

A decorative graphic consisting of several overlapping, curved, light purple bands that sweep across the upper and middle portions of the slide, creating a sense of movement and depth.

The Beijing Treaty - recording industry perspective

WIPO regional meeting on the Beijing and Marrakesh Treaties

Muscat, 1 April 2015

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IFPI

IFPI – what we do

- IFPI (www.ifpi.org) represents the recording industry worldwide
- 57 national groups, 1,300 members (three major international companies and hundreds of independent labels) in over 60 countries -- including in Egypt, Iraq, Lebanon, and the UAE
- 3 regional offices, 1 representative office, HQ in London, UK
- IFPI promotes the value of recorded music and seeks to create a better environment for our members to do business
- Priorities:
 - Securing better rights worldwide
 - Anti-piracy actions for effective legal protection worldwide
 - Industry statistics on music consumption and digital developments
 - Collective licensing and work with over 70 national recording industry Music Licensing Companies (MLCs), developing and improving industry collective licensing capabilities

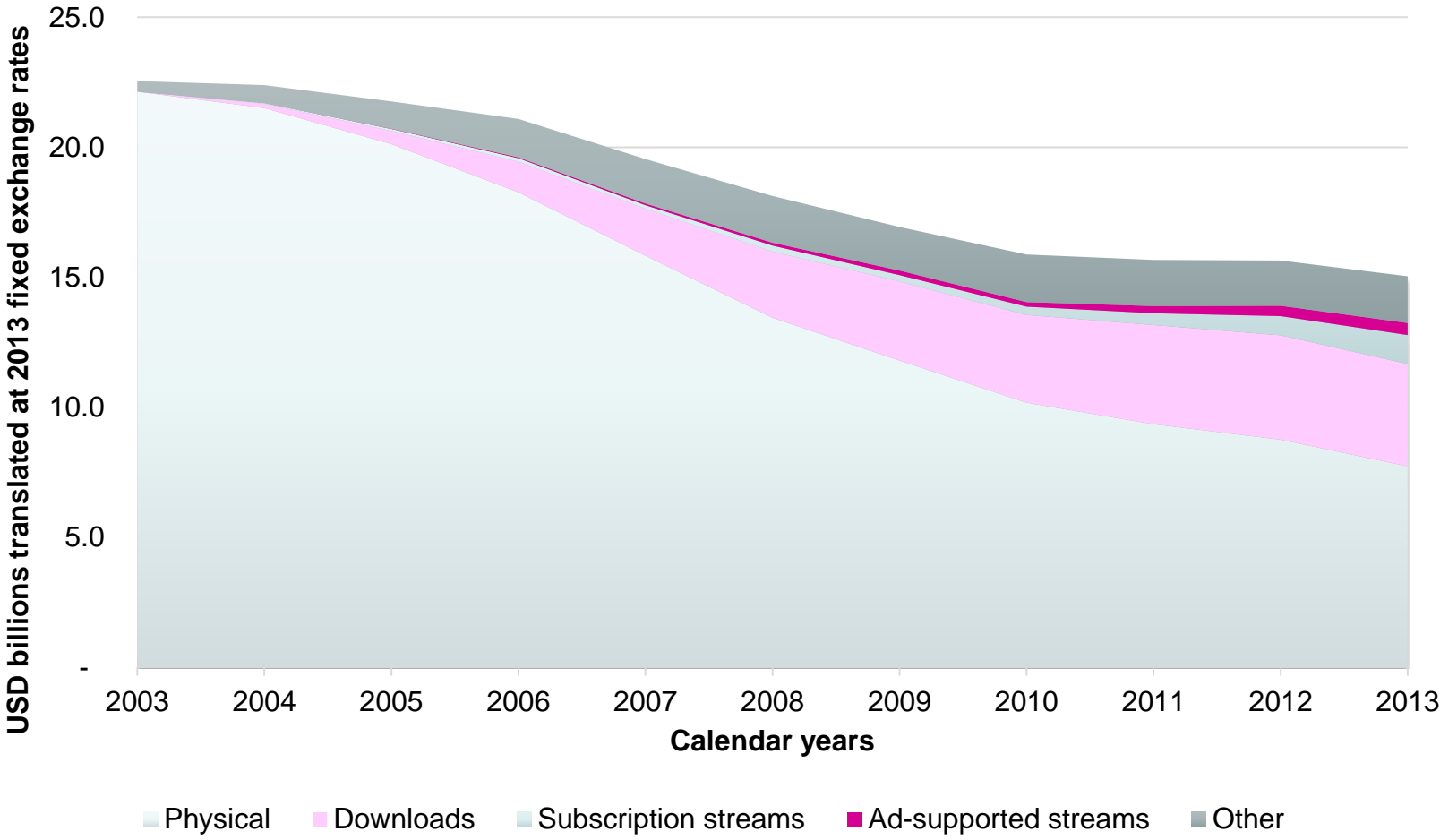
Why the WIPO Treaties matter

- The WIPO Copyright Treaty (WCT) and the WIPO Performances and Phonograms Treaty (WPPT), and the rights and protections contained therein, constitute the basis for today's global digital market place.
- Without the necessary legal and commercial certainty and international protection, local rightholders are deprived of the economic incentives to invest in the creation of new music, books, films, games, etc.
- Copyright Industries are among the most dynamic industry sectors.
- The Copyright Industries contribute significantly to the economy:
 - They are powerful GDP contributors
 - They are an important source of income and export earnings
 - They drive job creation

Why the implementation of the WIPO Treaties matters

- *2014 WIPO study on the contribution of copyright industries*
 - Contribution to GDP on average 5.18 %.
 - Contribution to national employment on average 5.32%.
 - Strong relationship between GDP contribution of copyright industries and Global Competitiveness Index.

Recording industry sales mix



Source: IFPI National Groups. Translated to USD at fixed exchange rates for 2013.

AFRICA & MIDDLE EAST

AFGHANISTAN	EGYPT	LIBERIA	SAO TOME AND PRINCIPE
ALGERIA	EQUATORIAL GUINEA	LIBYA	SAUDI ARABIA
ANGOLA	ERITREA	MADAGASCAR	SENEGAL
BAHRAIN	ETHIOPIA	MALAWI	SEYCHELLES
BENIN	GABON	MALI	SIERRA LEONE
BOTSWANA	GAMBIA	MAURITIANA	SOUTH AFRICA
BURKINA FASO	GHANA	MAURITIUS	SOMALIA
BURUNDI	GUINEA	MOROCCO	SWAZILAND
CAMEROON	GUINEA-BISSAU	MOZAMBIQUE	TOGO
CAPE VERDE	IRAQ	NAMIBIA	TUNISIA
CENTRAL AFRICAN REPUBLIC	ISRAEL	NIGER	UGANDA
CHAD	IVORY COAST	NIGERIA	UNITED ARAB EMIRATES (UAE)
COMOROS	JORDAN	OMAN	UNITED REPUBLIC OF
DEMOCRATIC REPUBLIC OF	KENYA	QATAR	TANZANIA
CONGO	KUWAIT	REPUBLIC OF THE CONGO	YEMEN
DJIBOUTI	LEBANON	RWANDA	ZAMBIA
	LESOTHO		ZIMBABWE

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The Beijing Treaty

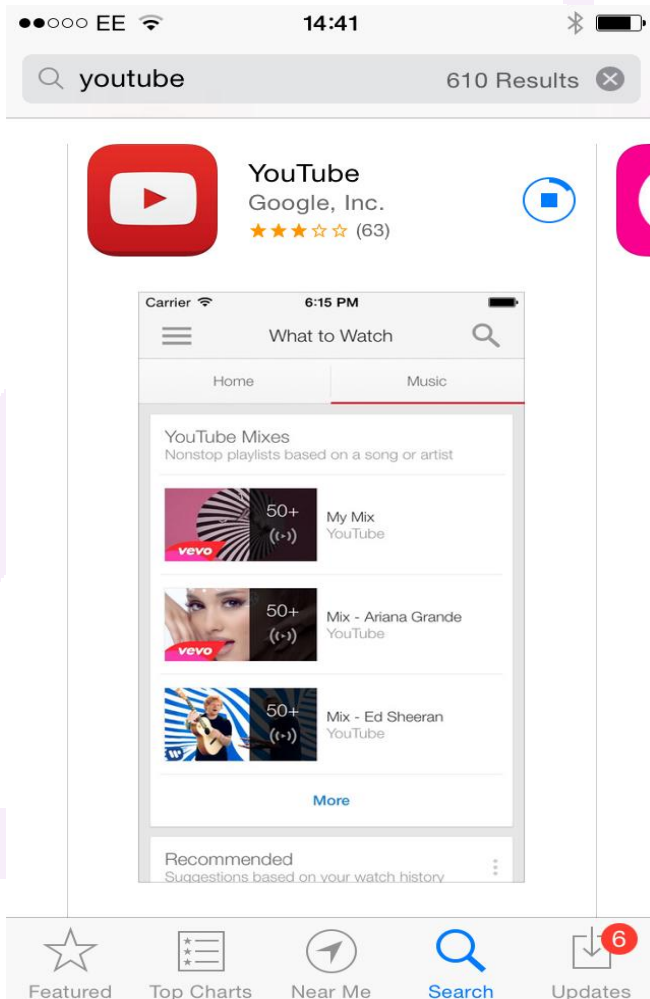
Why do the Beijing Treaty and audio-visual performers' rights matter for the recording industry?

1. Commercial interest

- Sound recordings are used as soundtracks in films and other audio visual products
- Record companies are also producers of music videos

2. Legal / treaty aspects

- Maintaining the inherent logic and coherence within and between WPPT and the Beijing Treaty



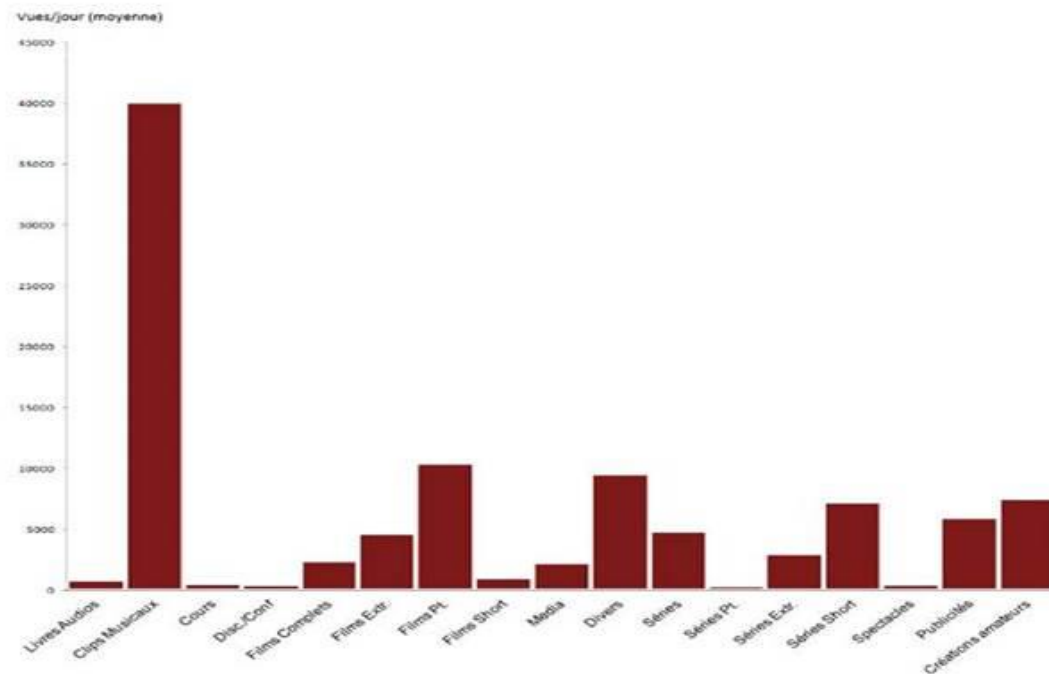
- Ipsos research from January 2015 found that **74% of adult internet users stated that they use YouTube for music.**
- For Europe, the figure is 79%. 84% used YouTube for music or music videos in the previous 6 months, compared to 68% for iTunes, 62% for Spotify and 28% for Deezer.
- With an estimated 1 billion monthly users overall, YouTube video service is currently the world's most popular music service

Music Videos are the most popular content on YouTube

La popularité dans le cadre de ce travail de recherche a été définie comme la moyenne du nombre de vues par jour à compter du jour de mise à disposition de la vidéo. Le calcul de cette popularité s'est basé sur la date de publication et le nombre de vues affichés sur la page des vidéos par YouTube au jour de l'observation.

Popularité selon la catégorie

Sur le graphe ci-contre, la moyenne du nombre de vues par jour des vidéos en fonction de leurs catégories.



La popularité des *Clips Musicaux* surpasse de loin celle de toutes les autres catégories. Elle atteint 40 000 vues par jour en moyenne. Viennent ensuite, dans de moindres proportions, les « parties » de films, c'est-à-dire les séquences organisées de sorte à permettre une reconstitution de l'œuvre au visionnage (à la différence des « extraits »).

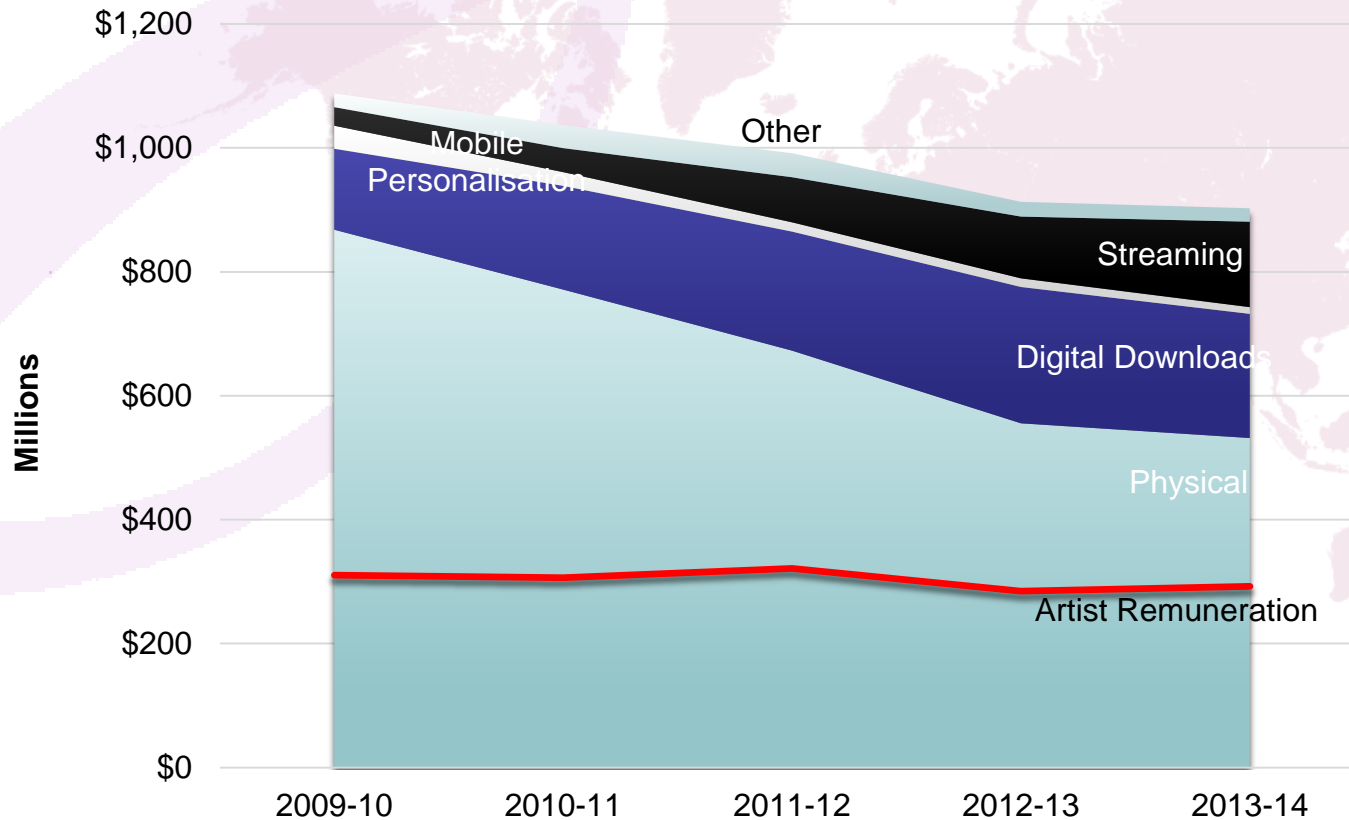
IFPI position - 1

- IFPI supports adequate rights and protections for all performers
- The Beijing Treaty should however not be taken out of its proper context: there is no point in providing protection to audio-visual performers without:
 1. Protecting authors, musicians and phonogram producers; and
 2. Ratifying the 1996 WIPO Internet Treaties, (notwithstanding Article 1(3) of the Treaty).

IFPI position – 2

- When implementing the Treaty and/or providing (new) rights to AV performers, it is essential to understand and take account of the existing commercial practices within the industries, including that performers transfer their rights to producers, who in turn license the use of the products and remunerate performers, therefore:
 - If countries decide to grant AV performers public performance and broadcasting rights under Art 11, those rights should be exclusive rights (as foreseen in Article 11(1)).
 - Performers' rights should be generally transferable and subject to rebuttable presumption of transfer of rights to the producers (as contemplated by Article 12(1)).
 - There should be no additional “unwaivable” payments introduced under Article 12(3).

Payments to local artists for local sales, across 18 countries over 5 year period



Local artists' share of music sales revenue has increased by 13 % over the past 5 years!

IFPI position – 3

- To avoid creating legal uncertainty, any new rights granted following implementation of the Treaty should apply only to fixations made after the ratification of the Treaty (Article 19(2)).

Treaty coherence

- Before or simultaneously with the implementation of the Beijing Treaty, states that have not yet done so, should ratify and implement the WCT and WPPT.
- The Treaties include a number of common and shared definitions and provisions, including protection of TPMs and RMI, that should be interpreted in a coherent manner.
- The Beijing Treaty protects *audiovisual performances*, it does not apply to performances fixed on sound recordings incorporated in audio visual works. Performances in sound recordings continue to be governed and protected by the WPPT.

Conclusions

- Copyright industries offer great growth potential, new digital distribution channels offer opportunities also to creators from smaller territories, provided their rights are respected and recognised internationally
- States should sign up to the Beijing Treaty together with the WIPO Internet Treaties.
- Implementation should respect, not disrupt, the relevant commercial practices within the relevant industry sectors.

... last but not least

- Rights matter only if they can be exercised and enforced in practice.
- Enacting laws and ratifying the Treaties is not worth much if:
 - Rightholders do not have access to enforcement measures and legal procedures to enforce their rights.
 - Rightholders cannot license their rights – individually or through collective licensing organisations if they so elect.
- IFPI is prepared to share its experiences and offer assistance to ensure that local rightholders and industries can grow and prosper.

A decorative graphic consisting of two overlapping, thick, light purple lines. One line is a long, slightly curved horizontal stroke that spans across the top and middle of the page. The other line is a large, open loop that starts from the left edge, curves upwards and then downwards, crossing the horizontal line. The overall effect is a stylized, abstract shape.

Thank you

www.ifpi.org