

IFRRO BOARD REPORT 2010

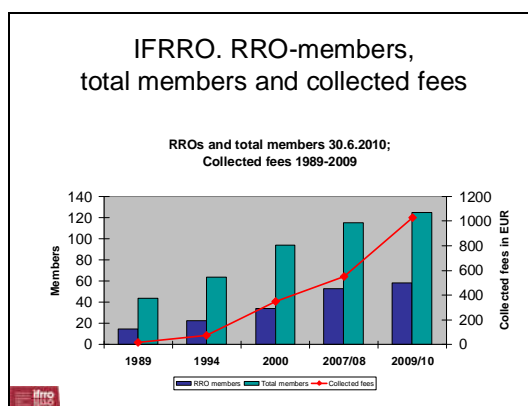
This report covers the period July 2009 – June 2010 during which the Board was made up of *Magdalena Vinent*, CEDRO (President); *Franziska Eberhard*, ProLitteris (First Vice President); *Bruce Funkhouser*, CCC (Second Vice President); Directors: *Jim Alexander* (CAL), *Jens Bammel* (IPA), *Christer Johansson* (Bonus Presskopia), *Hélène Messier* (COPIBEC) and *Mats Lindberg* (BUS); Substitute Directors: *Trond Andreassen* (EWC), *Maureen Cavan* (Access Copyright), *Rainer Just* (VG Wort) and *Michael Mabe* (STM). The Board met three times: October 2009 in Oslo; January 2010 in Geneva; and June 2010 in Lisbon.

During this period collective management of text and image based works faced pressures from different directions. On the one hand, there was pressure, particularly on a political level, for certain rights to be managed collectively. For instance, the digitisation and making available of the cultural heritage in individual countries and entire regions entails solutions for the administration of orphan works. Such solutions, by definition, can only be managed collectively, as the rightholders are not locatable. In parallel, there were also mounting requests for collective management for administering rights in out-of-print works, i.e. works which are no longer being commercialised, and in the making of alternate format copies for people with reading impairment. On the other hand, in stark contrast to pressure for more involvement of collective management, there were national copyright bills, such as in Canada and Bulgaria, which represented attacks on collective management. IFRRO will continue to lend assistance to the national RROs and rightholders in their endeavour to refute these and similar initiatives and to demonstrate the benefits of collective management of rights which, when appropriately offered, represents a win-win solution to users as well as to creators and publishers, and to society at large.

During the last year, IFRRO celebrated its 25th anniversary, and saw a further strengthening of IFRRO as the broadest existing network of rightholder associations and collective management organisations in the text and image based sector. Of the 125 members, 72 are RROs providing collective administration of reprographic and similar reproduction rights. For an increasing number of RROs this now includes, in addition to traditional administration of photocopy rights, the digitisation of books, periodicals, etc; copying from originals in electronic formats; and downloads from the Internet mainly for internal use. The other 53 members consist of national and international writers', visual artists' and publishers' associations that add a vital dimension to IFRRO, contributing significantly to its strength as a main information provider on issues relevant to collective management in the text and image based sector. Considerable effort has been put into the nurturing of the contacts, especially on the Presidency and Executive levels, and into the coordination of the positions of the international creators' and publishers' associations in membership of IFRRO.

1. MEMBERSHIP

As at 30 June 2010, IFRRO counts 58 RROs with RRO membership status and 67 Associate Members of which 14 administer reprography, a total of 125 members and a net increase of 8 members since last FY.



Two new RRO Members – KOPITAN (Tanzania) and YRCI (Yayasan Reproduksi Cipta Indonesia) – and six new Associate Members – CWWCS (China Written Works Copyright Society), KOSA (Korean Society of Authors), PDLN (Press Database Licensing Network, International), SAJ (Société du droit d’Auteur des Journalistes, Belgium), SAS (Georgian Authors Society), ZANA (Croatian Publishers’ Reprographic Rights Association) - were approved during the FY, adding eight new organisations to the IFRRO membership. No organisation cancelled its membership in 2009/10.

2. ORGANISATION

During the period under review, important initiatives were taken on the organisational level:

- Beginning in 2011, the AGM week will change its name to *IFRRO World Congress* leaving the name AGM to the AGM day only
- The IFRRO Code of Conduct was supplemented by an instrument to address the relationship and exchange of information between RROs as well as between rightholders and RROs ([Annexe 1](#));
- The Digital Issues Forum was replaced by an IFRRO Business Models Forum (IBMF) chaired by *Tracey Armstrong* (CCC) to facilitate the communication and exchange of information on issues relevant to the development of business models including technical standards
- At the express request of IFRRO members administering Public Lending Rights (PLR), an IFRRO PLR Forum (IPF) with *Benoit Proot* (Reprobel) as chair and *Christian Roblin* (SOFIA) as Vice Chair was established for the purpose of providing assistance and exchanging information on the practical administration of PLR. The establishment of the IPF was in consultation with PLR International. As is the case with other IFRRO fora, the IBMF and IPF are open to all IFRRO members.
- The Board further approved the mandate and governance rules for the European Group and modified the mandates of the Technical Standards Committee (TSC) and the Musical Working Group (formerly the Working Group on Reprographic Licensing of Musical Works).

As envisaged in the Business Plan 2009-12, the Board has also started examining the future scope of activities of IFRRO which will, once proposed changes are reviewed, be tabled for discussions by the membership in the appropriate forum. To facilitate emerging RROs’ participation at IFRRO AGMs, the Board adopted a financial support program that could extend to the first five years of the existence of the RRO¹. Noting that in some cases there have been discrepancies between expressing support for and actually mandating RROs, the Board issued a request to the Membership Committee to be vigilant and pay attention to whether mandates from authors and publishers having in fact been received when examining candidates for RRO membership.

The Board also decided to establish an IFRRO Education and Enforcement Task Force (IEETF) which will collect and present best RRO practices with the aim to encourage broad involvement in copyright education and enforcement activities. The IEETF, in which RROs shall have majority representation, is currently made up of *Jim Alexander* (Chair) and *Michael Lijic* (CAL), *Roanie Levy* (Access Copyright), *Vera Castanheira* (AGECOP), *Ana Maria Cabanellas* and *Magdalena Iraizoz* (CADRA), *Frederic Haber* (CCC), *Jose Miguel Herrera* (CDR), *Laura Ceballos* and *Carmen Cuartero* (CEDRO), *Valeria Sanchez* (CeMPro), *Jorid Lindberg* (ICLA), *Sharon Chahale* (Kopiken), *Andrea Voser* (ProLitteris), and *Roy Kaufman* (STM and John Wiley), with *Paul Greenwood* (VG Wort), and *Hans-Petter Fuglerud* (Kopinor) observing the IEETF work. The Secretariat has started examining the possibility for the establishment of an IFRRO Enforcement Fund that could, on defined conditions, offer financial support to enforcement activities.

3. POLICY ISSUES AND STRATEGIC COOPERATION

Collective Management on the copyright agenda

Collective management is increasingly being brought up, also on a political level, as a part of solutions for specific issues. During the year under review, particular focus has been on using collective management organisations such as RROs to facilitate digital libraries initiatives, multi-territory licensing, and access to works by people with reading impairment. While these positive attributes of RROs has been recognised by some legislative bodies, others have, upon occasion posed a threat to collective management or ignored the specific features of the RRO when introducing legislative changes. The Canadian copyright bill that was

¹ Posted to the IFRRO Members Only including on the AGM 2010 page

introduced in June 2010 attacks an already well-established system of collective licensing of text and imaged based works in education by undermining the need for it. This could have severe consequences on the publishing industry and result in reductions in income to creators and publishers from uses of copyright works which have traditionally been remunerated in Canada and elsewhere and continue to be remunerated outside Canada. Proposed amendments to copyright legislation in Brazil², Bulgaria² and India² are other examples that would affect collective management of text and image based works and income to creators and publishers.

It is in the interest of the creators, publishers, their associations, and the RROs to be more active and explicit in defining for which uses collective management by RROs should play a role and in presenting RROs as a solution to complex challenges. Collective management as a solution is best mapped out jointly by creators, publishers, their associations, and RROs. RROs, with the help of the rightholders' associations, should become more active in offering solutions and soliciting rightholder mandates for digital works and uses to enable them to assist rightholders in more adequately addressing the growing complexity of copyright in the digital arena. The Board maintains that solutions are best found in a rightholder-user dialogue with the active support of RROs when collective management is required. To this end, during the period under review the Board has communicated statements on collective management issues to the membership and initiated work to render alternative RRO business models more visible to the members.

Digitising and making available the cultural heritage: orphan works and out-of-print works

Specific requests have been put forward for adequate solutions to include orphan works³ and out of print works⁴ in library projects on the digitisation and making available of cultural heritage. The Board agreed on an IFRRO position on orphan works based on the following criteria or "check list":

- i. diligent search for rightholders to works as decided by rightholders nationally;
- ii. legal certainty for users and rights clearer, at least through approval mechanisms;
- iii. rights clearance for uses and administration of orphan works through RROs unless otherwise decided by rightholders nationally;
- iv. criteria for the use of orphan works established by national rightholders to the same categories of work.

Managing out-of-print works would normally be based on rightholder mandates with licensing taking as a starting point the model licensing agreements for secure and open networks developed within the framework of the EC i2010 digital libraries High Level Expert Group (HLG). RROs are already involved in devising solutions based on Extended Collective Licence system and on cut-off dates by which they enable the making available of older out-of-print works on a repertoire authorisation basis with a withdrawal option for the creator and publisher.

Visually Impaired People (VIP)

IFRRO has been represented by *Tarja Koskinen-Olsson* (contracted), *Georgina Bentliff* (CLA), *Alicia Wise* (PLS) and *Olav Stokkmo* in the WIPO VIP Stakeholder Platform and by *Olav Stokkmo*, *Anita Huss* and later *Ingrid de Ribaucourt* in the EC VIP Dialogue. Within the WIPO Platform, work has started on the development of an enabling technology programme as a collaborative effort between EDI_tEUR and the DAISY Consortium. EDI_tEUR, as the project lead, has engaged a dedicated resource to take the work forward with the aim to present solutions to be validated starting April 2011.

The WIPO Platform has also agreed that the creation and cross-border transfer of alternate format copies for people with reading impairment should take place through a system of Trusted Intermediaries (TI). A set of TI Guidelines, a file transfer agreement, and a copyright licence to form the basis of the instrument have been agreed to. IFRRO, among others, has offered a financial contribution (€ 15,000) to enable a TI project to move forward through piloting into the start-up phase in 6-7 countries. IFRRO documents to facilitate RRO assistance in this work are available on the VIP page on the IFRRO website. The Board has nominated *Hélène Messier* (with *Rainer Just* as substitute) to any project steering group. An initiative to merge the

² See Chapter 7 on pages 9 and 10

³ An orphan work is a work to which the creator and/or publisher is not identified or located

⁴ An out-of-print work is a work that the appropriate rightholder has unilaterally decided not to commercialise

DAISY Consortium and IFLA⁵ Global Accessibility Library (GAL) with the TI project has agreed on a governance structure which includes a Board of 9 including four rightholder representatives (five when rightholders have the rotating chair) and advisory groups. *Hélène Messier* represents IFRRO on the Board, *Rainer Just* and *Olav Stokkmo* in the rightholder advisory group.

The EC VIP Stakeholder Dialogue agreed on 30 June 2010 on a Memorandum of Understanding to be signed later in 2010 with IFRRO among the signatories. A system of TIs throughout the EU will be set up for the making and cross-border transfer of alternate format copies for people with reading impairment. Next steps include a TI accreditation procedure and an implementation plan. *Rainer Just* will be the IFRRO representative on any TI accreditation committee.

Cooperation with CISAC (Confédération Internationale des Sociétés d'Auteurs et Compositeurs)

The CISAC Director General resigned in May 2010 to take up the position as CEO of the Canadian Music Collective Management Organisation. As at 30 June 2010 his successor has not yet been appointed. Cooperation on practical and technical issues such as the identifiers ISTC⁶ and ISNI⁵ continue. Future cooperation may include co-organising a session of special interest to IFRRO target audiences at the World Copyright Summit 2011 and on IFRRO lending assistance to the planning of the event by being associated to an advisory committee. CISAC has been invited to cooperate in the IFRRO-WIPO education programmes with ARIPO⁷ and OAPI⁷ and attended at IFRRO's invitation the 2010 IFRRO-WIPO-ARIPO session in Harare⁷.

Relationship with IFLA (International Federation of Library Associations and institutions)

IFRRO and IFLA agreed to meet regularly on an Executive and possibly also on a Presidency level. The executives met in January 2010 in the Hague. The IFRRO-IFLA co-operation in the organising of awareness conferences on the development of a book and reading culture continue, and also involve WIPO and IPA. The 2009 conference which included EWC as a co-organiser took place in Frankfurt during the Book Fair. Next conference is scheduled for Tokyo on 1 and 2 December as part of the Japanese Year of Reading. JAACC, JRRC and JBPA make up the local organising committee with the National Diet Library.

4. MEMBERSHIP RELATIONS, COMMUNICATIONS AND INFORMATION

IFRRO celebrated its 25th anniversary during the FY under review. This was duly marked with an anniversary logo used on stationary and publications throughout 2009; a special session at the General Meeting 2009; and the publication of the book, *Enabling Access – 25 years of IFRRO*, authored by *Monica Seeber*. Also, during the period under review, the WIPO-IFRRO publication *Collective Management in Reprography*, which already exists in the six WIPO languages (Arabic, Chinese, English, French, Russian and Spanish) was converted to and made available on the IFRRO homepage in DAISY format in English and Spanish and as audio book.

As noted above, there has been enhanced focus on collective management in fora which are crucial to copyright, especially those that have included legislators. As such, enhancing the public profile of IFRRO is of utmost importance in order to support strategic membership issues adequately. External resources will be contracted to assist in the follow up of preparatory work which was carried out during the period under review. This work included identifying target groups and assessing presentation and packaging of the IFRRO key messages⁸. The IFRRO Communication Resource Group (CRG), which met four times during the period under review, is also involved. In addition, the CRG work has included preparation for and examination of the results of a survey on both the IFRRO public and Members-Only websites. This forms an important basis for revamping the IFRRO homepage, to be launched in September 2010 with improved navigation and enhanced focus on the websites' archive functions.

Short term priorities also include publishing a study paper on digital mandating of and licensing by RROs; implementation of a comprehensive presentation of collective management of rights developed at the request of IFRRO by *Peter Shepherd* assisted by a resource group made up of *Victoriano Colodrón* (CEDRO),

⁵ International Federation of Library Associations and Institutions

⁶ International Standard Text Code; International Standard Name Identifier. See Chapter 5 Technical standards

⁷ See 6.4 and 6.5 on page 8

⁸ IFRRO key Communication messages are available on IFRRO's website and in the IFRRO Directory

Franziska Eberhard (ProLitteris), *Samantha Holman* (ICLA), *Christer Johansson* (BONUS Presskopia), *Hélène Messier* (COPIBEC), *Gérard Robinson* (DALRO), *Paul Wee* (CLASS), *Hugo Setzer* (CeMPro and CANIEM), *Owen Atkinson* (ALCS), *Jens Bammel* (IPA), *Joanna Cave* (Viscopy) and *Veraliah Bueno*; and the launch of an IFRRO welcome manual to new IFRRO members. The collective management presentation is a slide series build on eleven topics intended as a tool for those who are invited to present IFRRO and/or the role and functioning of RROs, be it at copyright conferences or in local RRO recruitment campaigns to attract new creator or publisher members. The documents are made available on the Members Only page.

Consultation with international trade associations in membership of IFRRO and with individual authors and publishers remains high on the agenda. The *President* and *Chief Executive* met with EWC and IPA's Copyright Committee and made presentations at the FEP General meeting. In conjunction with its June 2010 meeting in Portugal, the Board met with the Portuguese authors' and publishers' associations and AGE COP. Such meetings, including the format and topics to be addressed, depend on the local RRO in the country where the Board meeting takes place.

Transparency on the Board's work is also carried forward through the posting of Board agendas on the intranet one month prior to the meetings combined with three issues of the *Executive News* informing the membership's executives of the main Board decisions. The *IFRRO Newsletter* was published five times. The *Digital Alert* which also this year appeared with four issues has been produced since 1998 by CCC under the supervision of *Bruce Funkhouser*. From the coming FY it will be published by the Secretariat.

The 2010 *Senior Managers Forum* (SMF), which we thank Stichting Reprerecht (Netherlands) for hosting so well, was attended by 39 Senior RRO officers. It focused on licensing in education and included, in addition to shared of RRO experiences, contributions from external speakers on the use of Smartboards and requests for multi-territorial academic licensing as well as on educational publishing and tools for communicating copyright. Given the increased importance of communicating copyright and collective management, communications and information will be the topic of the SMF 2011 in Copenhagen.

Separate authors' and publishers' gatherings have been facilitated through the incorporation of meetings in the weekly program of the IFRRO AGM in Oslo, and for the authors in conjunction with the IBMF in Lisbon in June 2010.

Google

IFRRO has continued to provide information on the Google Settlement on its specific Google page on the "Members Only". Moreover, for the purpose of attending to any RRO coordination issue that might arise, IFRRO members were invited to nominate members to an *ad-hoc* Google Settlement Coordination Working Group whose work is facilitated by the IFRRO Secretariat. Members as at 30 June 2010 are *Roanie Levy* (Access Copyright), *Owen Atkinson* (ALCS), *Marie-Michèle Montée* (Assucopie), *Michael Lijic* (CAL), *Javier Diaz de Olarte* (CEDRO), *Samantha Holman* (ICLA), *Sandra Csillag* (LiterarMechana), *Aris Petropoulos* and *Filon Filonos* (OSDEL), *Robert Staats* and *Paul Greenwood* (VG Wort). It provided invaluable assistance to the General Counsel's work on a model *amicus curiae* brief that was posted to the Members Only and sent to the IFRRO membership to assist them in filing one in conjunction with the Settlement's Fairness Hearing in February 2010.

On November 13, 2009, the parties filed an amendment to their originally proposed Settlement Agreement in response to discussions with the US Department of Justice and objections raised by several stakeholders or their representatives. The Amended Settlement Agreement narrowed the works to be included to those published in the US and registered with the US Copyright Office or published in Australia, Canada or the UK on or before 5 January 2009. It clarified that a book is "commercially available" if it is being offered for sale anywhere in the world to a buyer in those countries; limited potential new revenue models to print-on demand, file downloads and consumer subscription; and excluded children's book illustrations. The Book Rights Registry is to have at least one author and one publisher representative from the three non-US countries concerned; include a fiduciary with the responsibility for representing the interests of rightholders to unclaimed works and use some of the settlement funds to locate rightholders. The deadline to claim cash payment was extended to 31 March 2011 and the removal deadline to 9 March 2012. VG Wort was present at the Fairness Hearing on 15 February 2010, the result of which was unknown as at 30 June, 2010.

In April 2010, ASMP, joined by GAG and several other photographers and illustrators organisations, filed a class action copyright infringement suit against Google on alleged illegal scanning of books and other publications containing copyright images and displaying them to the public without regard to the rights of the visual creators. And on 18 December 2009, a Paris court ruled in the copyright infringement case filed by the French publisher La Martinière, later joined by SNE and the writers union SGDL, that Google was infringing copyright by scanning “snippets” and including them in its Google Book Search results. Google had to pay 300,000 EUR in damages and interest and 10,000 EUR per day until it removed the snippets.

5. FACILITATING DEVELOPMENT OF RRO AND RIGHTHOLDER BUSINESS MODELS

Business models and cases

The Business Model Task Force (BMTF) under the chairmanship of the IFRRO *President* finalised its work on the collection and presentation of functioning RRO business models and on preparation for the IFRRO Business Model Forum (IBMF), launched in June 2010. The report on digital mandating of RROs which was presented to the membership at the IFRRO AGM 2009 was followed by a digital licensing questionnaire to RROs with digital mandates. This second questionnaire was designed to enable the examination of how mandates had resulted in licences. A report was made to the IBMF in Lisbon on 3 June and an overview has been posted to the digital toolkit page on the IFRRO Members Only. The two reports from the mandating and licensing questionnaires form the main basis for a digital study paper under preparation by the Secretariat.

Digital uses administered by RROs

The digital licensing questionnaire showed that most but not all RROs that had digital mandates were also administering certain digital uses. Repertoire licensing prevailed and educational institutions were more commonly licensed by RROs for their digital uses than government and public administration or corporations. Such licences allow digitisation (typically scanning) from originals in analogue formats as well as copying from electronic originals and downloads from Internet for the printing out of hard copies, posting to secure networks, projection to smart boards and inclusion in power point presentations. Some RROs also licensed document delivery especially by corporations and government administration and a few either redirect users to rightholders’ content databases or allow access to or copying from the RRO’s own content databases. Virtual Learning Environments (VLE) was frequently included in schools and universities/higher education licences.

Under half of the responding RROs licensed libraries for their digital uses. When this was a part of the RRO’s licensing activity, it was most often for the printing out of a hard copy and slightly less frequently for the posting of material to password protected internal networks, generally accessible by university staff and students only. A handful of RROs reported that they were involved in the licensing of libraries for the use of orphan works and/or out-of-print/commerce works.

Licensing of digital uses in government administration, corporations and further education was predominantly on a the basis of a voluntary licensing model, whereas licensing in education was balanced between voluntary licensing, voluntary with a back up in legislation such as under an extended collective licence or compulsory collective management, and statutory licensing. Document delivery, regardless of the source of the copy, and from content was chiefly licensed under a voluntary licensing model. In Germany VG WORT, VG Bild-Kunst and CMOs administering private copy levies announced in February 2010 an agreement concerning copyright remuneration for private copying with PCs.

Technical standards

Following a Board decision on an ONIX for RROs standards implementation strategy based on distributed management the ONIX Governing Body (OGB) chaired by *Maureen Cavan* (Access Copyright) and otherwise made up of *Franziska Eberhard* (ProLitteris), *David Grundy* (ALCS), *Heather Reid* (CCC), *Alicia Wise* (PLS) and *James Boyd* with *Mark Bide* (EDiTEUR) associated to it, has initiated a number of actions to facilitate the take-up of ONIX for RROs: An online forum⁹ has been set up; a ONIX for RROs guide book for technical developers has been published; and a mentoring programme is under development.

⁹ http://groups.yahoo.com/group/ONIX_RROs

EDItEUR is responsible for a number of standards of interest to IFRRO including ONIX for RROs. The Board therefore approved that IFRRO become a member of EDItEUR and that *Olav Stokkmo* join its Management Board with *James Boyd* also attending selected meetings.

IFRRO, CISAC, Bowker and Nielsen Bookdata, formalised the establishment of the International ISTC¹⁰ Agency in January 2009. *Olav Stokkmo* is on the Board, with *James Boyd* also attending meetings. The priority is to recruit sufficient Registration Agencies and to start up assigning enough ISTCs to make the standard viable. As of the end of June 2010, two Registration Agencies (RA), Bowker and Nielsen, have assigned a very limited number of ISTCs, whereas MvB (the German ISTC agency) had not yet started. Interest for RAs has also been expressed by organisations in Belgium, China, Columbia, France, Finland and Russia.

IFRRO is working with five other organisations and companies on the possibility to form a consortium to run the ISNI¹¹ International Agency (ISNI-IA). The work focuses on exploring alternative business models with the aim to propose one and a business plan to the consortium partners in the coming FY.

6. WORK IN RELATION TO INTERGOVERNMENTAL BODIES

6.1. WIPO (World Intellectual Property Organization)

WIPO, one of IFRRO's key co-operating partners, is currently undergoing a considerable restructuring. Whereas IFRRO in past years has interacted with different sectors, IFRRO-WIPO co-operation activities, including those on regional development activities, are now being concentrated within the Copyright and Related Rights Sector under Assistant Director General, *Trevor Clarke*. This change will facilitate improved coordination between the two organisations. In the current, transition period, it has, however, created some uncertainties as to how activities can be carried forward. WIPO will be the subject of the AGM special session 2010. This will offer the IFRRO membership the opportunity to further explore cooperation activities with IFRRO.

In addition to the yearly IFRRO-WIPO meetings, relevant WIPO meetings throughout the year, including the General Assembly (GA), are attended by IFRRO's President, *Magdalena Vinent* and the *Chief Executive*, and selected meetings also are attended by the IFRRO *General Counsel*. During the period under review the WIPO SCCR¹² saw the presentation of the studies on exception and limitations in relation to education, to which IFRRO contributed at the request of the researchers, and the advancing of the discussions on visually impaired persons' accessibility to copyright works¹³. There is now general consensus that WIPO should adopt some kind of instrument in favour of people with reading impairment, but no consensus on the character of it. Brazil, supported by some other Latin American countries, has proposed a text for a WIPO Visually Impaired Persons Treaty; the African group has proposed a broad treaty encompassing exceptions in favour of libraries and education; the US has put forward a "Consensus instrument"; and the EU favoured a joint statement. The EU and US texts both support strongly accessibility through a system of Trusted Intermediaries which is in line with the IFRRO position. IFRRO has therefore submitted support for a joint statement with content along the lines proposed by the EU and the US, albeit with changes in the text.

The IGC¹⁴ committee meetings on Traditional Knowledge (TK), Traditional Cultural Expressions (TCE) and genetic resources on 7 May 2010 resulted in an agreement to intensify negotiations on a WIPO legal instrument on TK and TCE. Meetings, which will also include representatives from the indigenous communities, are scheduled to accelerate the text based negotiations.

IFRRO provided speakers for and/or collaborated in the organising of twelve WIPO conferences, seminars and workshops: three in Africa; two in Asia; five in Europe; and two in the Middle East.

6.2. UNESCO (United Nation's Economic, Social and Cultural Organization)

IFRRO has Non Governmental Organisation (NGO) status with UNESCO. *Anita Huss* attended the NGO committee meeting on 1 April and *Ingrid de Ribaucourt* was at the copyright committee meeting on 7-8 June.

¹⁰ International Standard Text Code, ISO standard, www.istc-international.org

¹¹ International Standard Name Identifier

¹² Standing Committee on Copyright and Related Rights

¹³ See also 3 on pages 6 and 7

¹⁴ Intergovernmental Committee on IP and Genetic Resources, Traditional Knowledge and Folklore

Initiatives to secure financing for a UNESCO-IFRRO-CISAC three-year APTT programme for Africa, Asia and Latin America by IFRRO were not successful during the period under review. In April, 2010, UNESCO launched an Anti Piracy Observatory to list best practices with which IFRRO will examine how to cooperate.

6.3. European Union

The new Parliament elected in 2009 with enhanced institutional power and the new Commission led by José Manuel Barroso with an announced focus on Intellectual Property issues took office in February 2010. IFRRO welcomed the Commission's consultation paper Post i2010 on priorities for a new strategy for the European information society with its emphasis on the importance of the Intellectual Property sector to create a stable growth in the European economy. There is also an enhanced focus on collective management and its ability to address defined challenges. Directorate General Internal Market and Services Commissioner Michel Barnier, who is also responsible for copyright matters, has announced legislative proposals on orphan works to be published in the autumn of 2010 and on collective management in early 2011. IFRRO is in active discussions with the relevant EC units on both initiatives. The Chief Executive gave presentations at the EC hearings on the Google settlement, orphan works and collective management.

European Parliament (EP)

The period under review has seen an improved contact with the European Parliament. A lunch for MEPs interested in copyright, which all Brussels based creators' and publishers' associations in membership of IFRRO were invited to co-organise, was held on 9 December 2009. Moreover, IFRRO has supported the report on enforcement of intellectual property rights in the internal market drafted by MEP Marielle Gallo which received a positive vote in the Legal Affairs Committee and is up for a plenary vote in the early autumn and MEP Helga Trüpel's report on Europeana – Next Steps, which has received a favourable EP vote.

Arrow – Accessible Registries on Rights and Orphan Works and European digital libraries

ARROW, the EC sponsored project to establish an automated system to identify rights, rightholders and rights status as well as an orphan works registry and the provision of information regarding rights clearance to facilitate the realisation of the European digital libraries, is now partnered by 30 institutions and organisations. This includes IFRRO; the RROs, CEDRO, CFC, CLA, COPYDAN, Kopinor, Kopioisto and SAZOR; FEP and publishers' and authors' organisations including ALCS, PLS and SNE; European National Libraries; ISBN agencies and technology developers. IFRRO leads the Work Package on awareness and dissemination with *Veraliah Bueno* as the main person responsible at the Secretariat and is a member of the ARROW Management Board. The project received positive evaluation at the EC half-term review in March and May 2010. IFRRO has joined as a contracting partner and as leader of the network and dissemination work package the application to the EC for the co-financing of an ARROW Plus to implement throughout Europe the system which is now being piloted in France, Germany, Spain and the UK.

Copyright levies

The Commission has made it clear that it has no intention to legislate copyright levy related issues. The EC-facilitated working groups that were established in 2008 therefore constitute the most realistic approach towards developing consensus between the ICT industry and the rightholders on the issue. IFRRO therefore regrets that the ICT industry decided without prior warning to walk out on the WG discussions in January 2010. Although they did not formally leave the discussions with IFRRO on the reprographic-specific methodology, no meetings have taken place since October 2009.

6.4. ARIPO (African Region Intellectual Property Organization)

The Chief Executive addressed on 27 November 2009 in Gaborone the Council of Ministers meetings of ARIPO, the intergovernmental organisation representing 16 English speaking sub-Saharan African countries with which IFRRO has a cooperation agreement covering all major IP activities since 2006. The third session of the IP education programme developed jointly by ARIPO, IFRRO and WIPO for IP Officers and RRO employees in ARIPO Member States took place in Harare in January 2010 with *Tarja Koskinen-Olsson* as the main lecturer. *Mats Lindberg* (BUS) coached on the administration of visual material, and *James Boyd*, *Greenfield Chilongo* (Zimcopy), *Dora Makwinja* (COSOMA), *Ben Nyadzi* (COPYGHANA) and *Peter Wasamba* (Kopiken) as IFRRO resource persons. *Rober Hooijer* (CISAC) attended for the purpose of considering CISAC cooperation in the programme which will allow it to extend to musical works.

6.5. OAPI (Organisation Africaine de la Propriété Intellectuelle)

OAPI represents 16 French-speaking Sub-Saharan African countries. An agreement on co-operation covering all major IP relevant activities was signed on 27 September, 2007. A second session of the IFRRO-OAPI-WIPO IP education programme for IP Officers and RRO personnel in OAPI Member States took place in Yaoundé in April 2010. *Jenny Vacher-Desvernais* was contracted jointly by IFRRO and WIPO as the main lecturer. *Marie-Anne Ferry-Fall* (ADAGP) spoke on administration of visual material, and *Chantal Forgo* (BBDA), *Jean Noel Mevoula* (SOCILADRA) and *Olav Stokkmo* were the IFRRO resource persons.

6.6. APEC/IPEG (Asia Pacific Economic Co-operation/Intellectual Property Experts Group)

A report on digital libraries related initiatives in APEC Member Economies based on a questionnaire developed in collaboration with APEC/IPEG was submitted to APEC/IPEG in February 2010. The cooperation is gradually eroding as a result of lack of manifested APEC/IPEG interest.

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

During the period under review, the collaboration with CERLALC in Latin America and the Caribbean was formalised through the signing of a general cooperation agreement. A workshop on collective management of rights financed by CRDRO was co-organised in Quito and IFRRO sponsored a CERLALC anti-piracy event.

7. REGIONAL DEVELOPMENT ACTIVITIES

Annual reports submitted to the Board from the European Group and regional development committees and made available to the membership document progress in all regions. The financial aspects of the development work are reported separately in Chapter 9 Finances and in the Financial Statement 2009-10.

Asia Pacific Committee (APC)

The region counts 12 RROs in membership of IFRRO administering reproduction rights, including one Music RRO. Since the last Annual Report, YRCI (Indonesia) has been granted RRO membership and is in the process of signing its first licensing agreement. CWWCS (China) which represents both authors and publishers is an IFRRO Associate Member, but is not yet active in licensing reprography. IFRRO and its membership, in particular CAL, CLA and PLS, have lent support to IRRO to making representations to the government on a copyright bill which proposes to limit collective management organisations to those which have been set up by authors only. China, India, Indonesia and the Philippines remain priority countries. The APC met once during the period under review. The Chair is *Caroline Morgan* (CAL).

Development Committee for Africa and the Middle East

Africa counts 10 RROs in membership of IFRRO. KOPITAN (Tanzania) was approved as a new RRO member during the FY under review, and the RRO in Zambia has filed an application for IFRRO membership. The Ugandan RRO has just been approved by the authorities in that country. The Committee followed up last FY's initiatives in the Middle East. During the Abu Dhabi book fair in March 2010, IFRRO co-organised with WIPO and the League of Arab States (LAS) a conference on RRO activities attended by fourteen LAS Member States. A committee made up of representatives of the publishers association, writers union and the government in the UEA is examining the establishment of a RRO. The Development Committee for Africa and Middle East (AMC), chaired by *John-Willy Rudolph* (Kopinor) with *Gérard Louise* (MASA) as Vice Chair with a special responsibility for French speaking countries, met once and organised a sub-regional meeting for CEOs of African RROs during the year under review.

European Group and European Development Committee

European Group (EG)

The European Group met twice during the FY. The Executive Committee consists of *Kevin Fitzgerald* (CLA) as Chair, *Rainer Just* (VG Wort) and *Yngve Slettholm* (Kopinor). The meeting in Oslo in conjunction with the IFRRO AGM (organised as a joint meeting with the Equipment Levy Forum) adopted a mandate and governance structure for the EG which was subsequently submitted to the Board. The Lisbon meeting on 3 June 2010 elected a Nominating Committee made of *Javier Diaz de Olarte* (CEDRO), *Susanne Munk Knudsen* (COPYDAN) and *Benoit Proot* (Reprobel) to be responsible for the election of the EG Chair and Vice Chairs. Among the main items on the EG agenda during the period under review are the coordination of

the EG members', EC Executive Group's and IFRRO Secretariat's interaction with EU institutions including MEPs, and the follow-up of EC initiatives with a special focus on orphan works.

European Development Committee (EDC)

The EDC met once during the FY under review and organised a workshop for Serbian rightholders resulting in the establishment of Repro Serbia with the participation of authors and publishers. ZANA (the Croatian publishers RRO) joined IFRRO as an Associate Member during the FY and Europe now counts 38 Collective Management Organisations administering reproduction rights with IFRRO membership or observer status, of which 25 are RRO members. A proposal to abolish the article in the Bulgarian Copyright Act on copyright levies to ensure fair remuneration for reprography in combination with broad exceptions seriously threatens the basis for RRO activities in Bulgaria. IFRRO cooperates with CISAC and other rightholder federations to halt this government initiative. Following a WIPO-IFRRO fact-finding mission to Kazakhstan, the EDC will consider a more proactive approach to Eurasian licensing collectives. Bulgaria, Balkan and the Baltic States remain, nevertheless, the target countries for the work of the EDC which is chaired by *Samantha Holman* (ICLA).

Latin America and the Caribbean (LAC)

There are 9 RROs in membership of IFRRO in the region. The RROs in Costa Rica and Peru have filed applications with their respective authorities to be approved as RROs. Proposed amendments to the Brazilian Copyright Act introduce compulsory collective management of reprography while at the same time undermining the basis for licensing by allowing libraries and universities to establish e-repositories of complete works to be accessed by students and teachers. Licensing has progressed in several countries in Latin America and the Caribbean which is also reflected in increased income. Main targets remain Costa Rica, Ecuador and Peru and to agree on a proper solution for a Caribbean wide project. *Ana Maria Cabanellas* (CADRA) replaced *Victoriano Colodrón* as LAC Chair, with *Brian O'Donnell* as Vice Chair responsible for the Caribbean. The Committee met twice during the period under review.

8. TECHNICAL WORKING GROUPS AND FORA

Technical Standards Committee (TSC)

The TSC is tasked with supporting IFRRO work on technical standards including examining the need for and possibly developing an IFRRO Party Identifier. It also acts as a resource group for the Board and the Secretariat in relation to IFRRO's work on ISNI. With the Board's approval, the TSC engaged a strategic consultant to create a project road map addressing detailed requirements gathering and high-level potential costs for the development of an IFRRO Party Identifier schema. The TSC met four times mainly through telephone conferences during the FY under review chaired by *Franziska Eberhard* (ProLitteris)

Visual Material Working Group

The Visual Material WG 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 the strategy for co-operation and closer involvement of the visual creators in the field of reprography. Orphan works, the Google settlement and its potential impact on visual material and distribution issues continued to be high on the agenda of the WG which met twice, chaired by *Mats Lindberg* (BUS).

Musical Working Group

The WG studies and suggests solutions to relevant issues to the reproduction of musical works in print. A task force is examining the mandating of (Music) RROs. To this end a questionnaire is being drafted to update information on the situation. A pilot project of digital licensing of musical works open to any interested RRO is being discussed. The Musical WG is chaired by *Marc Hofkens* (SEMU).

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 rightholders of

original content. Current focus is on business models including the licensing of web content and on relevant technical standards and identifiers. The WG, which is chaired by *Martèl Bakker Schut* (SR) met twice during the FY.

Digital Issues Forum (DIF)

The DIF was convened in conjunction with the IFRRO AGM 2009 under the chairmanship of *Bruce Funkhouser* (CCC). Focus was on rights acquisition, administration and tools, including technical standards, for the digital arena and business models and tools to facilitate digital libraries. The Board stood down the DIF at its meeting in January 2010 and replaced it with the IFRRO Business Models Forum.

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 and others that take an interest in these issues. It met twice during the FY to discuss and advise on topics on the agenda of the European Commission Levy WGs and those relevant to online/cross-border sales of devices. ELF chair is *Benoit Proot* (Reprobel).

Legal Issues Forum

The Legal Issues Forum (LIF) is a forum open to all IFRRO members for the exchange of information on legal issues. During the year under review it met twice under the chairmanship of *Caroline Morgan* (CAL) to examine *inter alia* legal issues arising from multi territory licensing and the licensing of web content.

9. FINANCES

Operational accounts

The year-end balance on the operation, i.e. excluding the Development Fund and the Communication Policy Project, resulted in a surplus of € 80,206 against a budgeted surplus of € 850. This is mainly due to the receipt of unbudgeted income from the European Commission for the ARROW project, additional payment for IFRRO's contribution towards the Notice programme under the Google Settlement, and higher interest rates than anticipated on the capital reserve. A total of € 220,000 was allocated towards development work of which € 126,312 was paid out leaving a balance of €93,688, which has been provisioned for next FY and transferred as contribution to the Development Fund.

The Board proposes that the surplus of € 80,206 be added to the operational reserve which will then amount to a total of € 453,582, as of 30 June 2010. This equals some 7 months of the budget yearly spending which is considered indicative of a sound fiduciary policy.

Communication Project

The 2003 AGM allocated € 200,000 and the AGM 2008 an additional € 45,000 towards a Communication Project, set aside in a separate fund and accounted for separately. As at 30 June 2010, there is a total of € 35,253 left in this fund, most of which is contracted for payment during the coming FY for the refurbishing of the web pages and new IFRRO publications.

Development Fund

Four IFRRO members contributed a total of € 87,300 directly to the Fund during the FY. In addition, the net balance of € 146,035 allocated in FYs 2008-09 and 2009-10 not yet paid out funds under Development Work from the Operational budget was transferred to the Development Fund resulting in a total Development Fund contribution of € 219,335. As in previous years, members also contributed financially through their own development funds¹⁵ and by not charging IFRRO when participating in development activities.

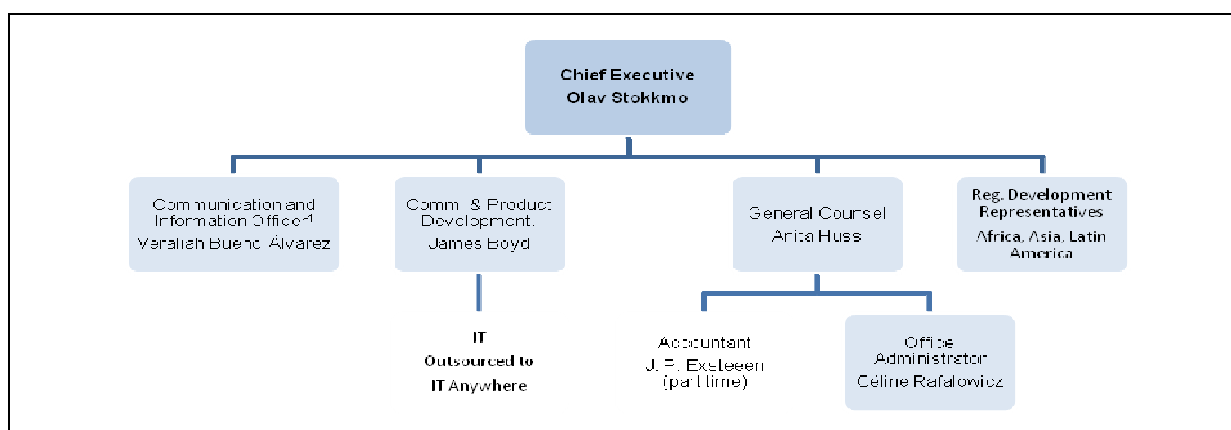
A total of € 86,430 was paid out towards previously approved grants during the FY. Loans of € 20,000 and €23,000 were approved and paid out to B-COPY and TIRRO respectively, whereas Luxorr repaid the balance of € 70,000, settling its debts to IFRRO, and CDR repaid € 10,000 on the loan reducing its loan balance to € 20,000. As at 30 June 2010, the Development Fund amounts to € 1,186,264, of which €

¹⁵ COPYDAN has established a DF which financed the EDC seminar in Croatia; Reprobel and Kopinor sponsored, among other things, the participation of emergent RROs at the AGM 2009.

448,600 has already been allocated through Board decisions towards specific projects. This leaves a total of € 737,664 available for new projects.

10. THE SECRETARIAT

The Secretariat is based at Rue du Prince Royal 87, Brussels (Belgium). Since September 2005, it has been co-located with other international organisations such as the European Visual Artists (EVA) and the European Writers Council (EWC). *Olav Stokkmo* is Chief Executive and Secretary General with *Anita Huss* as General Counsel and Deputy Secretary General. *James Boyd* is responsible for IFRRO’s work on technical standards and communications and product development, and *Veraliah Bueno Álvarez* is responsible for the IFRRO website and selected communication and information activities and event managing. *Céline Rafalowicz* handles secretarial matters, including the day to day book keeping. During Anita Huss’ maternity leave, *Ingrid de Ribaucourt* has been engaged since 15 May 2010 as Senior Legal Advisor. *Jean Pierre Exsteen* is engaged on a consultancy basis to assist with the book keeping and IT is outsourced to IT Anywhere, a Belgian IT service company: bringing the organisational chart to look like this:



(1) Ingrid de Ribaucourt engaged as Senior Legal Advisor on a temporary basis

Regional Development Representatives (RDR) reporting directly to the Chief Executive 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; Latin America: *CERLALC/Mónica Torres Cadena*, main focus on Ecuador and Peru. RROs have been established in all target countries, with the exception of Belize where the RRO is under establishment. The RROs in Indonesia, Philippines and Tanzania are IFRRO members, while ZARSSO (Zambia) has filed an application for membership.

11. FUTURE PERSPECTIVES

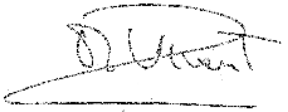
Collective management and licensing are increasingly mentioned as an indispensable part of solutions to enable certain forms of access to Intellectual Property (IP). The European Commission has announced two important initiatives during the coming FY: orphan works legislation and a collective management directive. In its work on these issues the IFRRO Board will emphasise the need for sector-specific approaches.

It is an IFRRO core value that the creator and publisher shall have the full freedom to decide how their works shall be administered. The RRO assists authors and publishers in offering legal access to certain types of uses of works when they do not want to or cannot operate directly in the marketplace themselves. Collective administration in the text and image based works sector thus aims at complementing individual rights management which allows rightholders to offer comprehensive solutions to consumers enabling a broadest possible legal access to their works through licensing or on the basis of fair remuneration through, for instance, copyright levies.

The characteristics of uses administered by RROs is that they most often relate to secondary uses through multiple reproduction, making available or distribution of portions of a large number of works that have already been published involving a high number of rightholders. Many would also consider that the use has a non-commercial aspect to it. The main reasons for such copying are users considering that it is “unreasonable” to ask them to buy the complete work if only a portion is needed; users wanting to update information quickly; the material is not available or no longer on sale; and the need for flexibility in the form of putting together material piecemeal and from various sources for defined purposes. Any EC directive on collective management needs to take into account sector characteristics when being formulated.

It is further requested that collective management address cross-border licensing and calls for “one-stop shop solutions”. The mere nature of the RRO activity is as a one-stop shop. Multi-territoriality is an issue for certain aspects of the RRO licensing activities, typically educational virtual learning environments, multinational corporations and supranational public bodies. The Board will take as a starting point for its work on these issues that, for internal secondary uses of works in accessible formats, mandates to RROs should include the possibility for the RRO to offer cross-border access for secondary uses where also primary use is licensed for cross-border access, so as to link primary and secondary cross border uses.

Brussels, 30 June 2010

A handwritten signature in black ink, appearing to read 'M. Vinent', with a horizontal line underneath.

Magdalena Vinent, President