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Licensing and collecting in the 21st Century

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□ **Introduction**

- **A brief introduction to CISAC**
- **The digital environment**
- **Imperatives for licensing and collecting arrangements in the 21st Century**

□ **CISAC – the Statistics**

- **Founded in 1926**
- **International, non-governmental, non-profit organisation**
- **Headquarters in Paris**
- **225 authors' Societies – 118 countries**
- **7 billion Euros (2008)**
- **3 million creators (namely authors, composers and publishers) – audio-visual media, music, drama and literature as well as the graphic and visual arts**

□ **CISAC – the purposes**

■ **CISAC's statutory purpose, both nationally and internationally, is (*inter alia*) to:**

- defend the interests of the creative community and of the creative community's intellectual property
- safeguard and protect every category of copyright work created by a creator and every genre of creativity

□ **The digital environment**

- **Technological changes are irrevocably changing the face of the creative industries. These changes have implications:**
 - for the creator
 - for the consumer

□ **Authors' societies in the 21st Century**

- **What are the implications of this rapid evolution on authors' societies?**
- **What are the imperatives for societies in the 21st Century?**

□ **Exclusive Rights**

- **Exclusive rights must continue to play a significant role in the 21st Century**
- **The international conventions have established the principle of exclusivity**
- **Copyright must work wherever possible on the basis of voluntary licensing arrangements**

□ **Blanket Licensing**

- **The network of contractual arrangements between societies**
- **A society offers a user the blanket licence which permits the user to exploit each and every of the millions of works in such society's repertoire**
- **The blanket licence system must survive the digital era for the system is essential for:**
 - the user
 - the creator

□ **New model (1)**

- **CISAC is establishing a new on-line licensing model for the licensing of the multi-territorial music service providers (“MSPs”).**
- **The aim of the new model would be to grant licenses within the EEA to MSPs:**
 - in respect of both the communication to the public right and the mechanical (or reproduction) right; and
 - covering the rights in as many works as possible

□ **New model (2)**

■ **The model would:**

- act as an aggregator (or pool) of repertoire for any rights holder which wishes the model to administer its rights;
- provide a seamless one-stop shop for MSPs on a non-exclusive basis; and
- guarantee the highest standards of collective administration for rights holder and user alike

□ **Benefits of new model (1)**

- ***Swift*** – the model would ensure that monies flow swiftly
- ***Direct*** – With the model, monies would flow along a direct path
- ***Competitive*** – the model would ensure the right sort of competition based on cost and quality of their service
- ***Flexible*** – the model would give rights holders maximum flexibility because Rights holders would be given the freedom to issue licences outside of the model and to withdraw rights from the model

□ **Benefits of new model (2)**

- ***Efficient*** – the model would take advantage of the expertise and experience which can be found in existing, tried and tested infrastructures. Rights holders will therefore be assured that they will benefit from such established infrastructures
- ***Cost-effective*** – the model would avoid duplicating existing infrastructures. Rights holders would therefore know that only the minimum necessary will be deducted from the monies received from an MSP
- ***Practical*** – CISAC envisages that the model could be up and running in the shortest possible timeframe
- ***Seamless*** – PEP establishes a seamless and manageable way of channelling the rights of three million rights owners into a single package

□ **Solidarity**

- **Societies still represent the best chance for the creator to counter the economic muscle of large users who will without doubt continue to be a dominating force in the digital environment**

□ **Flexibility, transparency and efficiency**

■ **Societies' commitment to flexibility, transparency and efficiency can be seen through:**

- *Professional Rules* – a code of binding governance, administrative, business, financial and CIS principles which are regularly laid down by the Board and which each CISAC Member undertakes to uphold
- *Binding Resolutions* – a consolidation of detailed technical rules established to ensure the smooth functioning of societies
- *Board Code of Conduct*

□ **Dialogue**

- **Dialogue must be maintained between various parts of the creative industry if the industry is to flourish in the 21st Century**

□ **Conclusion**

- **CISAC is optimistic about the 21st Century**
- **True, the digital environment poses many challenges for the creative industries**
- **BUT, the creative industries will emerge all the stronger for the existence of those challenges**