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Inaugural Production Music Committee Meeting Notes

17 September 2014, Athens

Present: Alex Black (AB); Damian Slonina (DS); Edwin Cox (EC); Juliette Metz (JM); Martin Nedved (MN); Martin Weinert (MW); Teresa Carbonell (TC); Daniel Kafer (DK); Romano Di Bari (RdB);

Apologies: Sascha Peters

Attending: David Cardwell (DC); Ger Hatton (DG); Alex Campbell

1. Appointment of Chair and Rapporteur

It was decided there would be a rotating Chair and Rapporteur. The Chair for this meeting is Juliette Metz and the Rapporteur is Damian Slonina.

2. Communications and Events

The LINKEDIN platform is a good start. DG offered ICMP's website as a forum for the Committee (PMC). She also suggested that PMC news be circulated in the ICMP bimonthly newsletter, the Global Briefing (GB), with a link to the LINKED group. It was decided that only production music companies would be allowed to join the platform.

There is interest in a wider, annual event for production music companies to meet. It was decided that an event (similar to CEEMPC) would be held in the second half of 2015, after PMC had something to report. DG emphasised that it was important to decide a date and a place as soon as possible. It could be held at the same time and at the same place as CEEMPC in September, perhaps the day before. Holding the event at MIDEM in Cannes in June was also raised as a suggestion. JM will ask participants of Linked In Group whether or not they are interested in taking part in an event similar to CEEMPC and to identify the demographic of those who are willing to participate in order to decide the location of the event.

It is important to keep people engaged meanwhile. Working groups (with one person from PMC sitting on each) could be set up to deal with specific issues, and would report to PMC. PMC could identify three main topics for their quarterly meetings. In order to include people from the industry, PMC could ask members of the LinkedIn group if they would be interested in participating.

3. Issues

3.1 Performance free music

Royalty free libraries; broadcasters are using royalty free libraries to pay less money to composers and rightsholders and collecting societies need to be made aware that this will cost them money in the long term. EC will draft a letter communicating the problems with royalty free libraries to the collecting societies and DK will draft a similar letter to the composers. Both drafts will be sent to the Secretariat. The issue of how to work with the PMA (the American production Music Association) was raised. It was decided that JM would inform PMA of the set up of the Committee.

3.2 Internet territory deals

PMC discussed the issues. Google for example wants a worldwide license however those cannot be provided because only the original publishing can provide such a license, but the original publisher has



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given it to its sub-publishers an exclusive mandate in some territories so they cannot license worldwide. Thus, the question is whether or not to change the business model and contract terms, or lobby Google to appreciate the intricacies of the industry. It was decided that a working group would be set up to find a solution on how to manage rights as an original publisher, and the issues faced by sub publishers regarding synch and performance right agreements with ISPs.

3.3 Google Content ID

It is necessary for production music companies to work with their collecting societies to gain a share of revenue from the internet. It is difficult for collecting societies to engage with YouTube. Platforms such as YouTube don't have accurate data, especially as production music companies are in the unique position of having the rights for the work and the sound recording. Bad reporting is worsened with the blurred boundary between UGC and professionally generated content.

3.4 Audioswap

Audioswap is the music that YouTube provides to its users for free to add to their videos. As this was ring fenced as UGC it was difficult to derive any revenue. This is further complicated by the fact that YouTube want a performance and a mechanical license worldwide.

4. Working with CMOs

PMC discussed the issue of broadcasters acting as publishers. In France, SACEM, acting on the request of publishers, sent a letter to a TV broadcaster who through its actions showed that it tried to obtain the publishers' rights on a work because of its possible very high exposure on media. SACEM emphasised that a broadcaster, as a member of SACEM, could not put pressure on the copyright holders. There are similar circumstances in Germany. Private broadcasters are unconstrained, although the composers' successfully sued the public broadcasters a few years ago. In Italy, the biggest broadcasters own a selection of music publishers and only use that music. In Spain, the two main broadcasters also have their own music publishing companies, and also oblige third parties who work with them to use this repertoire, thus making it very difficult for any other music publishers to break into the market. DC said that this could be a dominance issue, and if the broadcasters have a huge market share and force others to use their services creating no way for others to enter the market, then it may be worth informing the Spanish competition regulators or the European Commission. DC noted however that the line from good business to uncompetitive is hard to quantify.

It was decided that PMC could research the position of each country and how it could be improved.

5. Usage Type Project

It would be useful to know the situation on usage, such as what usages PROs collect and distribute, and what kind of usages are directly charged (sync rights) by publishers in different countries. It was decided JM would conduct a survey through the LINKED IN group and that a document would be drafted with the results of this survey.

6. Questions on Competition

Discussions on lobbying are acceptable but PMC cannot exchange contract terms or how to change them. PMC is aware of the more sensitive issues but care must be taken when competitors sit and discuss a new entrant into the market. When writing letters it cannot be about specific companies but



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more about PMCs perspective on the current situation. Regarding Google Content ID, it is acceptable to engage with Google on this issue, but PMC cannot discuss contract terms. DG encouraged the PMC to contact the lawyer separately on any arising issues.

Glossary

ISP - Internet Service Provider; UGC – User Generation Content; CMO – Collective Management Organisations; CEEMPC – ICMP Central and Eastern European Music Publishers Congress;
MIDEM - annual tech and music industry event held in Cannes