

# Transparency, Accountability, Good Governance of CMOs

*Olav Stokkmo*, CEO of IFRRO

WIPO Ministerial Conference

4 November 2015

Dakar

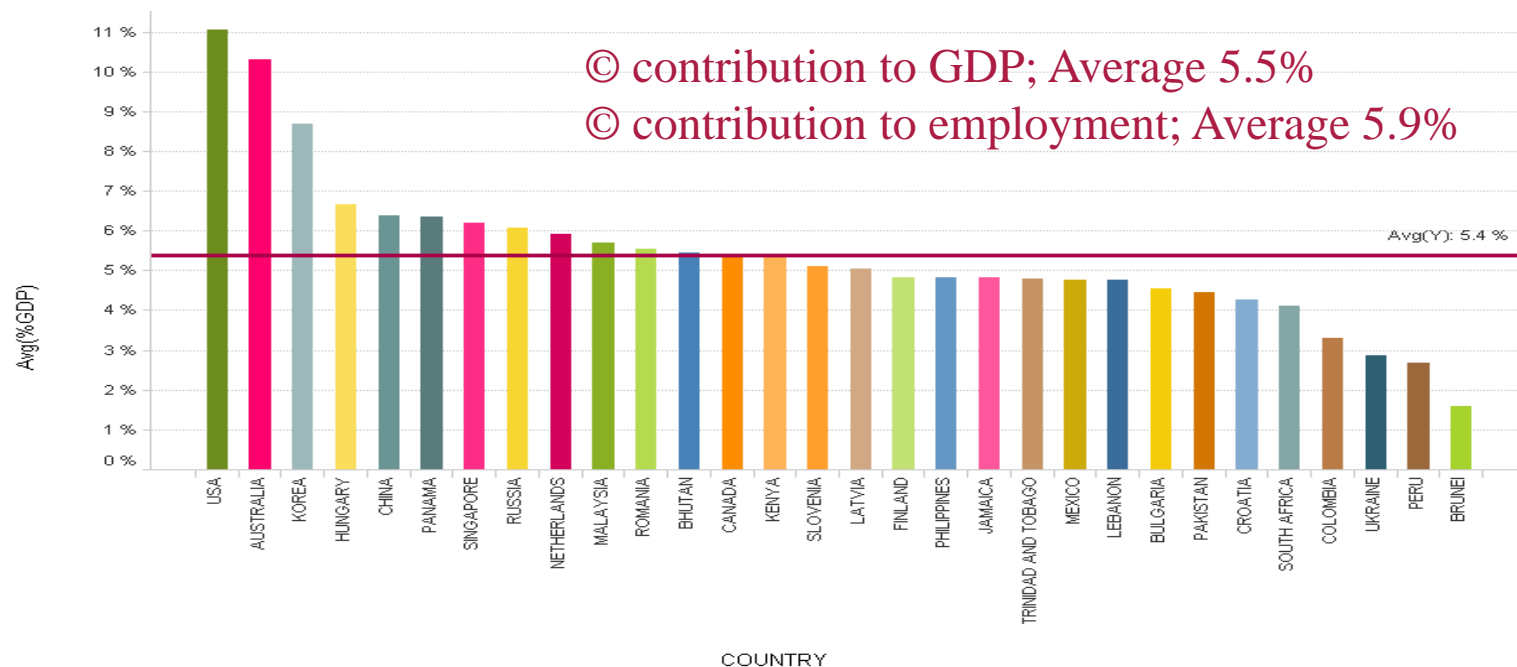
Creative sector fuels the digital economy

Copyright: Fundamental to culture and economy

# Copyright a fundamental Human Right

Universal Declaration of Human Rights, Art 27.2

- Pivotal in sustaining Culture, Education and Research
  - National identity
- Contributor to the Economy and Employment



# Create or Be Created!

did you  
create  
today?

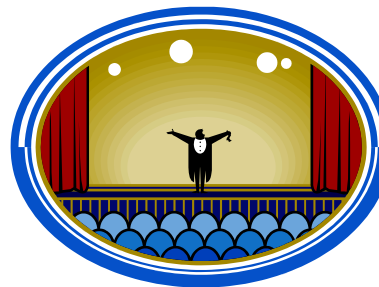
OR



# Value of Copyright protection to creators and the creative industries

## Stanford University study

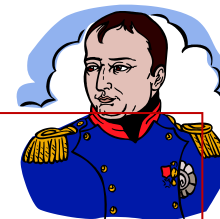
- 2,600 Operas
  - ❑ 8 Italian States
  - ❑ 1770-1900
  - ❑ Copyright laws introduced with Napoleon (Code)



## Findings

- States with  
copyright laws

- ✓ Significantly more operas
  - 2.68 more operas/year
  - 121% increase
- ✓ Higher quality and staying power
  - Historically popular operas: +47%
  - Durable operas: +80%



# Collective Rights Management

Makes Copyright Work!

# Collective Management contributes to Seamless access to copyright works

Convenient



Fast



Safe



Simple



Cost effective



Innovative



# The global network

## 143members in 79 countries

# International Federation of Reproduction Rights Organisations

89 RROs

54 Creator & Publisher  
bodies

### IFRRO Key Activities

- Communications / Information
- Business Approaches
- Regional Development

### Cooperates with

- WIPO
- UNESCO
- EU
- OAPI, ARIPO, LAS  
APEC, CERLALC
- CISAC, SAA, etc.
- IFLA, EBLIDA



# Collective Rights management by RROs Makes Copyright Work – for everybody!

- **Individual licensing when **one to one** or many**
- **Collective management when**
  - ✓ Many to many
  - ✓ Author / Publisher wants it
  - ✓ Individual licensing is
    - ✓ Impracticable
    - ✓ Impossible
    - ✓ Insufficient

## **Facets of RRO activities**

- ✓ Awareness raising
- ✓ Copyright enforcement
- ✓ Licence; Collect; and Distribute revenues

## **RROs - Set up and governance**

- Jointly by authors and publishers

# Income from secondary uses

## Fundamental to the author & development

### Authors

- 25% of authors derive 60% + of their income from secondary uses
- 20% decline in income from secondary uses = 29% (2,870) less new works per year.

### Publishers

- 12% of their earnings
- 19% of their investment in new works
- Vital to the transition to digital

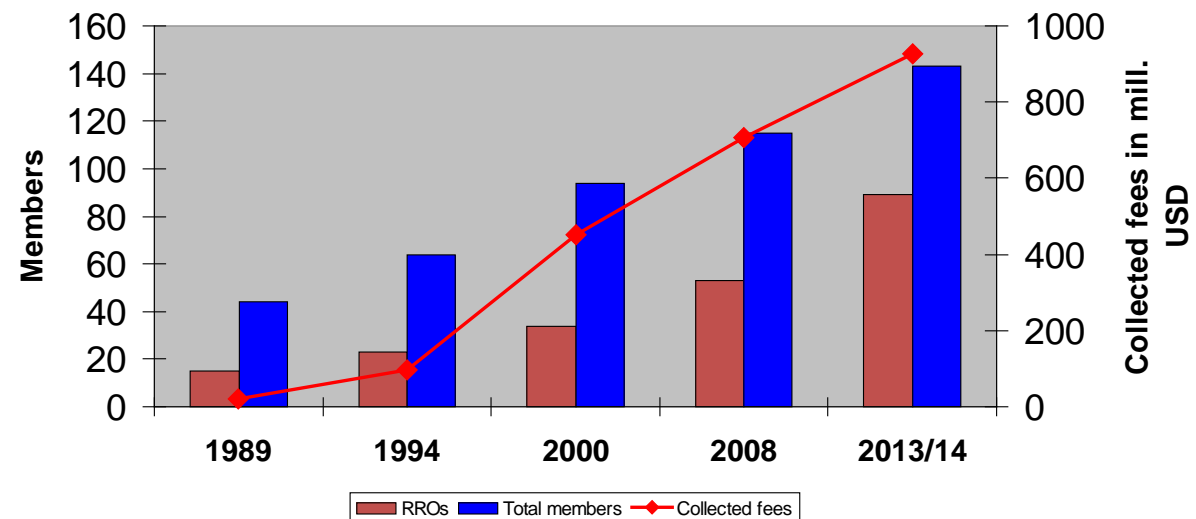
Provision of easy legal access to copyright works; Protects both content creators and consumers

# CMOs

## Yearly Revenue Collection

- Revenue collection by CMOs for distribution to rightholders:
  - Approaching \$12 billion
  - On the increase

RROs and total members October 2015;  
Collected fees 1989-2014



*Well governed CMOs make*  
**Copyright work**

**Reputation and Trust must be Earned**

# International Federation instruments - Examples

- CISAC Professional Rules
  - PRS (UK) for Music Code of Practice
  - SABAM (Belgium) Corporate Governance Charter
- IFPI MLC Code of Conduct
- IFRRO
  - Code of Conduct;
  - RRO Relationship

code of  
conduct

GOT  
ETHICS ?

# National Voluntary Code Review Examples

## AUSTRALIA

<https://www.screenrights.org/about-us/governance/code-of-conduct>

## NEW ZEALAND

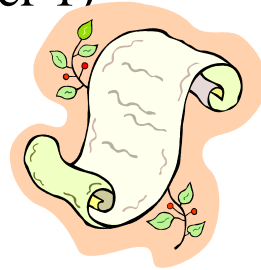
<https://www.screenrights.org/news/2013/05/copyright-collecting-societies-code-of-conduct-call-for-submissions-2013>

## UNITED KINGDOM

<http://www.independentcodereview.org.uk/>

# EU CRM Directive Governance of CMOs

- R/H Representation Membership (Chapter 1)
- Financial management (Chapter 2)
- Representation of other CMOs (Chapter 3)
- User relationship (Chapter 4)
- Transparency and reporting (Chapter 5)
  - Annex 1
- Enforcement and dispute resolution (Title IV)



# Trust must be earned!

- Build the image -  
Earn the reputation!
- Reputation is based on the  
CMO's real **operation** and  
**activities**



**Demonstrate / document**

- ✓ Corporate culture
- ✓ Management
- ✓ Products, services
- ✓ Public image
- ✓ Social responsibility
- ✓ Success



**Reputation**



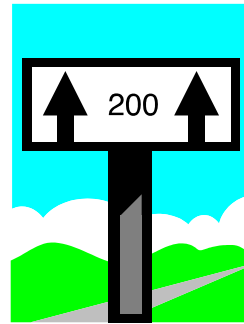
# TAG

(Transparency – Accountability – Good Governance)

An initiative to *assist* CMOs in documenting  
high standing in Governance

# The TAG initiative Objectives

- Contribute to documenting quality and credibility
- Accentuate internationally accepted norms
- Consolidate CMO best practices and procedure

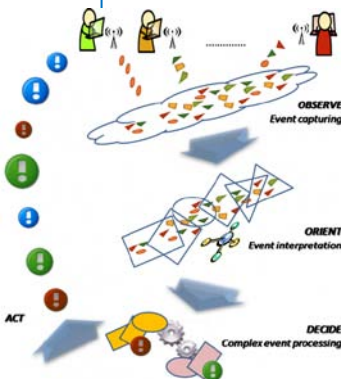


- Provide guidance and support to CMOs
- Highlight outstanding norms



# TAG The Project

## •Project Governance



## •Project work

## •WIPO contribution

## Private-Public Partnership

- WIPO
- International federations of CMOs
  - ✓ IFRRO, SCAPR, AGICOA, IFPI
  - ✓ Observers: EVA, SAA
  - ✓ Invited : CISAC

## Prepared for considerations

- Compendium –training / benchmarking
- TAG Quality Mark

## Facilitator

- ✓ project management ([Willem Wanrooy](#))
- ✓ administrative support
- ✓ resources for education and training

# TAG

## The Compendium

1. Members' rights and obligations; their position in the CMO
2. Information about the CMO and its operations
3. Issues concerning the CMO–Member relationship
4. Relationship between CMOs
5. Membership: information, adherence and withdrawal
6. Relationship between CMO and User
7. Governance
8. Financial administration; revenue distribution; deductions
9. Processing of Members' and Users' data
10. Development of staff skills and awareness

**Benchmarking**

**FOR**

**Training**



# TAG

## A supplement, *not* a Replacement

### TAG Quality Mark

- ✓ **Not intended** to replace existing codes of conduct or similar instruments offered by the international federations or others
- ✓ **Accreditation mechanism**
  - Impartial third party
- ✓ **Intended** to be compatible with and exist *in addition* to codes, principles and rules adopted by CMOs or their federations, or introduced by lawmakers



- *Intends* to offer additional evidence of compliance with internationally recognised good practices

International  
Federation of  
Reproduction  
Rights  
Organisations



# In Conclusion

# Benefit of Collective Management

## ➤ RIGHTHOLDERS

- ✓ Can focus on creative activities
- ✓ Financial benefit for the use of the work
- ✓ Increased use of their works

## ➤ USERS

- ✓ Copyright compliance
- ✓ Easy legal access
- ✓ Negotiated conditions

## ➤ LEGISLATORS

- ✓ Implementation of legislation
- ✓ Compliance with international norms

## ➤ SOCIETY

- ✓ Economic well-being; Employment

# Thank you!

[Olav.Stokkmo@ifrro.org](mailto:Olav.Stokkmo@ifrro.org)

[www.ifrro.org](http://www.ifrro.org)

