



Copyright\_Levies\_Reform  
Alliance

### **The Studies and what they prove**

The Alliance produced 4 studies to build our case for the phasing out / freezing of levies:

- i) The “DRM-Enabled Online Content Services in Europe and the USA (*DRM Uptake Study, October 2005*)
- ii) The “Analysis of National Levy Schemes and the EU Copyright Directive Legal” (*Legal Study, February 2006*)
- iii) The (*Levies Collection Study, April 2006*)
- iv) The Nathan Associates Economic Impact Study (*Economic Study, April 2006*)

The **DRM Uptake Study** examines the evolution of sales of DRM enabled music and ringtones in Europe and in the US for the years 2000 to 2008. It shows that DRM enabled content is increasingly sold both in Europe and in the US. In Europe, as result of the application of the EU copyright Directive’s rules, the increase market sales of DRM enabled content should trigger a corresponding reduction in levies collected in each market.

The **Legal Study** analyses the implementation and application of the EU Copyright rule (Article 5.2b) requiring an adaptation of levies to reflect the application of technical measures. In the 20 EU Member States surveyed, the Legal Study finds that less than half of the Member States faithfully transposed Article 5.2b. Further, it finds no evidence (except in single case in the NL) that Collecting Societies effectively apply or take into account the application of DRMs / TPMs. Likewise, the study finds no evidence of any systematic assessment of harm due to private copying.

The **Levies Collection Study** provides an overview of charged or claimed levies in 9 EU markets (AT, BE, FR, FIN, DE, IT, NL, SW and SP) for the years 2001 to 2009. The figures reveal that the collection of levies will increase significantly over the coming years, despite the increased use of technical measures evidenced in the DRM Uptake Study. *Levies Collection Study* also confirms the finding of the *Legal Study* indicating that even when Article 5.2b is implemented in national laws, this provision is not taken into account by the collecting societies.

The **Economic Study** examines the economic impact of levies to producers, consumers and to artists. This study shows – through various cases studies and in application of sound economic principles - that levies have an economic impact beyond the mere collection of levies that limit the growth of ICT and CE industry, the sales of content to consumers and the choice of consumers.

Taken together, the studies confirm that 5 years after the adoption of the European Copyright Directive (Article 5.2b) levies are on the rise despite a growing market for DRM enable content and with economic consequences on both consumer, the ICT industry and artists.