

IFRRO BOARD REPORT 2015

This report covers the period July 2014 – June 2015 during which the Board was made up of *Rainer Just*, (VG Wort), President; *Hélène Messier* (COPIBEC), First Vice President; *Jim Alexander* (Copyright Agency), Second Vice President; Directors: *Tracey Armstrong* (CCC), *Pirjo Hiidenmaa* (EWC, till 30 October 2014 *Mats Lindberg* (BUS)), *Benoît Proot* (Reprobel), *Yngve Slettholm* (Kopinor), *Eefke Smith* (ipro, till 30 October 2014 *Michael Mabe* (STM)) and; Substitute Directors: *Ana María Cabanellas* (IPA), *Vincent van den Eijnde* (Stichting Pictoright, till 30 October 2014 *Heikki Jokinen* (IFJ)), *Samantha Holman* (ICLA), and *Dora Makwinja* (COSOMA). The Board met three times: October 2014 in Seoul; February 2015 in Geneva; and June 2015 in Vienna. One e-vote was carried through, in July 2014.

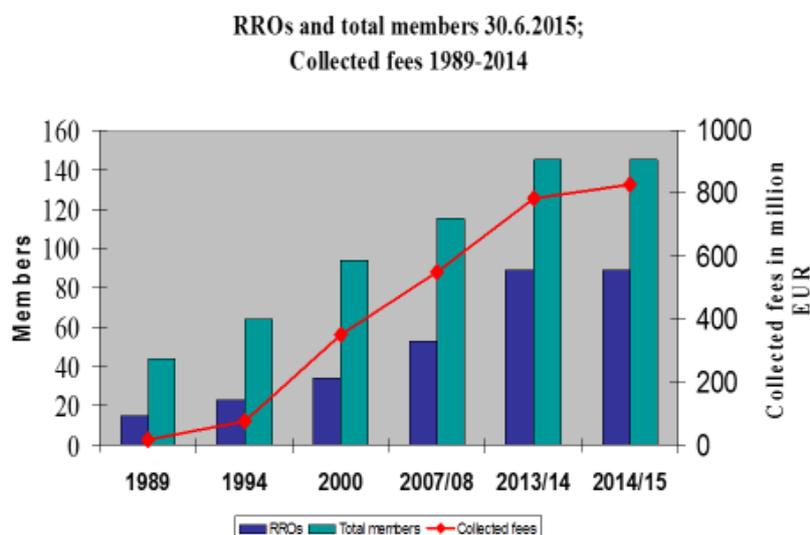
The Board notes that the coming years will be among the most challenging and decisive ones in respect of legal frameworks for the creative sector. Copyright rules, and other relevant regulations, are being reviewed – at national, regional and international level. Emphasis is on portability, cross-border user access to published and other copyright works, in particular, in education, research and cultural institutions, and for persons with disabilities. The ability of authors, publishers and collective management to respond adequately to user demands is questioned. RROs must demonstrate that they offer solutions to enable legitimate user access, including across borders, that they work, and that the approach is dynamic and worked out in a dialogue with users of scientific and creative works, not only referring to existing practices. This in turn involves authors and publishers examining carefully how they can benefit from RROs administering certain of their rights, often to avoid unremunerated exceptions to be imposed on uses of their works, and mandating the RROs to carry out the work appropriately. IFRRO’s role includes assisting the membership through furthering appropriate infrastructures; contributing to a better understanding of the future; facilitating exchanges of best practices in RRO rights administration; enabling RROs to document their transparency, accountability and high standard of governance; and by communicating efficiently to user groups, policy and decision makers solutions offered by RROs and the important role of collective management. The Board has long been aware of these challenges, which have been reflected in the last years’ Annual Reports. This has also had a decisive impact on the Board’s Strategic plans.

1. MEMBERSHIP

As at 30 June 2015, IFRRO has a total of 145 members in 79 countries. 89 members are RROs, of which 23 are Associate and five Provisional RRO members; and 56 are Creator and Publisher Association Members. This is the same as last FY. Collected fees by RROs increased by 5.5% to €28 million.



RRO-members; total members; collected fees



One new Associate RRO / Music RRO member – Stichting STEMRA (The Netherlands); one new Provisional RRO Members – LATREPRO (Latvia); and two new Creator and Publisher Association Member – AAS (Azerbaijan Authors Society) and NPPA (National Press Photographers Association, USA) - were approved during the FY under review. VEGAP (Spanish Visual CMO) and ICOGRADA (International Council of Graphic Design Associations) cancelled their membership with IFRRO; COLCCMA (Taiwan) ceased to exist; and the Board cancelled the membership of NSRR (Kazakhstan) due to lack of compliance with its obligations under the IFRRO Statutes.

2. ORGANISATION AND STRATEGIES

The Board will propose to the membership that it adopts amendments to the IFRRO Statutes to extend the election period for Board members and the Presidency from two to three years, and enable voting by proxy on all items discussed at an IFRRO AGM, not only on elections, as is the case today. The members will be able to express their views on the proposed changes to the Statutes at the AGM 2015, and vote on them at the following AGM.

During the Financial Year (FY) under review, the Board stood down the IFRRO Education and Enforcement Task Force (IEETF), and revised the Enforcement Fund Principles. The Board has taken over the task of assessing applications for funding from the Enforcement Fund, and the Secretariat the administrative tasks for the Fund. The Secretariat will also continue to collect best practices on the members' education and enforcement activities, and disseminate that information.

In response to requests put forward at the AGM 2014, the Board reviewed the Senior Managers Forum (SMF). It decided to maintain the regional meetings, not to replace them by SMFs, explore the possibility of organising educational seminars, or workshops jointly with partners, and arranging webinars on specific topics relevant to Senior Managers.

The Board has reconfirmed the Strategic Plan as presented to the membership at the AGM 2014. The Operational Plan 2015 and 2016 aims at underpinning the overall strategy to enable IFRRO and its members to embrace the digital environment and understand developments, which may impact on stakeholders in the text and image sector; the challenges and opportunities arising from this and from open government data. It is important that the principles of copyright and authors' rights are defended, the roles of RROs and their services, including the importance of their work to societies, are documented, communicated and understood; and that requests from political and user environment for appropriate legal access to copyright works are appropriately addressed and solutions offered. IFRRO must continue to position itself as a constructive, distinct, relevant and complementary voice in the copyright debate.

3. POLICY ISSUES AND STRATEGIC COOPERATION

Enhanced focus on exceptions and limitations to exclusive rights

World Intellectual Property Organization (WIPO)

The WIPO SCCR¹ agenda continues to focus on exceptions and limitations for education and libraries and archives, which are core issues to the IFRRO membership. At the SCCR meeting in June / July 2015, Congo, supported by number of African countries, the EU and Switzerland proposed to add resale rights, i.e. the right of visual artists to benefit economically from the resale of their works, to the agenda. The proposal was left undecided. Whilst the discussions on educational exceptions have not really started, the deliberations on library and archive exceptions seem no longer to be considering the Treaty option. Rather those who initially favoured a legally binding instrument now emphasise the need for "some form of legal instrument". References are made to an African Group working document proposal, which *inter alia* suggests "a legal instrument to give educators the broad right to use works, in four specific areas of education, subject to the reasonable and fair compensation to the owner of the exclusive right". Several Member States are reluctant to accept an outcome, which goes beyond the sharing of best practices. IFRRO advocates a solution made up of three elements for both educational and library exceptions: Information and best practice sharing; a demand driven technical / capacity building programme, led by WIPO and coordinated regionally by

¹ Standing Committee on Copyright and Related Rights

regional organisations, such as ARIPO, CERLALC and OAPI², to which IFRRO also offers to contribute; and government cooperation, including on legislative development. In respect of educational exceptions, it is expected that the five regional studies facilitated by WIPO in 2009³, to which also IFRRO contributed⁴, will be updated.

Given the importance of the issues on the SCCR agenda, the Board has also this FY opted for extended IFRRO delegations to the SCCR meetings, to ensure that information and IFRRO's position are communicated broadly. It wishes to thank, in particular, *Dora Makwinja* and *Pirjo Hiidenmaa* from the Board; and *Magdalena Iraizoz* of CADRA, *Antje Sörensen* of CCC, and *Romain Jeblick* of LUXORR for their assistance to the IFRRO *President* and *CEO* at the SCCR meetings that took place during the period under review.

European Union (EU) Copyright review

Also, the European Union (EU) has made exceptions and limitations a key issue. This is reflected in the European Commission's (EC) activity plan, the Digital Single Market Strategy, and the European Parliament's (EP) Report on the Implementation of the EU Copyright Directive in the EU Member States⁵. It has also been expressed in meetings IFRRO has had with EU institution representatives. Efforts have therefore been made to document the position that solutions for easy legal access and usages of text and image copyright material already exist in EU Member States, and that they work; that broadening exceptions and limitations without obligations to remunerate authors and publishers benefits no one: that unremunerated limitations cannot offer the same legal certainty and usages as uses based on agreements with authors, publishers and RROs, and that reduction of the remuneration to authors and publishers for the uses of their work, will impact negatively on the publishing sector in the EU and its Member States, and result in increased dependency on the importation of intellectual property from outside Europe. The further development and maintenance of national and regional cultural heritage is a main beneficiary of functioning solutions for easy user access where also authors and publishers are paid for the use of their works.

Open Access

The Board agreed to present a revised and updated IFRRO *Statement on Open Access* (OA), annexed to this Report, for adoption at the AGM 2015. A *Memorandum on Open Access*, prepared by the General Counsel, has been posted to the Members Only section of the IFRRO home page. It addresses *inter alia* the definition of Open Access, various OA models, solutions offered, and possible RRO support to assist authors and publishers to defend their interests and implement OA solutions.

Enhancement of Collective Management

IFRRO is an active cooperating partner with other international federations⁶ representing Collective Management Organisations (CMO) and WIPO in the TAG (Transparency, Accountability and Good Governance) initiative, with the IFRRO *CEO* chairing the Reference Group. The initiative has developed two possible components for further consideration: a Compendium for training, education and benchmarking purposes; and an outline of a Quality Mark to be certified by an impartial body, which CMOs considering that they need it, could apply for, on a voluntary basis, to further document their high standard of governance. The TAG Resource Group has decided to first focus on the testing and further development of the Compendium, which was also sent to the RROs and international author and publisher association members of IFRRO for comments. The aim is to test it in all regions by the end of 2016.

At meetings during the period under review, the IFRRO Regional Development Committees endorsed the TAG initiative, with both components. The IFRRO *President* spoke at a side event on TAG at the 30th WIPO SCCR on 3 July 2015, whilst the *CEO* gave a key note address on TAG at a conference organised by WIPO and the Romanian Copyright Office, ORDA, for IP Officers and CMOs from selected Central and Eastern European countries in May 2015.

² See Chapter 6 on page 8 on these intergovernmental organisations

³ http://www.wipo.int/meetings/en/details.jsp?meeting_id=17462

⁴ <http://www.ifrro.org/node/1575/>

⁵ See more on this in Chapter 6.3 on pages 9 and 10

⁶ AGICOA, IFPI and SCAPR, with EVA and SAA as observers, and CISAC observing the process and activities

Cooperating for better solutions to identify rights and authorise use of copyright works

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

The IFRRO *CEO* has continue to chair the task force, which monitors the application of the EC facilitated Memorandum of Understanding (MoU) on Out-of-Commerce works, signed by IFRRO, and the relevant European library, authors' and publishers' associations, including IFRRO members EVA, EWC, FEP, IFJ and STM. Slovakia passed legislation to implement it in October 2014. An overview of countries, which apply the MoU and planned initiatives to do so is offered in the form of a matrix posted to the Members Only section of the IFRRO website.

Persons who are blind or print disabled

The Board opted to support IPA's position to encourage ratification nationally of the WIPO Marrakesh Treaty on enhanced access to published work for print disabled persons. IFRRO is also an active contributor to the *Accessible Books Consortium (ABC)*⁷, which purports to play a role in the Treaty implementation. The IFRRO seat at the Board is occupied by the *CEO*, with extensive involvement in ABC and preparatory Board work. The IFRRO *President* attended the first General Meeting of ABC on 6 May 2015. *Veraliah Bueno* is a member of the ABC Communications and Information Task Force. Access Copyright, CLNZ, DALRO, Jamcopy, Kopinor and ProLitteris are the RROs currently participating in the ABC work.

ABC covers three main activities: (i) Inclusive Publishing, to boost more works born in accessible formats *inter alia* through encouraging enhanced use of the latest version of EPUB3; (ii) Sharing of technical skills and know-how through a technical assistance and capacity building programme, primarily directed towards countries under development; and (iii) Further development of the TIGAR international database and book exchange, hosted by WIPO. At the finalising of the Annual Report, 12 publishers have signed up to an Inclusive Publishing Charter, developed at the initiative of IPA, and 12 Authorised Entities (AE) have uploaded their catalogues to the TIGAR database, which, in June 2015, contained 286,000 titles in 55 languages. Publishers and RROs on behalf of authors and publishers have cleared rights for 8,728 titles, which, in turn, has enabled over 16,000 loans of TIGAR titles by the participating AEs. The capacity building project in Sri Lanka was concluded, with success, in the first half of 2015; the Bangladesh project continues; and a programme is being considered for Uganda.

Linked Content Coalition (LCC)

IFRRO is involved in the Linked Content Coalition (LCC), a cross-media project which aims to create a structure for rights management on the Internet, based on existing open standards to ensure interoperability, with the *CEO* as a member of the Board. In September 2014, LCC launched an open platform for those who wish to participate in the application and development of the LCC Framework.

RDI (Rights Data Integration)

With the aim of providing a proof of concept for the LCC, and demonstrating how intellectual property rights can be efficiently managed and traded online, 15 partners, including IFRRO and IFRRO members CCC via RightsDirect and EWC, are collaborating in the EC sponsored RDI project, which is developing a structure to enable users to retrieve information on the ownership of content, and show how different expressions of rights and rights management can be handled through a central hub using the LCC Common Rights Framework. IFRRO works with selected members to provide data for the testing of the framework. During the period under review, the project has been presented on several occasions to European lawmakers, including at the European Parliament's Working Group on IPR.

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

IFRRO is a member of ARROW, a tool to assist in search for rights status and authors and publishers of text-based works in an automated, streamlined and standardised way, with the aim of reducing the time and cost involved in the search process. The French National Library is currently the only active user of ARROW in initiatives to make cultural heritage available.

⁷ <http://www.accessiblebooksconsortium.org/portal/en/index.html>; See also the Board's Annual report 2014, Chapter 3, page 4

Public Lending Rights (PLR)

Fifteen IFRRO members administer, and several others are indirectly involved in the administration of PLR schemes in their respective countries. In addition to running a forum on PLR administration, IFRRO supports, when appropriate, PLR initiatives by PLR International, IAF and EWC, and contributed financially, also through Reprobel, SOFIA and VG Wort €15,000 to the financing of PLR International during the FY. The Board envisages examining further how IFRRO can best support PLR on a supranational level, including providing financial contribution to carry PLR forward. It notes, that members have indicated a preference for the option to include PLR collection in the basis for the calculation of the membership dues to IFRRO

Cooperating on a better understanding of the future

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

Cooperation with CISAC is currently focused on technical standards works, and the testing of the TAG Compendium.⁸

EI (Education International)

Following the initial meeting that the *CEO* had with an EI representative, the Board has endorsed that talks continue with the view to consider cooperation in understanding better the future in education.

IFLA (International Federation of Library Associations and institutions)

The IFRRO *President* attended the IFLA congress in Lyon in August 2014, participating also in the strategic partner discussions.

4. MEMBERSHIP RELATIONS, COMMUNICATIONS AND INFORMATION

IFRRO Communication Strategy

The Communications and Information Plan, which shows how IFRRO plans to address this and promote the interests of its membership has been posted to the Members only section of the IFRRO website. Increased focus on copyright and collective management pose challenges from a communications perspective. Negotiations on library and educational exceptions at WIPO; a series of initiatives in Europe, which include legislative programmes such as the CRM and Orphan Works directives and a process to review the EU copyright rules; challenges to copyright in the courts and in national legislation – including in Austria, Canada, India and Spain – which pose threats to the copyright community beyond the countries immediately affected, have tested rightholder representatives and underlined the importance of deploying hard facts and presenting best practices to policy makers and key influencers in response to attacks on copyright, reinforcing also the importance of building broad coalitions. IFRRO's response, which recognises that there is a legitimate political interest in facilitating access to text and image based copyright works and that collective management is an essential tool in offering such access, has been to build a Communications and Information strategy based on four elements: (i) a *value of copyright campaign*; (ii) an Authors' and Publishers Charter; (iii) a programme to identify and promote independent Copyright Advocates; and (iv) a programme to identify and train IFRRO Copyright Ambassadors.

Value of copyright campaign

At the Frankfurt Book Fair in October 2014, IFRRO launched Copyrightlink.org as a factual hub on information on copyright and collective management, with a focus on the text and image sector. The six months following its launch saw 1,754 separate users in 2,670 sessions, with increased use of the website.

Authors' and Publishers' Charter

A Charter on Authors and Publishers rights and Copyright, intended to make up the second element in the comprehensive strategy to contribute to the strengthening of the position of authors, publishers and RROs in the copyright debate, proved not possible to launch during the period under review; consensus was not reached among the international author and publisher organisations in membership of IFRRO on the text. The Charter is not intended to be launched by IFRRO and / or authors and publishers organisations as such but rather the purpose is to facilitate the adoption of statements by political and international organisations. The Board is considering how to take the initiative further.

⁸ See Chapter 3 on page 3 and Chapter 6.1 WIPO on page 7

Copyright Advocates – Talking Copyright

In April 2015, IFRRO launched Talking Copyright, a copyright and collective management advocates page – either individuals or blogs - maintained on the IFRRO site under [Communications/Talking Copyright](#). The Advocates programme aims at identifying and promoting new voices among academics, lawyers, journalists, bloggers and others who communicate accurately about copyright and / or collective management, without them being a part of the copyright community lobby, and acknowledging that they are not always in agreement with IFRRO positions on copyright issues. IFRRO members are invited to nominate advocates to be added to Talking Copyright.

IFRRO Copyright and Collective Management Ambassadors

The work on the fourth element in the strategy to assist in having a lead in the copyright debate, identifying IFRRO Ambassadors – those with direct connections to IFRRO authorised to speak on behalf of the organisation – will begin in the coming FY.

A fifth allied element, based on the principle that “prevention is better than cure”, is to offer a programme of IFRRO assistance to countries, which require assistance in the legislation process and ensure a strong copyright infrastructure.

Assistance to members

The Regional RRO meetings during the FY, organised as a part of the IFRRO Regional Development Committee meetings, focused on governance and licensing of users and other rights administration by RROs. Awareness raising events, open to authors, publishers, users of copyright material, and the public, were organised in conjunction with the meetings, which were held in Lilongwe (Malawi, hosted by COSOMA) for the African RROs; Manila (Philippines, hosted by FILCOLS) for the Asian RROs; Bratislava (Slovakia, hosted by LITA) and Tbilisi (Georgia, hosted by GCA) for selected European RROs; and Panama (hosted by SEA PANAMA) for Latin American RROs. The positive feed-back from the meetings has led the Board to decide that these meetings shall carry on for the time being.

IFRRO continues to support members, at their request, in relation to copyright legislation or litigation. During the FY under review assistance was, in particular, given to Repobel regarding the litigation against HP, and to the members in Austria, Ghana, Poland and Russia, including making submissions on legislation and copyright amendment bills. In cooperation with CCC and the UK members ALCS, CLA and PLS, we have offered an assistance programme to IRRO, which can start as soon as IRRO has undertaken agreed preliminary steps to enable its implementation.

Support to The Authors Guild in the court case versus Google

In 2014, IFRRO joined IPA, STM and the former US Register of Copyrights *Marybeth Peters* in an *amicus curiae* brief, and supported a separate brief filed by the International Authors Forum (IAF), in support of the Authors Guild appeal in the case against Google Inc. (Board’s Annual Report 2014, Section 4, page 5.) At the time of the finalising of the Annual Report, there is still no final decision. In case of a ruling against the Authors Guild, the Board has committed to a contribution of up to €60,000 from the IFRRO Enforcement Fund towards the funding of an appeal to the US Supreme Court.

Periodical publications and other information activities

At the WIPO SCCR meeting in December 2014, IFRRO organised a side event on facilitating usages on easy access to copyright works in education, with simultaneous interpretation in English, French and Spanish. *Chantal Forgo* of BBDA, *Magdalena Iraizoz* of CADRA, *Dora Makwinja* of COSOMA, *Madeleine Pow* of CLA, *Magdalena Vinent* of CEDRO, *Katie Webb* of IAF, *Richard Gedye* of STM, and *Olav Stokkmo* offered examples on how authors, publishers and RROs authorise the use of text and image works in education to meet demands from students and teachers in different regions of the world, with different languages. The compiled presentations are available on IFRRO’s home page and at the WIPO library.

The first comprehensive and detailed study of text and image levies (TI levies) world-wide, was published as a joint IFRRO-WIPO initiative at the IFRRO World Congress (IWC) 2014 in Seoul, distributed to the delegates, and made available from the IFRRO and WIPO websites. A re-launch took place at an event in the Korean Parliament, co-hosted by KORRA, for Korean politicians and stakeholders on 30th October, with *David Uwemedimo* of WIPO, the IFRRO *President* and *CEO* as speakers. The study, which was made by

former VG Wort employee *Paul Greenwood*, assisted by *Kurt van Damme* of Reprobel, *Robert Staats* of VG Wort and the IFRRO Secretariat, will be updated in 2015.

With a view to enhancing the information exchange and best practice sharing among RROs, the Secretariat has carried out studies, which have been posted to the Members Only section of the IFRRO website, when appropriate, in the form of matrices:

- General Counsel's paper on MOOC (Massive Open Online Course)
- General Counsel's paper on Open Access (OA)
- General Counsel's paper on Multi-Territory Licencing (MTL)
- RRO licensing of MOOC, VLE (Virtual Learning Environment), and Distance learning

Matrices, which were developed as a part of the information sharing with the European Commission's copyright unit in conjunction with its preparation for the review of the EU copyright rules, have also been posted to the Members Only section, with regular updates:

- Models of operation in the EU Member States, EEA (European Economic Area) countries and Switzerland in respect of RRO rights administration in relation to education and libraries
- RRO licensing in Schools, Higher Education, including VLE and Distance Learning in EU Member States, EEA countries and Switzerland
- RRO Licensing in libraries in EU Member States, EEA countries and Switzerland
- Implementation of the EU Orphan Works Directive in EU Member States, EEA countries and Switzerland
- Implementation of the EC facilitated and stakeholder signed Out-of-Commerce Works Memorandum of Understanding (MoU) in EU Member States, EEA countries and Switzerland
- Transposition of the EU CRM Directive in EU Member States, EEA countries and Switzerland

In April 2015, at the request of the IFRRO Legal Issues Forum, the IFRRO Blog, COLEGIS – COpyright LEGal ISSues – was launched as a free service for communication between IFRRO and IFRRO members wishing to share up-to-date information on legislative initiatives, litigation, and theory and practice with respect to copyright and collective management. So far, the main bloggers have been the IFRRO Secretariat. The Board will therefore continue to examine the need to maintain this blog page.

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

5. FACILITATING DEVELOPMENT OF RRO BUSINESS APPROACHES

Business models and cases

The IFRRO Business Models Forum (IBMF) chaired by *Tracey Armstrong* (CCC) offers opportunities for the exchange of best practices and discussions to stimulate development of RRO business models, and for the communication and exchange of views on the Board's policies in the area. The forum in October 2014, in Seoul, focused on uses of published works in education and the broader information environment and *Digital: What we depend on – deserve – and demand in our information environment*, with expert speakers from within and outside the region. It offered a combination of views from outside the IFRRO community, and the sharing of RRO best practices in presenting solutions that contribute to seamless access to copyright works in education.

Multi-Territory Licencing (MTL) by RROs

At the proposal of an *ad hoc* task force made up of *Tracey Armstrong* (CCC), *Sandra Chastanet* (CFC), *Robert Staats* (VG Wort), *Magdalena Vinent* (CEDRO), *Pierre Dutilleul* (representing publishers), *Anke Schierholz* (representing authors), and the *CEO*, the Board concluded that multi-territory licensing shall be left to the discretion of the individual RRO, without further recommendation by the Board. When negotiating

terms and scope of the MTL, RROs are advised to ensure that they cannot be accused of any partitioning of the market, and that competition between RROs is maintained. This is also reflected in the PowerPoint presentation on MTL posted to the Members Only section of the IFRRO website. Given the importance of portability and cross-border access to works in education, research and libraries in the EU Digital Single Market Strategy and the review of the EU Copyright rules, the Board will follow closely those issues and MTL in the coming period.

Technical standards and identifiers

EDI/eur

IFRRO is a member of EDI/eur, which is responsible for a number of standards of interest to IFRRO members, including ONIX for RROs, and administers the ISTC and ISNI International Agencies. In addition, EDI/eur is involved in the revision of the ISBN standard, which is scheduled to reach draft international standard stage in November 2015. The *CEO* is on the Management Board, with *James Boyd* also attending selected meetings.

ISNI (International Standard Name Identifier)

During the period under review, the *CEO* stood down and was replaced by *Michael Healy* (CCC) as Chair of the ISNI-IA (ISNI-International Association). *James Boyd* is also actively involved in the ISNI work for IFRRO. There are now over 8.6 million ISNIs, including 8.24 million individuals, of which 2.25 million are researchers and 446,000 organisations. The ISNI database is a cross-domain resource, contributed to by 29 institutions and databases, and 40 major national and research libraries. The three ISNI Registration Agencies (RAG) are Bibliothèque Nationale de France (BNF), Ringgold Inc., and Bowker. CEDRO, COPYRUS, ICLA, PLS and Prolitteris are ISNI members. Access Copyright has ceased membership during the period of review. More applications for membership are on hold as the terms of the membership contract are being redefined by the ISNI-IA.

ISTC (International Standard Text Code)

The International ISTC Agency (ISTC-IA), of which the *CEO* is Treasurer, assisted in the Board work by *James Boyd*, has met once in the last FY. There are eight appointed Registration Agencies (RA) representing interests across the globe. These are BTLF (Canada), ISTC-CN (China), CB (the Netherlands), Electre (France), Meta4Books (Belgium), MVB (Germany) and two Nielsen Book Agencies (UK and Australia/New Zealand). Work is underway to revise the ISTC standard to attract more users.

PLUS (Picture Licensing Universal System)

PLUS is a non-profit initiative to create a standard to define and categorise images of all kinds *inter alia* to simplify and facilitate image licensing and the exchange of repertoire and remuneration for the use of images. The PLUS system is made up of four components: the Glossary, which defines the terminology and language used in image licensing agreements; the Media Matrix, which specifies “media categories and organizes them by type”; the Licence Data Format; and the PLUS Registry, the online resource providing searchable metadata on images. PLUS is membership based. IFRRO is a member, and represented on its Board by IFRRO Vice President *Jim Alexander*.

Standard Software package for RROs

The Web-based IFRRO standard Software Environment (WISE) for RROs, launched in 2013, is a cloud based system with the four modules rightholders, works, licensing and distribution, fully compliant with messages, standards and identifiers used by RROs, such as ONIX, ISNI and ISTC. It is offered to members free of charge, also with an IFRRO Development Fund contribution to the annual maintenance cost to emerging RROs. The uptake has been slower than expected. A Spanish version is being prepared in collaboration with CDR.

6. WORK IN RELATION TO INTERGOVERNMENTAL BODIES

6.1. WIPO (World Intellectual Property Organization)

WIPO is one of IFRRO’s key partners. In January 2015, the Board met with WIPO DG *Francis Gurry* to exchange views on selected strategic issues, primarily TAG and the education and library exceptions discussed at the SCCR. The meeting allowed the Board to expand on IFRRO’s position on both issues and, in particular, on the outcome of the exception discussions, which IFRRO advocates. The main relationship

with WIPO is otherwise with the Copyright Infrastructure Division⁹, headed by Director *David Uwemedimo*, reporting to Deputy Director General *Anne Leer*, who took office in December 2014. The sector is also responsible for the TAG initiative and the ABC¹⁰, as well as the IFRRO-WIPO reports on copyright levies in the text and image sector¹¹.

The Assembly of Member States and the SCCR meetings are attended by the IFRRO *President* and the *CEO*, selected SCCR meetings also by the *General Counsel* and other IFRRO members. In addition to the SCCR, the Secretariat keeps a watching brief on the meetings of the Committee on Development of Intellectual Property (CDIP) and on the Traditional Cultural Expressions / Folklore / Traditional Knowledge discussions.

During the FY under review, IFRRO provided speakers for and collaborated with WIPO in the organising of seven conferences, seminars or workshops: one in each of Africa, Asia and the Middle East; two in each of Europe and Latin America. Five events were on the Marrakesh Treaty, one on TAG.

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

IFRRO has NGO status with UNESCO. The *CEO* participated, as a speaker, at the conference, which UNESCO co-organised with the Municipality of Shenzhen (China) on digital books and future technologies. The Board had hoped that the declaration from the conference, as uploaded on the UNESCO Home page would have been corrected in accordance with exchanges between UNESCO and IFRRO representatives. Assistant Policy Advisor *Pierre-Olivier Lesburguères* attended the Forum of NGOs in official partnership with UNESCO, and the conference on copyright and cultural heritage in Sozopol (Bulgaria).

6.3. European Union

The European Commission Copyright Unit has been moved from Directorate General (DG) Internal Market and Services (MARKT) to DG CONNECT, which is responsible for the European Commission (EC) work on communication networks, content and technology, headed by Commissioner *Günther Oettinger*. DG CONNECT also works for the project team Digital Single Market led by Vice President *Andrus Ansip*. Given the close relationship between patent, design, geographical indications and copyright in the digital environment it is unwelcome that the EC has separated copyright from industrial property, which remains with DG MARKT.

The European Commission has made copyright one of its 10 priority issues. Focus is on the review of the EU copyright rules, which started with a comprehensive stakeholder consultation, on which IFRRO submitted comments in February 2104 (see last year's Annual Report). The Digital Single Market Strategy, published in May 2015, announced a legislative proposal before the end of 2015, which will include "greater legal certainty for the cross-border use of content for specific purposes (e.g. research, education, text and data mining, etc.) through harmonised exceptions". From other parts of the document, it is clear that it will also consider library exceptions, both in relation to large scale digitisation and making available of cultural heritage, on-line accessibility to works held in library collections, and e-lending. The EC is investing considerable efforts into fact gathering and stakeholder consultations. IFRRO has contributed information on RRO activities, and the *CEO* represented IFRRO and Board member *Pirjo Hiidenmaa* EWC in the stakeholder dialogue, which Commissioner *Oettinger* organised on exceptions and limitations in February 2015. The process indicates that prime attention is given to enabling users, in particular in education, research and libraries, to access works, which have been made legally available in one EU Member State, also to access them in the other Member States, including when they have been made available under an exception or limitation in national legislation.

The European Parliament (EP) engaged in a process to review the implementation of the EU Copyright Directive (EUCD) in the EU Member States through an own initiative (i.e. not legally binding) report. The work was led by Pirate Party Member of European Parliament (MEP) *Julia Reda* as the Rapporteur. The draft Report, rather than recounting EUCD implementation, expressed views on the EU copyright rules. It was finally voted by the EP, with numerous substantial amendments, on 9 July, with acceptable wording of key issues for IFRRO. This was not least thanks to the interventions of a large number of MEPs who made

⁹ WIPO Organigram http://www.wipo.int/export/sites/www/about-wipo/en/pdf/organigram/visio-org_en.pdf

¹⁰ See Chapter 3, pages 3 and 4

¹¹ See Chapter 4, page 7

an effort to understand the mechanism in the value chain of the copyright sectors. This in turn may prove important for the further work on the review of the EU copyright rules.

The Secretariat, on occasions accompanied by the IFRRO *President*, the Chair of the European Group Executive Committee, or member organisations, met with EU institutions to present IFRRO's position on relevant EU initiatives and other issues of importance to the IFRRO community.

6.4. ARIPO (African Region Intellectual Property Organization)

IFRRO has a signed cooperation agreement with ARIPO, which represents 19 English and Portuguese-speaking Sub-Saharan African countries. The Director General is *Fernando dos Santos*. In early 2015, ARIPO appointed *Maureen Fondo* as responsible for copyright issues.

6.5. OAPI (Organisation Africaine de la Propriété Intellectuelle)

OAPI, led by DG *Paulin Edou Edou*, with *Solange Dao* as the responsible for copyright issues, represents 17 French-speaking Sub-Saharan African countries. Under the signed cooperation agreement, IFRRO has agreed to collaborate on relevant parts of OAPI's 19 point copyright activity plan, which includes ventures to enable functioning RROs in all OAPI Member States.

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

Under the cooperation agreement with CERLALC, led by Director General *Fernando Zapata Lopez*, with *Yecid Andrés Ríos Pinzón* as Deputy DG and responsible for authors' rights and copyright, we are currently considering a joint project on RRO governance.

6.7. LAS (League of Arab States)

IFRRO has finalised negotiations, but not yet signed, a cooperation agreement with LAS, the intergovernmental organisation, representing 22 Arabic countries. It follows the patterns of the ones previously signed with ARIPO, OAPI and CERLALC.

7. REGIONAL DEVELOPMENT ACTIVITIES

Annual reports submitted from the European Group and regional development committees document the achievements in the respective regions. The financial aspects of the development work are reported separately in Chapter 9 Finances and in the Financial Statement 2014-15.

Asia Pacific Committee (APC)

The region counts 15 RROs in membership of IFRRO, including two Music RROs. During the period under review, Copyright Agency and CLASS launched a joint licence for private education in Singapore; CLNZ settled with the universities the case pending before the Copyright Tribunal; a private copy levy system was introduced in Korea; and Indonesia introduced new legislation considered to be favourable to rights administration by the RRO. In India, the Delhi High Court concluded the hearing on the case brought before it on alleged unauthorised copying at the Delhi University, with a ruling expected to be published later this year; whilst the Chinese copyright amendment bill is still pending. China, India and Indonesia are priority countries for APC, which is chaired by *Caroline Morgan* (Copyright Agency) and met twice during the period under review.

African Development Committee (ADC)

The African region, which counts 13 RROs as members of IFRRO, of which two are Provisional RRO members, the same as last year, has made encouraging progress since last year's Annual Report. COPYGHANA has started to collect substantial revenues for distribution to authors and publishers; at the end of June 2015, Kopitan had signed licensing agreements with 10 educational institutions under the newly approved legal licence in the Tanzanian legislation; and new legislation is about to be adopted to facilitate the collective management of certain usages of text and image works in Côte d'Ivoire. Priority is given to assisting BURIDA, Kopiken, Repronig, ZARRSO and Zimcopy. The *CEO* is also mentoring a project to enable NAMRRO (Namibia) to become operational in the course of the coming FY. The African Development Committee, which is chaired by *Dora Makwinja* (COSOMA), replacing *Greenfield Chilongo* (ZIMCOPY) as of 10 February 2015, met once during the period under review.

European Group and European Development Committee

European Group (EG)

The European Group met twice during the FY. The October 2014 meeting elected *Benoît Proot* (Reprobel, Chair), *Anders Kristian Rasch* (Copydan) and *Samantha Holman* (ICLA) as its new Executive Committee. A main focus of the EG work is on the EU institutions' review of the EU copyright rules. The European Commission (EC) consultation process, the Digital Single Market Strategy, and the European Parliament's own initiative Report on the implementation of the EU Copyright Directive in the EU Member States ('Reda Report') showed that exceptions for education, library and archives, and text and data mining are high on the EU institutions' agenda. Several meetings have therefore been held and information shared with the European Commission (EC) on how RROs contribute to facilitate legal usages of printed copyright works in education and libraries, and that this offers a better solution to those institutions than broad exceptions without obligation to remunerate authors and publishers. The same information and messages have been shared with European Council representatives and Members of the European Parliament (MEP).

Whilst both the EG meetings in October 2014 in Seoul and in June in Vienna had a main focus on the review of the EU Copyright Rules, the latter with introductory remarks offered by Dr. *Eleonora Rosati*, the October meeting also examined recent changes to the Russian copyright legislation based *inter alia* on the presentation by Ms. *Olga Ruzakova*, Deputy Chief, Committee on Civil, Criminal, Arbitration and Procedural Legislation at the Russian State Duma. The EG continues to monitor the application of the EU CRM and Orphan Works directive, and the out-of-commerce MoU, among other things through the matrix on the implementation of those instruments in the EU Member States, EEA countries and Switzerland, posted to the Members Only section of the IFRRO Home page. At the finalising of the Annual Report, 18 countries had implemented and 4 other had plans to transpose the Orphan Works Directive; 18 countries had implemented or launched a processes to transpose the CRM Directive; whilst six countries had explicitly (France, Germany, Slovakia) or implicitly (Denmark, Norway and Sweden) implemented the Out-of-Commerce MoU, and seven others had plans to do so.

European Development Committee (EDC)

The EDC met twice during the year under review, in Bratislava (Slovakia) in October 2014, and in Tbilisi (Georgia) in May 2015. Both meetings were combined with successful stakeholder awareness raising seminars, organised in cooperation with LITA in Bratislava, and GCA in Georgia, and with the participation of the respective Ministries of Culture. Europe counts 48 RROs with IFRRO membership, of which 25 are full RRO members, two more than last year, the Board having approved STEMRA (the Netherlands) as a new Music RRO member and LATREPRO (Latvia) as a new Provisional RRO member. The Balkan and Baltic States remain priority countries for the committee work, with short term emphasise on assistance to enable LATREPRO to start licensing Latvian users, and Repro Serbia to receive government approval to operate the text and image levies in the Serbian law. The EDC is chaired by *Samantha Holman* (ICLA).

Latin America and the Caribbean (LAC)

The Committee met twice during the period under review, in Panama in September 2014, and during the IWC in Seoul in October 2014. There are 11 RROs members of IFRRO in the region, the same as last year. ECCLA is a sub-regional RRO for six Eastern Caribbean States, so the RROs in Latin America and the Caribbean cover 16 countries. SEA Panama was formally approved as the national RRO in June 2014 but has not yet been able to start up licensing activities; we are assisting PERU REPRO and ACODERE (Costa Rica) in relation to their applications to the appropriate authorities to be approved as RROs. LAC gives priority to enhanced licensing activities in Brazil, Chile and the Caribbean, and the start-up of RRO activities in Costa Rica, Peru and Panama. *Ana Maria Cabanellas* (CADRA) chairs LAC.

8. TECHNICAL WORKING GROUPS AND FORA

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 copyright materials, and benchmarking different business approaches. Focus during the period under review has been on the sharing of best practices on business approaches, including on the licensing of the use of Newspaper and similar publications in the business sector. The WG has also been kept updated on the

CEDRO Youkiosk.com case in Spain, and considered the impact of the modified Spanish Copyright Act on the press and media sector. The WG, which is chaired by *Sandra Chastanet* (CFC), met twice during the FY.

Visual Material Working Group

The Visual Material WG, chaired by *Vincent van den Eijnde* (Stichting Pictoright), replacing *Mats Lindberg* (BUS) as from 10 February 2015, met twice during the FY. It is chartered to study and recommend solutions on matters involved in reprography and similar reproduction of still images contained within books, journals and newspapers and to determine strategies for co-operation and closer involvement of the visual creators in the field of reprography. The work focused on identifiers for visual works, and compilation of information on statistical methods on the measuring of visual material in various digital sources.

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 Text and Image (TI) levies. It met twice during the period under review, chaired by *Kurt van Damme* (Reprobel). A task force, led by *Sabine Richly* of VG Wort, to examine more closely the import and re-export of equipment and media subject to TI levies, made a first report to ELF in June 2015, emphasising the need for mechanisms to facilitate information exchange, both *ad hoc* and on a regular basis, and the need for clearer legal definitions and procedures in relation to import and re-export of equipment and media. In the coming FY, IFRRO will consider establishing a factual page on text and image levies on the public section of the IFRRO Home page.

In June 2015, the Advocate General of the Court of Justice of the European Union (CJEU), *Cruz Vilalón*, published his opinion on how the CJEU should rule in the case between HP Belgium and Reprobel¹², in which he held *inter alia* that publishers may be entitled to a share of the levy and that a dual system, with both an equipment levy and an operator fee, is compliant with EU legislation as long as defined criteria are observed. The CJEU decision, envisaged to be published before the end of the year, is expected to impact on the court case launched by an author against VG Wort paying a portion of the remuneration collected under the levy schemes in Germany to publishers.

During the period under review, ELF also noted, with satisfaction, that the long awaited Private Copying Law came into force in Portugal, extending payment of fair compensation to most of the relevant equipment, devices and media. This should provide a basis for a more appropriate remuneration of authors and publishers for certain secondary uses of text and image works administered by AGE COP.

The Forum continues to maintain a watching brief on online cross-border sales of devices.

IFRRO Public Lending Rights Forum (IPF)

The IPF, chaired by *Christian Roblin* (SOFIA) (*Benoît Proot* (Reprobel) till 10 February 2015), is an informal forum open to all IFRRO members. It was convened twice during the period under review. A database with key information relevant to the administration of PLR has been developed and made available on the Members Only section of the IFRRO website, with contribution also from non-members of IFRRO, who, in its turn, is provided access to the data. The Forum also monitors the implementation of the EU rental and lending rights directive.

Legal Issues Forum (LIF)

LIF is a forum open to all IFRRO members for the exchange of information on legal issues. Chaired by *Caroline Morgan* (Copyright Agency), it met twice during the FY, in conjunction with the IWC 2014 in Seoul in October 2014, and the mid-term meetings in Vienna in June 2015. In addition to assessing changes in legislation around the world, LIF participants discussed recent relevant developments to RROs, such as the *HP Belgium v. Reprobel* case before the Court of Justice of the European Union (CJEU), the Canadian Copyright Board's decision on Access Copyright's provincial and territorial government tariff, the U.S. "Georgia State University" case, WIPO-related issues, the implementation of the EU Collective Management Directive and its impact on IFRRO's sample bilateral agreements, and the new IFRRO blog, COLEGIS.

¹² See Board Annual Report 2014, Chapter 8, page 11, and also <http://ifrro.org/content/eu-advocate-general%E2%80%99s-opinion-case-c-57213-hp-belgium-v-reprobel>

Musical Work Forum

The Musical Work Forum, chaired by *Marc Hofkens* (SEMU) was not convened during the FY under review.

9. FINANCES

Operational accounts

The year-end balance on the operation, i.e. excluding the Development Fund and the Enforcement Fund, resulted in a surplus of €27,184 against a budget surplus of €290. A total of €202,900 of paid membership fees was allocated towards development work and transferred as voluntary contributions to the Development Fund. The Board proposes that the FY's surplus be earmarked communications and information activities. The reserves will then be maintained at €405,755, which equals some six months of the budget yearly spending, which is considered indicative of a sound fiduciary practice.

Development Fund

IFRRO members contributed directly a total of €15,000 to the Development Fund during the FY, in addition to the €202,900 transferred as voluntary contributions from the membership fees, resulting in a total Development Fund contribution of €217,900. As in previous years, members also contributed financially through their own development funds and by not charging IFRRO when participating in development activities.

A total of €191,217 was paid out towards previously approved grants during the FY. As at 30 June 2015, the Development Fund held €1,029,251, of which €269,851 had already been allocated through Board decisions towards specific projects. This leaves a total of €704,115 available for new projects.¹³

Enforcement Fund

IFRRO members contributed an additional €30,000 to the IFRRO Enforcement Fund. €4,754 was paid out to support enforcement activities, bringing the fund balance to €22,258 as of 30.06.2015. Of this amount, IFRRO has committed to contribute €60,000 to an appeal case in the Authors Guild's case against Google, which leaves a total of €65,258 available for contributions towards new enforcement activities. Voluntary contributions towards the Fund are thus welcome.

Tax issues

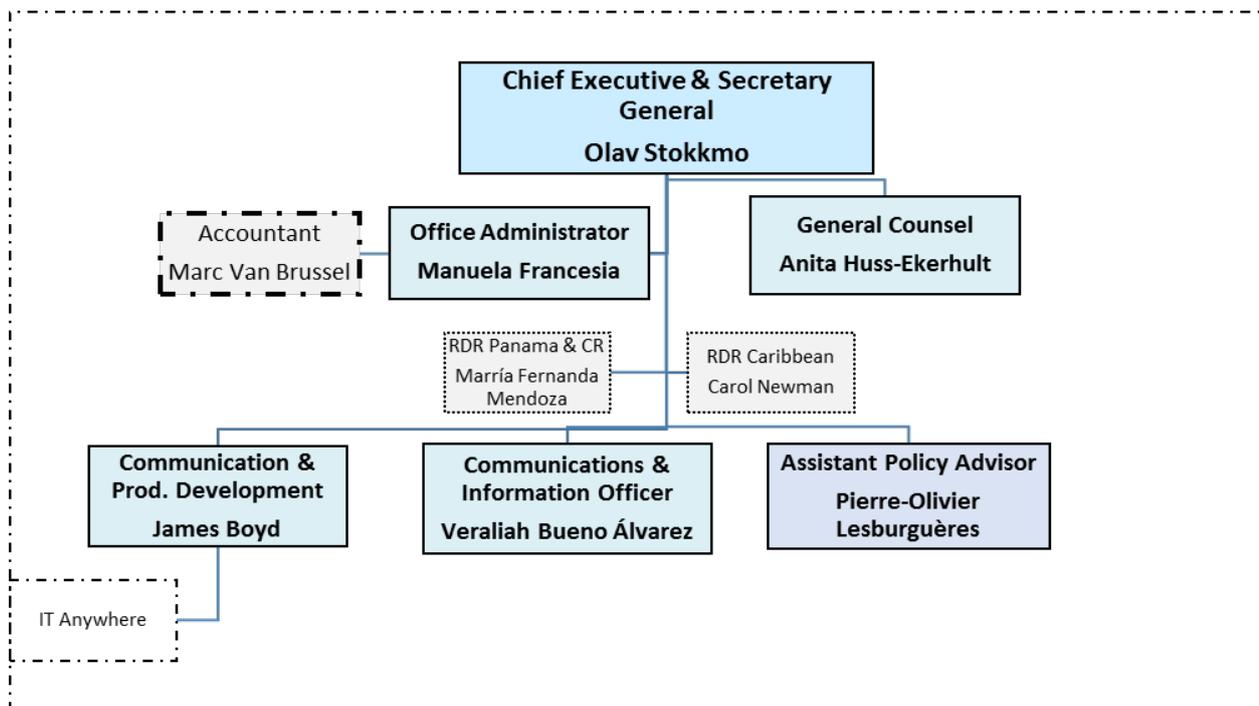
The Belgian tax authorities' examination of IFRRO's tax liabilities on interests yielded on saving accounts, as reported in last year's Board Annual Report, has not been concluded, and there has been no contact with IFRRO on the issue during the FY.

10. THE SECRETARIAT

The Secretariat moved premises to Rue du Prince Royal 85, 1050 Brussels on 1 September 2014, where the IFRRO Secretariat is co-located with IFRRO members SCAM and SOFAM, and other international copyright and authors' rights organisations.

Olav Stokkmo is Chief Executive and Secretary General, with *Anita Huss-Ekerhult* as General Counsel, responsible for legal work at the Secretariat. *James Boyd* is responsible for IFRRO's work on technical standards, communications, and product development, and *Veraliah Bueno Álvarez* maintains the IFRRO website, attends to selected communication and information activities, and event managing. *Manuela Francesia* as Office Administrator, handles secretarial matters, including the day-to-day bookkeeping. The contract with *Pierre-Olivier Lesburguères* as an Assistant Policy Advisor has been renewed for another 12 month period, till 1 June 2016; he is, in particular, involved in regional development work and assists in EU and WIPO-related issues. *Marc Van Brussel* is the IFRRO accountant, employed on a consultancy basis. IT is outsourced to *IT Anywhere*, a Belgian IT service company. Regional Development Representatives (RDR) reporting directly to the CEO were contracted to assist as follows: *Carol Newman* focusing OCES, Belize and the Caribbean network; and *Maria Fernanda Mendoza* assisting to get the RROs in Panama and Costa Rica started. The organisation chart of the Secretariat is set out on the next page:

¹³ See list of projects in the DF Balance on the Year end accounts



During the period under review, *Olav Stokkmo*, at the invitation of *International Journal of Intellectual Property Management*, contributed an article on the CRM Directive and RROs, for the special on the EU CRM Directive, and to the section on intellectual property for the European Policy Center (EPC) issue paper ‘Towards a New Industrial Policy for Europe’, whilst *Pierre-Olivier Lesburguères* published an article on the EU CRM Directive in the Canadian *Cahiers de la Propriété Intellectuelle* (Québec).

11. FUTURE PERSPECTIVES

A transparent, accountable and well governed Collective Management Organisation (CMO) offers benefits to authors and publishers, as well as to users, legislators and society at large. Authors and publishers can focus on the creation of new works, experience increased use of their works and derive financial benefit from it; users get easy legal access to works, enhanced legal certainty and ensured copyright compliance; legislators are assisted in the implementation of their legislation and compliance with international norms; and the work of CMOs contributes to the societies’ well-being, employment and cultural development. However, trust and reputation must be earned. Image can be built but this does not automatically lead to a trustworthy reputation, which needs to be earned, and is based on the CMO’s real operation and how it is communicated. The Board is mindful of IFRRO’s role in communicating RRO best practices and providing RROs with elements in the IFRRO toolbox, which enables stakeholders as to see them as trustworthy entities.

The Board further envisages contributing analyses to help the membership prepare to adequately address future challenges. It will, in particular, examine solutions to cross-border accessibility to works made available under agreements with RROs, assess the impact on RRO rights administration of life-long learning and the use of multi-media and multi-devices in education, and how RROs can respond to the needs of teachers and students in primary and secondary education, including students with special needs. The Board endeavours to contribute to enabling authors, publishers and RROs to continue to offer solutions to user requirements, which are more appropriate than those which can be provided through unremunerated exceptions to the exclusive rights of rightholders.

Brussels, 30 June 2015

Rainer Just / President

IFRRO Position Paper on Open Access

The **International Federation of Reproduction Rights Organisations** (IFRRO) acknowledges the importance of access to and openness in science and research.

IFRRO supports Open Access initiatives which encourage respect for copyright, and which, in turn, do not create confusion amongst authors, publishers and users. IFRRO encourages all RROs to help ensure authors and publishers understand their rights, obligations, and expected returns, before entering into any Open Access contractual arrangement.

Authors, publishers and other rightholders strive to maximise the cost-efficient distribution of their works. RROs provide services that assist them in this effort, just as they facilitate legal access to copyright works for users.

The routes to Open Access publishing entail different variants of financing and licensing, including:

- **The ‘Author Pays’ model:** where the author pays a fee for publication in a fully Open Access or hybrid journal. The author can recover some of or the entire fee from a research funder (via grants or their research institutions).
- **The ‘Institutional or Subsidised’ model:** where an organisation arranges the Open Access publication by a publisher or through an institutional repository. The institution itself funds the costs of publication, either from its own funds or through a membership subscription agreement that the institution pays to a publisher.
- **The ‘Hybrid’ model:** where publication is generally funded through subscriptions, but the author is afforded a choice by the publisher to switch their contribution to Open Access by payment of a publication fee.
- **The ‘Premium’ or ‘Freemium’ model:** where, while there is a free-to-read online version of the publication available for all, there can be charges for extra services for those wishing to use them.

Regardless of the model used, it is essential that Open Access policies work in practice, that they are sustainable, funded properly, transparent and maintain the quality and integrity of the scientific record.

Open Access does not automatically include the free re-use of material. In some cases, Open Access may imply some kind of free re-use, in others it may not. Authors, publishers and users of Open Access publications should have a clear understanding of how works can be re-used after publication.