



March 29th, 2021

## Position of the CEE Digital Coalition on the current shape and reform of copyright levies system

As the digital and advanced technologies industry of the countries from Central Eastern Europe represented by the organisations signed below, we would like to share our position in regard to the system of financing creative works based on copyright levies in the European Union.

CEE Digital Coalition shares a common goal of strengthening the idea of a Digital Single Market in our region and across the European Union and strives to create a unified policy environment fit for the modern Europe. We believe that current system of compensating the creative community based on copyright levies is obsolete and unfit for modern landscape.

Artistic work deserves a system of honest financing and compensation. Such a system, however, should be considerate of all the parties affected. Being bound to include an additional private copying levy in the prices of devices according to home state regulations and to pass the collected financial resources to local copyright collectives, manufacturers and distributors of electronic devices are a vital link in the current system. This system however is failing to adhere to current technology and emerging social habits.

Firstly, since the 1960s, when copyright levies were introduced, massive progress has been accomplished in terms of technology, devices used, and ways consumers experience artistic work. When first implemented, copyright levies were designed to compensate artists for any detriment they may suffer as a result of

consumers copying their work. To achieve that, devices and media capable of generating or storing such copies has been subjected to the fee ever since. However, as cassette tapes, VHS tapes and compact discs became obsolete, so did the premise of copyright levies. Copying of artistic work is a dying phenomenon. Countless new ways of consuming artists' work are now in place with streaming services serving as the best example. Novel models substituted the habit of making copies to experience creative work. Meanwhile, the mechanism of copyright levies did not evolve, causing it to become obsolete. New business and services models have surpassed the outdated framework of levies, unfit for the ways of consuming and experiencing artistic work today. As the very basis for copyright levies' mechanism is disappearing, the system fails to keep up with technology, developed devices and current methods of experiencing culture and does not solve the issues it was established to counter.

The technological landscape has changed drastically since the introduction of copyright levies and the aged system does not serve parties it affects anymore. A reform of this outdated system is long overdue and should be proceeded in order to provide means of compensation and financing of hard work done in the artistic community, while answering to current technological environment and respecting the crucial role of our industry in the mechanism.

Secondly, since their rise, a persisting modus operandi in case of copyright levies consisted of never-ending updates of locally regulated lists of affected devices and media. Such a solution proves to be inefficient in the face of rapid technological and social progress. This makes the current system struggle, as novel solutions are developed at a faster rate that the legal frameworks can be adjusted to existing products and services. Law already suffers from being detached from current technological reality and trends in consuming artistic work. Current system fails to answer to modern needs of artists and the industry gathered around the devices affected. Due to decades of accumulating differences, current shattered and inhomogeneous system is inefficient in pan-European scope as discrepancies occur even at the level of closely cooperating countries of our region. Thus, it is outright opposed to the idea of integration. Technological advance and ever-growing digitisation require a suitable universal law capable of keeping up with the ongoing progress and obsolete private copying principle is limiting faster development and availability of a new technologies and services. Need for a reform of the private copying levies system raises from the very spirit of European integration and is aligned with constant effort to establish and improve the Digital Single Market across the European Union.

**We believe a major rework of the system of financing creative works based on copyright levies to solve the issues described and adhere to modern technological and social environment is needed now more than ever.** Further delay will only add to the problem as new devices, business models and ways of experiencing artistic works are inevitably developed around the entire world, also impacting Europe. We encourage the European Commission to answer our call to develop a novel universal and fair model, securing well-being of artists and the digital and advanced technologies industry in the region of Central Eastern Europe and the European Union as a whole.

Unified mechanism, outperforming current, obsolete tools and providing a lasting solution fair to the exceptional artistic community in Europe and the vast industry of manufacturers, importers, distributors of electronic devices, securing further integration of the European Union and its market is mandatory. **We call upon the European Commission to join the dialogue and accept our invitation to meet representatives of the Central and Eastern European digital industry to discuss the current shape and the future of copyright levies system in the European Union.**

Signed by:

- √ APDETIC - Association of Producers and Distributors of IT&C Equipment – Romania
- √ ASE - Consumer Electronics Association of the Czech Republic
- √ The ICT Association of Slovenia (ZIT) – Chamber of Commerce and Industry of Slovenia
- √ Digital Poland Association (ZIPSEE)
- √ INFOBALT Lithuania
- √ ITAS – IT Association of Slovakia
- √ IVSZ - ICT Association of Hungary
- √ LIKTA – Latvia Information and Communications Technology Association
- √ National Digital Alliance (DNA) - Bulgaria
- √ SAPIE - Slovak Alliance for Innovation Economy