

EURIMAG: Modernising copyright levy systems in Europe.

Did you know...

1. ...that copyright levies are penalising public institutions and businesses which have to pay levies on their equipment although, in most Member States, employees are not allowed to make private copies at work?
2. ...that the levy claimed in Germany on multifunctional colour printers is twice the levy claimed on multifunctional black & white printers, suggesting that the actual harm suffered by rights holders is doubled if a protected work is copied in colour?
3. ...that Spanish consumers buying a multifunctional printer are paying a levy equivalent to the copyright royalties of more than 23 sold copies of a book, whereas studies show that the average consumer only copies 6 to 8 book pages over the life of the product?
4. ...that in Belgium, where levy tariffs are calculated based on the speed of a device, an eight-fold increase in the printing speed could lead to a 64-fold increase in the levy paid by the consumer?
5. ...that one German collecting society is claiming a levy of about 77% on the end-user sales price for multifunctional printers with an average price of 100 Euros?
6. ...that the EU Copyright Directive 2001/29/EC gives Member States the possibility of allowing copying for private purposes, but does not suggest that equipment manufacturers should be liable to pay compensation for private copying nor that compensation should be obtained through levies?

fair.
transparent.
proportionate.
aligned.
modern.



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European consumers are suffering from unfair copyright levies.

European Copyright levy regimes are often referred to as systems of 'rough justice'. European consumers are asked to pay an arbitrary levy when buying an IT device – regardless of how they use the equipment and whether or not they make copies of copyright protected content.

Such levies are claimed based on assumptions rather than facts.

The EU Copyright Directive and most national legislation explicitly refer to the concept of 'fair compensation' and to the notion of actual harm as a yardstick for determining whether a levy should be charged and how high it should be.

In other words, a clear link should exist between what a consumer copies and the copyright levies charged. Instead, consumers pay copyright levies irrespective of whether rights holders have already received compensation in some other form (e.g. through licences, etc), resulting in multiple payments.

Most consumers are actually unaware of the fact that they pay a levy when buying IT devices. And, if they are aware, they do not know what the money is used for.

Europe's competitiveness is suffering.

Copyright levy payments and disputed levies put a tremendous burden on Europe's IT industry. In some countries individual companies have had to pay more in copyright levies than in corporate taxes. Furthermore, the European IT imaging and printing sector faces tremendous potential liabilities in pending court cases. These potential liabilities amount to over €1,5 billion in Germany alone and affect investment in technological development, resulting in less choice for consumers.

And so are Europe's authors.

The controversial discussions between industry and collecting societies have led to lengthy litigation over the years. The result is that authors do not get timely compensation in countries where disputes exist and the industry is increasingly faced with severe and unfounded liabilities in courts. According to the German ICT Industry Association, Bitkom, 85% of the €694 million in copyright levies that collecting societies have claimed from industry in Germany in 2005 are currently disputed in court.

The cultural sector and ICT industries, including the imaging sector, are highly interdependent and have a mutually beneficial relationship. In the digital age, new technologies not only facilitate creation but have become an indispensable means to provide for the dissemination of, and access to, cultural works.

What is EURIMAG's perspective?

The European Imaging Association (EURIMAG) fully supports fair compensation of rights holders for private copies made of their works. However, it is deeply concerned by the disproportionate nature of levies claimed, especially when compared to the low quantity of private copies actually made by consumers. Furthermore, we believe that only devices which are actually used for relevant copying should be included in the levy system.

EURIMAG believes that copyright levy systems should be:

fair. Consumers should not be obliged to pay levies on equipment which they do not use for private copying nor in cases where rights holders have already received compensation in some other form – such as licensing. Levy fees should be proportionate to the actual harm done to rights holders from legal private copying.

transparent. Although copyright levies are not taxes, consumers should be informed that they are paying a levy when purchasing IT devices and what this money will be used for.

proportionate. Copyright levies should not be economically disproportionate to the price of the products on the market otherwise they will result in unfair market distortions and unjustifiable barriers to trade within the European Union. To avoid trade distortions, levies should not exceed 3% of the product price, which is the estimated cost of shipping a consumer incurs when purchasing a product in a neighbouring Member State.

aligned. Currently, equipment manufacturers producing and selling in Europe are obliged to pay levies first in the country of production/entry into the European Union and then again in the country of sale. The levy paid in the country of production/entry can only be recovered by means of a cumbersome administrative procedure. These unnecessary administrative burdens are in contradiction with the concept of the free circulation of goods.

modern. The copyright levy systems need to be adapted to the realities of a digital environment and take into account the technological possibilities for alternative means of protection and compensation.

What are copyright levies?

Copyright levies were created in the Sixties as a form of indirect remuneration, similar to a tax, to compensate for the harm caused to rights holders by legally permitted acts of private copying. Originally, levies were collected only on equipment specifically designed and purchased for copying of copyright-protected works. Now, however, levies are applied on all types of equipment and media that can conceivably copy copyrighted content – whether or not they are used for this purpose.

Member States that provide for copyright levies impose them on manufacturers, importers or distributors of such equipment or media. This levy is then either included in the final purchase price of IT equipment paid for by the consumer or absorbed by the manufacturer when, for competition reasons, it is not possible to pass the levy on to the consumer or when the levy claim is retroactive. The levies are subsequently collected and distributed to rights holders by so-called collecting societies. These collecting societies are very often monopoly organisations and there is, to date, little transparency and accountability around how they work.

The EU Copyright Directive of 2001.

European legislation – namely the Copyright Directive 2001/29/EC – regulates private copying and compensation. The Directive grants Member States the option to allow private copying and to provide for compensation. However, the Directive neither explicitly nor implicitly suggests that manufacturers and importers of equipment and media are liable to pay compensation, and that compensation should be obtained through levies. Some countries decided originally not to introduce a levy system at all, and others have since dismantled their existing systems.

Who is EURIMAG?

The European Imaging Association (EURIMAG) is the primary organization representing the IT imaging and printing industry in Europe. Founded in March 2007, its membership is comprised of the leading manufacturers of printers, scanners, and multifunctional devices including Brother, Canon, Dell, Epson, Hewlett-Packard, Konica-Minolta, Lexmark and OKI. In Europe these eight companies account for direct employment of over 85,000 people.

Copyright levies are currently the most pressing issue for the sector on a pan-European scale. EURIMAG encourages a fair implementation of the Copyright Directive across Europe. To find out more about EURIMAG or the topic of copyright levies, please visit our website: www.eurimag.eu