



GSME Position on Copyright Levies in a Converging World

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GSM Europe (GSME) welcomes the opportunity to comment on the Commission's Stakeholder Consultation on Copyright Levies in a Converging World. GSME represents the interests of 147 mobile network operators. Our members are increasingly important distributors of digital content, e.g. in the form of music and video clips and resell mobile handsets to their subscribers. GSME recognises the importance of proper compensation for rights holders and prevention of unauthorised distribution. In a converging market for digital content where technology is evolving at a rapid pace, however, GSME believes that the systems of copyright levies operated by a number of EU Member States are increasingly outdated and not suited to the digital environment. They cannot compete with efficient DRM systems which allow customers to pay only for the digital content they wish to use and which allow rights holders to be correctly remunerated.

Transparency

Under a copyright levy system, customers purchasing recording media or hardware may be required to pay the levy, whether or not they actually use that equipment to make copies of content. GSME would certainly oppose any moves to impose additional charges in the form of levies on the purchase of mobile handsets, which are primarily used for telecommunication services rather than copying. It would increase the price of mobile handsets and raise customers' costs of entry to the market for on-line content. In addition, the current management of levies by collecting societies is not efficient. It does not provide for sufficient transparency in the way levies are collected, administered or distributed, and there is no direct correlation between the amount of levy collected and the actual compensation paid to rights-holders.

Digital Rights Management (DRM) systems

DRM systems are being developed to offer a high level of protection to rights holders against unauthorised distribution of their copyright protected content, and to enable them to offer controlled rights of access. These systems, which are now provided in a growing number of handsets, prevent unlicensed copying of copyright protected content and allow customers to consume on demand the content they download. Under this system, customers are paying for the type of content they want to consume, and the revenue can be attributed precisely to the appropriate rights holder.

GSME therefore believes that technical protection measures such as DRM systems are a more appropriate means of controlling access to digital content than an outdated system of copyright levies more suited to the analogue environment. Until now, to the detriment of copyright holders, a more-or-less all-encompassing levy scheme could be perceived by users as an unlimited licence to copy.

Conclusion

Copyright levies were developed to deal with the problem of lack of oversight over the private copies of content made by individuals. In the age of digital content, technology is now increasingly available to manage the copying of content - GSME therefore believes that copyright levies should not be extended to mobile handsets across the EU, and welcomes the promotion of more transparent, technical protection measures which enable rights holders to determine the level of access they wish to assign, and to offer customers differentiated digital content products to match their own consumption preferences.