

## EU COPYRIGHT REFORM

ANNE-SARAH SKREBERS EUROVISIONI 11 OCTOBER 2019



# DSM COPYRIGHT DIRECTIVE

The transposition of the European Copyright reform into national laws

Overview of the contract law provisions (Articles 18 to 23)



#### ADOPTION

Directive (EU) 2019/790 of 17 April 2019

Publication on 17 May 2019

Entry into force on 6 June 2019

#### IMPLEMENTATION

June 2019 - June 2021

Deadline to transpose the Directive into Member States' national law expires on 7 June 2021

#### REVIEW

Review and report after 7 June 2026

Impact assessment of Article 17 by 7 June 2024



#### **ARTICLES 18 TO 23**

NEW RULES TO ENSURE 'FAIR' REMUNERATION TO AUTHORS AND PERFORMERS FOR THE EXPLOITATION OF THEIR WORKS

- Principle of 'appropriate and proportionate' remuneration
- Flexibility in the national implementation allowing Member States to use different mechanisms to transpose this principle

- 1. 'FAIR' REMUNERATION IS A NOTION ALREADY PART OF THE CJEU CASE LAW
- 2. CONTRACTUAL FREEDOM REMAINS INTACT
- 3. LUMP-SUM PAYMENT ARE ACCEPTABLE (BUT SHOULD NOT BE THE RULE)

- Transparency obligation
- Assessment of the economic value of the exploitation of a work
- Obligation to provide relevant and comprehensive information on the exploitation of authors' works and performances covering all sources of revenues

- 1. CLARIFICATION NEEDED ON THE TYPE OF REVENUES COVERED AND THE METHOD OF CALCULATION
- 2. HIGH NUMBER OF CONTRACTS: NECESSITY TO FIND SECTOR-SPECIFIC SOLUTIONS
- 3. PROPORTIONALITY
- 4. EXCLUSION OF CONTRACTS WITH AUTHORS/PERFORMERS REPRESENTED BY COLLECTING SOCIETIES OR WHEN CONTRIBUTION IS INSIGNIFICANT

- Contract adjustment mechanism
- Claim for additional remuneration, if the initially agreed payment is disproportionately low

- 1. APPLICABLE TO LONG-TERM CONTRACTS ONLY
- 2. COMPARISON BETWEEN ORIGINAL REMUNERATION AND ANY UNANTICIPATED (SUBSEQUENT) REVENUES
- 3. 'FAIR' REMUNERATION
- 4. EXCLUSION OF CONTRACTS WITH AUTHORS/PERFORMERS REPRESENTED BY COLLECTING SOCIETIES OR WHEN CONTRIBUTION IS INSIGNIFICANT

- Voluntary alternative dispute resolution procedure
- Claim for additional remuneration, if the initially agreed payment is disproportionately low
- Cover disputes related to:
  - Transparency obligation (Article 19)
  - Contract adjustment mechanism (Article 20)

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- Right of revocation
- > Exclusive contract
- Lack of exploitation of the rights licensed
- Reasonable period of time to invoke this right

- 1. SECTOR SPECIFIC APPROACH:
  LONG DURATION TO STRUCTURE,
  FINANCE AND PRODUCE
  AUDIOVISUAL PROJECTS
- 2. TAKE INTO ACCOUNT THE IMPORTANCE OF EACH INDIVIDUAL CONTRIBUTION OF THE RIGHTHOLDERS CONCERNED

- Common provisions
- Mandatory nature of Articles 19, 20 and 21

- 1. PARTIES CANNOT OVERRIDE THESE ARTICLES BY CONTRACT
- 2. CHOICE OF APPLICABLE LAW
  MUST NOT PREJUDICE THE
  APPLICATION OF THESE ARTICLES

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