

# The Digitisation of Collective Rights Management

*Role of Collecting Societies in a World of DRMs*



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## Collective Rights Management

**Def.: collective of rightholders for licensing uses against payment, collection and distribution of royalties**

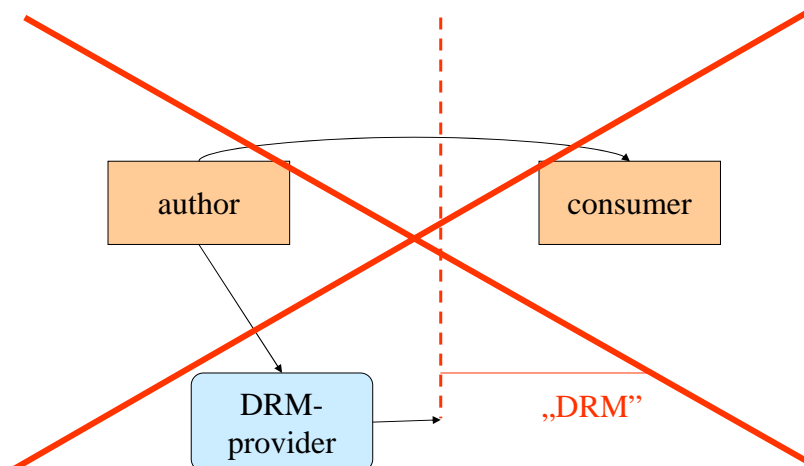
– „price fixing cartel”

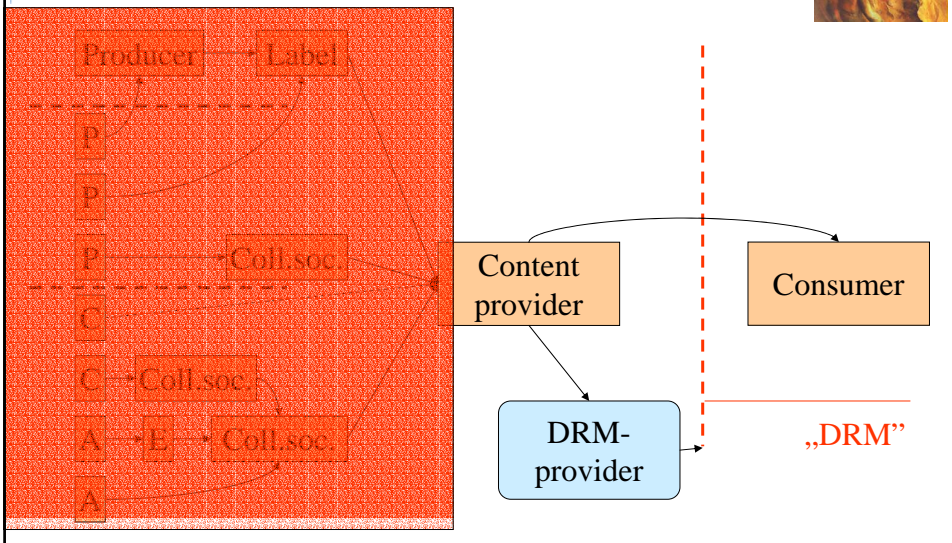
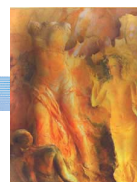
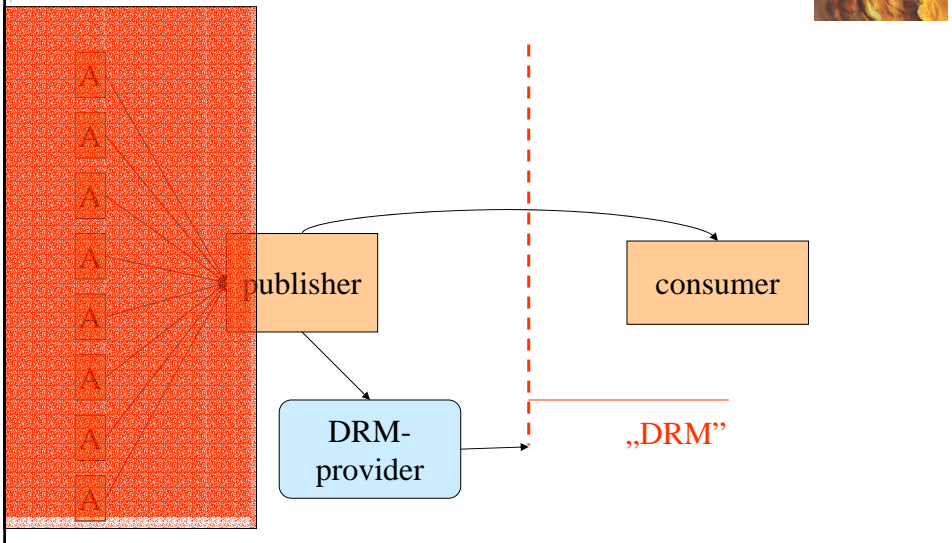
- Rights concentrated in one hand – equal treatment to all authors and works
  - consumer / cultural interest: free choice of the user, world repertoire
- Stronger negotiating power against users
  - consumer / cultural interest: financial background for independent creation
- Dividing enforcement costs
- Additional services to members (eg. legal advising)



## Digital and/or Collective RM

- **Collective Rights Management:** joint exercise of copyright
  - licensing of uses
  - collecting royalties
  - distributing royalties
- **Digital Rights Management:** NOT RM carried out on a digital basis!!!
  - *Is it rights management at all?!*







## DRM ⇒ DCC

<u>Real Rights Management System</u>	<u>So-called (IT) Digital Rights Management System</u>
<ul style="list-style-type: none"><li>• right (granted by copyright law) on special subject matters (specified by copyright law)</li></ul>	<ul style="list-style-type: none"><li>• technical control (power) over any digital content</li></ul>
<ul style="list-style-type: none"><li>• licensing/prohibition of copyright-relevant uses</li></ul>	<ul style="list-style-type: none"><li>• permission/forbidding of any acts based on a mere technical possibility to prevent these acts</li></ul>
<b>(Digital) Rights Management</b>	<b>Exercise of Digital Content Control</b>



## DRM and/or CRM?

### i) levies vs. DRM

- Levies: remuneration compensating rightholders for the (theoretical) losses caused by private copying exception.
  - levies on media, and/or
  - levies on recording equipments
- DRMs can (could? could have?) preclude the possibility of private copying

⇒ in a world of total DRM-coverage no levies could survive

⇒ terminate / „phasing out” / continue levies?



## DRM and/or CRM

### ii) „phasing out collecting societies...?”

The problem:

- DRM gives more possibilities to individual exercise of rights
- the reason of CRM is the impossibility of individual rights management  
⇒ should the total phenomenon „phase out”?
- Other reasonings of CRM are stronger
  - to rightholders
  - to consumers and the public at large
- Individual exercise of rights through DRM needs a strong central entity (the technology is expensive and „techy” to authors) Should it be Microsoft or their own society?  
⇒ question for futurology, not for legal sciences



## DRM and/or CRM

### iii) new role of collecting societies

- Coll.Soc. is not „content owner” – will not be DRM-applier
- But: it will give rights to the DRM-applier content owners  
⇒ it is worth collaborating with these technologies (exact royalty distributions!)
- Moreover: CISAC led the way: developing standards approved by ISO (consumer interests)
- Target: work- and rightholder-identification (the basis of every DRM system)



## The CIS-plan

- CISAC: International Confederation of Societies of Composers and Authors
- Goal: developing the accounting between collecting societies (documentation and distribution standards)

Standards approved by **ISO**:

- ⇒ ISWC (International Standard Musical Work Code)
- ⇒ ISAN (International Standard Audiovisual Work Number)
- ⇒ ISTC (International Standard Text Code)



## ISWC, WID

- ISWC-code is issued by national agencies (Hungary: ARTISJUS)
  - Range of codes
  - [www.iswc.org](http://www.iswc.org)
- WID – Work Information Database
  - Available online and on CD-ROM
  - Communication: EDI (electronic data interchange) standardised format
  - owner: CISAC, administered by ASCAP



## IPI (Interested Party Information)

- System for identifying rightholders
- Earlier: CAE (only composers, lyricists, music publishers)
- IPI: wider, more creation classes (eg. software, audiovisual)
- Individual identifier to every person / organisation
  - Base Number: individual ID Nr.
  - Several „Name Numbers” (eg. pseudonyms)
- separate „slices” of economic rights (different coll.soc.s or individual management) - flexibility



## Further developments

- **AVIndex** – Database for audiovisual works, using EDI. Available: internet and CD-ROM. Owner: CISAC, administered by MCPS-PRS.
- **UP** (Unidentified performances) format – database of unidentified works registered from music uses
- **CWR format**: used by music publishers for registering the works administered by them at collecting societies
- **E4, M3, F2**: Standard formats of information exchange between collecting societies



### CIS-Net

- Stronger IT cooperation of certain collecting societies
  - LatinNet
  - Mis@Asia
  - NordDoc
  - FastTrack
- CIS-Net: building a virtual database; using a search engine
- Fast Track technology is acquired by CISAC, will be available to all member societies



### MI3P

- Music Industry Integrated Identifiers Project
- beginning: september 2000
- participating: RIAA, IFPI, CISAC, BIEM
- ⇒ automating information exchange between phonogram producers, musical collecting societies and their business partners
- ⇒ Participants will obtain an ID Nr. from **MI3P Messaging Registration Authority**





## MI3P

- Precedents:
  - ISRC (International Standard Record Code) [www.ifpi.org/isrc]
  - ISWC [CISAC]
  - IPI [CISAC]
  - International Performers' Number – identifying performing artists.
- MI3P: will not replace existing systems: increasing their value by creating connections



## MI3P

- **GRid** (Global Release Identifier)
  - individual identifier of sound recordings
  - International GRid Authority (IFPI) ⇒ Issuer Code
  - standardised fixation of many kinds of metadata
- **MWLI** (Standard Musical Work License)
  - individual identifier of licenses issued for the use of musical works embodied in sound recordings
  - International MWLI Authority (CISAC) ⇒ Issuer Code
  - standardised fixation of many kinds of metadata

<http://www.mi3p-standard.org>

**Thank you for your attention!**



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