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

<table>
<thead>
<tr>
<th>Real Rights Management System</th>
<th>So-called (IT) Digital Rights Management System</th>
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<tbody>
<tr>
<td>- right (granted by copyright law) on special subject matters (specified by copyright law)</td>
<td>- technical control (power) over any digital content</td>
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<tr>
<td>- licensing/prohibition of copyright-relevant uses</td>
<td>- permission/forbidding of any acts based on a mere technical possibility to prevent these acts</td>
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<tr>
<td>(Digital) Rights Management</td>
<td>Exercise of Digital Content Control</td>
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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?
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


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

- WID - Work Information Database
  - Available online and on CD-ROM
  - Communication: ED1 (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 (e.g., software, audiovisual)
- Individual identifier to every person/organisation
  - Base Number: individual ID Nr.
  - Several „Name Numbers“ (e.g., 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

⇒ Participators 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

• **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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