

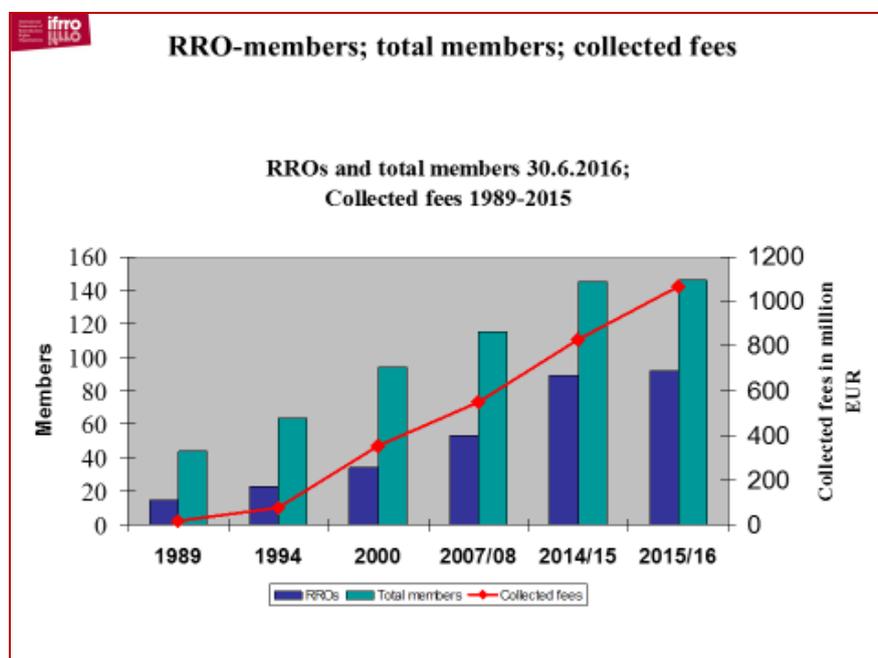
IFRRO BOARD REPORT 2016

This report covers the period July 2015 – June 2016 during which the Board was comprised of Rainer Just, (VG Wort), President; Yngve Slettholm (Kopinor, H el ene Messier (COPIBEC) till 11 November 2015), First Vice President (Board Director till 11 November 2015); Jim Alexander (Copyright Agency), Second Vice President (till 1 June 2016); Directors: Tracey Armstrong (CCC), Pirjo Hiidenmaa (EWC), Dora Makwinja (COSOMA, Substitute Director till 11 November 2015), Beno t Proot (Reprobel) and Eefke Smith (ipro); Substitute Directors: Ana Mar a Cabanellas (IPA), Vincent van den Eijnde (Stichting Pictoright) and Samantha Holman (ICLA). The Board met three times: November 2015 in Mexico City; February 2016 in Geneva; and June 2016 in Brussels.

Since their first establishment in the 1970s, the fundamental basis for RRO work has been the involvement of both authors and publishers, and their entitlement to a share of the remuneration collected for secondary reproduction administered by the RRO. This well-established model of RRO operation is now threatened by court decisions. This has to a large extent marked the Board work during the period under review. There have, however, also been positive developments. IFRRO membership, as well as the collection and distribution of revenue, which reached nearly   billion last year, continue to increase. The Board is also satisfied by the way IFRRO is positioned in the copyright landscape, being referred to and called upon to provide information and opinions on relevant issues in relation to collective management in the text and image sector.

1. MEMBERSHIP

As at 30 June 2016, IFRRO has a total of 146 members in 80 countries. 92 members are RROs, of which 23 are Associate and nine Provisional RRO members; and 54 are Creator and Publisher Association Members. This represents a net increase of one member since last FY. Collected fees by RROs increased by 24% to  ,067 million.



Four new Provisional RRO Members – SEA Panama, ReproMold (Moldova), OORP Repro Serbia and AAS (Azerbaijan), status changed from Creator and Publisher Association membership, and one new Creator and Publisher Association member – Bildrecht: VBK (Austria) were approved during the FY under review. The Associate RRO / Music RRO member Stichting STEMRA (The Netherlands) and FIPP (Creator and Publisher Association member) cancelled their membership with IFRRO.

2. ORGANISATION AND STRATEGIES

The Strategic Plan as presented to the membership at the AGM 2014, with the adoption of an Operational Plan for 2015 and 2016 to underpin the overall strategy, has formed the basis for the Board's work. The strategy allows IFRRO to continue as a distinct and relevant voice in the copyright debate. It also aspires at enabling IFRRO and its members to embrace the digital environment and understand developments, which may impact on stakeholders in the text and image sector, and the challenges and opportunities arising from them.

The Board has followed up statutory issues and IFRRO's involvement in Public Lending Rights (PLR) on which the members were invited to express their views at the AGM 2015. The Board proposes that the General Meeting (GM) 2016 adopts amendments to the IFRRO Statutes to extend the election period for Board members and the Presidency from two to three years, and to enable voting by proxy on all items discussed at an IFRRO GM, not only on elections, as is currently the case.

The Board also asks the GM to approve changes to the membership fee and voting structures, and that the collection of compensation for PLR be included in the basis for the calculation of membership fees to IFRRO. Fifteen IFRRO members administer, and 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 also contributed €15,000, through Reprobel, SOFIA and VG Wort, to the financing of PLR International during the FY. At the request of PLR international, we collaborated with EWC and IAF in developing a governance model that allows enhanced IFRRO involvement in PLR activities, which will be presented at the GM 2016.

Following Olav Stokkmo's announcement at the AGM 2015 in Mexico City, that he would be retiring as CEO at the end of 2016, an important Board task during the Financial Year (FY) under review has been to search for his replacement. Russel Reynolds (RR) was contracted to assist in the recruitment process, and the Presidency mandated to work with them in carrying out candidate assessment and interviews, as required. The Board is pleased to announce Caroline Morgan, General Manager at Copyright Agency | Viscopy, will assume the position as IFRRO CEO and Secretary General as from 4 November 2016.

3. POLICY AND STRATEGIC ISSUES

Challenges to current mechanisms for collective rights administration in text and image works

Right of authors and publishers to be remunerated for certain secondary uses of published works

Addressing challenges to the current RRO models of operation caused by the decision of the Court of Justice of the European Union (CJEU) in the litigation between HP Belgium and Reprobel, and that of the German Federal Court of Justice (BGH) in the case that author Martin Vogel had brought against VG Wort, is particularly complex. Both rulings discussed the right of publishers to a share of the remuneration when already published works are reproduced under a limitation in the copyright law against an obligation to pay remuneration, the CJEU ruling more specifically when the exception refers to, or is based on the reprography or private copying exceptions in the EU Copyright Directive (EUCD). On 12 November 2015, the CJEU ruled that publishers are not 'rightholders' in relation to the EUCD. They are therefore prevented from receiving a share of the 'fair compensation' for reprography, or private copying on the basis of them being considered as 'rightholders' as defined in the EUCD, although they may receive remuneration for such uses on other grounds. On 21 April 2016, BGH decided that publishers in Germany are no longer entitled to remuneration when their works are reproduced under a reprography or private copy exception in the law. The two rulings have potentially serious effects on current RRO models of operation and reprography schemes, even beyond those which are based on levies, within and outside Europe.

The Board has established a Task Force made up of Board representatives *Tracey Armstrong* (CCC) and *Samantha Holman* (ICLA); RRO representatives *Caroline Morgan* (LIF Chair and Copyright Agency), *Robert Staats* (VG Wort), *Jukka-Pekka Timonen* (Kopioisto) and *Kurt van Damme* (Reprobel); author nominated representatives *Malin Koch* (Swedish Writers Union and EWC) and *Anke Schierholz* (VG Bildkunst); and publisher nominated representatives *Sarah Faulder* (PLS) and *René Viljoen* (Lenz Caemmerer law firm) to examine the potential medium and long term consequences of the CJEU ruling on IFRRO and on RROs and their activities under various models of operation. It will deliver a report in the coming FY.

The Secretariat has organised regular conference calls for members to exchange information and deliberate on how to tackle issues caused by the two court decisions; informed and held meetings with the European Commission, at times jointly with European authors and publishers associations with IFRRO membership; and met with national government representatives to advise on potential consequences of the CJEU decision and examine solutions on national and the European level. A smaller *ad hoc* task force was also set up to assist Repobel in its response to amendments to the copyright legislation proposed by the Belgian government, and a separate letter on that issue was addressed to the Belgian Vice-Premier Minister.

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

The EC facilitated Memorandum of Understanding (MoU) on the digitisation and making available of out-of-commerce works that was signed in 2012, witnessed and signed also by the then Internal Market Commissioner, and the principles on which it is built is jeopardised by litigation brought against the French law, which sought at its implementation. Two authors have objected to the law allowing works to be included in the scope of the agreement on the basis of default inclusion, combined with an ‘opt out’, or withdrawal option. The case has been referred to the CJEU, with a ruling expected in October 2016. The CJEU decision may affect the possibility of enabling large-scale digitisation and making available of cultural heritage under a legal presumption.

The Board regrets this development. There is an express political will, on national as well as on EU and other supranational levels, for the implementation of the MoU principles, which could include the use of legal techniques such as legal presumption of representation of concerned rightholders and the Extended Collective Licensing Agreement. This approach also resonates beyond Europe. In consultation with our US members, the IFRRO submission on the US Copyright Office’s consultation on facilitating large-scale digitisation of out-of-commerce copyright works supported its proposal to explore the issue through a pilot programme using the Extended Collective Licensing Agreement. We have previously stated similar support in our comments on the Australian Law Reform Commission Report. The political will ties in with the interest of the stakeholders concerned, as articulated by their organisations through the signing of the MoU; IFRRO, the relevant European authors’, publishers’ and library associations are all signatories. 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.

As a result of the case before the CJEU on the French legislation’s compatibility with EU legislation, IFRRO, the IFRRO members EVA, EWC, FEP and STM, and the European Publishers Council have addressed a letter to European Commission President Juncker urging the EC to reconfirm its commitment to the MoU, which it initiated and facilitated.

Exceptions and limitations to exclusive rights under review

World Intellectual Property Organization (WIPO)

The two WIPO SCCR¹ meetings that were held during the period under review saw continued discussions on exceptions and limitations, with a focus on education, and libraries and archives. The Congolese-Senegalese proposal to add resale rights (*droit de suite*) to the agenda², which IFRRO has backed, has not yet received sufficient support. The same goes for a document presented by Brazil on behalf of the Latin American and Caribbean Group at WIPO (GRULAC) on an analysis of copyright related to the digital environment. IFRRO finds the paper to be unfocused, enabling discussions on a large range of issues, including the possibility of adding collective management to the WIPO normative agenda, which we do not favour. The GRULAC paper could, on the other hand, be of interest to the WIPO Secretariat when selecting items and planning for future conferences on digital issues.

In relation to library and archive exceptions and limitations SCCR was invited to present views on (i) reproduction and back-up copies, (ii) legal deposit, (iii) library lending, (iv) parallel importation, (v) cross-border uses; and (vi) orphan works, retracted and withdrawn works and works out of commerce. In the coming FY, it is expected that the discussions will include opinions on limitations on liabilities for libraries and archives, Technical Protection Measures (TPM), contracts, and right to translate works.

¹ Standing Committee on Copyright and Related Rights

² See the Board’s Annual Report 2015, page 2

WIPO has contracted Professor Daniel Seng to carry out a study on educational exceptions in the WIPO Member States. It is partly an update of similar regional studies carried out in 2008/09 to which IFRRO made contributions³. Currently, it includes data from 136 WIPO Member States on eight categories of limitations and exceptions: (i) Private and Personal use; (ii) Quotations; (iii) Reproduction; (iv) Publications; (v) Performances; (vi) Broadcast/Communications/Recordings; (vii) Compulsory licensing; and (viii) TPM/RMI (Technical Protection Measures/Rights Management Information). The Board notes with interest that one of the conclusions in the document published in conjunction with Professor Seng's presentation of the work so far at the WIPO SCCR meeting in May 2016: "the study has demonstrated [] that the 136 member states whose legislation has been reviewed have demonstrated a good understanding and application of the permissible limitations and exceptions for educational activities in international treaties to their legislation." The Board questions whether it is correct to treat 'private use' and 'personal use' as one category; the CEO has raised the issue in a communication with Professor Seng. With the view to facilitating the SCCR discussions, the SCCR Chair has agreed to present, in a chart, an overview of the various educational exceptions and limitations, taking as a starting point the eight categories that are being analysed in Professor Seng's study.

IFRRO made statements at the SCCR meetings on relevant agenda items. They have been posted to the IFRRO website. We continue to advocate a three-leg solution: Information and best practice sharing; a demand driven technical/capacity building programme, led by WIPO and coordinated regionally by regional organisations, such as ARIPO, CERALC and OAPI⁴, to which IFRRO also offers to contribute; and government cooperation, including on legislative development and implementation.

European Union (EU) Copyright review

As informed in last year's report, the European Commission (EC) has made copyright one of its 10 priority issues. To follow up the Digital Single Market strategy launched in 2015, with the publication of the review of the EU Copyright rules document pending⁵, during the period under review, the EC has released five texts of particular interest to the IFRRO communities. In autumn 2015, a consultation was launched on a review of the EU Satellite and Cable Directive. As the management of cable retransmission rights currently works well in the EU Member States, IFRRO advised, in its submission, against extending the 'country of origin' principle to collective management of rights of authors and neighbouring rightholders.

The proposed Regulation on portability, released in December 2015, aiming at enabling "a subscriber who is temporarily present in a Member State to access and use the online content service" is currently being discussed in the European Parliament and the European Council (EU Member States). A main challenge seems to be the definition of 'temporarily'. In parallel, EC launched a public consultation on the enforcement of intellectual property rights, which included gathering information on the 'follow the money' principle.

The EC Communication on a "More modern and European Copyright framework", published on 9 December 2015, also presented an action plan on the EC work on the review of the EU Copyright rules. It announced that facilitating the making available of out-of-commerce works, and examining exceptions and limitations for education, research and libraries, including in relation to Text and Data Mining (TDM), would be among the issues that were to be addressed in the review document.

IFRRO continues to argue the importance of allowing functioning mechanisms to prevail and continue to be further developed. There is no need for the EC to intervene with legislation where there are already systems for rights administration in place, which is the case for collective management of published works by RROs. To this end, we have been collaborating with the EC Copyright Unit, providing relevant intelligence aimed at enabling the Commission to make informed decisions and proposals. Also an EC commissioned survey published in 2015⁶, indicates a functioning text and image sector and that, in Europe, the e-book-market is developed to provide solutions that meet user needs: users of published works generally find what they are looking for, are willing to pay for them, preferably on the basis of a pay per use model, and hardly ever try to

³ <http://www.ifrro.org/node/1575/>

⁴ See Chapter 6 on page 8 on these intergovernmental organisations

⁵ Announced for 21 September 2016

⁶ <https://ec.europa.eu/digital-single-market/news/new-survey-shows-potential-cross-border-access-online-content-mainly-among-young-people>

access or download e-books from websites in other EU Member States, as they find that they are generally well served in their own country.

On the Consultation that the European Commission launched on 21 March 2016 on a publishers' neighbouring right and on a 'freedom of panorama' exception, IFRRO submitted that, irrespective of any distinct exclusive publishers' right, both authors and publishers must be granted a right of remuneration, or a claim for fair compensation when works are used under an exception in the EU CD. The 'freedom of panorama' issue relates to the exception in the EU Copyright Directive on the use of works of architecture or sculpture made to be located permanently in public places, which IFRRO sees no need to harmonise. Both issues are expected to be addressed in the announced review of the EU copyright rules document.

Assuming that the Member States' governments will be key influencers at EU level regarding the possibility of carrying forward current systems of rights management by RROs, the CEO has held meetings with government and Intellectual Property Office (IPO) representatives, including pertinent ministries in countries holding the EU Presidency. We have also encouraged members in the EU Member States to ensure that their government representatives at EU fora are well informed of the RRO activities in their respective countries.

As a part of its preparation for the review of the EU Copyright rules, the European Parliament (EP) adopted, on 9 July 2015, a report (the 'Reda Report') on the implementation of the EU Copyright Directive, with a wording that is more acceptable than the original proposal from Member of European Parliament (MEP) Julia Reda. The Report was followed up by the release of a European Parliamentary Service Report, on 13 October 2015, on the implementation of the EU copyright framework in the EU Member States. It is uncertain, which role these documents will play in the upcoming debates on the review of the EU copyright rules.

The Commission is also preparing for the ratification of the Marrakesh Treaty on enhanced access to published works by persons who are blind, visually impaired, or otherwise print disabled, with a proposal expected in the second half of 2016.

Author issues

In parallel to supporting the right of publishers to be remunerated, along with authors, for secondary uses of published works administered by RROs, the Board has also been mindful of the need for authors and their associations to receive IFRRO support for author specific issues. In April 2016, the IFRRO First Vice President and the CEO held a meeting with EVA, EWC, IAF and IFJ, attended also by the author representatives on the IFRRO Board. As a result, the IFRRO publication *The Art of Copying* will be updated, including data related to the share of the remuneration paid to visual creators, and a joint pilot activity to strengthen authors associations and author involvement in RROs is being planned. Meetings to explore IFRRO support to author issues will continue on a regular basis in the coming FY.

Focus on Rights Management

RRO governance

IFRRO is a cooperating partner, with other international federations representing Collective Management Organisations (CMO)⁷ and WIPO, in the WIPO TAG (Transparency, Accountability and Good Governance) initiative, with the IFRRO CEO chairing the Consortium. The initiative has developed two components for further consideration: a Compendium for training, education and benchmarking purposes; and an outline of a Quality Mark for certification by an impartial body, which CMOs would be allowed to apply for, on a voluntary basis, to further document their high standard of governance.

The current focus of TAG is on the implementation of the Compendium, whilst the further development of the voluntary Quality Mark depends on any of the organisations involved asking for it to be put back on the agenda. The Compendium provides a good guidance, along with the IFRRO instruments Code of Conduct and Relationship between RROs document. Consultation on the TAG Compendium has been carried out both as dedicated seminars and workshops, mainly co-organised by WIPO, IFRRO, IFPI and a local host, with participation of RROs, and, for IFRRO members, also in conjunction with the Regional Development

⁷ AGICOA (<http://www.agicoa.org/>), IFPI (<http://ifpi.org/>), and SCAPR (<http://www.scapr.org/>), with EVA and SAA (<http://www.saa-authors.eu/fr/>) as observers

Committee meetings, which all have had TAG on the agenda. As a part of the testing of the use of the Compendium, a questionnaire for self-assessment and benchmarking has been worked out. Both the Compendium and the Questionnaire are available in English, French and Spanish. The CEO and Pierre Lesburguères have contributed as speakers and workshop leaders at TAG consultation events.

Linked Content Coalition (LCC) and RDI (Rights Data Integration)

IFRRO is involved in the Linked Content Coalition (LCC), a cross-media project aiming at creating a structure for rights management on the Internet, based on existing open standards to ensure interoperability, with the CEO as a member of the LCC Board. The EC sponsored Rights Data Integration RDI project, with 15 partners, including IFRRO and IFRRO members CCC via RightsDirect and EWC, came to an end in December 2015. During the period under review, IFRRO hosted a seminar for CMOs on how the RDI interoperable data model could potentially benefit collective management.

Persons who are blind or print disabled

With Canada's ratifying of the Marrakesh Treaty on 14 July 2016, the 20 countries required for it to come into force was reached. IFRRO is an active participant in the Accessible Books Consortium (ABC)⁸, which purports to play a role in the Treaty implementation, with the CEO on the Board, which is chaired by the WIPO Director General Francis Gurry, and Veraliah Bueno as a member of the Communication Task Force. The Board is otherwise made up of representatives from IPA, IAF, publishers, organisations representing people with print disabilities, including the World Blind Union, and libraries serving the print disabled.

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, 19 Authorised Entities (AE) in 16 countries have uploaded their catalogues to the TIGAR database, which, in May 2016, contained 315,000 titles in 55 languages. Publishers and RROs on behalf of authors and publishers have cleared rights for 14,000 titles, which, in turn, has enabled over 79,000 loans of some 5,100 titles by the participating AEs. Bangladesh, India, Nepal and Sri Lanka are the current focus countries of the capacity building initiatives, mainly due to generous funding offered by the Australian government.

The Board encourages RROs to play an active role in assisting authors and publishers, when they require it, to facilitate the making available accessible format copies of their works, including the clearance of rights for their uploading to the TIGAR database. IFRRO runs a dedicated web page on print disability issues⁹, which includes tools developed by IFRRO to assist RROs on the issue, and links to various other resources.

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, in addition to joint initiatives to support implementation of levy systems where they exist in national legislation, including through a joint letter to the Nigerian authorities.

EI (Education International) and IFLA (International Federation of Library Associations and institutions)

The IFRRO President and CEO attended the IFLA congress and participated in the strategic partner discussions in Cape Town (SA) in August 2015. IFRRO co-organised with EI a side event at the WIPO SCCR in December 2015. EI and IFLA were represented at the IWC and AGM 2015 in Mexico, and a part of the draft project on the future of Intellectual Property and teaching material, which has been submitted to WIPO for funding.

⁸ <http://www.accessiblebooksconsortium.org/portal/en/index.html>; See also the Board's Annual report 2014, Chapter 3, page 4

⁹ <http://ifro.org/content/access-persons-print-disabilities>

4. MEMBERSHIP RELATIONS, COMMUNICATIONS AND INFORMATION

IFRRO Communication Strategy

The IFRRO Communications and Information Strategy recognises that IFRRO's communication activities should underpin the overall strategy to enable IFRRO and its members to defend the principles of copyright and authors' rights; embracing the digital environment; communicating how RRO work is important to societies; and position IFRRO as a constructive, distinct, relevant and complementary voice in the copyright debate. New challenges this FY have been the fallout of the HP Belgium - Reprobel decision at the CJEU and the German Supreme Court ruling in the 'Vogel – VG Wort' case, and their effect on publishers' rights to be remunerated; the Authors Guild vs Google case; and the review of the EU Copyright rules. IFRRO is responding to these challenges in line with the framework agreed in the IFRRO Strategic Plan 2014 -2019 and the IFRRO Operational Plan 2015-2016, which identified four elements:

- A value of copyright campaign
- An Authors' and Publishers Charter
- A programme to identify promote independent Copyright Advocates
- A programme to identify and train IFRRO Copyright Ambassadors

In addition, the severity of the threat posed by the CJEU ruling in the HP case has necessitated the establishment of an ad hoc group focussed specifically on that issue. The Secretariat invited all interested members to attend regular conference calls to share experiences and assess potential consequences on the RRO activities. These discussions have also impacted on the Secretariat's work in relation to the European Commission on the need to allow the current systems of collective rights administration by RROs to continue, including enabling both authors and publishers to be remunerated under their schemes.

Value of copyright campaign

The main element of the Value of Copyright Campaign that was launched in 2014 continues to be the Copyrightlink.org website. It has been visited by over 6,500 users in nearly 9,000 sessions. The Board aims at reviewing the campaign during the coming FY.

Copyright Advocates – Talking Copyright

The Advocates programme now includes a list of 5 blogs and 14 "advocates". It is hosted on the IFRRO website on the page "Talking Copyright", which also features a rolling list of topical articles by the advocates.

IFRRO Copyright and Collective Management Ambassadors

Initial thoughts are that the Ambassadors, those who directly represent IFRRO as spokespersons, should be taken from the ranks of IFRRO officers – President, Vice Presidents and IFRRO CEO.

The IFRRO Blog COLEGIS

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. It has proven not to meet sufficiently user demands and will be discontinued in the coming FY.

Assistance to members

During this period under review, IFRRO Regional Development Committee meetings opted to focus on RRO governance, which included the use of the TAG Compendium and Questionnaire, and on agreements with users. Awareness raising events, open to authors, publishers, and users of published works were organised in conjunction with the meetings in Accra, hosted by COPYGHANA, and in Dar Es Salaam, hosted by Kopitan, for African RROs; in Beijing, hosted by CWWCS for Asian RROs; and in Zagreb, hosted by DHK and ZANA, and in Sofia, hosted by ReproBG, for selected European RROs. The SADEL hosted events in Santiago for the Latin American RROs included meetings with the main Chilean University and with the national newspaper publishers associations, whilst the one hosted by ACODERE in San José (Costa Rica) was combined with an open seminar, which addressed exceptions and limitations and the Marrakesh Treaty, also featuring the WIPO SCCR Chair Martin Moscoso among the speakers, and a separate meeting with authors and publishers. The meeting for the Caribbean RROs was organised by TTRRO in Port of Spain in

conjunction with the WIPO - Trinidad and Tobago Intellectual Property Office - IFRRO - IFPI TAG consultation. The discussions focused on the need for a Caribbean wide approach to licensing.

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 Reprobel following the CJEU decision in the case against HP Belgium, and to the members in Azerbaijan, Latvia, Tanzania and Zambia, including making submissions on legislation and copyright amendment bills and meeting with authorities, as appropriate. A letter was also addressed to the two Canadian Ministers responsible for copyright regarding the worrying situation for authors and publishers and collective management in the text and image sector in Canada, and IFRRO met, jointly with IAF and IPA, with a government representative on the issue. In cooperation with WIPO and the Norwegian CMO development organisation NORCODE, we have initiated an assistance programme to REPRONIG, with a feasibility study as the first step.

Support to The Authors Guild in the court case versus Google

IFRRO joined CCC in an amicus curiae brief in support of the Authors Guild's petition to the US Supreme Court to hear its appeal in the case against Google Inc¹⁰. On 19 April 2016, the request was rejected. This leaves standing the Second Circuit's ruling in the case, which includes an unprecedented expansion of the fair use doctrine, holding that Google's copying and providing access to millions of books under copyright was fair use.

Periodical publications and other information activities

On 8 December 2015, at the 31st WIPO SCCR meeting in Geneva, IFRRO co-organised with Education international (EI) a side event on Education - Changing what we learn and the way we learn with Nicolas Jonas, Analyst at CERI (OECD), EI Senior Coordinator Dennis Sinyolo, IPA's José Borghino and Pirjo Hiidenmaa of EWC among the speakers. Kopinor CEO, Yngve Slettholm, and COPIBEC CEO Frédérique Couette offered examples on how RROs contribute to providing seamless access to published works in education.

IFRRO held its mid-term meetings in Brussels from 30 to 31 May 2016, including the European Group, the Legal Issues Forum, a joint meeting of the Equipment Levy Forum and Public Lending Right Forum, the Newspapers and Periodicals Working Group, the Visual Working Group and the Musical Forum. IFRRO also facilitated an IAF meeting and an Authors' gathering.

A second edition of the IFRRO WIPO study of text and image levies (TI levies) was published in February 2016, updating the original to include 2014 figures and new court cases. A further update is planned for publication in 2017.

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 ten 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 2015, in Mexico City, focused on how to meet user needs in an increasingly disruptive environment. It offered a combination of views from outside the IFRRO community, including by the WIPO Deputy Director General Anne Leer, the Stanford University lawyer Paul Goldstein and David Roberts of Education International, and the sharing of RRO best practices in meeting dynamic user demands.

¹⁰ See the Board's Annual Report 2014, Section 4, page 5

Agreements between RROs

At the proposal of the Legal Issues Forum, the Board adopted changes to the IFRRO Sample Bilateral Agreements, Type A (exchange of repertoire and collected fees). A Task Force, led by the IFRRO General Counsel, made up of Dora Makwinja (COSOMA), Hege Døssland (Kopinor), Caroline Morgan (Copyright Agency), André Myburgh (DALRO), Robert Staats (VG Wort), Kurt Van Damme (Reprobel), was tasked with assisting the Board in examining the legal basis for Bilateral Agreements Type B (exchange of repertoire with no exchange of collected fees). The Board concluded that it must be for each RRO to decide whether it is appropriate for them to enter into such agreements, depending inter alia on national legislation, and that it would neither endorse nor reject them.

IFRRO members should observe that, concluding bilateral agreements may imply certain risks. The scale of risks will depend in each case on the applicable national law, and they fall primarily, but not exclusively on the granting RRO. Taking appropriate measures by the RROs concerned, may mitigate the risks. The IFRRO Board will continue working on a statement to be posted to the Members Only section of the IFRRO website, which reflects these conclusions.

The IFRRO Sample Bilateral Agreements were developed in the early 1990ies, and has since not undergone a comprehensive review. The Board has therefore established a Task Force, led by Caroline Morgan in her capacity as Chair of the IFRRO Legal Issues Forum, and otherwise made up of Martin Kyst (COPYDAN Writing), Philippe Masseron (CFC), Javier de Olarte Díaz (CEDRO), Carlo Scollo Lavizzari (Lenz Caemmerer law firm, representing publishers) and Carola Streul (EVA, representing authors). The review will take into consideration both national and international legal development and IFRRO instruments - Repertoire Exchange Mandate (REM), Code of Conduct, Relationship between RROs document and Criteria recommended to comply with before soliciting negotiations on bilateral arrangements - and result in a report to be delivered in the coming FY.

IFRRO studies directed towards evolving RRO business approaches

During the financial year under review, partly as a part of the IFRRO Strategic Plan, the Secretariat has delivered a number of reports and studies, readily available to members on the Members Only section of the IFRRO website: Text and Data Mining; also in the form of matrices, Distribution of revenues in countries with text and image levies, RRO models of operation, including a fact sheet, RRO administration of online uses, Educational exceptions and RRO operational models in EU Member States, RRO rights administration in relation to education, RRO rights administration in relation to libraries, and the Implementation of the EU Directives and the Memorandum of Understanding on out-of-commerce works. The reports add to previous ones on Open Access, Massive Open Online Courses and Illustration for teaching.

An initiative to map out a better understanding of the future of Intellectual Property and teaching material, which was discussed with EI, IFLA, IPA, IAF and WIPO has not yet materialised due to lack of funding. The Board intends to review the project with the view to consider taking it forward in the current FY.

Technical standards and identifiers

EDItEUR

IFRRO is a member of EDItEUR, 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, EDItEUR 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. The registry is scheduled to be operational this year. IFRRO is a member, and was represented on its Board, during the period under review, 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 conjunction with the Board meeting on 1 February, 2016, the Board met with WIPO DG Francis Gurry to exchange views on selected strategic issues, primarily TAG and SCCR topics. 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 day-to-day relationship with WIPO is with the Copyright Infrastructure Division¹¹, headed by Director David Uwemedimo, which is responsible for the TAG initiative, the ABC¹² and the IFRRO-WIPO reports on text and image levies¹³, and with the Copyright Law Division under Director Michele Woods. Sylvie Fobin has been nominated as the new Deputy DG of the Culture and Creative Industries sector and responsible for copyright, to replace Anne Leer who left WIPO in November 2015. At the time of the finalising of the Annual Report 2016, this is yet to be finally sanctioned by the appropriate body.

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.

The high level conference on the “Global Digital Content Market”, which WIPO organised in April 2016, brought together creative sector, government and business leaders from across the various intellectual property sectors and continents. The Board’s and CCC’s Tracey Armstrong represented a strong IFRRO and collective management voice on the publishing sector panel, whilst the IFRRO President featured on video presentations accompanying participants at various settings. Such conferences have value, in so far as they

¹¹ WIPO Organigram http://www.wipo.int/export/sites/www/about-wipo/en/pdf/organigram/visio-org_en.pdf

¹² See Chapter 3, pages 5 and 6

¹³ See Chapter 4, page 8

allow functioning solutions to be demonstrated; the Board therefore welcomes the opportunity to collaborate with WIPO also in follow-up events to the April 2016 conference.

During the FY under review, IFRRO provided speakers for and collaborated with WIPO in the organising of eleven conferences, seminars or workshops: five in Africa, two in each of Asia, Europe and Latin America. Four of the events were linked to TAG Consultation, two on the Marrakesh Treaty.

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

IFRRO has had NGO status with UNESCO since 2009, is a part of its around 400 International NGO network, and participated during the FY inter alia in meetings organised by UNESCO's liaison committee.

6.3. European Union

With the referendum in the UK resulting in a majority voting for it to leave the EU, there will be changes in the EU Presidency, as the UK will no longer assume it in July 2017. With UK's ample tradition and knowledge in copyright issues, this may have an impact on the discussions on the review of the EU Copyright rules. Slovakia will take over the Presidency from the Netherlands on 1 July 2016, to be followed by Malta the first half, and Estonia the second half of 2017, who will lead the work of the European Council (the Member States governments) when the copyright review discussions are expected to enter the crucial states.

6.4. ARIPO (African Region Intellectual Property Organization)

In 2006, IFRRO signed cooperation agreement with ARIPO, which represents 19 English and Portuguese-speaking Sub-Saharan African countries. The Director General is Fernando dos Santos. The CEO addressed the 15th ARIPO Council of Ministers at its meeting in Lusaka on 18 November 2015. ARIPO was represented by Maureen Fondo, responsible for copyright issues, at the IFRRO Congress in Mexico City. ARIPO and IFRRO co-organised a conference on collective management, with ARIPO's Byson Sabola as a speaker, in conjunction with the Africa Development Committee meeting in Dar-Es-Salaam on 10 May 2016.

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 and OAPI cooperated with WIPO in the organising of a seminar on collective management of reprographic rights and on the TAG initiative in Dakar on 19th and 20th April 2016. IFRRO and OAPI also continue to collaborate in the implementation of the OAPI activity plan on the enhancement of collective rights management in French speaking Africa.

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 Marianne Ponsford, with Fredy Adolfo Forero Villa as Legal coordinator and responsible for authors' rights and copyright, we are currently exploring various activities for collaboration on RRO related topics in the coming year, including CERLALC's possible involvement in the TAG consultation process.

6.7. LAS (League of Arab States)

The cooperation agreement with LAS that was negotiated last FY, has still not been signed, due to lack of opportunities to organise joint events during the FY under review.

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 2015-16.

Asia Pacific Committee (APC)

The region counts 13 RROs in membership of IFRRO, including one Music RRO. The period under review has seen substantial progress in the activities and revenue collection in China (PRC), the Republic of Korea and in the Philippines, with positive development also in India. On the other hand, the Taiwanese RROs was forced to close down their activities after they lost the court case against the government to have their licence

to operate renewed, and the YRCI (Indonesia) is dormant pending changes to legislation affecting CMOs. There is still no ruling in the Delhi University court case, and also the Chinese copyright amendment bill has not yet reached the National Peoples' Congress. China, India and Indonesia continue to be priority countries for APC, which is chaired by Caroline Morgan (Copyright Agency) and met twice during the period under review, in Beijing and in Mexico City.

African Development Committee (ADC)

The African region counts 13 RROs as members of IFRRO, of which two are Provisional RRO members. In addition to COPYGHANA's and COSOMA's continued progress, the Board is pleased to see ZARRSO having started licensing of users and collecting revenues in Zambia. Despite the statutory reprography licence in Tanzania, Kopitan has faced problems in relation to its implementation. IFRRO has therefore written to the Attorney General urging for support to Kopitan's licensing activities. Kopiken's licence to operate as a RRO was not renewed this year due to limited activities, and we are examining with Kopiken and the Kenyan Copyright Board how this can be addressed. IFRRO, the Norwegian CMO development agency NORCODE and WIPO are exploring a joint assistance programme to help Repronig improve its functioning. As a first step, NORCODE has engaged former IFRRO VP Jim Alexander to carry out a feasibility study. His Report will be delivered in the coming FY and form the main basis for the assessment of further assistance. The African Development Committee, which is chaired by Dora Makwinja (COSOMA) met three times during the period under review, in Accra, Mexico City and Dar-Es-Salaam.

European Group and European Development Committee

European Group (EG)

The European Group, which met twice during the FY, in November 2015 in conjunction with the Congress in Mexico City, and in May 2016 in Brussels, has kept a watching brief on the implementation of the EU Collective Rights Management (CRM) Directive, the EU Orphan Works Directive, and the Memorandum of Understanding (MoU) on the digitisation and making available of out-of-commerce works, and on national legislative initiatives. The main focus has otherwise been on the EU work on the review of its copyright rules¹⁴. In this vein, the Head of the European Commission (EC) Copyright Unit, María Martin-Prat addressed the European Group meeting in Brussels reconfirming that the general approach would be to consider proposing harmonisation of copyright when there is a cross-border effect. This is the case, for instance, for usages in education and libraries. The European Group has therefore started looking into the concept of 'Illustration for teaching', which has been implemented differently in the various Member States. A first conference call among interested EG members was held on 28 June 2016. The outcome forms a basis of the development of a common position, which includes IFRRO advocating a narrow definition of the concept, in conformity with its submission on the EC consultation as a basis for the review of the EU Copyright review.

With the view of ensuring that the EC has the best possible and updated information on RRO activities, the Secretariat, through the membership, has made available relevant data in the form of matrices and other appropriate formats, accessible to the members on the Members Only section of the IFRRO website. In consultation with, and partly with the participation of the EG and its Executive Committee, it has also held regular meetings with the pertinent units and cabinets of the European Commission. Some of them have been jointly with the European author and publisher organisations in membership of IFRRO. In parallel, encounters have been organised with governments and copyright offices of the Member States holding or will hold next the EU Presidency, and sensitising of selected Members of the European Parliament (MEP) to copyright review issues of importance to the IFRRO membership has started.

The European Group is chaired by Benoît Proot (Reprobel), with Samantha Holman (ICLA) and Anders Kristian Rasch (COPYDAN Writing) as Vice Chairs.

European Development Committee (EDC)

The EDC met twice during the year under review, in Zagreb in October 2015, and in Sofia in May 2016. Both meetings were combined with successful stakeholder awareness raising seminars, organised in cooperation with DHK and ZANA, and ReproBG respectively. Europe counts 50 RROs with IFRRO membership, two more than last year, of which 25 have RRO membership status. The Board is pleased that

¹⁴ See Chapter 3, pages 4 and 5

LATREPRO (Latvia) has signed its first licensing agreement; that the Serbian RRO (OORP) can start up activities as an IFRRO member; the adoption of new legislation implementing an appropriate text and image levy in Portugal resulting in substantial increase in AECOP's revenue collection; and that SAZOR has licenced education, the effect of which we shall see the upcoming FY. The EDC is chaired by Samantha Holman (ICLA).

Latin America and the Caribbean (LAC)

The Committee met three times during the period under review, during the IWC in Mexico City in November 2015, in San José (Costa Rica) in May 2016 with the Spanish and Portuguese speaking RROs, and in Port of Spain (Trinidad and Tobago) for the Caribbean RROs. There are 12 RROs members of IFRRO in the region, one more than last year, with the approval of SEA Panama as a new Provisional RRO member. ECCLA is a sub-regional RRO for six Eastern Caribbean States, so the RROs in Latin America and the Caribbean cover 17 countries. The Board is pleased to notice continued progress in the activities of CADRA and CDR. A main focus is on providing assistance to ACODERE (Costa Rica) to be approved by the appropriate authorities to start operating, to SEA to initiate licensing activities, and the exploration of a Caribbean wide licensing programme. 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 globalisation of the media market and on the sharing of best practices in licensing of the use of Newspaper and similar publications, including the CLA media monitoring licence, media consultancy licences launched by several members, and other new licensing and services for users and rightholders. 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), 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. WG discussions included hyperlinking, identifiers for visual works, and the share of visual material in reprographic and similar reproduction, including an update of the IFRRO publication *The Art of Copying*. The WG also keeps a watching brief on the proposed mass digitisation programme in the USA.

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).

The Court of Justice of the European Union (CJEU) decision in the HP Belgium-Reprobel case and the German Federal Court of Justice (BGH) decision in the 'Vogel-VG Wort' case marked the ELF discussions during the year under review. In addition to expressing itself on the right of publishers to be remunerated under the reprography and private copying exceptions in the EU CD, the CJEU declared that potential overlapping between reprography and private copying schemes must be addressed; that sheet music must be excluded from reprography and private copying exceptions in EU Member States' legislation; and that dual levy schemes, which include both an equipment levy and an operator fee, are acceptable provided the equipment levy is not solely based on the device's reproduction capacity, there is a refund mechanism to address situations where the equipment levy and operator fee could potentially cover the same type of use, and there is no favourable treatment of users who collaborate in the collection of the levy and /or fee.

On 9 June 2016, the CJEU ruled that the Spanish compensation scheme for private copying does not comply with the EU CD¹⁵. Although compensation for private copying may, in principle, be paid from the State budget, such schemes must ensure that remuneration to rightholders is fair and ultimately borne by the maker of the copy.

IFRRO Public Lending Rights Forum (IPF)

The IPF, chaired by Christian Roblin (SOFIA), is an informal forum open to all IFRRO members. It was convened twice during the period under review, in conjunction with the IWC 2015 in Mexico City in November 2015, and the mid-term events in Brussels in May 2016, to discuss inter alia enhanced IFRRO involvement, also on a political level, in the PLR International activities, and minimum criteria for PLR systems and tariff setting compliant with international legislation, court rulings and practices. Jim Parker, former PLR International convenor, has been engaged to deliver a final report on the latter issues in the coming FY. A database with key information relevant to the administration of PLR is available on the Members Only section of the IFRRO website. 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 2015 in Mexico City in November 2015, and the mid-term events in Brussels in May 2016. 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 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.

Musical Work Forum

The Musical Work Forum, chaired by Marc Hofkens (SEMU) was convened twice during the FY under review, during the IWC in Mexico City in November 2015, and during the mid-term events in Brussels in May 2016, to exchange information on licensing of music in print. The CJEU ruled, in the HP-Belgium-Reprobel case, that sheet music is governed by a special regime, prohibiting in principle reproduction without prior rightholder authorisation. Sheet music is explicitly excluded from the reprography and private copy exceptions in the EU Copyright Directive. The Reprobel remuneration right scheme continues to include musical works other than sheet music, such as lyrics- and pedagogical works. SEMU will continue to offer its voluntary licensing arrangements for the copying and use of sheet music.

9. FINANCES

Operational accounts

The year-end balance on the operation, i.e. excluding the Development Fund and the Enforcement Fund, gave a zero result against a budget surplus of €250. The Operational reserves thus remains at €405,755, equalling some six months of the budget yearly spending, which is considered indicative of a sound fiduciary practice. A total of €16,700 of paid membership fees was allocated towards development work and transferred as voluntary contributions to the Development Fund.

Development Fund

No IFRRO member contributed directly to the Development Fund during the FY, whilst €16,700 was transferred as voluntary contributions from the membership fees. 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 €245,844 was paid out towards previously approved grants during the FY. As at 30 June 2016, the Development Fund held €39,416, of which €20,951 had already been allocated through Board decisions towards specific projects. This leaves a total of €736,465 available for new projects.¹⁶

¹⁵ Case C-470/14 EGEDA and Others v Administración del Estado and Others

¹⁶ See list of projects in the DF Balance on the Year end accounts

Enforcement Fund

There have been no contributions to or payments from the Enforcement Fund during the FY under review. A contribution of €5,450 was made towards IAF to enable it to join the amicus curiae brief to support Authors Guild's petition to have the US Supreme Court hear its case against Google. As of 30.06.2016, the fund balance is at €16,808 as of 30.06.2016.

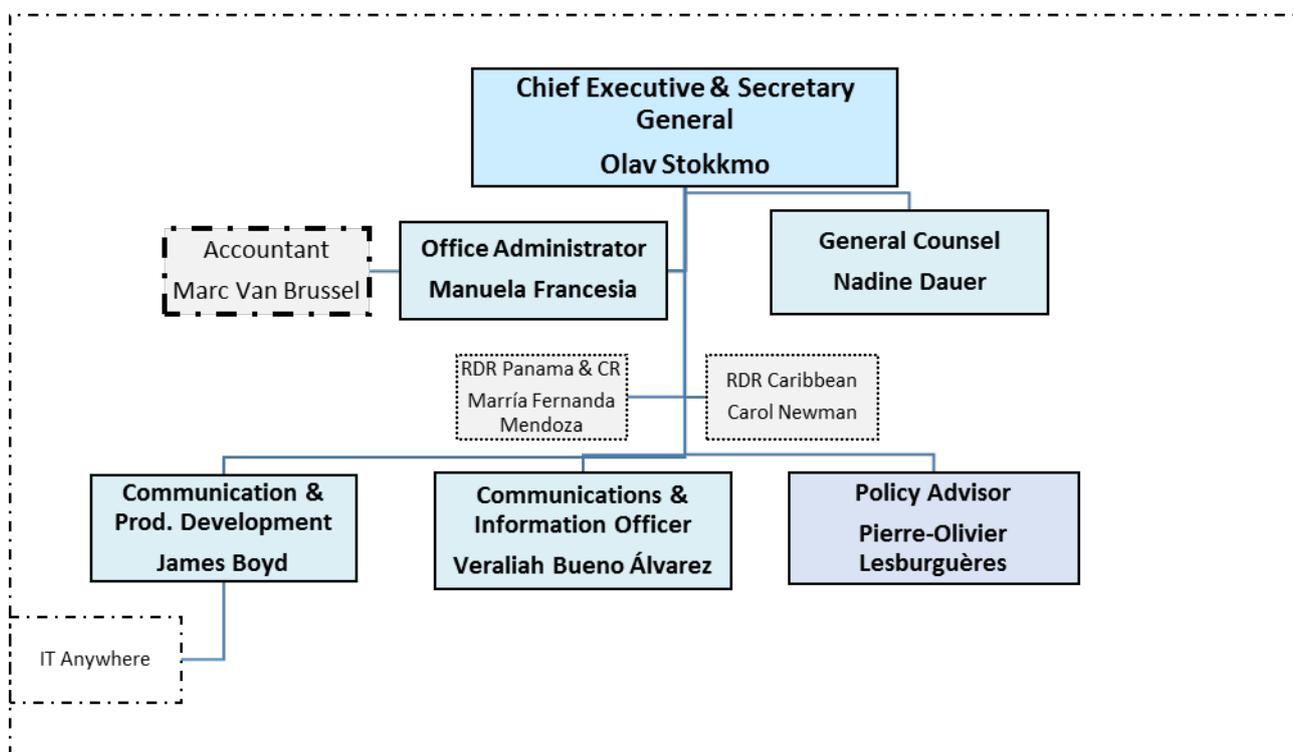
Tax issues

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

10. THE SECRETARIAT

The Secretariat is based in Rue du Prince Royal 85-87, 1050 Brussels, with a three-year lease that started 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 has been the Chief Executive and Secretary General during the period under review, with *Nadine Dauer* as General Counsel (*Anita Huss-Ekerhult* till 8 November 2015), responsible for legal work at the Secretariat, whilst *Manuela Francesia* as Office Administrator and PA to the CEO, handles secretarial matters, including the day-to-day bookkeeping. *Pierre-Olivier Lesburguères* as Policy Advisor is, in particular, involved in regional development work and assists in EU and WIPO-related issues; *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. *Marc Van Brussel* was the IFRRO accountant during the period under review¹⁷, 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 below:



¹⁷ Marc van Brussels has been replaced by *Eric Debrabandere* as the IFRRO accountant as from 1 July 2016

11. FUTURE PERSPECTIVES

The CJEU decision in the HP Belgium – Reprobel case and the German Supreme Court ruling in the Vogel – VG Wort case represent the most serious threat to collective rights management by RROs in its current form since the start up in the 1970ies. A fundamental basis for RRO activities has been the cooperation between authors and publishers, and that both have rights, including a right to share in on the remuneration, in relation to the secondary reproduction of published works administered by RROs. The basis for remunerating publishers and the various models of RRO operation may therefore have to be reconsidered as a result of the court decisions. This represents the main challenge that the Board will have to address on short and mid-term. Steps have been taken, and new ones will be considered, as required. In this respect, review of copyright legislation may prove to provide more opportunities than threats, as it allows national and regional legislators to offer sufficient clarification and, when appropriate, changes as a part of an ongoing process, rather than having to open up new ones, which may in turn come with risks and obstacles. The Board further envisages continuing to contribute analyses and documentation of RRO best practices to help the membership develop their business approaches to assist authors and publishers in meeting user needs consistent with rightholder interests.

Brussels, 30 June 2016

A handwritten signature in black ink, appearing to read 'Rainer Just', written in a cursive style.

Rainer Just / President