UNIVERSAL MUSIC
PUBLISHING GROUP

RESPONSE BY UNIVERSAL MUSIC PUBLISHING TO CREATIVE CONTENT REFLECTION DOCUMENT

We are pleased to have the opportunity to comment on the paper entitled "Creative Content in a European Digital Single Market: Challenges for the Future" issued by DG Infso and DG Markt.

We would like to make the following comments following the sections of the paper:

1. Introduction

UMPG welcomes the Commission's acknowledgment that copyright is the basis of creativity and that it is the responsibility of policymakers to protect copyright and so sustain the value of the creative industries in Europe which rely on a robust copyright regime for their survival and growth.

We are grateful for the acknowledgment that the investment of the creative industries in the creation of high quality creative content has proven a driver of new technologies, which is a further demonstration of the value of music which needs to be fairly recompensed within new business models.

We note the reference to the "dematerialisation" of content. However, the fact that digital content cannot be held in a consumer's hand does not make it any less of a proprietorial asset which has benefitted from significant investments of skill and financial support from rights owners. As such, music is deserving of proper protection and recompense for its use. It is not something that exists and has been brought to the market at no cost as if by magic and should be viewed as a public asset available to enable other commercial businesses to get off the ground for a reduced return as an act of charitable subsidy. A fair analogy would perhaps be a high quality tyre provided to a car manufacturer such as BMW. The car relies on the tyres as an integral part of its product and the reliability of the brand of tyres attracts consumers to the car. The tyre manufacturer would not be expected to sell the same tyres to a start up car company at a reduced cost simply to subsidise the new business. BMW would immediately ask for the same discounted price and the tyre market collapses.

We are disturbed by the causal link drawn between piracy and legal offerings of music. The market already has multiple legal music services offering a wide variety of opportunities for consumers to obtain music legally. To seek to obtain music for free from illegal sites is a positive choice being made by some consumers which has nothing to do with the availability of legal offerings. Competition can only be effective and fair when piracy is properly combated on the back of strong measures introduced at both a national and European level.

We note the intention to take targeted legislative action as part of a European Digital Agenda. We trust that this agenda will include appropriate co-ordination with all

stakeholders including rights owners. UMPG would want to be closely involved in any such process.

UMPG is already one of many rights owners making its owned repertoire available on a pan-European basis. The environment could be rendered more favourable by an effective anti-piracy regime so that we do not face unfair competition having to compete with free music. There can only be a level playing field when the pirates have been driven from it.

2. The Evolution of Technology and Content Markets

User generated content is being viewed as a new phenomenon. However, for many years the music industry has been alive to the opportunities afforded by the creation of new content as a result of cover versions, remixing, mashing up (blending two existing recordings) and sampling. As a result of these processes, copyrights have been recycled time and time again in the off-line world. The rate of change has increased in terms of the development of technology but the copyright regime has already proven perfectly able to cope with practises leading to the creation of new content using existing copyright works without reform, with appropriate clearances been negotiated with original rights owners as a result of free and open negotiation. The industry has from inception developed models of licensing of all kinds and will continue to find new ways to license its content in the future.

The Commission identifies the possibility of the creation of user generated content as requiring a balance of freedom of expression and appropriate remuneration. The music industry is happy to embrace new methods of creating content which properly respect the rights of the creators and owners of the original works. These original works make the creation of user generated content possible and should be respected accordingly. It is crucial to appreciate that for the creators of original works remuneration is not the only issue. A creator must retain the fundamental right (enshrined within the regime of moral rights) to be able to prevent a use which he perceives as being derogatory. In addition, it is part of the balance of interests maintained within rights owners agreements with creators that the creator has the right to prevent rights owners authorising uses of his works which he objects to. A musical work cannot be viewed as an asset which the rights owner controls in isolation from the creator. It is standard within the music publishing contractual arrangements for the creator and his heirs to remain involved in how works are exploited for the full period of copyright protection therein. Any acts by the creators of user generated content have to be considered within this creative context.

In terms of remuneration it is important to take into account that methods of exploitation which do not generate revenue for the creator of the content (for instance file sharing via the internet), will be revenue generating in terms of the facilitating service being provided for financial return by the service provider. Any distinction between "commercial" and "non-commercial" exploitation in this arena needs to be mindful of this.

We agree with the statement that making professionally produced creative content available online is proving to be high risk. However, the key reason for this is piracy.

If piracy could be effectively combated and driven from the market then all uses would be properly remunerated and risk would diminish.

2.1 Music

It is important to understand that music publishing rights are managed by rights owners as well as collecting societies and it is the rights owners and not the collecting societies who invest monies in the creation of new musical works. The party with the most right to comment on strategies to sustain the future of the music publishing industry should be the rights owner who invests before there is a return rather than the collecting society.

The publisher/rights owner has direct ownership and control of all rights in musical works other than the performing/making available right and in some cases the reproduction right. These rights owned by rights owners include print rights, graphic reproduction rights, synchronisation rights and adaptation rights.

The chief division in how reproduction and performing rights are organised is between works managed by societies regulated in accordance with BIEM rules and those which are managed by non-BIEM societies:

(i) For works managed by non-BIEM societies (which includes anglo-american repertoire), the reproduction right is owned by the rights owners appointed by authors. This right is transferred to rights owners by authors if the authors choose to as part of the free negotiation surrounding a music publishing agreement in a fiercely competitive market. The authors are required to mandate the performing right to collecting societies under non-negotiable standard society membership agreements with the exception of authors in the US where the publishers retain the non-exclusive performing right along side the collecting societies;

(ii) For works managed by BIEM societies the authors have no choice but to mandate the societies to manage both the reproduction and performing rights pursuant to exclusive non-negotiable standard society membership agreements even though the collecting societies make no investment in the careers of those authors and the creation of future works.

Any digital service operating in Europe is likely to want both BIEM and non-BIEM repertoire.

Aggregation of rights on an open market basis under common management is the key to the simplification of the licensing process. No changes in the copyright regime are needed to achieve this. The one simple change needed to markedly reduce the number of outlets the user currently has to clear rights from would be if BIEM societies and non-BIEM performing right societies were forced to move away from the current system of national monopolies and amend their statutes so that an author can elect to grant the right to exploit his works to societies on a non-exclusive basis. This single change to the current regime would enable rights owners to compete to acquire the reproduction right in repertoire created by BIEM affiliated authors and the

performing right in repertoire by all authors on a non-exclusive basis and so aggregate these rights with the rights already owned by the rights owners. The aggregation of the rights with the publisher makes sense for a number of reasons including (i) it is the publisher who invests in the creation of new works and (ii) agreements for the acquisition of rights would be fully negotiable and so would provide the benefit of an open market negotiation. The aggregation of rights should sit with the investor in content not the tax collector. In no other industry is the tax collector allowed to set the strategies for the development of an industry. If aggregation was by the collecting societies there would be little incentive for a rights owner to continue to invest in creative content where the regime for its exploitation was out of the rights owners' control.
Having aggregated rights following an open market negotiation, a rights owner would then be able to make available to the market from one or more selected outlets (very probably via the pan-European licensing platforms already created) all rights in all repertoire which the rights owner has invested in. Besides radically simplifying the licensing process, it seems right and proper that a rights owner should be entitled to represent all repertoire which has been created in reliance upon that rights owner's investment in a competitive market, rather than an author being forced to mandate rights to a national monopoly society which has made no investment in that author's career.

We note the reference to the possible creation of a single "making available right". Any such amalgamation of rights could have a catastrophic impact on the music industry in Europe. The distinction between the restricted acts of reproduction and communication to the public is a structure which is applied globally, including by copyright regimes in such key territories as the USA. The music industry is a global one, as is the internet. It is within the remit of US rights owners to license their repertoire for use on a global basis from the US. If Europe amends its copyright regime so that it is not aligned with the structure of restricted rights under US copyright it is very likely that US rights owners will adopt the global licensing route rather than licensing via local offices and societies in Europe. This would be very damaging to the European music market. However, this isn't a risk we need to run. Users aren't interested in or bothered by the structure of rights they need to clear. All they need is the assurance that all necessary rights can be cleared simply and easily. By allowing rights owners as the investors in new works to aggregate all repertoire they have invested in (as described above), this problem is instantly solved.

We note the assertion that it is easier to license rights for books and films on a multi-territorial basis than it is to license rights in musical works. This is because of the national limitations contained in the reciprocal agreements between the societies which could be overridden if the mandates from authors were permitted to be non-exclusive as described above. It is wrong to say that the publishers' European platforms can currently only clear the reproduction rights in relevant repertoire. As described above, rights owners have partnered with selected European collecting societies in order to be able to clear as many rights as possible from one source. The US performing right societies have been willing to mandate European societies to represent their rights non-exclusively and the PRS For Music in the UK has stated that it is willing to make arrangements with other European platform participating societies for this purpose. European BIEM societies partnering with rights owners in

the creation of these platforms are also able to clear reproduction and performing rights in the BIEM repertoire owned by that society and invested in by the relevant rights owner. The piece of the puzzle currently missing from these European platforms is the ability of the rights owner to include the reproduction and communication to the public rights in all BIEM repertoire it otherwise represents.

The clear conclusion to be drawn is that the chief complication in licensing practises is not the split between international licensing of digital reproductions and national licensing of performances but is rather the split between BIEM and non-BIEM repertoire. This barrier can be removed if publishers are permitted to compete to represent the rights currently controlled by national monopoly BIEM societies.

3. Recent EU Level Initiatives

Universal Music Publishing has been pleased to participate in the Online Commerce Roundtable resulting in the Joint Statement on General Principles for the online distribution of music. It remains our firm belief that the development of efficient licensing platforms envisaged in the Joint Statement will be dependent on the BIEM societies being persuaded to relinquish their current national monopolies on rights which need to be aggregated by publishers for clearance on a pan-European basis. We would welcome the opportunity to discuss this with the Commission.

4. The Main Challenges

Any changes made to the current licensing framework need to be as quick and easy as possible. The only change we have identified as being necessary is the need to make BIEM society membership agreements non-exclusive as described above. This would create a dynamic and competitive market where all potential rights owners could compete on a level playing field.

If the reference to affordable content reflects an expectation that rights owners of music should subsidise new digital businesses by lowering the tariffs asked for, we reject any suggestion that this should be imposed on rights owners. Rights owners may be prepared to structure licences granted under commercial negotiation to back load fees for start up businesses (see for example Spotify's "free" initial offering) but that kind of decision should be left to the market to judge on a case by case basis depending on the perceived viability and circumstances of the business in question as it is in other business sectors. We are not aware of any other area of business where providers of component parts are expected to subsidise their arms length customers.

We oppose any suggestion that music publishers should reduce the value of their music as a way of combating piracy. This would be an absolutely unfair penalty imposed in response to the illegal acts of others. Piracy must be tackled as an issue which is entirely separate from the pricing structures of the legitimate market. If robust measures were brought to bear against pirates then the legal services could compete fairly with each other instead of facing the unfair challenge of having to compete with free.

We have addressed the solution to simplified rights clearance processes for music publishing rights under paragraph 2.1 above. Remuneration is an important concern but is not the only concern of rights owners when licensing in the digital space. We are also concerned with the need to respect our authors' moral rights and their right to prevent derogatory uses of their music.

Investors in creative content rely on being able to make their owned repertoire available through as many legitimate channels as possible for a reasonable recompense and so are constantly actively engaged in free negotiations with service providers to try to agree reasonable terms. We are also constantly seeking more efficient ways of administering our rights and value the efficiencies of administration we have been able to achieve via the pan-European licensing platforms with the support of the Commission's 2005 Recommendation.

4.1 Consumer access

Music publishing licensing is not inherently complex. However, it is rendered inconvenient by rights being located in too many places and our simple proposal to address this by enabling publishers to aggregate all rights in the repertoire they have invested in is detailed above.

We would suggest that differences in rules relating to VAT and other sales taxes and withholding taxes introduce more genuine complexity into the administration of cross-border legal offerings than the rights clearance process.

Music publishers are ready and willing to license repertoire for use in all territories on reasonable terms and our investments in authors make us keen to pursue all legitimate opportunities.

We note that consumers now expect more freedom and flexibility to express themselves. The copyright regime has always been able to provide that flexibility. For many years new content has been created by producers remixing and mashing recordings and artists creating new works which incorporate samples or interpolations of previously existing recordings and works. The understood legal principle is that no use of the new work can be made until terms have been agreed with the original rights owner in respect of the use of the original works. That applies equally to remixes and mash-ups created at home digitally. It is a cornerstone of copyright law that a creator of a work should be able to object to a use of his works which is viewed as derogatory. A consumer has the choice as to whether to create an entirely original work or to base his efforts on the sweat of another creator's brow. If he chooses the latter course then this opportunity for approval, and if approval is given for an understanding to be reached in terms of appropriate recompense for the rights owner in the original works, needs to be respected. This negotiation process has not hindered the very lucrative adoption and development of sampling and mashing up as techniques employed in the creation of new works and there is no reason why it should prove a hindrance in the digital environment. Rights owners value every opportunity for the creation of new content. There is no need or room within this process for an exemption from copyright for non-commercial uses of user generated content.

The confusion of consumers referred to may arise with the consumer who may think he should be able to share his user generated content at no commercial gain to himself via the internet, but the fact that he is not benefitting personally does not remove the fact that the service provider facilitating the uploading and sharing of the file is benefitting financially from the provision of its services. The right to file share via the internet must be licensed by the service provider if rights owners are to be compensated fairly for the use of their content. If consideration is given to an exemption from copyright allowing for uploading of content, this will completely undermine rights owners in their necessary negotiations with service providers. Any interference in the market of this kind would have a far reaching impact on the value chain surrounding digital content.

We accept that more should be done to explain the legal position to consumers. We are aware that UK Music is in the process or preparing consumer guides which can provide an easy road map for consumers to follow as they navigate the internet legally.

4.2 Commercial users' access

We would propose that the simple and effective way to overcome the problems created by the national licensing of rights by collecting societies is to require that the societies amend their standard membership agreements so that authors can elect to mandate the societies and their publishers on a non-exclusive basis so that the publishers can aggregate and make available for licensing all rights required by service providers (combining rights currently controlled exclusively by societies with rights already held by publishers such as the synchronisation and graphic reproduction rights). Please refer to paragraph 2.1 above.

It is not true to say that territorial restrictions for the use of content are the result of commercial decisions by rights holders. Publishers will make rights available to the full extent that they control them. We routinely grant worldwide synchronisation licences. It may be that rights granted to publishers by authors may be limited on a territorial basis and it is the right of the author to decide how to have his rights administered. The 2005 Recommendation and the recent Joint Statement from the Online Commerce Roundtable both reaffirm that the rights owner's choice in terms of how rights are made available should be respected.

We note that the Commission acknowledges that the territoriality of copyright does not prevent rights holders from commercialising their works on a multi-territory basis. Our view is that any time consuming attempt to move to a European Copyright Law would be ineffectual and disproportionate in relation to music publishing given that the current problems with licensing practises stem from the contractual restrictions imposed by the collecting societies in their exclusive membership agreements in an effort to maintain national monopoly status. Such a move would be time consuming and confusing since any change could only be prospective creating a two-tier system which would be immensely confusing to all concerned. It may also be inappropriate in light of the principles of subsidiarity and proportionality given that these issues are intrinsically linked to the cultural and social policies of the Member States. A much

lighter touch solution would be to allow publishers to compete for rights currently exclusively mandated to collecting societies as previously described.

We would be opposed to any extension of the approach implemented under the 1993 Satellite and Cable Directive. This approach could be disastrous for Europe in the digital environment where servers can be located anywhere in the world. Even if servers were located in Europe this would rapidly lead to a race to the bottom in terms of tariffs which would have a terrible economic and cultural impact on rights holders and creators in Europe.

4.3 Protection of rightholders

We do not agree with the statement that music publishers are acting cautiously in seeking the best ways to commercialise our works. Universal Music Publishing has been fighting hard to establish efficient mechanisms for the licensing of its repertoire. We are thwarted by resistance from some collecting societies to multi-territorial licensing models. Users tell us that some societies have failed to update their databases of repertoire represented so that users are being double invoiced for repertoire properly available via the European platforms. In addition as a result of the restrictions imposed by the non-negotiable society membership agreements, music puiblishers do not have the freedom to compete for and then aggregate all the rights needed by service providers. These are the fundamental reasons why we have not already been able to create streamlined licensing models as required by users.

Neither do we agree that territorial restrictions imposed by collecting societies derive from linguistic differences. A society exists in each country regardless of whether that country shares a common language with its neighbours (for instance, Germany, Austria and Switzerland). The establishment of a society in each country has much more to do with national copyright law than linguistic differences.

We agree that one of the essential factors in collective rights management is the relationship between authors and the CMO, which in the case of music publishing collecting societies means an exclusive non-negotiable membership agreement. Many collecting societies also take it upon themselves to impose social and cultural deductions on all revenues collected including income from works created by authors who are not members of their society. These deductions are then unfairly distributed for the benefit of their own members to the detriment of non-member authors and right owners. Some societies also undertake practises such as investments in real estate and provide for pension payments to their board members all without the approval of right holders whose money is being used to fund these activities. When reference is made to funding and promotional activities by CMOs it is worth reflecting on the fact that CMOs do not have their own money – only money properly belonging to authors and rights holders.

With regard to the comment that traditional (by which we understand territorial) licensing approaches may limit the consumers' ability to access creative content, it is not the collecting societies that limit the provision of content. There has to be a negotiation of terms between the collecting society and the commercial user. If a user refuses to agree terms and takes the decision not to open a service in any

territory then that is the decision of the user. A collecting society exists to license and is always prepared to do so at appropriate rates approved by its board.

5. Possible EU actions for a single market for creative content online

5.1 Consumer access

For music publishers competition in the market needs to exist in terms of competition between the collecting societies for repertoire. Competition will be in terms of a number of criteria including administrative efficiency, technical ability and expertise and experience in conducting negotiations for licensing repertoire to digital services.

If collecting licensing were to be extended then this should also be considered for users. Rights holders are under pressure to ease administrative pressure on users by streamlining licensing processes. Equally users could do much to ease pressure on rights holders by organising themselves into industry bodies to negotiate terms for the clearance of rights. It would be attractive to Universal Music Publishing to have the kind of negotiations between industry bodies which have characterised the setting of terms for mechanical licensing in the offline world.

With regard to limitations and exceptions to copyright protection, we would argue that in terms of the creation of user generated content consumers are seeking a solution to a problem that does not exist. There is no difference between a 17 year old in his bedroom creating a mash-up and a remixer in a studio 10 years ago. However, there is great danger in introducing exceptions from copyright for home use of UGC which involve any sharing of content by any means since there are current negotiations ongoing in the developing market between rights owners and service providers which will be fundamentally impacted by any such exception. Any permission granted for any kind of sharing of content must be conditional upon fair remuneration to rights owners which can be achieved under commercial negotiations without any change in the law.

Consumer organisations argue that private copying exceptions are too broad. UMPG has no issue with this activity being licensed by way of whatever mechanism can satisfactorily compensate rights holders for this activity. It is noted that the UK is one of only two countries in Europe that does not have statutory levies in place and if harmonisation is to be considered it would seem that harmonisation in terms of introducing such levies into the UK in return for a private copying exception for the consumer (subject to conditions such as the music having been sourced legally) could be considered. Alternatively we are supportive of the approach taken in the UK in terms of an exception conditional upon an appropriate licence (cf Copyright (Visually Impaired Persons) Act 2002). In this way the parties concerned can agree terms which addresses the needs of the user while protecting the interests of the rights holder. We would welcome the opportunity to be involved in any further dialogue regarding exceptions.

5.2 Commercial users' access

The challenge of users operating across borders is not new. The music industry is used to licensing on a multi-territorial basis and is pleased to do so. Mechanisms for multi-territorial licensing of rights for digital use have already been developed and could be developed further for the rights holders and the users benefit if the collecting

societies would move to render their standard membership agreements non-exclusive as described in paragraph 2.1 above.

As described in paragraph 2.1, the traditional approach to licensing is pursued by the BIEM collecting societies, not the non-BIEM societies. The US performing rights are already available for licensing on a pan-European basis via the platforms established by rights holders and selected partner societies. The so-called cultural aspects of the BIEM collecting society activities are undertaken utilising money which doesn't belong to them and which is spent without the approval of the rights owners of copyrights generating most of this revenue. It is doubly frustrating that such unapproved activities are held up as a possible barrier for moving away from the traditional territorial approach to licensing to a model which would simplify licensing practises and so hopefully generate more revenue for the rights owners and authors – although not for the societies who are doing all they can to retain their national monopoly status for their own financial benefit.

A streamlined pan-European licensing process already exists. All that is needed to complete it is the empowerment of authors to choose to place their rights other than with societies so that publishers can compete for rights currently owned exclusively by collecting societies (see paragraph 2.1 above) and free up the existing flow of rights.

We would support the aggregation of the reproduction and performing right provided that the aggregation is by the publisher. The publisher already as a result of free and open negotiation owns the mechanical right in the anglo-american and other non-BIEM repertoire. Currently, at least 90% of the digital revenues in Europe relate to downloads. The bulk of the revenue from downloads is attributable to the reproduction right and the only reason that any part of this revenue is attributable to the performing right is because the collecting societies decided upon an arbitrary division of value between the two rights. There was no performing right in a CD sale and it is hard to understand how there is a performing element to a download. The reverse cannot be said of streaming where each use will involve a fixation. Accordingly it makes perfect sense to allow rights owners to represent all rights in all repertoire they have invested in which can be facilitated by amending collecting society membership agreements to be non-exclusive so that publishers to compete to represent these rights.

We are fully supportive of the development of a neutral fully accessible database to enable users to have clarity on rights ownership. We are pleased to be part of the working group set up following the Online Commerce Roundtable with the purpose of bringing this concept to fruition.

We note the comment that there might be advantages in terms of consistency and legal certainty if the parameters of future online licensing were determined by legislative means. We also note the suggestion that a European Copyright Law should be considered. We have two main concerns:

(i) the implementation of legislation is a lengthy process in the context of a fast developing market that needs quick and adaptable solutions. In terms of music publishing licensing models our light touch proposal is the amendment of society membership agreements to be non-exclusive which would enable rights holders to compete to include the remaining rights needed within their

European platforms. We would urge that this is facilitated before any more drastic steps are taken which may prove unnecessary;

(ii) The European Community needs to be extremely cautious of taking any steps which will persuade non-European rights owners that they are better off licensing their rights globally from outside of Europe. Non-BIEM repertoire digital licensing can be conducted globally as easily as on a pan-European basis. If any measures are implemented which are out of step with the protections of copyright in the US then this could have serious implications for the value of the European music publishing market.

As previously mentioned, we question the benefits of a European Copyright Law given that rights owners are currently able to license on a multi-territorial basis and can elect by contract to license on a regional basis regardless of the existence to a Community copyright. We reject the need for harmonised exceptions and exemptions especially in terms of those consumer orientated proposed exceptions in relation to non-commercial use of user generated content and private copying. Both these areas can be addressed by industry led licensing solutions and to deal otherwise would have serious unintended implications for the music industry (see paragraph 5.1 above).

5.3 Protection of right holders

It is completely misguided to see more attractive (cheaper?) business models as a means of tackling piracy. Sites such as Pirate Bay were set up with the express purpose of using music without obtaining a license. Licenses are readily available, Pirate Bay declined to obtain them. There are a plethora of legal music offerings on the market. Those consumers sourcing music illegally are doing so out of choice. If the suggestion is that the music industry should drive itself into the ground by making its rights available at ever cheaper prices in the hope of persuading consumers to buy rather than demand music for free then it would be interesting to learn of any other industries who are expected to discount to combat piracy. It is a seriously flawed approach to penalise the legitimate music business when the proper answer is for sufficiently robust measures to be instigated against infringers (including disconnection as necessary for serial infringers) to persuade consumers that the easier route is to obtain music legally.

With regard to the request by composers of television and film music for protection in their negotiations with production companies by way of a mandatory collective management system, we see this as the wrong solution in the context of creating a simplified regime for the multi-territorial licensing of rights for digital use. This would seem to be an anti-competitive proposal which would persuade production companies to use composers not subject to this regime (ie US composers). In fact the grant of the performing right (including the broadcast element) to the PRS by its members is already exclusive and in practise its members often grant the right to broadcast to film and production companies in contravention of this provision in reliance on the fact that the PRS will not enforce its rights. Given the complexity that any such mandatory system would introduce to digital licensing this seems the wrong tool to tackle the concern raised by broadcast composers.

We would be supportive of common rules on governance and transparency of collecting societies. We are also supportive of the idea of rules requiring that information on controlled repertoire is publicly available.

We acknowledge the sense of the reproduction and communication to the public right being available from one place provided that the approach adopted is that these rights can be aggregated by the publisher for the reasons detailed in paragraphs 2.1 and 5.2 above.

We would welcome a review of terms under which an author and/or rightsholder may join and particularly leave a collecting society. We are concerned that some societies seek to impose unilateral options to renew membership agreements in their own favour in response to attempts by rightsholders to leave or withdraw rights.

In terms of more collaboration with ISPs, the industry is already actively engaged with ISPs and will continue to work closely with them for our mutual benefit. In our view the Commission can leave this to the market to pursue.

We would be happy to discuss the views expressed in this paper with the Commission.

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