REPORT


Committee on Legal Affairs

Rapporteur: Julia Reda
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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

(2014/2256(INI))

The European Parliament,

– having regard to Articles 4, 26, 34, 114, 118 and 167 of the Treaty on the Functioning of the European Union (TFEU),

– having regard to Article 27 of the Universal Declaration of Human Rights,

– having regard to the 1994 Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS),

– having regard to the UNESCO Convention of 20 October 2005 on the Protection and Promotion of the Diversity of Cultural Expressions,

– having regard to Articles 11, 13, 14, 16, 17, 22 and 52 of the Charter of Fundamental Rights of the European Union,


– having regard to the Berne Convention for the Protection of Literary and Artistic Works, and expressly to the Three-Step Test,

– having regard to the World Intellectual Property Organisation (WIPO) Copyright Treaty of 20 December 1996,

– having regard to the WIPO Performances and Phonograms Treaty of 20 December 1996,

– having regard to the WIPO Treaty on Audiovisual Performances, adopted by the WIPO Diplomatic Conference on the Protection of Audiovisual Performances in Beijing on 24 June 2012,

– having regard to the September 2013 intellectual property rights (IPR) study carried out jointly by the European Patent Office (EPO) and the Office for Harmonisation in the Internal Market (OHIM), entitled ‘Intellectual property rights intensive industries: contribution to economic performance and employment in the European Union’,

– having regard to the Marrakesh Treaty to Facilitate Access to Published Works for Persons Who Are Blind, Visually Impaired, or Otherwise Print Disabled,

having regard to Directive 2014/26/EU of the European Parliament and of the Council of 26 February 2014 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market,


having regard to Directive 2006/116/EC of the European Parliament and of the Council of 12 December 2006 on the term of protection of copyright and certain related rights,


having regard to Council Directive 93/83/EEC of 27 September 1993 on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission,


having regard to Directive 2001/84/EC of the European Parliament and of the Council of 27 September 2001 on the resale right for the benefit of the author of an original work of art,

having regard to its resolution of 27 February 2014 on private copying levies,

having regard to its resolution of 12 September 2013 on promoting the European
cultural and creative sectors as sources of economic growth and jobs\(^1\),

- having regard to its resolution of 11 September 2012 on the online distribution of audiovisual works in the European Union\(^2\),
- having regard to its resolution of 22 September 2010 on enforcement of intellectual property rights in the internal market\(^3\),
- having regard to the public consultation on the review of the EU copyright rules carried out by the Commission between 5 December 2013 and 5 March 2014,
- having regard to its resolution of 16 February 2012 on Petition 0924/2011 by Dan Pescod (British), on behalf of the European Blind Union (EBU)/Royal National Institute of Blind People (RNIB), on access by blind people to books and other printed products\(^4\),
- having regard to the Commission Green Paper on the online distribution of audiovisual works in the European Union: opportunities and challenges towards a digital single market (COM(2011)0427),
- having regard to the Commission Green Paper entitled ‘Copyright in the Knowledge Economy’ (COM(2008)0466),
- having regard to the Commission communication entitled ‘A Single Market for Intellectual Property Rights: Boosting creativity and innovation to provide economic growth, high quality jobs and first class products and services in Europe’ (COM(2011)0287),
- having regard to the Memorandum of Understanding of 20 September 2011 on key principles on the digitisation and making available of out-of-commerce works, with a view to facilitating the digitisation and making available of books and learned journals for European libraries and similar establishments,
- having regard to Rule 52 of its Rules of Procedure,
- having regard to the report of the Committee on Legal Affairs and the opinions of the Committee on Industry, Research and Energy and the Committee on Internal Market and Consumer Protection (A8-0209/2015),

A. whereas the revision of Directive 2001/29/EC is central to the promotion of creativity and innovation, cultural diversity, economic growth, competitiveness, the Digital Single Market and to access to knowledge and information, while at the same time also providing authors of literary and artistic works with sufficient recognition and protection of their rights;

\(^1\) Texts adopted, P7_TA(2013)0368.
\(^2\) OJ C 353 E, 3.12.2013, p. 64.
\(^3\) OJ C 50 E, 21.2.2012, p. 48.
\(^4\) OJ C 249 E, 30.8.2013, p. 49.
B. whereas Article 167 of the Treaty on the Functioning of the European Union (TFEU) states that the European Union shall promote the flowering and diversity of the cultures of the Member States, particularly through artistic and literary creation;

C. whereas Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society was aimed at adapting legislation on copyright and related rights to reflect technological developments;

D. whereas Directive 2001/29/EC also addresses a number of EU obligations under international law, including the provisions of the Berne Convention for the Protection of Literary and Artistic Works, the WIPO Copyright Treaty and the WIPO Performances and Phonograms Treaty;

E. whereas the Commission and the Member States are making considerable investments in the digitisation and online accessibility of the rich collections of Europe’s cultural heritage institutions, so that citizens can enjoy access from anywhere on any device;

F. whereas the European cultural and creative industries are an engine for economic growth and job creation in the EU and make a major contribution to the EU economy, as they employ more than 7 million people and generate more than 4.2 % of EU GDP according to the latest estimates, and whereas cultural industries continued to create jobs during the economic crisis of 2008-2012;

G. whereas the September 2013 joint EPO and OHIM study shows that about 39 % of total economic activity in the EU, worth some EUR 4 700 billion a year, is generated by IPR-intensive industries, as is, in addition, 26 % of direct employment (or 56 million jobs), with indirect employment accounting for a further 9 % of the total number of jobs in the EU;

H. whereas the digital revolution has brought with it new techniques and means of communication and opened the way to new forms of expression which, while calling into question the long-established three-way relationship between creators, cultural entrepreneurs and users, has spurred the emergence of a knowledge-based economy providing new jobs and helping to promote culture and innovation;

I. whereas any political initiative concerning the digital single market must be in keeping with the Charter of Fundamental Rights of the European Union, and in particular Articles 11, 13, 14, 16, 17 and 22 thereof;

J. whereas cultural diversity and language diversity extends beyond national borders, with some European languages spoken in multiple countries;

K. whereas the Charter of Fundamental Rights protects freedom of expression, freedom of information and freedom of the arts and science, and guarantees protection of personal data and of cultural and linguistic diversity, the right to property and the protection of intellectual property, the right to education and the freedom to conduct a business;

L. whereas the right of the creator to protection of his or her creative works must continue to apply in the digital age;
M. whereas measures that contribute to the further development of cultural interchange and improve legal certainty in the sector need to be considered; whereas many creative online services have been developed since the application of Directive 2001/29/EC, and consumers have never before had access to such a wide range of creative and cultural works; whereas users need access to a plentiful and diverse supply of high-quality content;

N. whereas the harmonious and systematic development of the Europeana digital library, which was founded in 2008 as part of an EU initiative, has made works from Member States’ libraries available;

O. whereas creative works are one of the main sources nourishing the digital economy and information technology players such as search engines, social media and platforms for user-generated content, but virtually all the value generated by creative works is transferred to those digital intermediaries, which refuse to pay authors or negotiate extremely low levels of remuneration;

P. whereas Directive 2011/77/EU and Directive 2006/116/EC harmonised the terms of protection of copyright and neighbouring rights by establishing a complete harmonisation of the period of protection for each type of work and each related right in the Member States;

Q. whereas the EU legislative authorities have a duty to promote a clear legal framework for copyright and related rights that can be understood by all stakeholders, in particular the general public, and that ensures legal certainty;

R. having regard to the competitive advantage and growing power of a number of Internet intermediaries and to the negative impact of this situation on authors’ creative potential and on the development of services offered by other distributors of creative works;

S. whereas when defining the legal framework for copyright and related rights, account should be taken of the need to promote innovative industrial and commercial models, taking advantage of the opportunities offered by new technologies, in order to make EU businesses more competitive;

T. whereas the Commission’s priority and the focus of its 2014-2019 programme is the creation of growth and jobs;

1. Points out that copyright is the tangible means of ensuring that creators are remunerated and that the creative process is funded;

2. Welcomes the Commission’s initiative in having conducted a consultation on copyright, which attracted great interest from a wide range of interested stakeholders, including the cultural sector and civil society;

3. Welcomes the commitment of the Commission on further developing the EU digital

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agenda, including copyright issues, in the course of the new Commission mandate; welcomes the Commission Work Programme for 2015 insofar as it promises to deliver a Digital Single Market Package which includes a legislative proposal with the objective of modernising copyright rules to make them fit for the digital age;

4. Recalls that copyright and related rights protect and stimulate both the development and marketing of new products and services and the creation and exploitation of their creative content, thereby contributing to improved competitiveness, employment and innovation across several industry sectors in the EU;

5. Stresses that copyright is only as effective as the enforcement measures in place to protect it and that in order to ensure a flourishing and innovative creative sector copyright enforcement must be robust;

6. Points out that the existence of copyright and related rights inherently implies territoriality; emphasises that there is no contradiction between that principle and measures to ensure the portability of content;

7. Emphasises that any revision of Directive 2001/29/EC should continue to safeguard the principle of fair remuneration for rightholders; calls for a reaffirmation of the principle of territoriality, enabling each Member State to safeguard the fair remuneration principle within the framework of its own cultural policy;

8. Notes that the range of works lawfully available to users has increased since the implementation of Directive 2001/29/EC; further notes that cross-border access to the diversity of uses that technological progress offers to consumers may require evidence-based improvements to the current legal framework in order to further develop the legal offer of diversified cultural and creative content online to allow access to European cultural diversity;

9. Recalls that consumers are too often denied access to certain content services on geographical grounds, which runs counter to the objective of Directive 2001/29/EC of implementing the four freedoms of the internal market; urges the Commission, therefore, to propose adequate solutions for better cross-border accessibility of services and copyright content for consumers;

10. Considers that lessons may be drawn for other types of content from the approach taken in Directive 2014/26/EU on collective rights management, but that issues concerning portability and geoblocking may not be solved by one all-encompassing solution but may require several different interventions, both regulatory and market-led;

11. Stresses that the creative output of the EU is one of its richest resources, and those who want to enjoy it should be able to pay to do so, even when it is only sold in another Member State;

12. Draws attention to the fact that multi-territorial licensing, as provided for in Directive 2014/26/EU on collective management of copyright, is an option when broadcasters want Europe-wide coverage;
13. Points out that the financing, production and co-production of films and television content depend to a great extent on exclusive territorial licences granted to local distributors on a range of platforms reflecting the cultural specificities of the various markets in Europe; that being so, emphasises that the ability, under the principle of freedom of contract, to select the extent of territorial coverage and the type of distribution platform encourages investment in films and television content and promotes cultural diversity; calls on the Commission to ensure that any initiative to modernise copyright is preceded by a wide-ranging study of its likely impact on the production, financing and distribution of films and television content, and also on cultural diversity;

14. Emphasises that industry geoblocking practices should not prevent cultural minorities living in EU Member States from accessing existing content or services in their language that are either free or paid for;

15. Supports the initiatives aimed at enhancing the portability, within the EU, of online services of legally acquired and legally made available content, whilst fully respecting copyright and the interests of rightholders;

16. Recalls that the European cultural markets are naturally heterogeneous on account of European cultural and linguistic diversity; notes that this diversity should be considered as a benefit rather than an obstacle to the single market;

17. Takes note of the importance of territorial licences in the EU, particularly with regard to audiovisual and film production which is primarily based on broadcasters’ pre-purchase or pre-financing systems;

18. Notes with concern the growing number of illegal online services and the increasing incidence of piracy and, more generally, of infringements of intellectual property rights, a trend that poses a serious threat to Member States’ economies and to creativity in the EU;

19. Emphasises that any reform of the copyright framework should be based on a high level of protection, since rights are crucial to intellectual creation and provide a stable, clear and flexible legal base that fosters investment and growth in the creative and cultural sector, whilst removing legal uncertainties and inconsistencies that adversely affect the functioning of the internal market;

20. Alongside the important task of expanding functioning structures for the digital single market, stresses that steps must also be taken to ensure that the analogue single market continues to function properly;

21. Points out that copyright-intensive industries employ more than seven million people in the EU; asks the Commission, therefore, to ensure that, in line with the principles of better regulation, any legislative initiative to modernise copyright be preceded by an exhaustive ex-ante assessment of its impact in terms of growth and jobs, as well as its potential costs and benefits;

22. Emphasises that any revision of EU copyright law must be properly focused and must
be based on convincing data, with a view to securing the continued development of Europe’s creative industries;

23. Recognises that commercial copyright infringing activities pose a serious threat to the functioning of the digital single market and to the development of the legal offer of diversified cultural and creative content online;

24. Deems it indispensable to strengthen the position of authors and creators and improve their remuneration with regard to the digital distribution and exploitation of their works;

Exclusive rights

25. Acknowledges the necessity for authors and performers to be provided with legal protection for their creative and artistic work; recognises that the dissemination of culture and knowledge is in the public interest; recognises the role of producers and publishers in bringing works to the market, and the need for fair and appropriate remuneration for all categories of rightholders; calls for improvements to the contractual position of authors and performers in relation to other rightholders and intermediaries, notably by considering a reasonable period for the use of rights transferred by authors to third parties, after which those rights would lapse, as contractual exchanges may be marked by an imbalance of power; stresses in this connection the importance of contractual freedom;

26. Notes that a proportionate protection of copyright works and other protected matter is of great importance, including from a cultural standpoint, and that under Article 167 TFEU, the Union is required to take cultural aspects into account in its activity;

27. Stresses that authors and performers must receive fair remuneration in the digital environment and in the analogue world alike;

28. Invites the Commission to evaluate targeted and appropriate measures to improve legal certainty, in line with the Commission’s objective of better regulation; calls on the Commission to study the impact of a single European Copyright Title on jobs and innovation, on the interests of authors, performers and other rightholders, and on the promotion of consumers’ access to regional cultural diversity;

29. Points out that, in the fragile ecosystem which produces and finances creative work, exclusive rights and freedom of contract are key components because they make for improved risk sharing, enable a range of players to get involved in joint projects for a culturally diverse audience and underpin the incentive to invest in professional content production;

30. Recommends that the EU legislator should consider, in order to protect the public interest while protecting personal information, how to further lower the barriers to the re-use of public sector information; notes that such adjustment of the legislation should be made with due regard to Directive 2013/37/EU, the principles underpinning the copyright system and the relevant case law of the Court of Justice of the European Union;
31. Calls on the Commission to effectively safeguard public domain works, which are by definition not subject to copyright protection; urges the Commission, therefore, to clarify that once a work is in the public domain, any digitisation of the work which does not constitute a new, transformative work, stays in the public domain; also calls on the Commission to examine whether rightholders may be given the right to dedicate their works to the public domain, in whole or in part;

32. Calls on the Commission to further harmonise the term of protection of copyright, while refraining from any further extension of the term of protection, according to the international standards set out in the Berne Convention; encourages Member States to finalise the transposition and implementation of Directives 2006/116/EC and 2011/77/EU in a streamlined manner;

 Exceptions and limitations

33. Calls on the EU legislator to remain faithful to the objective stated in Directive 2001/29/EC of providing adequate protection for copyright and neighbouring rights as one of the main ways of ensuring European cultural creativity, and of safeguarding a fair balance between the different categories of rightholders and users of protected subject-matter, as well as between the different categories of rightholders; further emphasises that any legislative change in this field should guarantee people with disabilities access to works and services protected by copyright and related rights in any formats;

34. Underlines that copyright and related rights constitute the legal framework for the European cultural and creative industries, as also for the educational and research sector and for the sector benefiting from exceptions to and limitations on those rights, and form their basis for activity and employment;

35. Notes that exceptions and limitations must be applied in such a way as to take account of the purpose for which they were designed and the particular respective characteristics of the digital and analogue environments, while maintaining the balance between the interests of rightholders and the interests of the public; calls, therefore, on the Commission to examine the possibility of reviewing a number of the existing exceptions and limitations in order to better adapt them to the digital environment, taking into account the ongoing developments in the digital environment and the need for competitiveness;

36. Underlines the importance of exceptions and limitations being accessible for persons with disabilities; in this regard notes the conclusion of the Marrakesh Treaty, which will facilitate access for the visually impaired to books, and encourages swift ratification thereof without making the ratification conditional upon the revision of the EU legal framework; believes that the Treaty is a good step forward, but that much work remains to be done in order to open up access to content for people with different disabilities;

37. Notes the importance of European cultural diversity, and notes that the differences among Member States in the implementation of exceptions can be challenging for the functioning of the internal market in view of the development of cross-border activities and EU global competitiveness and innovation, and may also lead to legal uncertainty
for authors and users; considers that some exceptions and limitations may therefore benefit from more common rules; remarks, however, that differences may be justified to allow Member States to legislate according to their specific cultural and economic interests, and in line with the principles of proportionality and subsidiarity;

38. Calls on the Commission to examine the application of minimum standards across the exceptions and limitations, and further to ensure the proper implementation of the exceptions and limitations referred to in Directive 2001/29/EC and equal access to cultural diversity across borders within the internal market, and to improve legal certainty;

39. Considers it necessary to strengthen exceptions for institutions of public interest, such as libraries, museums and archives, in order to promote wide-ranging access to cultural heritage, including through online platforms;

40. Calls on the Commission to consider with care the possibility of making certain exceptions mandatory where the purpose is to protect fundamental rights, particularly to combat discrimination or protect freedom of the press; recalls in this context that fair compensation should be provided for these exceptions;

41. Recalls the importance of small and medium-sized enterprises (SMEs) in the cultural and creative industries in terms of job creation and growth in the EU; stresses that the vast majority of SMEs in the cultural and creative industries take advantage of the flexibility of copyright rules to produce, invest in and distribute cultural and creative works, but also to develop innovative solutions which enable users to gain access to creative works online adapted to the preferences and specificities of local markets;

42. Notes with interest the development of new forms of use of works on digital networks, in particular transformative uses, and stresses the need to examine solutions reconciling efficient protection that provides for proper remuneration and fair compensation for creators with the public interest for access to cultural goods and knowledge;

43. Stresses that, where an exception or limitation already applies, new uses of content which are made possible by technological advances or new uses of technology should be, as far as possible, construed in line with the existing exception or limitation, provided that the new use is similar to the existing one, in order to improve legal certainty – this would be subject to the three-step test; acknowledges that such flexibility in the interpretation of exceptions and limitations may permit the adaptation of the exceptions and limitations in question to different national circumstances and social needs;

44. Highlights the need to ensure the technological neutrality and future-compatibility of exceptions and limitations by taking due account of the effects of media convergence, while serving the public interest by fostering incentives to create, finance and distribute new works and to make those works available to the public in new, innovative and compelling ways;

45. Suggests a review of the liability of service providers and intermediaries in order to
clarify their legal status and liability with regard to copyright, to guarantee that due diligence is exercised throughout the creative process and supply chain, and to ensure fair remuneration for creators and rightholders within the EU;

46. Considers that the commercial use of photographs, video footage or other images of works which are permanently located in physical public places should always be subject to prior authorisation from the authors or any proxy acting for them;

47. Maintains that the development of the digital market is impossible unless creative and cultural industries are developed alongside it;

48. Emphasises the importance of the exception for caricature, parody and pastiche as a factor in the vitality of democratic debate; believes that the exception should strike the balance between the interests and rights of the creators and original characters and the freedom of expression of the user of a protected work who is relying on the exception for caricature, parody or pastiche;

49. Stresses the need to properly assess the enablement of automated analytical techniques for text and data (e.g. ‘text and data mining’ or ‘content mining’) for research purposes, provided that permission to read the work has been acquired;

50. Maintains that the development of the digital market is closely linked to, and must go hand in hand with, the development of creative and cultural industries, this being the only way to achieve lasting prosperity;

51. Notes that the right to private property is one of the fundaments of modern society; also notes that facilitation of access to educational materials and cultural goods is of extreme importance for the development of the knowledge-based society and that this should be taken into account by the legislators;

52. Calls for an exception for research and education purposes, which should cover not only educational establishments but also accredited educational or research activities, including online and cross-border activities, linked to an educational establishment or institution recognised by the competent authorities, or legislation, or within the purview of an educational programme;

53. Stresses that any new exceptions or limitations introduced into the EU copyright legal system needs to be duly justified by a sound and objective economic and legal analysis;

54. Recognises the importance of libraries for access to knowledge and calls upon the Commission to assess the adoption of an exception allowing public and research libraries to legally lend works to the public in digital formats for personal use, for a limited duration, through the internet or the libraries’ networks, so that their public interest duty of disseminating knowledge can be fulfilled effectively and in an up-to-date manner; recommends that authors should be fairly compensated for e-lending to the same extent as for the lending of physical books according to national territorial restrictions;

55. Calls upon the Commission to assess the adoption of an exception allowing libraries to
digitalise content for the purposes of consultation, cataloguing and archiving;

56. Stresses the importance of taking into account the conclusions of the numerous experiments being undertaken by the book industry to establish fair, balanced and viable business models;

57. Notes that in some Member States statutory licences aimed at compensatory schemes have been introduced; stresses the need to ensure that acts which are permissible under an exception should remain so; recalls that compensation for the exercise of exceptions and limitations should only be considered in cases where acts deemed to fall under an exception cause harm to the rightholder; further calls on the European Observatory on Infringements of Intellectual Property Rights to carry out a full scientific evaluation of these Member State measures and their effect on each affected stakeholder;

58. Recalls the importance of the private copying exception that may not be technically limited, coupled with fair compensation of creators; invites the Commission to analyse, on the basis of scientific evidence, Parliament’s resolution of 27 February 2014 on private copying levies\(^1\) and the results of the latest mediation process conducted by the Commission\(^2\), the viability of existing measures for the fair compensation of rightholders in respect of reproductions made by natural persons for private use, in particular in regard to transparency measures;

59. Notes that the right to impose private copying levies should be governed in such a way as to inform citizens of the actual amount of the levy, its purpose and how it is going to be used;

60. Stresses that digital levies should be made more transparent and optimised to safeguard rightholder and consumer rights and by taking into account Directive 2014/26/EU on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market;

61. Stresses the importance of bringing more clarity and transparency to the copyright regime for copyright users, in particular with regard to user-generated content and copyright levies, in order to foster creativity and the further development of online platforms, and to ensure appropriate remuneration of copyright holders;

62. Notes the importance of Article 6(4) of Directive 2001/29/EC and stresses that the effective exercise of exceptions or limitations, and access to content that is not subject to copyright or related rights protection, should not be waived by contract or contractual terms;

63. Calls on distributors to publish all available information concerning the technological measures necessary to ensure interoperability of their content;

64. Highlights the need to promote greater interoperability, in particular for software and

\(^{1}\) Texts adopted, P7_TA(2014)0179.

\(^{2}\) António Vitorino’s recommendations of 31 January 2013 resulting from the latest mediation process conducted by the Commission in respect of private copying and reprography levies.
terminals, as lack of interoperability hampers innovation, reduces competition and harms the consumer; believes that lack of interoperability leads to market dominance of one particular product or service, which in turn stifles competition and limits consumer choice in the EU;

65. Points out that the rapid rate of technological development in the digital market calls for a technologically neutral legislative framework for copyright;

66. Recognises the role of proportionate and effective enforcement in supporting creators, rightholders and consumers;

67. Calls on the Commission and the EU legislature to consider solutions for the displacement of value from content to services; stresses the need to adjust the definition of the status of intermediary in the current digital environment;

68. Stresses that consumers often face various limitations and the notion of consumers’ rights in the copyright framework is very often absent; calls on the Commission to assess the effectiveness of the current copyright law from a consumers’ perspective and to develop a set of clear and comprehensive consumers’ rights;

69. Instructs its President to forward this resolution to the Council and the Commission, and to the parliaments and governments of the Member States.
OPINION OF THE COMMITTEE ON INDUSTRY, RESEARCH AND ENERGY

for the Committee on Legal Affairs


Rapporteur: José Blanco López

SUGGESTIONS

The Committee on Industry, Research and Energy calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Notes the importance of European cultural and linguistic diversity, which provides opportunities for rather than obstacles to the single market, and stresses that the European cultural and creative industries are an engine for economic growth, innovation and job creation in the EU, as they employ more than 7 million people and generate more than 4.2 % of EU GDP; emphasises that cultural and creative industries continued to create jobs during the economic crisis of 2008-2012 and have played an important role in boosting the Union’s competitiveness; highlights the fact that new business models and innovative services in the online context have been created;

2. Stresses that cultural and creative content online is a key driver for the development of the information society, information technologies and investment in digital infrastructure and services, which thus foster innovation, growth and creativity;

3. Underlines that copyright and related rights constitute the legal framework for the European cultural and creative industries (CCIs) and form the basis for their ability to generate economic activity, competitiveness, employment, creativity and innovation; highlights that the productivity of the sector continues to grow, and stresses that the current fragmented and outdated system is hindering the full development and functioning
of the European digital single market;

4. Welcomes the great interest shown in, as well as the contributions made by EU citizens to, the Commission’s public consultation round on the review of the EU copyright rules;

5. Underlines that copyright and related rights should constitute a balanced legal framework for the European cultural and creative industries to generate economic activity and employment; stresses, however, that the current fragmented and outdated levy system causes major problems for the development of the European digital single market and is therefore a threat to growth and economic development;

6. Underlines that copyright and related rights constitute the legal framework for the European CCI sector and form the basis for its ability to generate economic activity and employment; stresses that while the productivity of the CCI sector continues to grow, the earnings of rightholders in the sector are decreasing;

7. Underlines that copyright and related rights constitute the legal framework for the European cultural and creative industries, as also for the educational and research sector and for the sector benefiting from exceptions to and limitations on those rights, and form their basis for activity and employment;

8. Stresses that copyright and related rights are the rights on which all of the creative industries and the associated value chain are founded; calls on the Commission, therefore, to support and protect creators’ intellectual property rights so as to enable creative industries in Europe to flourish;

9. Welcomes the Commission’s commitment to further developing the EU digital agenda, including the objective of modernising copyright rules; acknowledges the need to review Directive 2001/29/EC in order to ensure appropriate remuneration for authors, performers, and other copyright holders and appropriate protection of these rights, as well as a fair balance in the European cultural economy between all parties involved (SMEs, consumers, users, creators and rightholders) in a digital era which implies a changing and constantly evolving technological environment and brings about changes in user behaviour, along with opportunities and challenges; considers that such a review should provide the necessary legal clarity, stability and certainty, as well as the flexibility needed to foster investment and growth in the creative and cultural sector whilst removing legal uncertainties and inconsistencies which adversely affect the functioning of the digital single market; also asks for a strong engagement on the principle of reopening, as soon as possible in the interests of consistency, Directive 2000/31/EC on electronic commerce; believes that one of the main aims of this review should be copyright modernisation with the aim of facilitating cross-border access to services and content while preserving a high level of protection of intellectual property rights and serving development and cultural diversity;

10. Underlines that the modernisation of the existing copyright rules is an integral part of the digital economy;

11. Stresses that innovation in creativity and technological advances can have a significant impact on people’s lives by enabling different groups to communicate creatively and work
collaboratively, thereby both improving the existing skills of creative people and creating added value; considers that this contributes to improved competitiveness, employment and innovation across Europe;

12. Recognises that commercial copyright-infringing activities pose a serious threat to the functioning of the digital single market and to the development of the legal offer of diversified cultural and creative content online;

13. Calls on the Commission to carry out an assessment of the different private copying mechanisms in Europe, taking into account the effectiveness and transparency of levies and the changes in use of private copying; considers that the Commission should address the divergences of private copying mechanisms in order to ensure the free movement of goods and services in the internal market and the fair remuneration of creative and cultural content and facilitate the development of new and innovative business models;

14. Emphasises that a reform of the EU’s copyright acquis should continue to strengthen Europe’s cultural and creative industries by improving legal certainty in the digital sphere for all involved parties, including rightholders, businesses and users, and by setting incentives for innovative licensing schemes online and new business models for online distribution of content, thus allowing the sector to benefit from the digital revolution while safeguarding a balanced value chain;

15. Recalls that exceptions from and limitations to copyright are a key aspect of the copyright system and that a notable contribution to economic growth, innovation, and job creation in the EU is generated by institutions relying on such exceptions and limitations; calls on the Commission to propose a harmonised framework for exceptions and limitations in order to address the fragmented market, improve legal security and foster cross-border accessibility of copyright content, to allow equal access to cultural diversity across the EU, and to conform to consumer expectations; recalls that when Member States provide for exceptions and limitations, they should ensure that they do not conflict with a normal exploitation of the work or subject-matter and do not unreasonably prejudice the legitimate interests of the rightholder; calls for a reassessment of exceptions for research and education purposes, which should cover educational and research activities linked to an educational establishment or institution recognised by national authorities or legislation or within the purview of an educational or research programme; urges the Commission to identify ways in which public and research libraries can lend books to the public in digital formats for personal use, irrespective of place of access and ensuring a fair remuneration for rightholders;

16. Calls for the adoption of a mandatory exception allowing public and research libraries to lend books to the public in digital formats for personal use, irrespective of the place of access;

17. Recognises that an appropriate adaptation of Directive 2001/29/EC to the digital era may give rise to entrepreneurship and new business models, thus fostering innovation and employment;

18. Calls on the Commission to explore the possibility of significantly shortening the duration of the harmonised terms of copyright protection in the framework of a modern trade
19. Underlines the importance of contractual freedom for all rightholders, who should be able
to freely exercise their rights; considers it necessary to develop a legal framework that will
be evidence-based, taking into account the experience of all relevant stakeholders, while
also strengthening the negotiating and contractual position of all creators in relation to
other rightholders and intermediaries;

20. Suggests a review of the liability of service providers and intermediaries in order to clarify
their legal status and liability with regard to copyrights, guarantee that due diligence is
exercised throughout the creative process and supply chain, and ensure a fair remuneration
for creators and rightholders within the Union;

21. Considers it necessary, as part of an overall reform of copyright, also to introduce
measures apt to increase the cross-border supply and availability of digital content, such
as new rules on consumer protection, the development of e-commerce, the approximation
of VAT rates and the expansion of digital networks;

22. Considers it necessary to provide a clear updated framework for cultural institutions that
will allow libraries to conduct e-lending and enable libraries, archives and museums to
make available online protected works that are no longer in commercial circulation;

23. Believes that citizens should be able to access and buy online content from another
Member State, and considers that the practice of restricting access to online content on the
grounds of users’ location hinders the development of the digital single market; welcomes
the multi-territorial licensing of rights under Directive 2014/26/EU as an example and
means of overcoming the fragmented internal market; encourages the development of
balanced, flexible and market-driven solutions that help overcome any existing barriers to
cross-border access and availability of products and services while respecting cultural
diversity, including the development of mechanisms enhancing the cross-border
portability within the EU of content that has been lawfully acquired and made available;

24. Considers that the practice of restricting access to online content based on the location of
users who have previously paid to access that content is harmful to the functioning of the
networks and hinders the development of the digital single market;

25. Points out that the rapid rate of technological development and change of business models
in the digital market calls for a technologically neutral legal and legislative framework for
copyright; stresses that the protection of copyright and related rights must be respected
both online and offline, but also notes that the digital environment is not the same as the
analogue world and stresses the need to closely examine the list of exceptions and
limitations and consider whether additional or alternative forms of copyright protection
are needed to address the matter and to contribute to economic growth, competitiveness
and the full development of the digital single market;

26. Takes note of the importance of territorial licenses in the EU, particularly with regard to
audiovisual and film production, which is primarily based on broadcasters’ pre-purchase
or pre-financing systems;
27. Stresses that digital levies should be made more transparent and optimised to safeguard rightholders’ and consumers’ rights, also by taking into account Directive 2014/26/EU of the European Parliament and of the Council of 26 February 2014 on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market;

28. Calls on the Commission to examine and propose solutions for automated analytical techniques for text and data (‘text and data mining’) for scientific research purposes, especially for non-commercial purposes, provided that permission to read the work has been obtained and taking into account options such as the licensing model, as already developed in some Member States, aimed at enabling researchers to maintain Europe’s competitive edge in a global environment;

29. Highlights the need to promote greater interoperability, in particular for software and terminals, as lack of interoperability hampers innovation, reduces competition and harms the consumer; believes that lack of interoperability leads to market dominance of one particular product or service, which in turn stifles competition and limits consumer choice in the EU;

30. Acknowledges that the wide roll-out of internet coverage has given rise to the development of new forms of use of works, and calls for adequate compensation solutions for rightholders in the digital environment which also ensure citizens’ access to cultural goods and knowledge;

31. Calls, in a framework of full respect for the principle of subsidiarity, on the Commission to explore whether the measures existing to ensure the fair compensation of rightholders in respect of reproductions made by natural persons for private use, such as private copying levies, are up-to-date and efficient solutions;

32. Encourages libraries and archives to engage in voluntary agreements with rightholders which would enable them to fulfil their public mission in the digital society while respecting the rights of rightholders;

33. Stresses that any legislative change in this area should ensure accessibility for all, and especially for people with disabilities, to products and services protected by copyright and related rights and should accordingly ensure adaptation to the digital environment; recognises that inability on the part of users with disabilities to purchase content in an appropriate format may create a barrier to trade for enterprises, as well as reducing the cultural output and content offer available across the Member States; urges the EU to ratify the Marrakesh Treaty to Facilitate Access to Published Works by Visually Impaired Persons and Persons with Print Disabilities, which requires a mandatory exception for non-commercial uses to the benefit of persons with a disability which are directly related to the disability and to the extent required by the specific disability;

34. Considers that, as copyright protection is only as effective as the enforcement measures which protect it, if it is to ensure that the CCI sector in Europe can flourish and protect innovation it must be robust;

35. Urges the Commission to take into account the rapidly growing use of creative works in
user-generated content and social media platforms on the internet and to enhance user information concerning obligations with regard to anyone who knowingly provides hyperlinks to unauthorised content or links that circumvent paywalls, when reviewing the copyright framework; believes that any new proposal should aim to find a way to protect IPRs and end-users while also fostering a dynamic internet where technology and internet access can continue to empower individuals to be innovative and creative; considers that, in addition, the Commission could propose a legal definition of ‘public domain’ works and ensure that such works are protected against private appropriation through digitisation or other means;

36. Notes with concern that the value generated in the digital economy from the exploitation of copyright-protected works is not fairly shared, inter alia because of the taxation regime for service providers, with the rightholders; calls on the Commission to investigate the extent and impact of this transfer of value to internet intermediaries;

37. Encourages the Commission to continue dialogue and collaboration with the US on the respective copyright legislative frameworks, within the Transatlantic Trade and Investment Partnership negotiations, in order to address potential market access barriers and trade obstacles;

38. Calls on the Commission to adapt and standardise the exceptions and limitations permitted in the regulatory framework of the analogue world in the context of the new scenario represented by the digital paradigm, and in particular by cloud computing technologies;

39. Believes that a common effort should be made to combat copyright infringement in the EU in order to ensure the protection of copyright and fair remuneration; stresses the need to raise consumer awareness of the consequence of infringement of copyright and related rights, and urges a proper solution to ensure that no-one makes a profit out of copyright infringement;

40. Draws attention to Directive 2013/37/EU of 26 June 2013 on the re-use of public sector information, which provides a common legal framework for an EU market for government-held data (public sector information) and also includes provisions on transparency and competition.
RESULT OF FINAL VOTE IN COMMITTEE

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| Result of final vote | +: 47  
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| Substitutes present for the final vote | Pascal Arimont, José Blanco López, Simona Bonafè, Lefteris Christoforou, Cornelia Ernst, Eugen Freund, Michèle Rivasi, Pavel Telička, Marco Zullo |
| Substitutes under Rule 200(2) present for the final vote | Daniela Aiuto, Stanisław Ożóg |
25.3.2015

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Legal Affairs


Rapporteur: Catherine Stihler

SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Legal Affairs, as the committee responsible, to incorporate the following suggestions into its motion for a resolution:

1. Welcomes the commitment of the Commission on further developing the EU digital agenda, including copyright issues, in the course of the new Commission mandate; welcomes the Commission Work Programme for 2015 insofar as it promises to deliver a Digital Single Market Package which includes a legislative proposal with the objective of modernising copyright rules to make them fit for the digital age;

2. Stresses the need to adapt the copyright legislative framework in order to ensure appropriate remuneration and adequate protection for holders of copyright and related rights in view of new consumer demands and the challenges posed by the digital economy and society; stresses also that the modernised copyright rules should safeguard a fair balance between all interested parties: consumers, users, creators and right holders;

3. Stresses that the comprehensive and coherent regulation of digital market is an essential precondition for economic growth;

4. Notes that Directive 2001/29/EC (Infosoc Directive) was adopted in 2001 and that the digital use and supply of material subject to copyright has changed and dramatically increased since then; highlights the need for the Commission to respond to technological developments and adapt current laws to existing and emerging challenges;

5. Highlights the fact that legislative differences in Member States cause legal uncertainties
hindering the creation of Digital Single Market and cross-border accessibility of copyright content;

6. Recalls that the value generated in the digital economy by copyrighted works should be shared fairly with the rights holders; calls on the Commission to assess the extent and impact of this value transfer in favour of digital technical intermediaries;

7. Recalls that copyright and related rights play a key role, as they protect and stimulate both the development and marketing of new products and services and the creation and exploitation of their creative content, thereby contributing to improved competitiveness, employment and innovation across several industry sectors in the EU, so that any harmonisation of copyright must be taken at a high level of protection and acknowledge the changes in user behaviour; points out that the necessary adaptation of Directive 2001/29/EC to the digital era are likely to generate new businesses and start-ups which will be a source of jobs of the future for young people;

8. Stresses that copyright is only as effective as the enforcement measures in place to protect it and that in order to ensure a flourishing and innovative creative sector, copyright enforcement must be robust; stresses also that enforcement of copyright rules should be proportionate, and that any restriction of users’ rights must be laid down in law;

9. Believes that the modernisation of copyright rules in the EU would be incomplete without an update of Directive 2000/31/EC on electronic commerce and suggests that the European Commission should consider actions in this direction;

10. Recognises that the purpose of copyright is to better protect the rights of all categories of right holders so as to allow right holders to receive appropriate remuneration for their efforts when others make use of their work, and thus to encourage future creativity; recalls that, while the cultural and creative industries (CCI) employ more than seven million people and contribute 4.5 % of EU GDP annually, and, according to the European Parliament’s Cost of Non-Europe study, 223 000 jobs will be created by the digital single market by 2020, and even though the services, technologies and options permitting the general public to access creative works grow every day, the earnings of right holders in the CCI sector keep decreasing; stresses the importance of effective copyright protection and the need to raise consumer awareness of the consequences of infringement of copyright and related rights;

11. Stresses the need to strengthen the bargaining position of authors and creators in the value chain in the digital age;

12. Highlights the fact that the Member States’ provisions on copyright and related rights vary considerably, and that the exclusivity which copyright grants its owner is, in principle, limited to the territorial boundaries of the Member State where the right has been granted; believes that such territorial restrictions may often lead to market fragmentation and major divergences in enforcement across the EU; recalls that the European market is not homogeneous and that national markets evolve at different rates; recalls also that consumer preferences and consumption patterns, and hence content also, correspond to specific expectations in each Member State;
13. Highlights the importance of clear communication to consumers about the performances of the content they are buying in line with the EU Consumer Rights Directive;

14. Believes that common effort should be made in combatting copyright infringements in the EU in order to ensure the protection of copyright and fair remuneration for authors of copyrighted online content;

15. Stresses that territorial fragmentation may require users aspiring to offer content-related services across the EU to secure multiple licences; emphasises the fact that differences in limitations and exceptions too often create additional legal costs and legal uncertainty, thereby undermining innovation and investment, and contributing in some cases to market concentration; calls on the Commission, therefore, to examine which of the optional exceptions and limitations referred to in Directive 2001/29/EC could be transformed to mandatory ones, so as to allow equal access to cultural diversity across borders within the internal market and to improve legal security;

16. Recalls that consumers are too often denied access to certain content services on geographical grounds, which runs counter to the objective of Directive 2001/29/EC of implementing the four freedoms of the internal market; urges the Commission, therefore, to propose adequate solutions for better cross-border accessibility of services and copyright content for consumers;

17. Believes that consumers should be able to buy online content from another Member State; stresses that clear information should be provided to consumers at the time of purchase of a digital content licence, including on the geographical limitations of the use of that content until these are overcome; highlights the fact that Europe’s creative output is one of its richest resources, and that those who want to enjoy it should be able to pay to do so, even when it is only sold in another Member State;

18. Believes that although there is a need to find solutions which would ensure services portability i.e. when consumers travel between different Member States, it is of the utmost importance to preserve consumer choice in regard to access to different, including linguistically, cultural content;

19. Stresses the importance of bringing more clarity and transparency of the copyright regime for copyright users, in particular with regard to user-generated content and copyright levies, to foster creativity, the further development of online platforms, and ensure appropriate remuneration of copyright holders;

20. Reiterates the importance of a modern pro-competitive and consumers friendly copyright framework responding to the challenges of the digital environment; recognises the need of a holistic approach in the modernisation of the copyright rules to address the existent market fragmentations in particular for online rights management and to guarantee a safe, adequate and secure environment for consumers, creators and copyright users;

21. Welcomes, therefore, the adoption of Directive 2014/26/EU on collective rights management and multi-territorial licensing of rights, which provides the right balance between the public’s access to cultural works, ease of rights clearance for users and adequate remuneration for creators, and believes that implementation of this directive will
lead to a clearer set of EU-wide standards resulting in a faster and more flexible licensing infrastructure adapted to specific usage; notes, however, that fragmentation persists and that solutions must be considered, including in the area of common approaches providing for targeted exceptions that affect cross-border exchange of works, which is necessary for the completion of the digital single market;

22. Believes it is necessary to provide balanced solutions which help to move beyond and/or to improve cross-border access and the portability of products and services, which are essential to enable consumers to obtain services and products where and when they want them in a legal and authorised manner, in accordance with the latest consumer demands; believes that Europe’s cultural diversity lies at the heart of European identity and that it should be fostered and promoted between Member States;

23. Stresses that consumers often face various limitations and the notion of consumers’ rights in the copyright framework is very often absent; calls on the Commission to assess the effectiveness of the current copyright law from a consumers’ perspective and to develop a set of clear and comprehensive consumers’ rights;

24. Urges the Commission and the Member States to promote a higher level of harmonisation and a balanced framework for exceptions and limitations that does not cause any harm to right holders, conforms with consumer expectations, fosters both creativity and innovation, and adapts to the technology advances in the digital environment; encourages Member States to make use of exceptions in a targeted and technology-neutral way; emphasises the important role that exceptions and limitations agreed on for public-interest reasons, for the purposes of research, education and teaching, play in providing access to knowledge as well as in encouraging cultural and societal participation; urges the Commission and the Member States to facilitate the inclusion of e-books in public lending schemes, provided that all the necessary agreements have been reached or attempted, so as to ensure fair remuneration and respect for the rights of the right holders; urges the Commission and the Member States to provide for a mechanism that allows libraries, archives and museums to make available for online access by the public protected works in their collections that are no longer managed by their right holders;

25. Welcomes the structured stakeholder dialogue ‘Licences for Europe’, launched by the Commission in 2013; believes, therefore, that relevant stakeholder engagement and sharing of best practices is essential if a more homogenous and evidence-based implementation of copyright laws across the EU is to be reached; calls on the Commission to monitor and report on the implementation of the ‘Licences for Europe’ pledges;

26. Highlights the importance of promoting greater interoperability, as lack of interoperability hampers innovation and reduces competition in the EU and slows down innovation; notes that the lack of interoperability is hampering the development of new content services to the detriment of artists seeking a broader public throughout Europe; believes that lack of interoperability may lead to market dominance of one particular product, which in turn stifles competition and limits consumer choice in the EU;

27. Highlights the importance of copyright exceptions that allow enhanced accessibility to digital content for people with disabilities; recognises that the inability to purchase content in an appropriate format for users with disabilities also creates a barrier to trade for
businesses; further recognises that the inability to purchase content in an appropriate format that can support users with disabilities reduces the cultural output and content offer available across the Member States; stresses, therefore, that any legislative change in this area should ensure accessibility for people with disabilities to works and services that are protected by copyright and related rights and should adapt to the digital environment.
RESULT OF FINAL VOTE IN COMMITTEE

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<td>Emma McClarkin, Roberta Metsola, Franz Obermayr, Adam Szejnfeld, Ulrike Trebesius, Sabine Verheyen, Inês Cristina Zuber</td>
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| Members present for the final vote | Max Andersson, Joëlle Bergeron, Marie-Christine Boutonnet, Jean-Marie Cavada, Kostas Chrysogonos, Therese Comodini Cachia, Mady Delvaux, Rosa Estarás Ferragut, Laura Ferrara, Enrico Gasbarra, Lidia Joanna Geringer de Oedenberg, Mary Honeyball, Sajjad Karim, Dietmar Köster, Gilles Lebreton, Jiří Maštálka, Emil Radev, Julia Reda, Evelyn Regner, Pavel Svoboda, József Szájer, Axel Voss |
| Substitutes present for the final vote | Angel Dzhambazki, Jytte Guteland, Constance Le Grip, Angelika Niebler, Cecilia Wikström |