

## Commission relaunches the debate on private copying levies

The Commission has relaunches the debate on private copying levies with a public consultation in February and April followed by a public hearing in Brussels, 27 May 2008. The Commission wants to stimulate a new process through which the main participants in this debate - the collecting societies and the electronics industry - can discuss the issues.



The first copying levies were imposed in the 1960s on blank audio tapes to compensate artists for lost earnings. Today's technology landscape is more complex with blank CDs or DVDs, MP3 players and mobile phones all in a position to reproduce copyright-relevant works such as music, pictures, films etc.

And the debate between the collecting societies, who represent that artists, and the consumer electronics industry is still as lively as ever.

### Public consultation

The public hearing held in Brussels in May followed three months of consultation which yielded contributions from 130 stakeholders, primarily from the collecting societies that administer levies, and from the consumer electronics industry that has to pay them.

In opening the public hearing, Commissioner Charlie McCreevy said that in deciding to re-launch this debate he wanted to start things afresh.

"I have a simple wish. I would like this hearing to be the start of a process. A process through which the main participants in this debate can sit down and calmly discuss a number of the issues that this public consultation has thrown up."

The Commissioner emphasised the im-

portance of proper reward for artists: "The core of our efforts is to foster an atmosphere and regulatory environment where European creativity can flourish and where artists can devote their life to creation and culture. Levies are a valuable component in how we presently ensure the livelihood of the creative community. And that authors receive fair compensation for the use of their work cannot be contested."

### Fresh approach

The issue of how to fairly compensate rights holders for the use of their works has been around for quite a long time. Several attempts were made previously to establish certain principles on how such a levy system should function within the Single Market.

The creation of a Forum for Collecting Societies and ICT Industry to look at issues involving cross-border trade, electronic commerce, consumer electronics and the calculation of the different levies, was proposed by the Commissioner.

The key points meriting attention he suggested are:

- First, clamping down on free-riders - the traders who do not pay the levies - leaving legitimate businesses to shoulder the burden and pay while others do not;

- Second, improving the practical modalities of obtaining reimbursement of levies once electronic equipment is exported to another Member State where a new levy is collected; and
- Third, seeing if broad principles can be worked out on how levies could be calculated taking into account future technological developments.

### Cultural benefit

"The levies collected for private copying are not only used to compensate for economic harm suffered by artists whose works and performances are being copied," the Commissioner said. "These levies also fulfil a valuable cultural function in fostering young talent or taking care of the social welfare of older artists for example."

"This hearing will ideally mark the beginning in the joint formulation of a roadmap for developing a future in which levies take their rightful place compensating artists for losses while giving the electronics industry some certainty on what equipment will be levied and to what extent," he concluded.

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