6.7 Music rights management infrastructures

**Why invest in the development of music rights management infrastructures?**

In order to develop digital content services it is necessary to clear the rights of the content to be distributed. This can be a very cumbersome task. Digital technologies offer new opportunities for an efficient exchange of information concerning right owners, the required rights, licensees as well as the relevant uses.

A common music rights management infrastructure could help to identify which entity – whether a music publisher, a collection society or other institution – is in the position to allow for the successful granting of the requisite licenses for the exploitation of a specific song. For online platforms, it would be easier to reconcile royalty invoices. For the collecting society, it would be easier to identify the requested work in its repertoire or to determine which other society owns it. A common infrastructure would reduce time spent resolving disputes between users and licensors as well as amongst licensors arising from data discrepancies.

The development of an infrastructure for the management of music copyrights would be largely in the competence of the Member States. However, it would both benefit Member States and regions on several levels: national and regional creative content would be more easily accessible since both identification costs and transactional costs would be reduced. The competitiveness of national and regional creative industries would be improved. Although cross-border demand for national and regional creative content may be limited, international platforms for music and films often include national and regional content in their offers in order to make them more attractive to national and regional audiences. Also, it should be noted that one in five EU citizens is interested in receiving content from other EU countries when at home.

**Barriers & challenges**

In the area of music rights management infrastructures, a challenge would be to take into account and adapt to existing initiatives. The most prominent initiative is the Global Repertoire Database, an industry consortium created further to the 2008 Online Commerce Roundtable launched by Vice President Neelie Kroes. It includes authors and composers, music publishers, and service operators (Google, iTunes, Omnifone). Collecting societies are represented through associations, however only a few European collecting societies are direct members.

The objective of the Global Repertoire Database is to improve the information exchange between collecting societies, users and publishers through the systematic use of information exchange standards. A better information exchange would help to identify the exploited repertoire, collecting royalties and ultimately processing and distributing royalties.

A comprehensive exchange of licensing information and wide standardisation will only be possible if all actors, including collecting societies from all regions are able to connect to other collecting societies and online platforms. Certain collecting societies have started creating hubs sharing a common backend IT system, e.g. PRS (UK) and STIM (SE). Creating similar cooperation could notably be implemented by transregional programmes. On a national level, the UK initiative creating the Digital Copyright Hub following the 2011 Hargreaves-Report is a good example which proposes different measures to create growth and jobs by reforming the copyright framework.

**How to act?**

Regions wishing to invest in the digitisation of cultural heritage should consider the following 5 steps:

1. **Analysis:** Assess the costs and potential gains of adapting to global copyright standards for your regional or national music industry.

2. **Governance/stakeholder involvement:** Public regional and local authorities should engage with relevant stakeholders. These actors will vary depending on the potential available in a region, but may include:
   - public sector, such as national/regional ministries in charge of ICT, culture, or regional and local governments;
   - collecting societies as licensors of content;
   - technology firms – as providers of standardisation and database management technologies;

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198 This area of activity can be an important element of a digital strategy. It might, however, not be eligible for funding through ESIF.

• Internet actors – such as online content platforms, online platforms, broadcasters as potential licensees of content;

• authors’ and composers’ associations and trade unions – as members of collecting societies.

• Music publisher’s associations – as members of collecting societies

3. Policy mix: Under the Competitiveness and Innovation Programme, the European Commission is funding/planning to fund innovation projects which aim at contributing to a music rights management infrastructure:

• FORWARD aims at a comprehensive, effective approach to the complex issue of audiovisual works rights assessment and Orphan Works.

• Arrow Plus builds on and further implements the Arrow system, developed within the Arrow project (eContent Plus Programme). Arrow is a system to facilitate libraries and other users in their diligent search for right holders in works that are to be included in a digitisation programme of books, by querying a network of European data sources.

• Rights Data Integration (RDI) is an exemplary implementation of a framework being developed by the Linked Content Coalition (LCC) to demonstrate how participants in the content supply chain can manage and trade rights for any and all types of usage across any and all types of content (physical, digital or abstract) in any and all media under any (or no) commercial model, and to support the provision of information to Users, some of which lead to the securing of licenses, some of which may be automated.

Furthermore, Member States and Regions should look for synergies with the Connecting Europe Facility (2014-2020), in particular regarding the deployment of Digital Service Infrastructures which aim at providing trans-European interoperable services of common interest for citizens, businesses and governments.

4. Monitoring and evaluation: Possible criteria and indicators are:

• Number of online platforms distributing creative content in the relevant Member State or region: The better accessible the national and regional repertoires are, the easier it would be for online platforms to enter the relevant markets (see industry initiative Pro Music204);

• Amount of royalties collected per Member State/Region: In 2010, almost 93% of the € 4.6 billion royalties collected in Europe were collected in Western Europe and the rest in Eastern Europe (Source: CISAC (2012) Global Economic Survey 2010);

• Administrative costs of collecting societies (see overview in the Impact Assessment of the proposal for a directive on collective management of copyright and related rights and multi-territorial licensing off rights in musical works for online uses in the internal market {COM(2012) 372 final}, p. 85).

Further reading

http://s3platform.jrc.ec.europa.eu/copyright