

## COUNCIL OF THE EUROPEAN UNION



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# Collective management of copyright and multi-territorial licensing for online music

The Lithuanian Presidency of the EU Council today informed ministers for competitiveness on the agreement reached with the European Parliament regarding the adoption of a draft directive on the collective management of copyright and the multi-territorial licensing of online music.

The agreement, which is the result of three rounds of negotiations concluded on 4 November, will be set in a directive that pursues two complementary objectives:

- to increase transparency and efficiency in the functioning of copyright collective management organisations, and
- to facilitate the granting of cross-border licensing of authors' rights in online music.

#### **Collective management organisations**

The exploitation of content protected by copyright (music, books, films, etc.) and services linked thereto, requires the licensing of rights by authors, performers, producers and publishers and the collection and distribution to rightholders of revenue accruing from such rights. In most cases, it is for the rightholder to choose between the individual or collective management of his rights.

Collective management organisations collect, manage and distribute revenue from the exploitation of the rights entrusted to them by rightholders. Management of copyright includes the granting of licenses to users, the auditing of licensees, the monitoring of the use of rights, the collection of revenues and their distribution. They enable rightholders to be remunerated for uses which they would not be in a position to control or enforce themselves.

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These organisations also play an important role as promoters of cultural diversity.

### Multi-territorial licensing of online music

The new directive aims at creating conditions for more effective online licensing of music by collective management organisations in an increasingly cross-border context.

Currently, in the online music sector, online service providers wishing to obtain licenses for cross-border music services across EU borders have to obtain licences from separate collective management organisations in each EU member state. This fragmentation also prevents consumers from enjoying the widest possible access to the considerable diversity of musical repertoires.

The future directive will enable service providers to obtain such licenses from collective management organisations operating across EU borders.

The development of legal online music services across the Union will also contribute to better fight against online infringements of copyright.

### **Transposition**

Member states will have to incorporate the new provisions into domestic law 24 months after its entry into force at the latest.

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This initiative is linked to the development of the Digital Agenda for Europe.

The "Single Market Act" identified intellectual property as one of the areas in which action is required and underlined that, in the internet age, collective management must be able to evolve towards more transnational, possibly EU-wide models of licensing, covering the territories of multiple member states.

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