

# » RIGHTS SHOULD BE RIGHT

**According to The European Commission the absence of EU-wide copyright licenses has made it difficult for new Internet-based music services to develop their full potential and it invites for comments on the development.**



New technologies have led to the emergence of a new generation of commercial players that use musical works. For that reason the provision of legitimate online music services requires management of a series of copyright and related rights according to The European Parliament. It has been working on the rights since 2005, but nothing much has happened right away. But now some new initiatives are taken.

The Commission intends to assess the development of Europe's online music sector in the light of the Commission Recommendation of 18 October 2005 on collective cross-border management of copyright and related rights for legitimate online music services. The Commission has invited all interested stakeholders to submit views and comments on their initial experience with the Recommendation and, in general, on their views on how the online music sector has developed since its adoption. All stakeholders are invited to comment by 1 July 2007.

#### DIFFICULT DEVELOPMENT OF DOWNLOAD

The recommendation puts forward measures for improving the EU-wide licensing of copyright for online music services. According to the European Commission improvements are necessary because new internet-based services need a license that covers their activities throughout the EU. The absence of EU-wide copyright licenses that covers their activities throughout the EU, because the absence of EU-wide copyright licenses has been one factor that has made it difficult for new Internet-based music services to develop their full potential.

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Improvements are necessary because new internet based services need a license that covers their activities throughout the EU. The absence of EU wide copyright licenses has been one factor that has made it difficult for new internet based music services to develop their full potential.



One way of measuring success in reaching this policy objective would be a corresponding reduction of online music service providers that continue to operate on the basis of mono-territorial licences, The Commission pinpoints.

In the original recommendation the Parliament finds it extremely important that the right-holders should be able to enjoy copyright and related rights protection wherever such rights are established, independent of national borders or modes of use during the whole term of the validity.

The Parliament emphasises that any action by the Community in respect of the collective cross-border management of copyright and related rights should strengthen the confidence of artists, that the pan-European use of their creative works will be finally rewarded.

One category of those rights is the exclusive right of reproduction which covers all reproductions in online distribution of a musical work.

Licensing of online rights is often restricted by territory, and commercial users negotiate in each Member State with each of the respective collective rights managers for each right that is included in the online exploitation, says a report for the EU Commission.

#### MULTI-TERRITORIAL LICENSING

In the era of online exploitation of musical works, however, commercial users need a licensing policy that corresponds to the ubiquity of the online environment and which is multi-territorial. It is therefore appropriate to provide for multi-territorial licensing in order to enhance greater legal certainty to commercial users in relation to their activity and to foster the development of legitimate online services, increasing, in turn, the revenue stream for right-holders.

The European Parliament wants freedom to provide collective management services across national borders entails that right-holders are able to freely choose the collective rights manager for the management of the rights necessary to operate legitimate online music services across the Community. That right implies the possibility to entrust or transfer all or a part of the online rights to another collective rights manager irrespective of the Member State of residence or the nationality of either the collective rights manager or the rights-holder.

To obtain this The Parliament finds is necessary to build effective structures for cross-border management of rights to ensure that collective rights managers achieve a higher level of rationalisation and transparency, with regard to compliance with competition rules, especially in the light of the requirements arising out of the digital environment.

