

# Private copying compensation



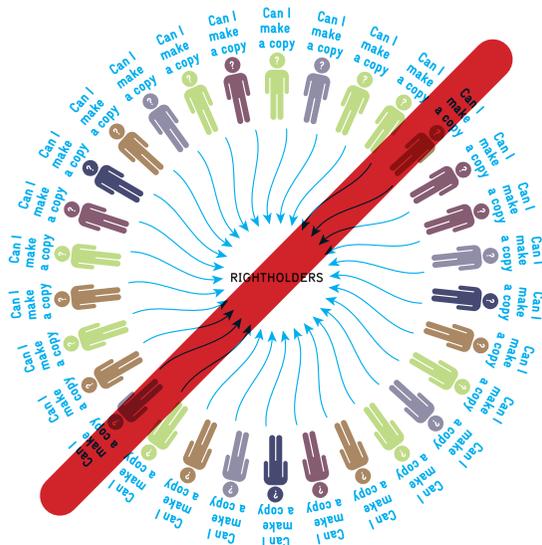
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## WHAT IS PRIVATE COPYING ?

### AN EXCEPTION TO THE REPRODUCTION RIGHT

A creator holds the copyright to their work upon creation. The legal rights that this is made of include a "reproduction right". This reproduction right is essential for creators to keep control over their creations and secure remuneration. It enables them to deliver authorisation for the exploitation of their works.

The exception for private copying authorises people to make copies of works for their private use without requesting the authorisation of rightholders.



Authors, performers, producers

Freedom to copy

Compensation

Consumers

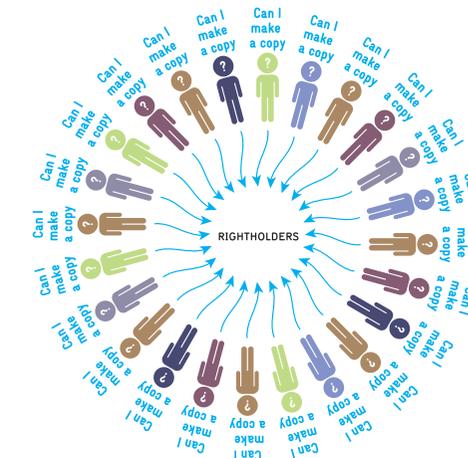
Manufacturers, importers

Sales of copy-making devices

ANY MOVE BACK TO THE REPRODUCTION RIGHT WOULD ENDANGER THIS FREEDOM TO COPY:

1

Any individual who wants to make a private copy contacts the rightholders and asks for permission:



Or you create a system that gives the consumer freedom to copy whatever they want for their own personal use.

This system already exists.

### A FREEDOM TO COPY

The exception is justified by the development of home recording/copying equipment since the 60s that has made it very easy to make copies and complicated any authorisation request system. The compensation through levies creates a virtuous cycle.

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The rightholder blocks copying.



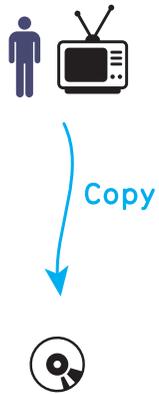
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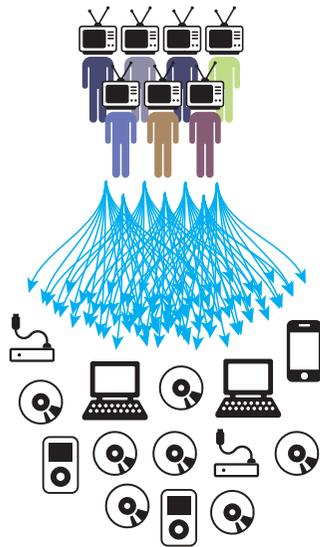
Or rightholders increase the sale price of works to include the ability to copy (irrespective of whether the consumer will copy or not).

Creators only ask that they receive fair compensation for the harm they suffer by giving up their ability to authorise.

NO HARM



HARM



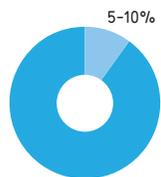
If only one consumer makes only one copy then there is obviously no harm. But when thousands of consumers are making thousands of copies then things are different.

### DOUBLE PAYMENTS

Each new device consumers buy does not mean double paying but paying for the opportunity to make other copies.

## WHAT ARE ITS MAIN BENEFITS?

### AN IMPORTANT SOURCE OF INCOME FOR AUTHORS



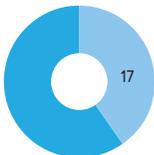
5-10% of authors' earnings (European average) come from private copying.

**€648M**

collected in the EU from private copying levies in 2010

Private copying levies represent 0.06% of the ICT industries turnover of €1 trillion

### FUNDING FOR CULTURAL AND SOCIAL ACTIVITIES

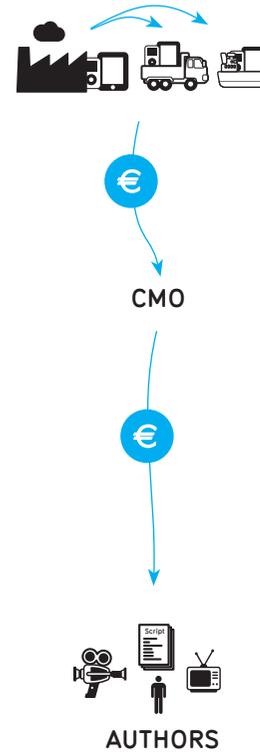


17/25 SAA members use some private copying money (2%-50% decided by members or law) for cultural initiatives.

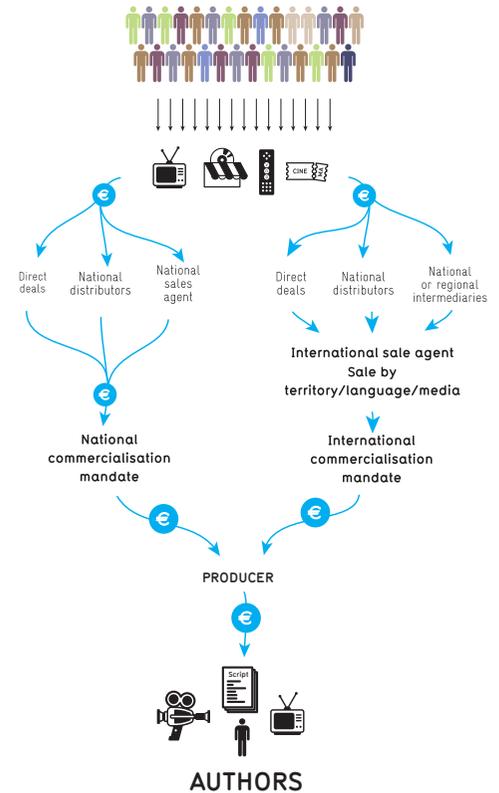
## COLLECTIVE MANAGEMENT OF THE FAIR COMPENSATION

Collective management of the fair compensation is the guarantee that creators will get their money and that it is not lost somewhere in the complex commercial chain.

### COMPENSATION FLOWS FOR PRIVATE COPYING



### COMMERCIALISATION CHAIN OF AUDIOVISUAL WORKS



## WHAT IS THE IMPACT ON COSTS OF DEVICES FOR EUROPEANS?

Apparently, not much. Or at least, it is not the key criteria to affect national market prices.

Prices Aug 2013



£10 = €11.87



€6.53



£108.30 = €128.54



€100.61

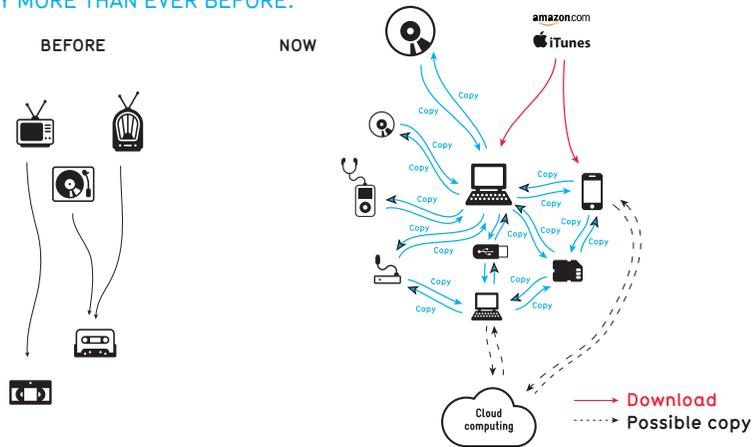
£332 = €394



€417

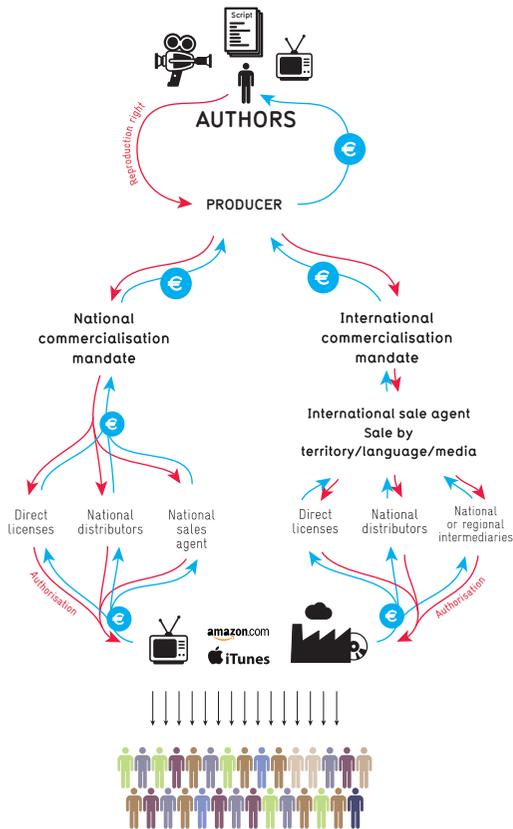
# ADAPTING THE PRIVATE COPYING SYSTEM TO THE DIGITAL ERA

WE NOW COPY MORE THAN EVER BEFORE:



## NEW BUSINESS MODELS IN THE DIGITAL ENVIRONMENT

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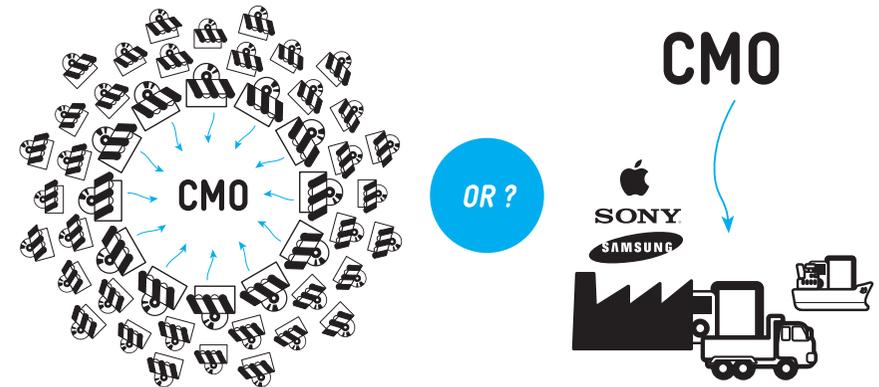


Some claim that new business models (e.g. streaming and lockers) can license private copies and remove the need for levies. Audiovisual authors would not be involved in the negotiation of such licences and would not recover the lost compensation from levies through these new licensing deals.

Remember, there is no direct negotiating route for screenwriters and directors to new online services.

# A CONSISTENT AND EFFICIENT ADMINISTRATION ACROSS EUROPE

If we want more money to go to authors than be lost in unnecessary bureaucracy then the earliest point in the sales chain is the best place to collect. It is cheaper to collect the compensation from a handful of manufacturers and importers than thousands of retailers per country.

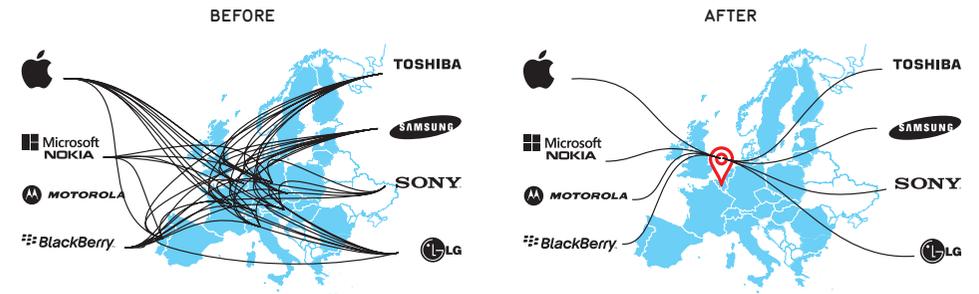


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## SINGLE EU DECLARATION POINT

Device manufacturers are mainly from outside the EU. They complain that every time a product crosses an internal market border, a different levy applies.

European rightsholders have now been proposing for some time to create a single EU declaration point for importers and manufacturers who sell their products in different countries. This would facilitate cross-border sales and avoid double payments and reimbursement processes.

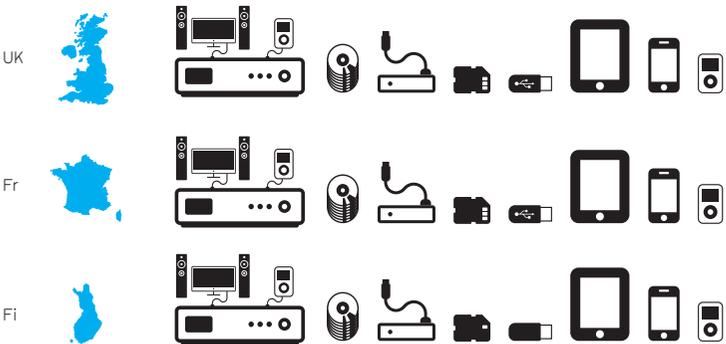


## CONSISTENT DEFINITION OF PRODUCTS SUBJECT TO LEVIES

### BEFORE



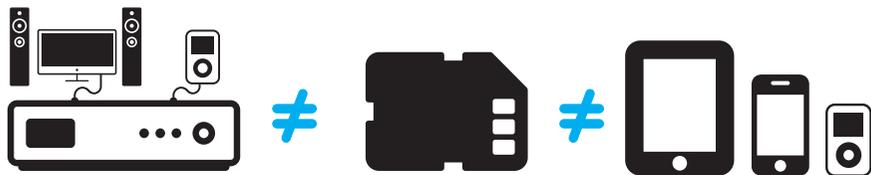
### AFTER



There should be a standard method of defining the products subject to levies. This will help eradicate possible internal market distortions.

### THE LEVY SETTING PROCESS - WHAT SHOULD THE LEVY VALUE BE CALCULATED ON?

The levy value should be calculated on storage value and usage.



A media centre hard drive attached to a TV and stereo

a memory card

a mobile phone with 32GB of memory (which isn't only used for storing copy-right protected works)

However, levies should not be calculated as a percentage of the device cost. Remember:



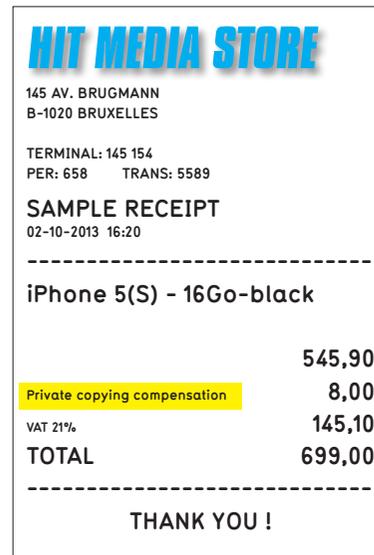
Printer cartridges subsidise the cost of a printer

razorblades subsidise the cost of a razor

## TRANSPARENCY

### CONSUMER VISIBILITY

The private copying system should be transparent for consumers. That is why rightholders suggest that the amount of any levy be clearly indicated on the receipts or invoices of any products subject to levies.



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