

Best Practice on Licensing in the Music Industry

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CISAC Overview

- Confédération Internationale des Sociétés d'Auteurs et Compositeurs (CISAC)
 International Confederation of Societies of Authors and Composers
- Established in 1926
- Non-governmental, not-for-profit organization



Repertoire managed by CISAC members



- Worldwide network of CMOs
 - 232 authors societies
 - 120 countries/territories
 - Over 4 million creators and publishers



CISAC Presidency



The president of CISAC is electronic music pioneer Jean-Michel Jarre and vice-presidents are: Argentinean film director Marcelo Piñeyro,: Beninese singer Angélique Kidjo, Chinese film director, scriptwriter and producer Jia Zhang-ke and Spanish painter Miquel Barceló.











WORLDWIDE PRESENCE



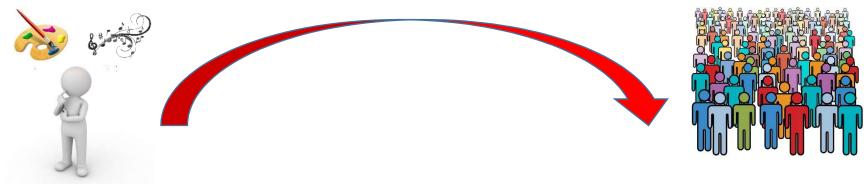


COLLECTIVE MANAGEMENT ORGANISATION (CMO) or COLLECTING SOCIETY

- Authors & rightholders entrust their rights to an entity so that license (authorisation for use) could be collectively granted to enable legitimate use of copyrighted works
- Economies of scale
- Cost advantages: reduced transaction costs



CMO



Authors/Creators / rightowners

Users

- CMO and Users are "Business Partners"
 - Obtaining individual license is impractical or impossible
 - Provide an efficient licensing solution
 - Enable the use of works (esp. in large volume) in legitimate means
- CMO ensure the royalty collected to be distributed accurately to authors/creators/rightowners



CMO Authors/Creators /rightowners CMO Users

- Supporting creations obtain licences for the use of works and pay fair remunerations to creators
- Help to distribute royalty accurate provide usage reports to CMO

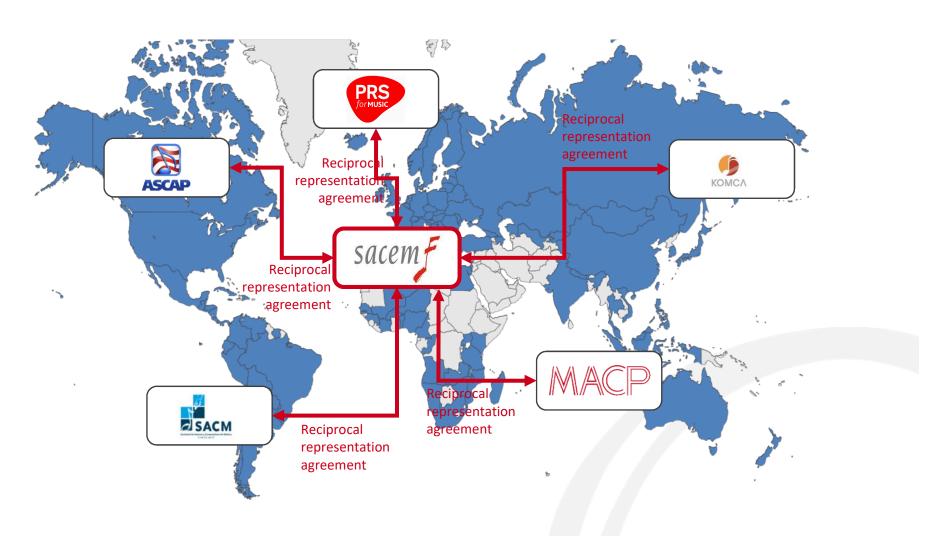


Global Representation

- The CISAC model contract forms the basis of the reciprocal representation agreements signed between societies that allow each society to operate as a "agent for the global repertoire"
- A society has the power to authorise the use of any work from the global repertoire, provided it distributes any royalties collected to the society that manages the work

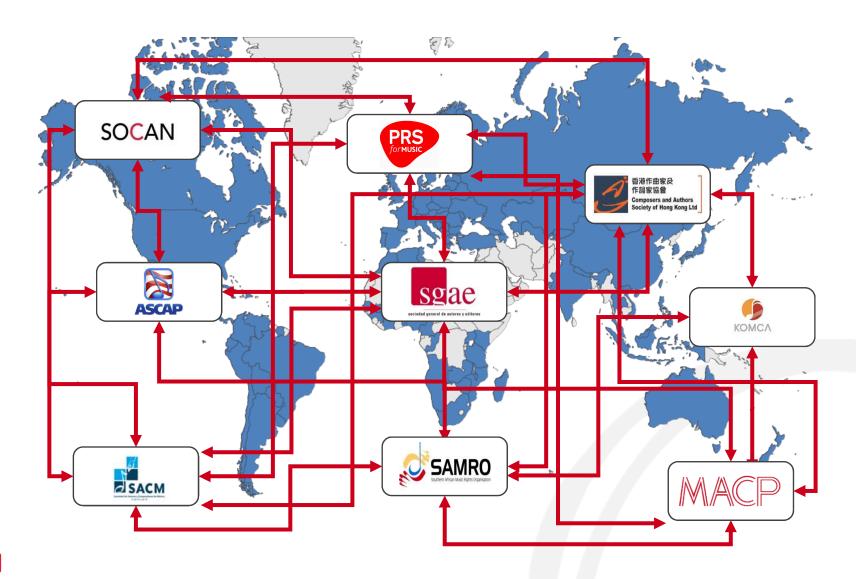


Reciprocal Representation



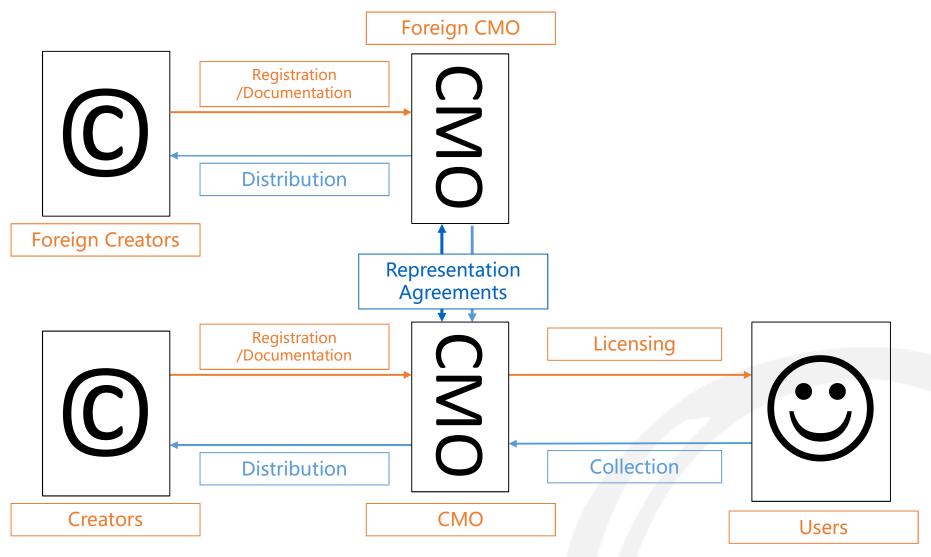


Global Network





Operation of CMO





Music Licensing



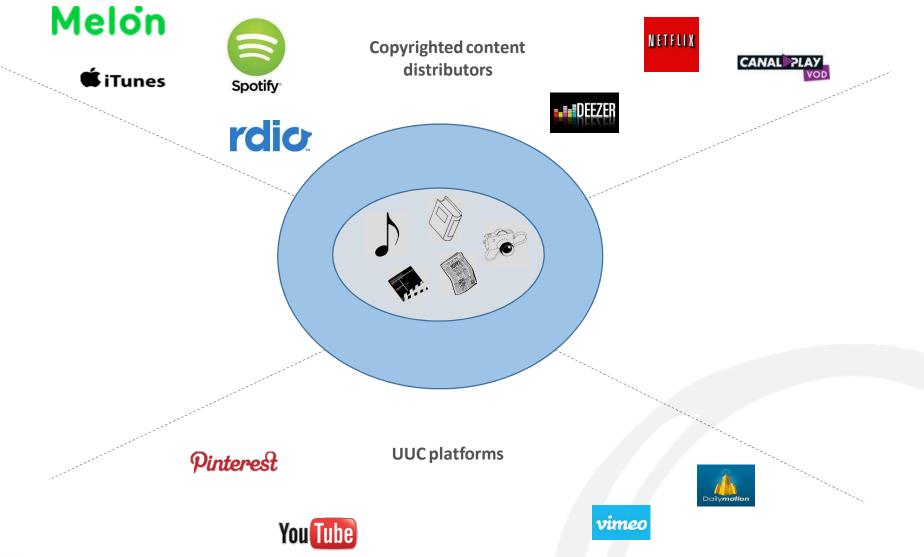
- Broadcast Licensing : TV, Radio
- General Public Performance Licensing
 - Use of music is an integral part of
 - Karaoke, Gym Classes, Disco, TV/Radio programmes
 - Live Music in concerts and events
 - Background music enhance the business operations and user experience – restaurants and shopping
- Digital Licensing

Tariff Setting

- CMOs publish the tariff e.g. in website ensure certainty and transparency
- CMOs take into different factors to establish tariffs:
 - Value of Music
 - The contribution which musical works make to the economic activity of the user
 - Importance of the music to the business;
 - Nature & quantity of works used
 - References from foreign countries



Digital Licensing





Usage of works

- Cooperation with users
 - Music usage assessment
 - Reporting requirements
- CMO is not obliged to grant a license to a user who has previously failed to usage data
- Legislative requirement to provide usage reports in reasonable manner
 - China, Korea, Taiwan, etc.













GENERAL

BUSINESS







TELEVISION

community, ABC & SBS and Pay TV.

















MUSIC























Enforcement

- Administrative Action
 - Not to issue a permit for user which fails to obtain a licence for the use of copyrighted works
 - Broadcasting licence TV station/Radio
 station/Satellite operator/cable operator
 - Live concert permit
 - Liquor licence/permit restaurant, bar and disco
- Criminal Action
 - Prosecution by government effective tool against commercial-scale infringement



Dispute Resolution

- Support licensing negotiation
 - The negotiation with user trade association / broadcasting station
- Dispute Resolution
 - Tariff Dispute effective and efficient regime to be introduced
 - Mediation/Arbitration
 - Support the operation of Copyright Tribunal efficient case management



Thank You

