



EUROKINEMA

Association de producteurs
de cinéma et de télévision

EUROCOPYA

European Federation of Joint Management Societies
of Producers for Private Audiovisual Copying



G E S A C

EUROPEAN
GROUPING
OF SOCIETIES
OF AUTHORS
AND COMPOSERS

GIART

International Organisation of
Performing Artists

IOIMP/OIEM

Culture under threat

In recent months a significant source of income for Europe's artists and creators has come under attack from an ICT industry determined to increase its own profits. In response to this threat, members of the creative community have decided to join forces to defend a system that provides an important source of income for authors, performers and producers. They believe that the European Commission has neglected to consider the cultural issues at stake. EU Member States have also raised concerns that the Commission has allowed its thinking to be unduly influenced by industry scaremongering while brushing aside the concerns of the cultural sector.

Remuneration for private copying exists in 20 Member States. It represents a satisfactory mechanism for a range of stakeholders, and creates no significant extra costs for the hardware industry. Crucially, it enables consumers to make copies for private use in exchange for a legitimate top-up to the income of authors, performers, music publishers and producers. It is currently the only mechanism which allows creators to be compensated for the widespread copying of their works for domestic use.

For some time, the ICT industry has been relentlessly lobbying the European institutions and influencing public opinion despite the absence of any credible basis for its arguments. Content creators now believe they have no choice but to speak out. This is why the artistic community and the content industry have created an alliance - *Culture First* - to defend the right to be compensated for private copying. It is time to put a stop to the shameless peddling of propaganda based on false arguments; figures show that private copying remuneration does not in any way slow down the development of the ICT industry or online services (for either music or cinema). The penetration rate for MP3 players in Germany and France, where there are remuneration systems for private copying, is comparable to that in the UK, where no such systems exist. What is more, the royalties collected for private copying in the 20 Member States where these systems are in place are evolving incrementally and at a much slower pace than the current boom in consumer copying. They also represent far smaller sums than the ICT industry has led the Commission to believe.

Consumers are spending millions of euros every year on portable digital music players. The musical and audiovisual content they store on these devices is therefore playing a fundamental role in driving the growth of the ICT industry. In spite of this, the industry is pushing regulators to dismantle an important source of revenue for the content creators.

The negative impact that the loss of these payments would have on creators is entirely quantifiable. In 2005, the total sum collected in the EU for private copying was 560 million euros (considerably less than the 950 million euros quoted by the hardware industry!). The entire sector benefits from this system. The elimination or phasing out of

remuneration systems for private copying would be extremely damaging to Europe's cultural community and its creative output.

Consumers' ability to make copies of copyright-protected content is extremely lucrative to manufacturers and importers of recording equipment and/or blank media. It is therefore entirely legitimate that the hardware industry should provide compensation to the providers of this content for the negative impact that private copying has on other sources of revenue. The levy which companies are asked to pay (8 euros, for example, on an iPod Nano 4GB costing 259 euros in France) is so low that it cannot possibly jeopardise their competitiveness - a fact borne out by their profits. To put the figures in perspective, we might compare the 560 million euros collected for private copying in 2005 with the 1.34 billion dollar profits reported by just one of the ICT giants for the same year.

In the face of unbearable pressure from an industry with infinitely greater resources, composers, songwriters, screenwriters, visual artists, performers, music publishers, audiovisual and music producers and writers have decided to join forces. They are represented by the following societies: AIDAA, AEPO-ARTIS, A.F.I, BIEM, CISAC, EUROCINEMA, EUROCOPYA, EVA, ICMP/CIEM, FERA, EuroFIA, FIM, GESAC, GIART and IMPALA. Today these organisations want to express their discomfort at the ongoing attacks on remuneration systems for private copying and, more broadly, on the protection of their rights.

The *Culture First* coalition:

- Rejects the selling off of European culture for purely economic gain;
- Calls on the Commission to take a balanced, unbiased approach to an issue that is of fundamental importance to European culture;
- Regrets the circulation of economic data which is incorrect or based on indiscriminate estimates, and deplores even further the Commission's willingness to rely on these fantastical figures;
- Recalls that the creative content industry is essential to the digital economy, and that it is precisely in this sector, and not in that of consumer electronics - traditionally dominated by non-European companies - where Europe has a competitive edge;
- Underlines that it is the wealth and diversity of the content on offer that motivates consumers to buy digital devices;
- Insists, therefore, that any initiative which seeks to increase the development of Europe's digital economy and the narrowing of the digital divide must not be carried out at the expense of European rights holders; and
- Demands that the role played by artists and creators in the functioning and development of the information society be recognised and duly taken into account by the European institutions. The quality and diversity of its artistic works are an enormous asset in Europe's global influence. They give it much-needed soul and enable it to compete in international markets. The information society cannot prosper unless the creative industries are dynamic and flourishing.

AEPO-ARTIS
Association of European Performers' Organisations

AIDAA
International Association of Audiovisual authors

A.F.I. (Associazione dei Fonografici Italiani)
Italian Association of Phonographic Producers

BIEM
International Organisation representing Mechanical Rights Societies

CISAC
International Confederation of Societies of Authors and Composers

EUROKINEMA
Association of film and television producers

EUROCOPYA
European Federation of Joint Management Societies of Producers for Private Audiovisual Copying

EVA
European Visual Artists

ICMP/CIEM
International Confederation of Music Publishers

FERA
Federation of European Film Directors

EuroFIA
European Group of the International Federation of Actors

FIM
International Federation of Musicians

GESAC
European Grouping of Societies of Authors and Composers

GIART
International Organisation of Performing Artists

IMPALA
The Independent Music Companies Association

For further information, please call GPlus Europe

Rory Macrae: +32 2 282 96 96
Anna Michalowicz: +32 2 238 10 94
Stéphanie Pochon: +32 2 282 96 39