF in order to keep up the intensity of activities deemed necessary by the Board. A document which enables a discussion on the principles of the future funding of the DF is put forward to the AGM 2006.

#### **Asia Pacific Committee**

The Indian Reprographic Rights Organisation (IRRO) has been approved as a new RRO member of IFRRO. The Committee also notes with satisfaction the development of PRRO in the Philippines, which has increased its membership substantially during the FY and has now entered into a co-operation arrangement with the National Book Development Board (NBDB) *inter alia* to prepare for licensing activities scheduled to start in the early fall of 2006.

At the Madrid AGM, JRRC reported on proposed amendments to the Japanese copyright legislation to enable liberal free use of copyright works by the pharmaceutical industries and in conjunction with patent applications. The AGM adopted a resolution on the proposed changes, IFRRO wrote a letter to the pertinent authorities and also met with them in Tokyo in January 2006. The final proposal for amendments to the Copyright Law took to some extent into account comments made by rightsholder group. The proposal made, nonetheless, the need for co-operation among the Japanese organisations apparent.

The Committee has continued its work on sensitising rights holders and the general public in the region, notably in Indonesia, Myanmar and Sri Lanka where it has been carried out partly through IFRRO seminars and work shops and partly in co-operation with WIPO and UNESCO.

During the FY the first steps towards the development of a co-operation with the Asia Pacific Economic Co-operation (APEC) through its Intellectual Property Expert Group (IPEG) have been taken. IFRRO was invited to the APEC/IPEG meeting in Hanoi and APEC/IPEG will be represented at the IFRRO AGM 2006.

#### **European Group and European Development Working Group**

The Board approved at its 1 June, 2006 meeting a new structure for the work in Europe. The European Group will focus on the general, overarching policy issues, particularly in the European Union, whereas the European Development Working Group (EDWG) has the overall responsibility for the development work in Europe.

During the year under review there have been a number of initiatives from the European Commission. Submissions have been made on a consultation on the importance of the print media sector for the European economy; a stakeholder consultation on an initiative from the Directorate General (DG) Information Society

on digital libraries; a stakeholder consultation on the assessment of a copyright levies, and a proposal for a Services Directive.

#### *Copyright levies in the European Union Member States*

The European Commission assessment of the copyright levies remains a focus point for the work of the European Group. In June 2006 the Commission launched a stakeholder consultation on copyright levies, with a particular focus on the digital environment, as part of "Copyright Levy Reform" under its Copyright Work Program for 2006. The Commission is expected to issue a Recommendation towards the end of 2006. The European Group will examine the possible consequences for the IFRRO membership and provide information as required. Levies collected by RROs represent a major income for many rightsholders. Defending the rights and income of authors, including visual creators, and publishers, under all effective systems remains a priority for the Board

#### *Review of copyright directives*

The European Commission has commissioned 2 studies from IViR, a Dutch company, one to enable a review of all European Commission Directives with the exception of the Enforcement Directives, and one on the implementation of the Information Society Directive (2001/29). The studies are expected to be published in the last quarter of 2006. The assessment and the follow-ups of these studies will be major focus points in the work of the European Group in 2006-07 in addition to the copyright levy assessment.

#### *2010 Digital Libraries project*

In relation to the digital libraries, a High Level Expert Group (HLG) chaired by Commissioner Vivian Reding has been established. IFRRO is represented by Tarja Koskinen-Olsson. The Board is pleased to notice that also the IFRRO members ENPA and FEP are represented and regret that the authors including visual creators have not been invited to take part in the HLG work. The IFRRO's Secretary General (as well as the FEP Director) attends the meetings of the HLG subgroup established to address copyright issues.

#### *Development work. Priority countries*

In respect of development work, priority is given to Bulgaria, Portugal, Serbia & Montenegro, Slovenia, Turkey and Ukraine, as well as to assist Kopjamalt to get off the ground and start licensing.

#### **IFRRO Development Committee for Africa and the Middle East**

The committee has also followed up initiatives in the French speaking African countries that was initiated the previous FY, *inter alia* through a joint training program with WIPO on collective administration of reprography which was offered to representatives from parastatal, multipurpose collective management organisations (*Bureau du Droit d'Auteurs*) in Benin, Burkina Faso, Madagascar and Mauritius. Representatives from SOCILADRA (Cameroon) will also be included in future training but were prevented from taking part in the first course. The Board wishes to thank CFC and Reprobél for the organising of the training activities for these countries.

The committee has continued its work in the other parts of the region, where there are RROs in operation in six countries, and initiatives to set up RROs in five other countries. In July a multipurpose CMO was established in Ethiopia. IFRRO was represented at the event. The Board congratulates COSOMA on the new COSOMA house which was inaugurated through a joint IFRRO-WIPO seminar in April, 2006.

#### **Latin America and the Caribbean**

There are 8 RROs established in the region in membership of IFRRO: CADRA (Argentina), ABDR (Brazil), SADEL (Chile), CEDER (Colombia), Jamcopy (Jamaica), CeMPro (México), TTRRO (Trinidad and Tobago) and AUTOR (Uruguay). Together with CEDRO (Spain), GIE (Grupo Interamericano de Editores) and CERALC (Centro Regional para el Fomento del Libro en América Latina y el Caribe) the RROs in the 6 Spanish and Portuguese speaking countries form GEDRI (Grupo de Entidades de Derechos Reprográficos de Iberoamérica) to promote RRO activities in Latin America. GEDRI has its own web page ([www.gedri.com](http://www.gedri.com)) to inform of relevant activities.

As a follow up to the regional consultation organised in Ocho rios (Jamaica) as a joint IFRRO-Jamcopy-WIPO-Jamaican government initiative, a steering committee was established to take the project of a regional RRO further. Andrew Martin was contracted to draft a business plan for the regional activities in Caribbean

and is scheduled to deliver his report by end August 2006. A 2<sup>nd</sup> regional consultation scheduled for 29 and 30 November, 2006 will focus on the business plan and the implementation of it, expected to start in 2007. In the wake of the regional consultation initiatives were taken to start an RRO in Barbados. All preparatory work has been finalised. An inaugural meeting is scheduled for 20 September, 2006.

## **9. TECHNICAL WORKING GROUPS AND FORA**

### **Digital Strategy Committee**

The Digital Issues Committee (DSC) was established in June 2005 to replace the Digital Issues Working Group and the Document Delivery Working Group. It is made up of the IFRRO Board members and chaired by the IFRRO President. An important first step of the DSC has been the assessment of the roles of RROs in the digital arena including developing an exchangeable digitisation mandate. Solutions to outstanding issues in relation to International Document Delivery (IDD) have been sought through the proposal of a set of key principles which the Board recommends IFRRO members establishing IDD databases to adhere to.

### **Digital Strategy Committee – Technical Subgroup**

The Digital Strategy Committee – Technical Subgroup (DS-T) is tasked with proposing solutions to technical issues arising from the work of the DSC to which it reports. A main focus during the FY under review has been to develop a system for standard messaging in relation to repertoires and distribution data.

### **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, the Committee has discussed and proposed a Code of Conduct which was approved by the Board on 1 June, 2006.

At the request of the Board through a focus group (LIC<sub>sub</sub>) within LIC has developed a check list which the Board recommends the IFRRO members establishing databases for (international) document delivery to control against.

### **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. In agreement with the Board, the WG has worked on a proposal for a tool to assist existing and emerging RROs to include and deal with visual material in their activities. A presentation of the tool is scheduled for the AGM 2006 which will include a special session on visual material and the RRO.

### **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 focused on studies on licensing on musical works, the intention of RROs not licensing musical work today to include such activities in their repertoire in the future and the consequences of the European directives and recommendations on the licensing of musical works.

### **Working Group on the Licensing of Newspapers and similar Publications**

The main activity of the WG over the past years has been the exchange of information. To this aim, a standardised country report showing facts and figures in the form of a matrix to be produced by each RRO has been developed. The matrix was revised during the FY and a revised draft of standard report will be discussed at the WG meeting organised in conjunction with the 2006 AGM.

### **Digital Issues Forum**

The purpose of the Digital Issues Forum (DIF) is to provide a forum for the exchange of information between the membership and the Board and the Digital Strategy Committee. It is open to all IFRRO members and is thus the main forum for the members to exercise influence on the IFRRO work on digital issues. Focus during the year under review has been on providing a platform for discussions on the DSC initiatives on short term solutions on International Document Delivery (IDD), digitisation mandates and the role of RROs in the digital arena.

### **Equipment Levy Forum**

The Equipment Levy Forum has been established as an informal forum for the exchange of information between RROs administering equipment levies and others that take an interest in these issues. The Forum has developed three matrices giving a comprehensive overview of the application of levies to reprographic devices, for reprographic copying otherwise than devices and on the uses allowed by law which are remunerated through reprographic levies. Levy systems are established in national legislation also in other regions and the matrices would benefit from being extended into covering countries outside Europe.

The European Commission has initiated an assessment of levies with a particular focus on levies on digital equipment. This work includes a stakeholder consultation. ELF met on 19 June *inter alia* to discuss the European Commission initiative and has provided information in relation to submissions made and meetings with the Commission.

## **10. FINANCES**

### **Operational accounts**

The year end balance on the operation, i.e. excluding the Development Fund and the Communication Project, was made up with a surplus of €9,153 against a budgeted surplus of €3,600. The surplus has been added to the operational reserve which amounts to a total of €260,819 as at 30 June 2006, or approximately half of the budgeted yearly spending.

### **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 2006, there is a total of €66,712 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. Thirteen IFRRO members contributed a total of €203,575 directly to the Fund during the FY.

The Board approved allocations totalling €448,859 towards 27 development projects, all in the form of grants. Two grants were directed towards Africa and the Middle East, 6 towards the Asia Pacific region, 4 towards Europe, 10 towards Latin America and the Caribbean and 5 approved towards co-operation with WIPO, UNESCO and towards General purposes. A total of €166,757 was paid out during the FY.

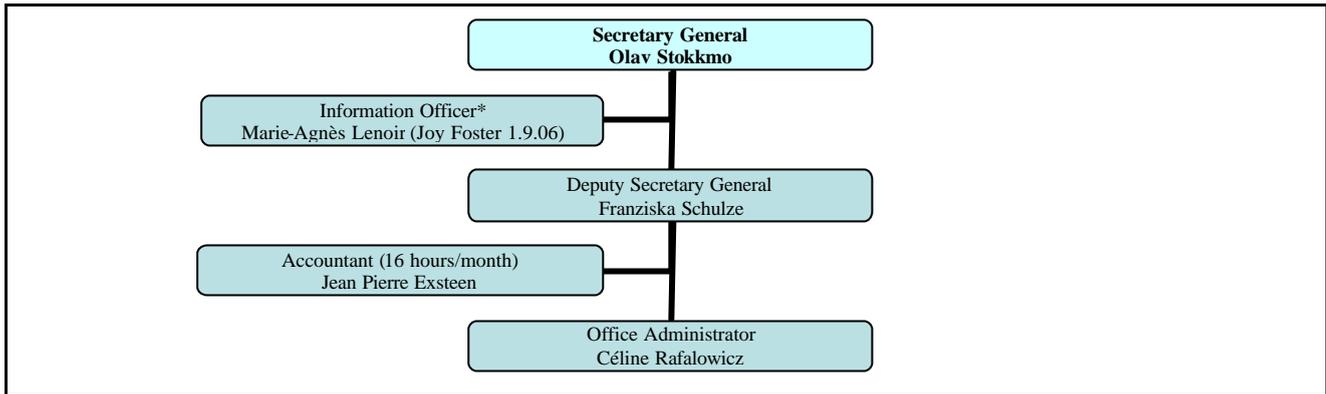
In addition, member organisations contribute to the IFRRO development work either through their own development funds, which is the case of Kopinor or by not charging IFRRO's Development Fund when participating in development activities, which was the case last FY for instance for CFC and ICLA.

As at 30 June 2006, the Development Fund amounts to €1,149,770, of which €683,588 has already been allocated through Board decisions towards new and/or existing projects. This leaves a total of €466,182 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. The Board thanks *Marie-Agnès Lenoir* who has worked as the Information Officer during the FY for her services to IFRRO since 1 January, 1998. She will be leaving IFRRO as of 1 September, 2006 and be replaced by *Joy Foster*. *Céline Rafalowicz* is responsible for 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:



\* IT is outsourced, administered by Marie -Agnès Lenoir/Joy Foster.

## 12. FUTURE PERSPECTIVES

The copyright industries represent an important element in any society. Access to intellectual works is indispensable whether the aim is to prosper and develop new activities or to sustain existing endeavours and cultural expressions. Moreover, the copyright industries are often among the most important contributors to the economy of nations as well as to the creation of employment. It is therefore of importance to any nation to provide frameworks that stimulate the creation of such works. This can only be successfully achieved if copyright works are adequately protected.

The importance of the copyright sectors is not always understood even by decision makers among whom there are those who strive to enable more free access to copyright works, especially in the digital environment, at the expenses of the rights of rightsholders. There is a huge need for accurate information on the importance of copyright and copyright related industries, as well as their importance to education, science, cultural development and economic growth. Providing a basis for a better understanding of the importance of the copyright sectors is therefore a priority task for the Board during the coming FY. *Inter alia* on the basis of the key communication messages that have been adopted the Board will strive to achieve a broad co-operation within the print media sectors with to work out communication and information activities that can improve the image of copyright and the comprehension of its value to society.

Authors including visual creators and publishers are constantly faced with user demands for increased access to their works, which will require solutions in respect of individual and collective licensing and administration of rights, especially in the digital environment. Communicating a positive aspect and the importance of copyright requires that these issues be addressed, also on a global level. This makes development work indispensable. Moreover, the Board is of the opinion that, for the print media sector appropriate solutions for the digital environment are best found through a broad co-operation between representatives of the rightsholders concerned. It will give top priority to the establishment of the Strategic Focus Group and to the enabling of rightsholder involvement in order to respond to their specific requirements and sustain their business models in the digital arena.

Brussels, 30 June 2006

Peter Shepherd, President

## IFRRO CODE OF CONDUCT- REPRODUCTION RIGHTS ORGANISATIONS

*Approved by the IFRRO Board 1 June*

### Background

Reproduction Rights Organisations (RROs) are collective management organisations which act as intermediaries/facilitators between rightsholders and users in the fields of reprographic reproduction and certain digital uses

The International Federation of Reproduction Rights Organisation (IFRRO) links together Reproduction Rights Organisation (RROs) around the world.

RROs provide valuable services to rightsholders and copyright users. They promote the creation and dissemination of copyright material, act in the interests of rightsholders and facilitate legal access to copyright material.

IFRRO's Code of Conduct (the Code) sets out the standards of service that rightsholders and users can expect to receive when dealing with RROs. The Code promotes awareness of and access to information about copyright and the role and function of RROs in administering copyright on behalf of rightsholders.

The objective of the Code is to develop confidence about and to promote best practice in the operations of RROs. To facilitate this, IFRRO encourages RROs to develop fair and effective procedures for handling complaints and resolving disputes.

While adherence to the Code is voluntary, it embodies the principles and values which IFRRO believes all RROs should achieve and uphold. RROs that adopt this code have in place the necessary mechanism or systems to comply with the standards of behaviour set out in the code.

### Values

RROs:

- maintain fair, equitable, impartial, honest, and non-discriminatory relationships with rightsholders, users and other parties;
- respect copyright, contracts and applicable national and international laws;
- act with integrity in the collection and distribution of funds received;
- minimise their costs while providing efficient services to rightsholders and users of copyright.

In order to give effect to these values, each RRO aspires to:

- be **responsive** to the needs of its rightsholders and licensees;
- achieve **efficiency** in the process of allocating and distributing payments and
- be accountable, ensure **transparency and strive for best practice** in the conduct of its operations.

### Scope

The operation of the Code and the extent to which it can be adopted by a RRO is dependent upon national laws which may provide legal and regulatory mechanisms for RROs.

#### 1. General RROs

- 1.1 act according to their governing rules and constitution as well as applicable national and international law;

- 1.2 provide information about their operations that is clear and easy to understand;
- 1.3 educate and train their staff to meet the standards of this Code;
- 1.4 work to maintain, protect and value copyright laws where required and appropriate;
- 1.5 organise and publicise appropriate procedures to manage complaints and resolve disputes;
- 1.6 deal with confidential information appropriately, respecting agreements and applicable laws while respecting privacy rights of rightsholders and users.

## **2. Representation of Rightsholders**

### **2.1 RROs:**

- 2.1.1 have open representation for all eligible rightsholders in accordance with applicable national and supranational laws, including competition law;
- 2.1.2 ensure that their dealings with their constituents are transparent by publicising and explaining their operations, practices and procedures.

## **3. Relationships with Rightsholders**

### **3.1 RROs:**

- 3.1.1 manage their relationships with rightsholders efficiently, equitably and impartially;
- 3.1.2 treat all rightsholders in accordance with applicable statutes and national laws;
- 3.1.3 collect and distribute remuneration in a diligent, efficient and transparent manner; and
- 3.1.4 explain clearly and regularly the basis of their operations.

## **4. Relationships with Copyright Users**

### **4.1 RROs:**

- 4.1.1 manage their relations with copyright users and their representatives efficiently and equitably;
- 4.1.2 collect payments in a diligent, efficient and transparent manner;
- 4.1.3 explain clearly the source and content of their repertoire.

## **5. Distribution Policy**

### **5.1 RROs distribute remuneration received to rightsholders**

- 5.1.1 efficiently and expeditiously;
- 5.1.2 approximating actual use as far as possible;
- 5.1.3 transparently, by publicising distribution plans which explain the manner and frequency of payments with sufficient detail;
- 5.1.4 in accordance with applicable national and international laws.

### **5.2 RROs clearly explain the management of funds not yet distributed.**

### **5.3 RROs deduct from collections amounts of which they inform rightsholders as appropriate for their expenses and operating costs which:**

- 5.3.1 are proper and reasonable and in proportion to their actual efforts; and
- 5.3.2 accord with and are authorised by applicable statutes and by national laws.

### **5.4 RROs deduct from collections, if authorised by national law and/or their statutes and/or distribution plans rules so to do, allocations for social and/or cultural purposes; and whenever they do so, the authorisation for as well as the amount and nature of the allocation is clearly explained to the rightsholders concerned.**