

**Briefing for Mr Stoll: Creativity Online Conference –European Content and Copyright
Policy
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OPENING SPEECH

Introduction

Prime Minister, distinguished guests, allow me to start by expressing my best wishes for the Finnish Presidency and thanking you for hosting this key conference on European Content and Copyright Policy. In combining both copyright and media policy, you are not only following in the footsteps of the Austrian Presidency but you also acknowledge the synergies that exist between both policy areas, in line with the Lisbon strategy and the i2010 initiative with which the Commission launched a new integrated Information Society policy.

In an increasingly convergent technological environment, both content and the way it is delivered will merge. Copyright content will increasingly be delivered online as a service through a variety of media. The policy

areas that regulate content will have to take this into account – both media policy and copyright.

We are therefore very grateful to you for providing us with this **single** forum which allows us to consider the synergies amongst policy areas in the presence of stakeholders from the private sector, representatives of Member States, WIPO, the organisation which sets the norms in this area at international namely, and our main trading partners. This international dimension reflects the need to find global solutions to global problems.

We also welcome the presence of non-governmental organisations which represent citizens, in particular consumers. It is consumers that define markets in the EU and elsewhere by influencing trends and behaviour. Markets may also demonstrate the cultural characteristics or preferences of consumers but this should not be confused with territorial monopolies as these are to the detriment of all - consumers and rightsholders.

Let me say a few words about

Innovation

Finland is a Member State whose economy thrives on the cutting edge of technology. High tech industries are crucial to your economy and have contributed to making Finland the world's most competitive economy in the ratings of the World Economic Forum. This is no mean feat and tribute should be paid to the health of your nation's infrastructure and its regulatory environment.

Therefore it is not surprising that Finland has made innovation a key priority for its Presidency. This is very welcome. The 2006 Spring European Council called for a broad-based innovation strategy for Europe to translate investments in knowledge into products and services. The Commission is currently preparing a communication, which will set out all its innovation related initiatives during the second half of 2006. Earlier this week, the informal meeting of the Competitiveness Council held here in Finland and attended by my Commissioner, Mr McCreevy along with the other Competitiveness Commissioners, devoted a full discussion to innovation.

The main thrust of Mr McCreevy's speech at that informal Council was that **markets drive innovation**, thus echoing the recommendations of the report of Mr Aho. The Internal Market is there to allow the diffusion of competitive and innovative business models across borders in Europe. But the Internal Market is far from perfect, - in particular market entry, which is so crucial to innovation -, is still suffering from too many rigidities.

In order to further improve the functioning of the SM, the Commission has undertaken a "broad" review to be completed by June 2007, together with concrete proposals and an interim report for the 2007 Spring Council. This decision was endorsed by the recent European Council on 15/16 June. No doubt innovation will feature prominently in a reinforced Internal Market policy and we will work hard to achieve this.

Obviously,

IPR is a key component of any effective innovation policy.

Mr McCreevy has made clear that **intellectual property policy will be a priority** for him during your Presidency and beyond. He will be guided by the overarching objective of creating the right balance in taking forward a sound IPR policy.

Last year, Finland introduced changes to its law to implement the 2001 EU Copyright Directive. We are aware of the full debate that took place at national level on certain issues such as private copying and technological protection measures. The need to find a right balance was brought to the fore in the discussions in your Parliament and in the democratic process. This same debate is also reflected at Community level. The need to strike a balance will always remain at the heart of European policy making in the area of IPR.

On the one hand, robust protection of IPR is vital.

Creative industries which contribute to innovation suffer considerable harm from counterfeiting and piracy. Concerted efforts are necessary to combat this and it is important in this respect that the directive on the enforcement of intellectual property rights from 2004 is properly transposed into national law by Member States. Once implemented by all Member States (in Finland, by the end of this year), rightsholders will have at their disposal the full range of remedies and enforcement measures introduced by the Directive.

However, the interest of rightsholders in having a robust framework for both the protection and enforcement of their rights has to be put in context. In particular, the interests of consumers have to be taken into

account. Consumers should be encouraged to use legitimate channels. How this can be best achieved is a question which policy makers around the world are grappling with. Awareness building is one approach. Awareness building of the need to use legitimate channels would help create a demand for products and services especially in the online environment.

Another approach is to examine the existing legal framework to see if it strikes the right balance and whether it can be improved, and if so how. An economic approach is needed. Looking at the effects of these intellectual property rules in the market will allow us to determine what offers the best opportunities for innovative firms and ultimately for consumers. The Commission is therefore progressively examining the copyright acquis with a view to ensuring that both the legal framework and its application in practice are conducive to the development of new products, services and business models.

This can be complemented with a **light touch approach** to regulation without imposing an excessive legislative burden, in the spirit of Better Regulation, e.g. through the use of soft law instruments such as recommendations.

In the course of this conference, you will hear more about what we in the Commission have done so far to promote innovation using the Better Regulation approach. In particular, we have taken steps to promote more innovative forms of licensing of music in the online environment with the adoption of last year's Online Music Recommendation. This Recommendation gives rightsholders greater choice in relation to their collective rights manager. It has already had an impact on the way rights are managed in the online environment and should lead to a growth in legitimate music services and ultimately increase revenue streams for rightsholders.

Work will continue this year with an initiative on copyright levies which aim to compensate right holders for the legitimate private copying of their work. Apart from the expected cost-saving, greater clarity in this area should enable business, the ICT industry in particular, to better gauge the impact of levies and thus facilitate the marketing of new products. Rightsholders would also benefit from such a measure, as the administration of the system will improve - especially in terms of the collection and distribution of what is owed to them.

Ladies and gentlemen, ultimately the creative industries rely on the market. I hope that all stakeholders gathered here today will use the opportunity presented by this conference to demonstrate how best to achieve a market which offers choice for consumers in the EU and elsewhere, whilst fully rewarding creators and innovation.

We are confident that under the leadership of the Finnish Presidency, this conference will be a resounding success.

Thank you for your attention.