

Collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market

2012/0180(COD) - 26/02/2014 - Final act

PURPOSE: to increase transparency and efficiency in the functioning of copyright collective management organisations, and facilitate the granting of cross-border licensing of authors' rights in online music.

LEGISLATIVE ACT: Directive 2014/26/EU of the European Parliament and of the Council on collective management of copyright and related rights and multi-territorial licensing of rights in musical works for online use in the internal market.

CONTENT: the Directive lays down: i) requirements necessary to ensure the proper functioning of the management of copyright and related rights by collective management organisations; (ii) requirements for multi-territorial licensing by collective management organisations of authors' rights in musical works for online use.

The directive is linked to the development of the [Digital Agenda for Europe](#) and Europe 2020 strategy. Its main points are as follows:

Multi-territorial licensing of online music: currently, in the online music sector, online service providers wishing to obtain licenses for cross-border music services across EU borders have to obtain licences from separate collective management organisations in each EU Member State. The new Directive will enable service providers to obtain such licenses from collective management organisations operating across EU borders.

Clear description of rights of rights holders: the Directive provides that Member States must ensure that collective management organisations act in the best interests of the rights holders whose rights they represent. Rights holders shall have the right to authorise a **collective management organisation of their choice** to manage the rights, categories of rights or types of works and other subject-matter of their choice, for the territories of their choice, irrespective of the Member State of nationality, residence or establishment of either the collective management organisation or the rights holder.

Rights holders will be free to entrust the management of their rights to independent management entities.

Requirements applicable to collective management organisations: in order to ensure proper management of copyright, collective management organisations must observe rules on **transparency** and reports, as well as on **governance** and the collection and use of revenue. The Directive establishes, for example, that collective management organisations must have a supervisory role regarding financial management, as well as provisions on their members' right to vote and their right to vote in the general assembly through a proxy.

Timely and appropriate remuneration for artists: each collective management organisation **regularly, diligently and accurately** distributes and pays amounts due to rights holders. Revenue will have to be distributed to artists as quickly as possible, and **no later than nine months** from the end of the financial year in which the rights revenue was collected, unless objective reasons prevent the collective

management organisation from meeting that deadline. There are also provisions regarding the use of all sums that could not be distributed.

Representation agreements with other collective management organisations: the Directive introduces rules on representation agreements amongst collective management organisations regarding the grant of multi-territorial licences. To ensure that the creators of music in all Member States have access to licences covering more than one country and to **preserve cultural diversity**, collective management organisations that do not themselves issue copyright licences for more than one country will be able to request another organisation to represent their repertoire. Under certain conditions, those organisations would be obliged to do so. Collective management organisations will have to manage the repertoire they represent **under the same conditions** that they apply to their own repertoires.

Dispute resolution: the Directive also introduces provisions on complaint handling and dispute resolution. Member States may provide that disputes between collective management organisations, members of collective management organisations, rights holders or users can be submitted to a rapid, independent and impartial alternative dispute resolution procedure.

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