

IT'S OFFICIAL – COPYRIGHT IS THE BEDROCK OF THE ECONOMY. NOW IT'S TIME TO SPREAD THE WORD



By Olav Stokkmo, IFRRO Chief Executive

This time last year I looked forward to the spotlight being turned on Collective Management and the governance record of the RROs in membership of IFRRO. Now that the EU Collective Rights Management (CRM) Directive is on the point of being realised, I am pleased to notice that the document from the European Commission, Council and Parliament trilogue acknowledges the value of the existing Rights Management methods and best practices in Europe. I like to believe that this is a testimony to the robustness of the systems currently in operation. At the same time there has been a constant stream of reports, surveys and books that have highlighted the crucial role of the creative industries in fuelling the digital economy. Far from being an obstacle to economic growth, copyright is being increasingly seen as its engine, an indispensable element that creates jobs and contributes significantly to a country's GDP – the “bedrock of the economy” in the words of EU Commissioner Barnier. This double recognition – of the importance of copyright and of the crucial role played by CMOs – will also be the foundation of IFRRO initiatives in the Copyright debate next year.

IFRRO is convinced that CMO self declaration of its governance status will not always be sufficient and that there is a need for a framework to recognise and sustain the transparency and best practices of the CMOs. We support the EU CRM Directive. At the same time IFRRO is in the forefront of a WIPO initiative on an Excellence Quality Mark in transparency, accountability and good governance – TAG - which proposes to involve a voluntary independent certification and award of a seal of approval demonstrating the level of transparency, accountability and good governance that a CMO has achieved.

Collective Management is about making copyright work. IFRRO participated in all four working groups of the European Commission's Licensing for Europe structured stakeholder dialogue, the aim of which was to deliver practical industry-led solutions to provide legal user access to copyright works. This initiative recognised that such solutions exist already, or can easily be made available to solve digital access problems, provided there is a willingness of stakeholders to collaborate. Its four working groups addressed cross-border access and portability of services, user-generated content and licensing of small scale use(r)s, audio-visual sector and cultural heritage and, finally, text and data mining. The final plenary meeting delivered 10 pledges by stakeholders to bring more content online. IFRRO and six other organisations (EVA, EWC, EFJ, EPC, FEP and STM), supported by EMMA and ENPA, offered a tool kit for licensing, including of small scale use(r)s and micro licensing, in text and image work.

Already last year we had reports highlighting the importance of copyright such as the WIPO survey of data from more than 30 countries, which showed that the creative industries contribute, on average, 5.4% to GDP and 5.9% to national employment. This year the message has been reinforced by the UNESCO and UNDP Creative Economy report, which highlights the role of culture and the creative economy driving and enabling development and reports that world trade of creative goods and services totalled a record US\$624 billion in 2011. At the end of September the European Patent Office (EPO) and the Office for Harmonization in the Internal Market (OHIM) published a study that showed that around €4.7 trillion per annum (or 39% of total EU economic activity) is generated by PR intensive industries, which in turn, provide around 26% of EU employment or 56 million jobs. In the foreword of the report, the Presidents of OHIM and

EPO - António Campinos and Benoît Battistelli - acknowledge the role that “European countries have played in shaping a modern and balanced system of IP rights, which not only guarantees innovators their due reward but also stimulates a competitive market”. It was while speaking to stakeholders and journalists at the launch of this survey that Internal Market and Services Commissioner Barier described IP rights as the bedrock of the EU economy.

Meanwhile, early this year two books appeared, which sounded the alarm regarding the tendency to demand information for free. Jaron Lanier, the US computer scientist behind the expression ‘virtual reality’, in his *Who owns the future*, points out the negative consequences of information always coming for free to the end user. He notes that a fundamental problem today is that web information being free obscures the fact that people create all the data that is being made available. He calls for a “humanistic information economy” where people are compensated for their data contribution. The former US Vice President, Al Gore, echoes these ideas in *The Future*, emphasising the impossibility of a sustainable economy based on free access to information. Simplified, if everything “comes for free”, how shall we provide people with sufficient money to buy the goods and services that are needed to stimulate economic growth? Both Lanier and Gore point to the impoverishment of the middle classes, who are the backbone of the economy and the threat to their livelihood. Voices in support of free information, whether from governments, industries or academics run the risk of killing the goose that lays the golden eggs.

With all this evidence of the beneficial contribution of copyright-intensive industries to the economy and of the danger of being seduced by the siren call for free information, one might expect that public opinion would rally around the creative industries. Indeed yet another study (of over 26,500 Europeans) by the OHIM published this year indicates that 96% of Europeans believe that Intellectual Property (IP) is important because it supports innovation and creativity by rewarding inventors, creators and artists for their work and 69% value IP because they believe it contributes to the creation of jobs and economic well-being. But when it comes down to their own personal actions, an average of 34% of these same upright citizens thinks that buying counterfeit goods can be justified to save money and 22% think downloading is acceptable when there is no legal alternative. The report concludes that, especially for the younger generation, more efforts need to be made to demonstrate the value that intellectual property brings to European citizens in their day-to-day lives.

So that is our challenge for next year. We must build on the evidence that has been accumulating both from studies and practically through our actions to provide industry-led solutions, and we must proclaim the value of copyright. I thank you for your support and efforts during 2013 and look forward to your help in documenting and communicating the value of copyright and collective rights management in 2014.



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