

G E S A C

EUROPEAN
GROUPING
OF SOCIETIES
OF AUTHORS
AND COMPOSERS

Press release

Private copying remuneration systems: Copyright levies give the fairest deal to artists, consumers and ICT industry, Spanish study shows

BRUSSELS, Belgium - 8 November 2007 - A new economic study unveiled today by GESAC finds that private copying remuneration systems promote cultural and creative industries, benefit consumers and foster the development of the ICT and consumer electronics industries. The study, presented today by Spanish consultancy ECONLAW, finds that the levies system has a positive impact on the development of the information society and boosts economic growth.

Véronique Desbrosses, GESAC's Secretary General, said, "This is the most comprehensive and objective analysis of private copying remuneration to date. It shows that current systems are the best available way of compensating rightholders for private copying of their work. The report confirms that they are the only option that adequately takes into account the interests of authors, composers, consumers and the ICT industry."

ECONLAW concludes that Digital Rights Management (DRM) makes a "very poor substitute", not least because it runs against consumer interests. The study highlights the technical flaws, higher costs and limited penetration that make current DRM technologies an unattractive alternative to the levy systems.

The report also underlines that the total sums collected for private copying represent around 5 percent of the sales of consumer electronics products. This, it points out, would hardly make the sale of these products unprofitable, even if manufacturers did not choose to pass the payment on to consumers.

At a meeting of all the stakeholders arranged today by GESAC, Desbrosses explained that authors' societies believed the existing levy systems could nevertheless be streamlined. She presented a set

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of concrete proposals aimed at improving the application of private copying remuneration systems within the internal market through enhanced information sharing and increased cooperation between different actors. "We are delighted to have this opportunity to bring fresh information and new solutions to a debate which has so far been distorted by the lobbying of the ICT industry. GESAC will consider the arguments and observations raised during today's workshop very carefully," she said.

Background on private copying

In December 2006, President Barroso withdrew *sine die* from the European Commission's agenda a draft recommendation that sought to phase out remuneration for private copying. A majority of EU Member States had voiced strong concerns over the initiative, and GESAC had strongly opposed the draft recommendation on the grounds that it threatened the interests of authors and composers. GESAC therefore welcomed Barroso's call for greater reflection on private copying as a signal that the Commission values Europe's creative industries and their contribution to cultural diversity and the development of the information society.

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Authors' societies are non profit making organisations which collectively manage the rights of their members. Acting as an intermediary between authors and users, they authorize the use of copyright protected works and collect and distribute royalties. GESAC groups 34 of the largest authors' societies in the European Union, Norway and Switzerland. It represents nearly 500,000 authors (or their successors in title) in the areas of music, graphic and plastic arts, literary and dramatic works, and audiovisual as well as music publishers.