



Brussels, 15 January 2010

**ICMP Submission in response to
Commission Consultation
on
The Future 'EU 2020' Strategy**

This Submission is made on behalf of ICMP (International Confederation of Music Publishers), the international umbrella trade association representing the interests of the global music publishing community. The constituent members of ICMP are national, regional and international classical and popular music publishers' associations from Europe, North and South America and Asia-Pacific. Included are the leading independent international, regional and national music publishers, as well as the four multinational music publishing companies.

ICMP is grateful for the opportunity to respond to the Commission's consultation on the Future 'EU 2020' Strategy. This Strategy should provide the necessary framework to tackle the major challenges Europe is currently facing and creative industries will play an important role in rebuilding Europe's economy. Indeed, they already contribute to growth and employment by creating, investing in, producing and disseminating physical and digital content that educates, informs and entertains Europe's citizens.¹

In order to successfully rebuild Europe's economy and achieve the best results, key policy areas should be based on collaboration between EU and Member States, cooperation between the various sections of the Commission and better coordination on implementation and enforcement. This will be crucial to ensure such policies strike the balance that is needed to facilitate development of a knowledge-based economy and to maximise the potential of industries, such as the creative sector, which actively contribute to building a smarter innovative economy.

The EU must guarantee a robust and well functioning Intellectual Property system together with a regulatory environment that will encourage new business models and innovative solutions. It must also ensure that the digital economy is inclusive and accessible to all citizens.

The following priorities identified by the Commission are most relevant to ICMP:

(1) Creating value by basing growth on knowledge

ICMP strongly supports the Commission's view that Europe's prosperity lies in its ability to innovate and that the key input to a smarter greener economy will be knowledge. Knowledge is Europe's single most important competitive advantage and will play a crucial role in providing new sources of sustainable growth and jobs in the future. This is particularly important in the context of digital Europe which presents immense opportunities but also serious challenges, particularly in ensuring that knowledge can create and retain its value.

¹ Creative industries have traditionally directly contributed around 3-6% of European GDP and according to Eurostat directly account for 2.4% of total employment

Knowledge is created through innovation and creativity and the creative industries play an important role in generating and exploiting this knowledge, and facilitating access, making them central to the development of an innovative economy over the next decade. However, the true potential of this economy can only be realised if a well-functioning intellectual property system is in place which, together with a suitable regulatory environment, will encourage and support the development of innovative business models and solutions.

(a) Well-functioning system of IPR with robust and effective enforcement mechanisms

The Commission acknowledges the need for a 'well-functioning intellectual property rights system' to develop Europe's creative, knowledge and research capacity in its Consultation. The importance of such a system for the EU cannot be underestimated. Intellectual property underpins our knowledge-based economy and is a key engine for job creation and innovation. Knowledge-based and creative businesses will only develop if the value of knowledge and innovation is protected and incentivised. This will in turn make the difference in both products and processes, thus providing real business opportunities and generating new jobs.

The EU Intellectual Property system must include robust and effective enforcement mechanisms if it is to function properly. This is particularly important in the digital era where IP theft constitutes the single most important obstacle to the growth of online services. An ambitious European Digital Agenda must be built on a clear policy against piracy, together with awareness campaigns explaining the effects of such illegal activity.

(b) Encouraging new business models and innovative solutions

The digital era has revolutionised the way we do business with customers increasingly going online for their needs and digital content replacing analogue as the norm.

The Commission correctly cites this digital era as a source of opportunity and growth. Indeed, it is already spawning new business models and innovative online services across all sectors, from both new and existing market players. Within the music industry for example, ICMP members are making a significant contribution towards development of legitimate online services on the basis of the 2005 Commission Recommendation on Collective Cross-Border Management of Copyright and Related Rights and via the ongoing Roundtable on Online Distribution of Music. Various models that foster multi-territorial licensing of music are emerging, ranging from centralised systems to non-exclusive agreements, all of which encourage online services while preserving the value of copyright. These initiatives are just one example of the innovative measures taking place within the existing IP regime.

The EU should recognise that the digital shift is still in a transitional phase. Maintaining a regulatory environment that encourages new business models and innovative, pragmatic solutions will therefore be key to ensuring that this transition is successful and that the full potential of the digital era can be harnessed. The existing IP framework is clearly capable of adapting to and underpinning the digital age, provided appropriate enforcement mechanisms are in place to encourage and secure investment and maintain consumer confidence. It should therefore remain intact. Unnecessary legislative intervention such as mandatory exceptions and limitations could threaten such positive developments and must be avoided.

(2) Ensuring Digital Inclusion

The digital era provides great opportunities for businesses to increase access to diversified markets around the world. As the internet becomes an indispensable part of daily life, it is in the interests of all businesses that this service is accessible to all citizens. ICMP therefore supports the Commission's drive to implement effective policies on digital inclusion and to encourage active and legal participation and expression over the net.

This drive for digital inclusion should be coupled with an effective awareness programme explaining to citizens the illegality of unauthorised use of protected content online and the negative effects of IP theft on creativity and on jobs. Individuals engaged in illegal activity online must be made aware that they cannot hide behind the principles of privacy and net neutrality to shield them from the legitimate enforcement of the law.