International Survey on Copyright Levies

Legal Monitoring and Services of Krug und Petersen

May 2008
## Content

### Complete and updated Surveys

- Origins of Copyright Levies for Private Copying
- Payment Flows and Principles of the Implementation process

### Consulting and Services

- Legal definitions and obligations
- Tariffs and Legal Basis
- Reporting Requirements
- Registration and Reporting
Copyright Levies do have a long history in Europe

- Levies for private copying ≠ royalty payments/licence fees
- Royalties for publication and/or use of protected works since the 19th century.
- Copyright levies for devices and blank media e.g. in Germany: for analogue equipment since 1960; for digital (scanner) since 1995
- New technologies permit uncontrolled use, storage and duplication of protected works by private users
- Digital techniques permit large scale uncontrolled use even without quality loss
- European Directive on copyright levies became effective in 2001 aiming at a harmonisation of national legislations across the EU
- The new systems are based on the load of the devices and blank media suitable for private copying
Electronic products and Storage Media are subject to Copyright Levies according to EU directive 2001/29/EC

Legislations, however, both in EU and non-EU countries differ in many aspects:

- segments covered (products + storage media)
- amounts of levies
- deadlines and dates
- payment conditions
- special conditions
- responsible authorities
- [...]

[Map of Europe showing different regions]
Based on the EC Directive „On Certain Aspects of Copyright and related rights“ (2001/29/EC), EU-Member States are about to introduce Copyright Levies on digital equipment such as:

**Reprography**
- Copiers
- Printers
- Handheld Scanners
- Flatbed Scanners
- Sheetfeed Scanners
- Fax Machines
- MFDs / AIOs

**Digital Equipment**
- Personal Computer
- CD/DVD Writer
- Hard Disk
- External Hard Disk
- USB Stick
- Memory Card
- MP3-Player
- Devices with integrated storage media
- Mobile Phone with integrated memory

**Analogue Equipment**
- VHS Recorder
- Cassette Recorder

**Analogue Media**
- Audio Cassette
- VHS Cassette

**Digital media**
- CD-R, CD-RW, DVD-R, DVD-RW,
- DVD+R, DVD+RW, DVD RAM, Double Layer DVD
- MiniDisk
- New Formats: Blu Ray Disc, HD DVD
Payment flows: Private Copying

National Legal Framework

End User → Company → Collecting Societies

- Price incl. fee
- Price without fee
- €
- €
- levy
Payment flows: Distribution

National Legal Framework

Obliged Parties
• Licence holders (Event presenter, advertisers, publishing houses ...)
• Manufacturer and Importer of equipment for private copying
• [ ... ]

Collecting Societies

Authors & Artists
Copyright levies (scope and tariffs) vary enormously across the European Union

Goal: Harmonization of Copyright Laws 2001/29/EC

Different Scopes, Legal Frameworks, Reporting Requirements …
Principles: Process

Government or national commissions set the levy rates on equipment and media – or decide not to include them in the scope.

Country XY, examination of (examples):

2001
No levies

€

Audio Cass.

Cell Phones

Copiers

Printer

Scanner

PC

New Media

2010
No levies

€

No more levies for Audio Cassettes
Tasks for Industries

- Industry and the competent authorities constantly negotiate on the remunerations
- Technical and legal questions play a role in the determination of the levies
- Numerous claims are even subject to lawsuits
- Each day both in Europe and in rest of the world regulations, tariff amounts or formalities change
- Technical progress and the business development of the IT- and CE-industry constantly demand changes and adjustments of the national legislations
Copyright Levies – Full Compliance

Krug und Petersen provides Consulting and Compliance Services for IT & CE Industry

- Survey on national legislations EU 27 + 8 worldwide
- Large Database
- Monitoring of Changes
- Legal Recommendations
- Definitions
- Obligations
- Special requirements
- Registration and Reporting
European Landscape: Products levied or not?

The determination of levies is a sequential process in all European countries and in many other countries worldwide.

Krug und Petersen show you, with consideration of equipment category and product, where products are levied, where levies are currently under negotiation, and where there are still none.
International Survey on Copyright Levies

The KuP International Survey on Copyright Levies depicts legal provisions for copyright levies in all EU-countries and additional countries worldwide. Some regulations leave room for interpretation in favour or to the disadvantage of a manufacturer, importer, assembler, wholesaler, retailer, distant seller etc. In most countries the regulations and calculations vary and many questions need to be clarified.

Examples:
- Listing of new products, convergence and higher capacities?
- Calculation of the tariffs – per unit, per minute or in a corridor?
- Pricing – what are the price definitions, which price is applicable, how is it ascertained?
- Scope – which devices are included exactly, which are not?
- Responsibilities, structure and organization of the collecting systems?
- Possibilities for refunding?
- Display of the fees on invoices?
- … and many more
Obligations per Business Model

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<th>Obligations</th>
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Registration and Reporting Requirements

Even the organization of the levy systems shows national varieties:

- Formats
- Frequencies
- Payments
- Time frames
- Required Information
- Additional Information

Krug und Petersen point out all organizational requirements in the countries
Consulting & Services of Krug und Petersen

Consulting:
Report for EU 27 + 8 countries with all relevant information and clarification of individual obligations

Services:
Registration and Reporting of the relevant sales data for legal and financial compliance in the countries, in which your company is obliged
Copyright levies are permanently moving targets

Make or Buy: Consulting & Service of Krug und Petersen in this field of international legislation saves you a lot of effort and uncertainties

- We monitor dynamic legislations driven by industry, collectors, end-users, artists and many other participants
- We permanently update know-how and facts for our customers
- We provide orientation for heterogeneous structures of 35 different national legislations
- We continuously perform complex researches in 35 countries
- We work on the basis of disparate experiences and competences

Stay compliant in a very complex and demanding field!
Thank you for your attention!

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