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Digital V4 Group's position regarding a reform of copyright levies

As Digital V4, an initiative of the digital and advanced technologies industry organisations from the countries of Visegrad Group: Poland, Czech Republic, Slovakia and Hungary, aiming to create policies facilitating innovativeness and digitisation in Central and Eastern Europe and to strengthen the policy-making and economic cooperation in the Visegrad Group, we appeal to the governments of our countries and to the European Commission for undertaking works on a reform of the system of financing creative works based on copyright levies. We take a stand in that regard, while representing crucial contributors to the system – manufacturers and distributors of electronic devices, who according to the current law, are obligated to add an additional fee of copyright levies on top of prices of electronic devices listed in country-specific regulations and pass on the financial resources gathered that way to local copyright collectives.

In our opinion, the current legal solution requires a fundamental remodeling. Copyright levies, established in the 1960s, have not followed the constant technological progress, taking place ever since, and the current and future digital technological solutions, also the impact digital transformation, are far beyond the obsolete framework of copyright levies. We have a duty to point our governments' and European Commission's attention to the fact that the archaic construct of copyright levies does not keep up with the rapid growth of new digital business and services models. Therefore, it is necessary to adjust the system to the new technological landscape and the novel methods of distributing culture online.

For years, we've been struggling with the constant extensions of lists of devices affected by current regulations. Expanding the range of devices and media impacted by copyright levies continuously is, however, a crude solution, very vulnerable to the passage of time. The method is legislatively inefficient and bound to fail in the face of digitalisation and dynamically growing market, where new solutions appear faster than the legal regulations can adapt to already existing products and services. In fact, the law has already fallen behind the current technological reality and modern methods of consuming works of culture. As the time passes, the process will only gain speed and bring out the faults of current system even further.

The flaws are indeed perfectly visible nowadays. Copyright levies, at their core, were designed as a method of compensating artists for losses they suffer from their work being copied, and therefore the levies covered devices and media allowing making copies. This premise does not answer the reality of modern consumption of culture. Copying of pieces becomes a distant relic. The scale of copying is far from what is used to be during the age of common use of cassette tapes, or even CDs and is becoming a marginal phenomenon. Nowadays, citizens of the Visegrad Group's countries and the European Union

enjoy the work of artists by means of novel channels, mostly through streaming services, popularity of which grows constantly and consistently pushes out the process of making copies. It must be highlighted that consumers already bear the costs of experiencing the works of culture by paying monthly subscriptions, limited time access fees, or agreeing to view advertising content as a part of the service they use. There is no justification for sustaining a system founded in a disappearing phenomenon and eluded by modern ways of experiencing culture as well as by the achievements of technological progress.

An inhomogeneous legal character across the European Union is also a major failing of the copyright levies system. The need for copyright levies is an issue constantly discussed in the Member States. As an effect, alternative models are found e.g. in Finland, while numerous discrepancies and doubts haunt the countries using copyright levies. The system based in the levies is not uniform even amongst the closely cooperating countries of the Visegrad Group. All of the above results from a legislatively ineffective nature of the system and is against the European Union's attempts to build a Digital Single Market and to further the integration. Therefore, the works on uniting the market and the legislation across Europe should include the reform of copyright levies mechanism. As organisations operating in scope of the ever-growing Digital Single Market, we are well aware of the dire need to build a new, efficient system and to unify the regulations and mechanisms across a modern European Union stepping into the era of digitisation.

We believe it is possible to create a universal alternative for the currently used, yet obsolete system based on copyright levies. In the face of ongoing digitalisation, digital technological progress and social transformations, the necessary and unavoidable reform of present system will grow more expensive and demanding as the time goes by. Therefore we call for the governments of the Visegrad Group's countries and the European Commission to take up action for common, modern, adequate and righteous model, immune to the lapse of time today, in order to secure a desirable future for artists all around the Group and the European Union, based on commonly accepted and efficient mechanisms of financing their hard work.

About Digital V4

Digital V4 is a project by organisations from digital and advanced technologies industry in Poland, Czech Republic, Slovakia and Hungary with a goal of cooperatively creating a policy supporting development of innovativeness and digitisation in Central and Eastern Europe. The initiative refers to political and economic collaboration between the four countries in scope of the Visegrad Group (V4).

The enterprise has been established in October 2019 during Congress 590 in Rzeszów (Poland). The project is created in cooperation by four organisations: Digital Poland Association, IT Association of Slovakia – ITAS, Consumer Electronics Association in Czech Republic – ASE and ICT Association of Hungarian – IVSZ.

