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# All Rights Reserved? Copyright in the Digital Age

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## A whistle-stop tour...

- 1) The context of Collective Rights Management in the UK
- 2) How the UK system works in practice
- 3) UK Collective Licensing in a Digital Era
- 4) Publishers' interaction with PLS & PLSe
- 5) The Future

## 1) The context of collective licensing in the UK

- The history
- Structural organisation of collective licensing in the UK
- Governance
- A few key points...

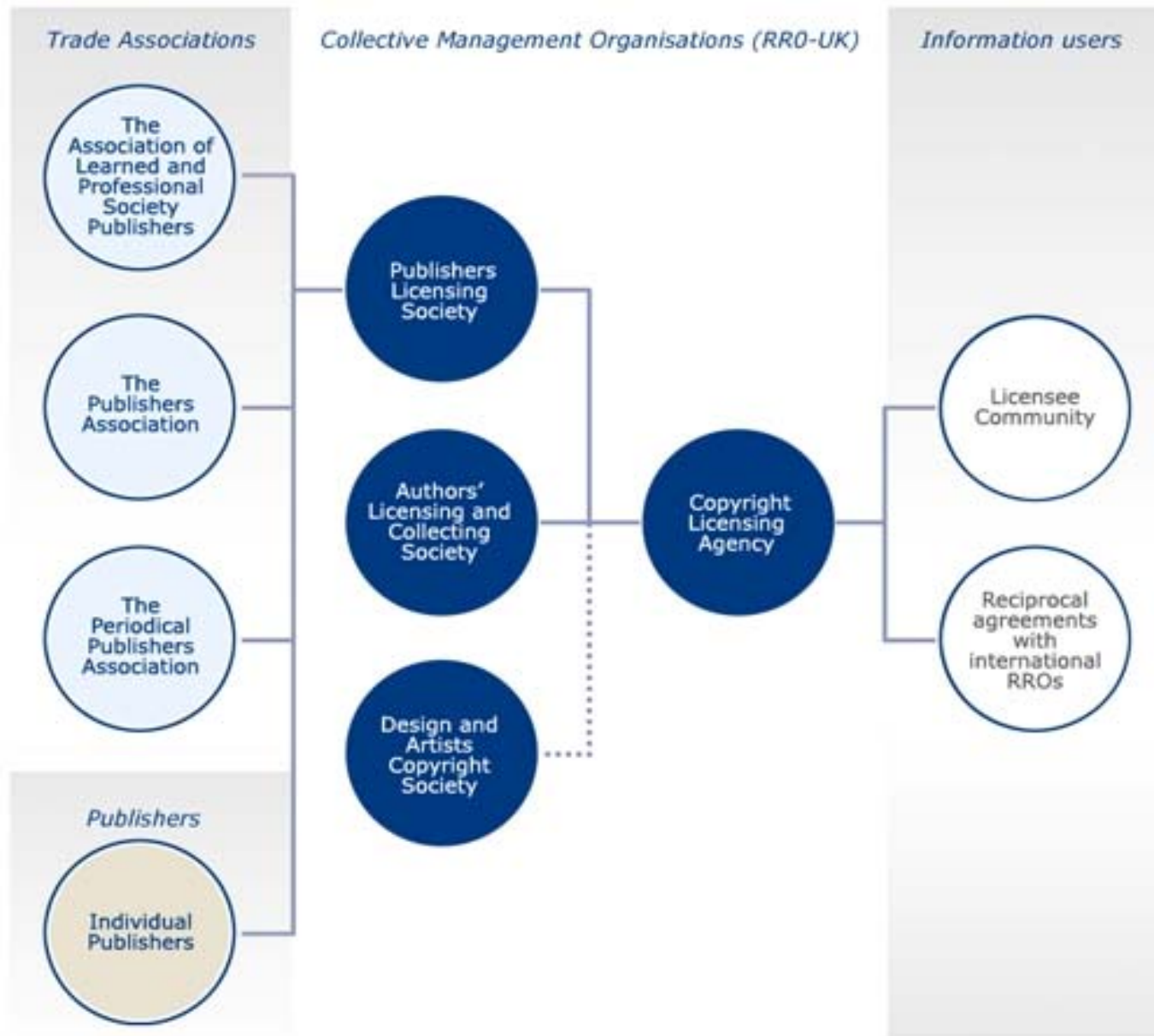
## The birth of collective licensing in the UK

- 1970s – concerns over increased photocopying in schools
- A licence solution proposed to compensate rightsowners. A case against an unlicensed school brings licensing money to the table
- Schools become licensed, universities express an interest
- CLA set up to administer licences and fees
- 1980s Landmark point: Copyright Designs & Patent Act 1988 includes a provision for a voluntary collective licensing system in the UK
- A critical mass of publishers enables collective licensing to operate an opt-out system for print works
- **2008** digital publications brought to collective licensing on opt-in basis.



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# protecting publishers' rights



## Governance – protecting publishers' rights

- CLA administers (sells) collective licences
- Rightsowner societies (authors, artists, publishers) grant authority to CLA to do so
- PLS is owned by three key UK trade associations: ALPSP, PA & PPA
- And has direct authority from 2,700 UK publishers
- Rights-owner societies agree fee splits.

## A few important points...

- Collective licences legalise but limit copying from publications...
- ...and provide an efficient mechanism of compensating £ publishers/rightsowners
- The system is voluntary in the UK & publishers have some control over licence terms
- Introduction of new licensing solutions replaces need for statutory exceptions
- PLS & CLA have no assets or rights of their own
- The organisations involved are not-for-profit, therefore maximising revenue for rightsowners



## 2) How the system works in practice

- What do CLA licences allow?
- Who buys a CLA licence
- How money is allocated to titles
- International agreements
- Compliance



## What CLA licences allow?

- Grant automatic permission to copy 1 chapter, or 1 - 2 articles, or 5% of a work, for internal research
- The licensee must own a lawful copy of the work
- They don't allow for, republishing, reselling, distribution to 3<sup>rd</sup> parties
- Except the Document Delivery (eg British Library) licence – however publishers can set their own rates via PLS, or their domestic RRO
- Press Cuttings Agency licence similar to the Document Supply licence, but with flat rates.

## Who purchases a CLA licence?

- All schools and universities have a licence & pay per pupil (£1.43) / student (£5.66)
- Further Education Colleges are licensed (£4.22 per student)
- Central government, local authorities, and other public bodies are licences, ie the UK National Health Service.
- The growth area for CLA is UK PLC. More business are becoming licensed (£10 - £65 per PE).
- Traditional key sectors that are licensed are:
  - Pharmaceutical
  - Law
  - Financial
  - Retail

## How do you work out how much to pay each publisher?

- CLA conducts surveys to establish a representative snapshot of copying. Blanket licences are not transactional.
- Works are identified by ISBN / ISSN, and then allocated royalties depending on their exposure to surveys.
- Allocations per title are then split between artists, authors and publishers by pre-determined %ages negotiated by the societies:
  - Books: 8% to artists, 46% to authors, 46% to publisher
  - Serials & magazines: 8% to artists, 14% to authors, 78% to publisher
- Document Delivery licence pays out on a transactional basis
- The system needs to be as fair but as cost effective as possible.

# International Agreements

- CLA has bilateral agreements with RROs in other countries.
- Brings UK copiable repertoire to other countries, and visa-versa, and allows transfers of payments between RROs
- So, if overseas titles are copied in the UK, payment will be made to the representative RRO for the publisher
- International collective licensing is overseen by IFRRO
- Digital agreements: UK publishers must opt into the individual agreements covering digital works.

# Licence Compliance

- Risk from collective licensing is via 'licence infringement' rather than piracy
- Organisations purchasing a licence wish to remain compliant – so CLA aims to education rather than penalise licence infringement
- But CLA licensees are generally compliant.
- However, publishers can exclude their works from the system if necessary.

## Distributions to publishers 08/09

- 2008/9: CLA allocates £52.7m to artists, authors & publishers
- 2008/9: the publisher share distributed via PLS is £26.1m
  - £9.6m to publishers from Education licences (Schools, FE, HE)
  - £6.8m to publishers from Business
  - £2.7 to publishers from Government, inc National Health Service
  - £4.3m to publishers from overseas RROs, ie CCC, CAL, etc
  - £2m to publishers previously held in trust
  - £0.7m to publishers from Document Delivery

### 3) Collective Licensing in a digital era

- The need for collective digital licences
- How they work
- Benefits of digital licensing
- Specific licences launched/in development



## The need for born digital rights in collective licensing

- Organisations increasingly consuming digital material, and adapting their systems to handle digital data.
- *Perceived* decreasing relevance of photocopy and scanning licences as more digital material available:
  - Untenable position for both rightsowners AND licensees if the licence is no longer relevant
  - Downward press on licence fees
- New breed of digital licences will keep up with modern business practices; and will maintain revenue for copying that would go on regardless.
  - [But the reality is that photocopy volumes are not yet decreasing]

# How they work?

- In UK, distinction is between type of publication (print vs digital) rather than type of use
- Publishers opt into digital licences to cover copying from their electronic publications (ebooks/ejournals/emagazine)...
- ... rightsowners are compensated if their works are 're-used'
- Terms of digital licences same as print-based licences
- No technology involved, collective digital licensing supports publishers own delivery mechanisms, not defining them.
- Currently collective licensing does not cover web content

## Benefits of collective digital licences

- Reinforce the copyright message in a digital world
- Convenience for users in that they offer a base level of copying (where individual contracts might vary)
- Publishers can expect a return if their works are reused
- They cover ad-hoc copying which may go on anyway
- Shift of collective licensing to cover digital publications is important to ward off any future threat of copyright exception.

## Launched, and forthcoming digital licences

- Business licence (2008)
- Public Administration licence (2008)
- Higher Education licence (2008)
- Pharmaceutical licence (2009)
- International agreements between CLA and overseas RROs (CCC) – ongoing
- Schools: digital publication & web content licence (Oct 2010)

## 4) PLSe – Publishers interaction with PLS

- Some publishers interact heavily with PLS, some don't
- However we need publisher input on licence development
- PLSe allows publishers to amend optional licence settings, amend their title details, and review their payments...



# Titles

PLS Title Details - Windows Internet Explorer

http://repertoire.pls.org.uk/Pages/Repertoire/Titles.aspx?menu\_id=6

File Edit View Favorites Tools Help

Home Repertoire Royalties Accounts Reports Contacts Knowledge Base

PLS e

Publisher Company Details Mandate Imprints Titles Licensing And Pricing

Name: **Copyright Licensing Agency Limited** [\[Deselect Publisher\]](#)  
Mandating: **Yes**

### Titles

The titles associated with your company are listed below. It should be noted that this is not intended to be a comprehensive list of your titles, only the titles that have been allocated royalties to date or on lists that you have submitted. You can add titles by using the Add New function, or if you wish to add a large number, by emailing [pls@pls.org.uk](mailto:pls@pls.org.uk)

**Search Titles**

Title or ISBN/ISSN:  **SEARCH** **RESET**

Apply filter

**Titles**  **APPLY**

View	Title	Type	ISBN/ISSN	Excluded	On Hold	Imprint	
<input type="checkbox"/>	<a href="#">CLARION</a>	Serial	09513701	No	No	Copyright Licensing Agency Limited	<input type="checkbox"/>

Results per page:  **APPLY**

**Login Info**  
User: **David Bishop**  
[Logout](#)

**Groups**  
 **Basket** (0)

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# Optional licence settings

PLS Licensing and Pricing - Windows Internet Explorer

http://repertoire.pls.org.uk/Pages/Repertoire/DefaultPrices.aspx?menu\_id=7

File Edit View Favorites Tools Help

PLS Licensing and Pricing

Law Society, National Health Service, Public Bodies, Schools.

### Collective Digital Licences

Licence	Included	Count
<a href="#">Association of the British Pharmaceutical Industry (ABPI) Collective Digital Licence</a>	Yes	
<a href="#">Business Collective Digital Licence</a>	Yes	
<a href="#">Public Administration Collective Digital Licence</a>	Yes	
<a href="#">Higher Education Collective Digital Licence</a>	Yes	

Licence	Included	Count
<a href="#">International Collective Digital Licences</a>	Yes	

### Optional Licences

Licence	Books			Serials			Exception Count
	Price	Unit	Excluded	Price	Unit	Excluded	
<a href="#">Transactional Document Delivery Licence (UK)</a>	*£ 0.30	Page	No	*£ 9.00	Article	No	
<a href="#">USA CCC Photocopying Course Packs (APS)</a>	*\$ 0.20	Page	No	*\$ 0.20	Page	No	
<a href="#">USA CCC Photocopying Transactions (TRS)</a>	*\$ 0.61	Page	No	*\$ 15.30	Page	No	

Licence	Excluded	Count
<a href="#">Press Cuttings Agency Licence</a>	No	

Internet 100%

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# Royalty statements

PLS Distribution - Payment Summary - Windows Internet Explorer

http://repertoire.pls.org.uk/Pages/Reports/PaymentSummary.aspx?menu\_id=42

File Edit View Favorites Tools Help

Home Repertoire **Royalties** Accounts Reports Contacts Knowledge Base

PLS Account Statement Allocation Summary Royalties Archive

1 of 1 100% Find | Next Select a format Export

Details of the royalty payments we have made to your organisation from 2001 onwards are listed below. Click on the relevant Distribution ID link to view a full breakdown. Once open, you can export your statement into your preferred format using the toolbar above.

**Please note that the amounts shown below and in the statements are exclusive of VAT.**

A Copyright Royalty VAT Invoice will be emailed to your designated contact just before each payment is made. If you would like to be sent a copy of your VAT invoice for a particular payment or have any questions, please call 020 7299 7738 or email pls@pls.org.uk

[Click here for more information about the latest payments made](#)

Distribution ID	Sectors	Date	Amount
<a href="#">PLS 1004</a>	*Non Sector Specific, NTS Allocation, Higher Education	02/12/2008	£48.59
<a href="#">PLS 1006</a>	*Non Sector Specific, NTS Allocation	06/02/2009	£6.43
<a href="#">PLS 1008</a>	CLL, HKRRLS	14/04/2009	£20.85
<a href="#">PLS 1009</a>	*Non Sector Specific, NTS Allocation	08/06/2009	£2.97
<a href="#">PLS 1011</a>	*Non Sector Specific, NTS Allocation	03/08/2009	£0.51
<a href="#">PLS 1013</a>	*Non Sector Specific, NTS Allocation	08/10/2009	£0.42

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## 5) The Future

- Maximize revenue from established licences, but not undercut publishers direct business
- New rights? Development of web-content licence for schools
- Develop an orphan works licence (ARROW project)
- Raise awareness of copyright in user communities (eg ACAP)
- Effective operations, transparent and accurate distributions
- Ongoing successful collaboration across the publishing community, & with authors and artists.

## 6) Summary

- System is voluntary, and opt-in for digital licensing
- All publishers can set rates for Document Delivery
- Licence value increasing now that we have added digital publications
- Next phase of development will include web-content for schools on an opt-in basis
- Rights management increasingly important for publishers.