

PRESIDENCY CONCLUSIONS

Expert Conference

“creativity.online.fi –European Content and Copyright Policy”

on 13 and 14 July in Helsinki

The Conference, that gathered some 380 participants, was inspired by the European Commission’s initiative Film Online. Its intention was to strengthen this initiative and broaden the policy considerations to all cultural content online. The meeting was the third Presidency event in line dealing with content and creativity in a competitive European Single Market. The conclusions from this Conference confirmed many of the results of the October 2005 UK Conference on the Creative Economy and the Austrian Expert Seminar “Content for Competitiveness” in March 2006. The Conference focused especially on *European content policy and copyright policy*, and it formed a decisive step forward in the debates on these complicated issues.

1. The Conference consisted of *five sessions* on current topics like the state-of-the-art in the content online market today, new online music licensing schemes, consideration of EU-wide and external aspects of content and copyright policies and the different and changing roles of actors on the online markets.
2. The Conference emphasised the significant *role of the cultural industries* in the creation of economic value added for society, and the potential and growth of online business in Europe. It was widely agreed that both properly functioning *distribution platforms* and an effective *system of rights* are essential for a prosperous European online market for creative content.
3. As the Conference focused on the key asset of the Information Society *i.e.* film and other creative content, the deliberations at the Conference supported the aims of *the Lisbon Agenda* and of *the i2010 Strategy*, particularly in stressing the importance of a competitive market of European online content.
4. The Conference recognised that, based on the Recommendation on *collective cross-border management of copyright and related rights for legitimate online music services* (2005/737/EC) issued in October 2005 by the European Commission, several EU-wide licensing schemes using the management models put forward in it are being or have already been developed. Growing attention is also being given to governance by collecting societies. Concern was also voiced about the role of small and medium-sized collecting societies in the emerging EU-wide market for online licensing, with reference to the issue of cultural diversity.
5. The Conference found that online markets offer immense possibilities especially for the *European film industry*. In view of this, the European creative industries were encouraged to actively forge alliances to facilitate entry into the online markets. Lawful use of peer-to-peer (p2p) systems may generate efficient methods for distribution of European films online. This would increase the cultural diversity of the offerings remarkably. The European Charter on Film Online was emphasised as a way of developing commendable practices for the benefit of all parties without a need for legislative intervention.
6. As a result of the discussions it became clear that any European policy to foster these industries is necessarily *multisectorial*. Such policy naturally includes sector policies on

Culture, Information Society, Internal Market and Trade. It extends also to other policy areas, such as Competition and Employment.

7. The following **core conclusions** can be drawn from the Conference:

Content policy, markets and business models

- *Content is at the core* of business and the creators are the backbone of culture and cultural industries. The *convergence* of information and communication technologies continues and is rapidly leading to a variety of new platforms and techniques for distributing online content. There is a strong demand for new and attractive online content.
- The *consumers, and citizens* in general, are the *most crucial players*: A new culture of creating and consuming on-line is being established. It was recognised that, in information society, citizens are more frequently both creators and consumers of content. Consumer organisations were invited to help formulate *balanced approaches*.
- European content is *linguistically and culturally diverse* and of tremendous value to society. The creative industries are of vital importance for the economy in the EU. Joint action of the interested parties should be supported by effective policies on the EU level. European content industries could flourish with the help of functioning online markets.
- *Financial support schemes* - especially for SME's in the creative fields – are necessary on the EU, Member State and regional level. These schemes should be skilfully set up in order to avoid trade distortions within the Internal Market.

Licensing and doing business online

- In information society *dealing in content is dealing in rights*. And globally speaking, every trans-border online sale of a film or a piece of music, is in fact an instance of *trade in services*, not products. The global online market cannot function properly without an internationally well-functioning IPR system, especially as concerns copyright and related rights. When the world becomes more complex, the rights clearance must become simpler.
- A working process between the copyright collective management societies and music publishers was triggered by the Commission Recommendation on *online music services*. New and workable models will, in the course of time, appear. A time frame of 12 months has been set for the first phase.
- It is also fundamental to enhance the use and support the operation of digital rights management systems (DRMs), primarily through market-driven solutions. Effective DRMs should be seen as a possibility for the creative industry, not an obligation. These systems will be developed based on consumer reactions. Eventually it is the user who will decide how the market will work.

Rights issues

- In a changing operational environment also *legislation must be constantly adapted*. Extending the European *acquis communautaire* is not the only way to regulate. The

legislation can be complemented with *light touch regulations*, such as codes of conduct and self regulation.

- For the performance of the copyright system *awareness raising, education and information* are essential. Copyright needs to be communicated in a clear and balanced way to the general public. A sufficient understanding of the copyright system should be a fundamental element of modern literacy and civic skills. This could, in the best case, result in inherently and generally accepted social norms in this area.
- *Piracy* is still a big problem for the creative industry. The measures to combat both physical and online piracy should robustly concentrate on offering legal alternatives for the public, providing at the same time for effective enforcement of the legislation at global, EU and national levels.

8. In pursuing the goals set in the *future policy on content online and creative industries* initiated by the European Commission and supported by the Member States, the **Presidency highlights** the following:

- **Act now.** The Presidency emphasises that we must not lag behind in forming a functioning and competitive market for European content. The Presidency recognises that an important part of this is reinforcing necessary financial support systems for the creative industry and improving the general framework conditions of European creative industries.
- **Develop policies.** The Presidency supports a joint consideration of explicit national and Community policies, for content online business, and also for the area of copyright. It invites the upcoming presidencies and the European Commission to continue keeping this issue to the fore in European information society.
- **Build on the Charter on Film Online.** The Presidency welcomes the fact that the Commission has announced its intention to adopt a Communication on Content Online, inspired by the wide acceptance of the Charter on Film Online, towards the end of this year.
- **Create a European catalogue.** The Presidency calls for a strategy to bring together the European film producers to jointly make available a greater catalogue of European content to the audiences of the world.
- **Promote interoperability.** The Presidency promotes and supports joint ventures to solve interoperability problems and encourages the European Community and its Member States to actively support work to this end.
- **Safeguard citizens' freedoms.** The Presidency reminds that when DRMs are used to protect content in information society, the European Community and its Member States should safeguard citizens' lawful possibility of making private copies.

Information on Relevant Developments after the Conference

1. The European Commission released **a public consultation on Content Online** in the Single Market on 28 July, 2006. The Commission intends to encourage the development of innovative business models and to promote the cross-border delivery of diverse online content services. It is also keen to ascertain how European technologies and devices can be successful in the creative online content markets. Input to this consultation will help to shape a Commission Communication on Content Online, due to be adopted by the end of this year. The Presidency greatly appreciates these efforts of the European Commission and has urged all relevant parties to participate in the consultation most actively.
2. On 24 August 2006 the European Commission gave a Commission Recommendation **on the digitisation and online accessibility of cultural material and digital preservation** (2006/585/EC). The aim of the Recommendation is to optimise the full economic and cultural potential of Europe's cultural and scientific heritage by means of the Internet. The recommendation is part of the Commission's Strategy, as set out in the Commission Communication "i2010: digital libraries" of 30 September 2005 (COM (2005) 465 final). The Presidency sees this proposed task as an immense opportunity for European citizens and cultural field in general and will prepare a set of Council Conclusions for the November 2006 Education, Youth and Culture Council in order to engage Member States in the recommended activities.
3. It should also be noted that the Finnish Presidency organised on 28 September 2006 a conference titled "**i2010 - Towards a Ubiquitous European Information Society**". The conference dealt with the impacts of new technology on data security, e-services and communication networks. The Presidency emphasised especially the need for *one common standard for Mobile TV transmissions in Europe*, with a view to further development of the European Information Society in general. Next year the European Commission will issue a communication on the development of the mobile TV markets prepared under the lead of Commissioner Reding.