ANNUAL ACTIVITY REPORT 2019

A NEW ERA FOR AUTHORS’ RIGHT
Dear Readers,

Though this report will focus on the year 2019, we could not ignore the current crisis unfolding around the world and particularly within our own cultural and creative sector.

Pages 3 and 4 therefore document the impact COVID-19 has had on Europe’s creators and the steps we have taken to protect their wellbeing and promote a strong recovery in the sector.

The year 2019 will go down as a major turning point for the creative sector and copyright law. A culmination of five years of collaborative work, the momentous achievement represented by the adoption of the Copyright and Broadcasting Directives cannot be overstated.

For five years, GESAC and our members were on the frontline with other organisations from all reaches of the creative sector to push for this vital change. Our success was a testament to the different facets of GESAC, namely:

• Our highly engaged and pro-active membership, who supported our actions each step of the way;
• Our expert internal working groups, who continued to provide legal advice and lobbying efforts to counteract misinformation;
• Our excellent working relationships with key MEPs, Commissioners and other institution figures;
• And our persistence and ability to collaborate across the whole creative sector.

For GESAC, 2019 is easily divided into pre and post-adoption. The rest of the year signified a new beginning, a chance to renew our objectives and focus on the changes ahead.

The first of those was the EU election, which brought with it sweeping changes to the make-up of the European Parliament.

After the elections, we began the task of familiarising ourselves with new MEPs and political groups, and making sure they were familiar with GESAC. Our goal: to forge the kinds of meaningful partnerships that proved so fruitful during the last EU term.

This annual report will cover our new objectives, which are based on the challenges our members face today and the challenges they may yet face tomorrow.

2019 will be remembered as the year that Europe put an end to the exploitation of creative works for the benefit of a few big tech companies and established a copyright legislation fit for the digital age.

José Jorge Letria         Véronique Desbrosses
GESAC Interim-President        GESAC General Manager
Responding to a global crisis

The COVID-19 pandemic has devastated Europe’s cultural and creative sector. GESAC and our member societies were quick to respond with measures that would help understand the scale of the crisis, support the most vulnerable creators and seek action from Europe’s leaders.

GESAC’s immediate response had four main objectives:

**Exchange information**
- It was imperative that our member societies could communicate with one another in the early days of the crisis. GESAC facilitated information exchanges so members could share ideas on how to confront this unprecedented situation.

**Map out the responses**
- Authors’ societies wasted no time in responding to this crisis. It was important for creators, European decision-makers and the broader public to know that authors’ societies were once again a source of solidarity and support for their members, the creators.

**Alert decision-makers**
- GESAC was in immediate close contact with the European Commission, in particular Commissioner Mariya Gabriel, as well as some key MEPs. Early contact gave the institutions a clearer picture of the scale of the crisis at hand, laying the foundation for EU-wide action and support.

**Call for support & EU action**
- GESAC has worked extensively to push for greater EU commitments for creators. We have joined friends from across the creative sector to communicate the desperate situation facing Europe’s creators.

**Snapshot of the impact on Europe’s creative sector**
- Venues closed, events cancelled – performance revenues wiped out.
- Royalty collections dramatically reduced. Losses are expected to be higher in 2021 than 2020.
- Live and background music represents almost 35% of collection revenues for European societies.
- Initial estimates say the German music sector could lose up to 59% for 2020.
- European authors’ societies have provided hundreds of millions of euros in emergency relief funds.

**Where do we stand now?**

**25 March statement**
- GESAC’s first press released called on Europe’s decision-makers to act.

**Joint letter from the CCIs**
- Video conference between Commissioner Mariya Gabriel, Commissioner Thierry Breton and European Ministers of Culture.

**EU action so far**
- €37 billion COVID-19 Response investment initiative
- SURE program €100 billion loans to Member States
- Temporary framework for State aid: relaxation of EU competition rules to help certain sectors, including Culture, as requested by GESAC
- Creative Europe Programme adapted for the COVID-19 crisis. The Commission is looking for solutions to increase its future budget. Renegotiation linked to the Multi-annual Financial Framework (MFF)
- Commission proposal for a “Marshall Plan” recovery package. Focus on key ecosystems, including the cultural & creative sector, to be approved by the EU institutions within the MFF

**Two immediate objectives looking ahead**
1. Pressure Member States to take concrete steps to make the most of the resources at their disposal for the cultural and creative sector, and to ensure that funding and support reaches individual creators.
2. Urge the EU to make a long-term commitment to Europe’s creative sector by incorporating an ambitious budget for culture, and including a “solidarity fund” for creators - who will be the driving force behind Europe’s cultural and social recovery.
Five years after GESAC first asked the European Commission to address the Transfer of Value, the Directive on Copyright in the European Digital Single Market was finally adopted on 17 April. By all measures, the intense three-year legislative procedure was unprecedented – the final three months at the beginning of 2019 were no different.
The President of the Commission at the time, José Manuel Barroso, initiated a major consultation on the reform of copyright in the digital environment.

In our contribution, GESAC stated that if only one thing could be done, it should be finding a solution to the issue of transfer of value. This brought the issue to the attention of the policy-makers.

The organisation of the first Meet The Authors event: authors met the newly-elected MEPs.

The launch of the ET study demonstrating the importance of cultural and creative industries for the European economy. The study became the reference document for the institutions.

The Lucas-Schloetter study showed that transfer of value was linked to inaccuracies in legislation. This was used as a main reference in the Commission’s Impact Assessment when proposing the directive.

GESAC launches a communication strategy and builds a coalition, firstly to voice creators’ interests in the copyright review, and then to support an end to transfer of value. Several joint calls and a “Creators for Europe” petition was launched.

A proposal for a directive on copyright is adopted. Two and a half years of intense legislative work began.

In the EP, five Committees were consulted, over 2,500 amendments were filed, over 500 of which solely relating to transfer of value. GESAC actions were centred around explaining the issue and convincing the Parliament for a solution.

We garnered support from academics and tech solution providers, who made their respective cases to MEPs.

After the positive JURI Committee vote, Google orchestrated an astroturfing campaign targeting MEPs.

The misinformation war against Article 13 had begun and would lead to the Plenary decision to reconsider the file.

GESAC responded by launching a communications campaign under “Europe for Creators”.

On 12 September 2018, the EP mandate was adopted. This surprised YouTube, who then started to use its network and 1.8 billion monthly visitors to spread its propaganda!

Intense negotiations to find a new majority within the Council continued after the new Italian government positioned itself against the directive.

Negotiations between France and Germany led to a creators and licensing-focused compromise solution.

Negotiations accelerated as the end of the legislative term neared.

Parliament voted to adopt the Directive on 26 March. The Council followed suit on 15 April.

Over five years of intense legal, lobbying and communication work to ensure fair remuneration for Europe’s creators.
The final three months in the lead up to the adoption of the Copyright Directive were centred around communications, but were not without some final policy adaptations.

By mid-February, compromises had been made and a final text had emerged out of the three European institutions – the Commission, Council and Parliament, leaving only the official approval of the latter two institutions as the final hurdle.

Both votes were subject to uncertainty. Convincing MEPs to vote in favour of Europe’s creators on 26 March in Strasbourg was critical.

A meeting of GESAC's legal expert Madrid Group

"All along the negotiation process, systematic PAC meetings, in Brussels and Strasbourg, were instrumental in coordinating communication and lobbying action across Europe, ensuring that MEPs understood exactly why the Copyright Directive was so important for European culture and European creators."

- Héloïse Fontanel, Chair of the PAC

"The PAC and GESAC Secretariat provide a platform for authors’ societies to exchange political tactical information and best practices on influencing politics and form strong, collective positions that strengthen the voice of Europe’s authors and defend the rights of the cultural and creative sector."

- Robert Baruch, Vice-Chair of the PAC

Copyright reform

Highly engaged PAC and Madrid Group

Our member societies remained engaged throughout all stages of the process, but this is particularly true of the final three months. The Public Affairs Committee and Madrid Group met several times to work intensively towards the final Parliamentary vote on the Directive.

The best example of member involvement was introducing the licensing priority and facilitating the compromise between France and Germany by creating a “smart solution” for start-ups instead of a full exception.

GEMA, SACEM and GESAC played a crucial role in development and then support of this solution, which on the one hand made licensing the priority for all services big and small and also provided the chance for tech start-ups to grow with less technical burden in their first three years, an important political issue for several Member States and MEPs. The solution helped push the final text through a marathon of negotiations in Strasbourg and the Committee of Permanent Representatives (COREPER) vote.

With a final text in place and just over a month to go before the vote in Parliament, GESAC could turn our undivided attention to the communications campaign that had been ongoing since September 2018 and which would now be key in convincing MEPs to vote in favour of authors on 26 March.
Creative approaches to creators’ problems - the campaign

Given its success at the end of 2018, we decided to continue using the services of an external communications agency.

In November, their first challenge was to counteract the wide-scale misinformation campaigns being carried out by YouTube and smaller organisations receiving financial backing from the US tech giant.

The Europe for Creators campaign became synonymous with pro-Copyright Directive activities and helped draw together a broad coalition of creative sector organisations.

Article 17, then Article 13, remained the focus of attention for Copyright detractors. So we launched a website with the primary aim of breaking down each of the Article’s paragraphs into understandable language and dispelling the lies being told to the press and general public.

The website, www.article13.org, was launched in ten different European languages on January 16. The launch was swiftly followed by the publication of a weekly newsletter: insight13.

insight13 took a different approach to the article13 website in order to appeal to a different audience on a different medium. While the website was aimed at all-comers, especially members of the public not so well-versed in the legal technicalities of the Directive, the newsletter was lighter, including things like satirical takes and memes. It was aimed at EU insiders and journalists whose opinions could have a tangible impact on the final result.

With humorous but meaningful takes on news surrounding the process, like YouTube’s astro-turfing tactics, and sharp takedowns of opposition arguments, the newsletter built up a readership of over 800 subscribers.

Copyright reform

#Yes2Copyright

We commissioned a poll by Harris Interactive to get answers from regular Europeans that could help us express the real public sentiment towards copyright and big tech. The poll included questions about the role of tech giants in European democracy and how well authors’ rights should be protected. Conducted across eight European countries, the outcomes provided good, positive ammunition for social media.

GESAC united collaborators from the likes of IMPALA, ECSA, as well as member societies ZAIKS, SACEM and GEMA to help craft social media messages.
Open letter

Dear Members of the European Parliament,

We undersigned European creators - established and emerging - from all artistic fields, are asking you to do the right thing and adopt the copyright directive without further delay.

Our films, plays, books, articles, music, drawings, paintings, sculptures, photos, choreographies and other forms of art are a source of wealth and pride for European culture. Our art is both our passion and our profession.

For people to continue enjoying European culture in today’s digital environment, and for creators to be able to make a living today and tomorrow, we urge you to adopt the Copyright Directive.

This directive creates a much-needed level playing field between us, the creators, and those who communicate and distribute our works on different media and platforms. It is a matter of mutual respect.

It is essential to the sustainability of our activities and therefore of the cultural and artistic diversity of Europe. It is in everyone's interests to promote authors’ rights so that they may continue to create, and in doing so bring lasting benefits to the whole of society. To retain Europe’s best talents and build the next generation of European creators, we must safeguard creators’ rights and promote their livelihoods. We cannot afford to wait another decade for copyright legislation to be adapted to the digital environment. This is not only about us but about the future of Europe’s culture.

You have the opportunity to send a historical and positive message to future generations of creators: that they are valued and that they will be fairly remunerated for their work.

We therefore urgently call on you, Members of the European Parliament, to say yes to this reform.

Signatories:

Pedro Almodovar
Sir Alan Parker
Ennio Moricone
Benny and Björn
Axelle Red

13 March 2019

As well as drawing on a broad network of help for our own campaign, GESAC took part in other organisation’s initiatives. We participated in regular conference calls to coordinate joint statements, petitions and events with the likes of press publishers, unions, and rightsholder organisations. Our members played their part by ensuring well-known authors lent their support in the form of signatures and public appearances wherever possible.

Victory: a new paradigm

Campaigning culminated on 26 March, when a large portion of our coalition descended on Strasbourg, where a band serenaded all who entered the Parliament building and we handed out Yes2Copyright paraphernalia. MEPs were left in no doubt about which side creators were on.

The adoption of the Copyright Directive marks the end of the unshared reign of dominant tech platforms. It is a legal tool to stop their unfair practices that for years have siphoned financial value away from creators. Despite the manipulative and aggressive campaign carried out by the Internet's giants, Europe has shown its ability to resist pressure from the strongest global players and build a balanced legal framework for the online content market.

The Directive creates a new paradigm whereby big platforms can no longer refuse liability under copyright rules and now have to remunerate authors fairly.

The fight to prove the merits of strengthening author’s right on the internet has been long and tough. But thanks to the mobilisation of creators, of collective management societies and of GESAC, we were finally able to rebalance the balance of power with internet platforms. Even if some major issues such as the status of framing have yet to be solved, the Directive gives the visual arts sector the essential legal basis to negotiate agreements with platforms such as Instagram and Pinterest, and this is a genuine step forward.

- Marie-Anne Ferry-Fall, General Manager of ADAGP
Each member state has until 7 June 2021 to transpose the Copyright Directive into their respective national law. The transposition process has to be carefully monitored to ensure the effects of the Directive are not watered down and Member States are capable of enacting its full implementation.

In October 2019, the European Commission held the first of its stakeholder dialogues on Article 17; a process intended to help the Commission produce guidelines on the Article’s implementation. This process is still ongoing and GESAC has been very much an active participant, presenting, alongside some of our members, our views on issues like YouTube’s dysfunctional integrated claims system.

"The Madrid Group is instrumental in this process, in allowing us to draw on the GESAC community’s broad expertise to significantly contribute towards achieving a strong Copyright Directive and a constructive agenda in the Stakeholder Dialogue. An agenda that seeks clear guidelines for all and deflects attempts to weaken the Copyright Directive’s aims.
- Tobias Holzmüller, Chair of the Madrid Group"
Voting to elect Members of the European Parliament (MEPs) for the new term took place between 23-26 May 2019. The continual delay of Britain’s exit from the European Union and the divisive rhetoric of some European leaders meant the election promised to provide a polarising outcome.

The composition of the Parliament is substantially different to the previous term: there are 7 political groups, one less than the previous Parliament, and a new balance of power that has ended the previous EPP and S&D absolute majority.

A third political force has emerged in the form of the Renew group, which gathers ex-liberals from ALDE. However, the three dominant parties form a far from homogenous grouping, which makes for a fairly fragile majority.

Other changes of note include the Green group gaining 23 more seats and the ascendance of the Identity & Democracy (ID) group is symbolic of a marked increase in elected far right MEPs.

In September we began the task of familiarising ourselves with new MEPs and political groups, and making sure they were familiar with GESAC. Our goal: to forge the kinds of meaningful partnerships that proved so fruitful during the last EU term.

On 25 September GESAC held a Meet the Authors event hosted by MEP Ehler, with the participation of Commissioner Mariya Gabriel. President of the European Parliament David Sassoli had to cancel his participation at the last minute but sent a very supportive video message in which he declared the importance of culture and the creative sector to Europe’s sense of identity and unity. The day after, he met with the President of SIAE, Maestro Mogol, who made one of the opening speeches at the event.

Over 30 authors and creators from all over the Europe came to meet EU decision-makers and voice their concerns and expectations for the new term.
Renewed priorities

Meet the Authors was also a chance for GESAC to declare our new priorities going into the new European legislative term:

CREATORS’ PRIORITIES

We, creators from all over Europe, representing all creative sectors, call on you, European decision-makers and Members of the European Parliament, to develop an ambitious policy that will strengthen Europe’s position as a leader on cultural and creative industries. To be competitive, Europe must create conditions that enable creativity and innovation to flourish. We therefore believe that the following points should be a priority:

1. Ensure that the transposition and implementation of the newly adopted copyright directives are carried out smoothly so remuneration of creators and return on investment from CCI improve.

2. Ensure a fairer and more sustainable European online market, not one that is increasingly dominated by US-based video-on-demand services who create difficulties for European industry and creators. Unfair contractual practices and buyout contract clauses imposed by such platforms need to be further studied to explore the most sustainable and fair standards.

3. Maintain application of EU copyright law on electronic devices making copies of creative works to avoid free riders. The aggressive attacks of non-European device manufacturers, such as Samsung, Apple and Huawei, to change EU law on private copying at the expense of European creators and consumers should be stopped.

4. Reinforce Horizon Europe and Creative Europe funding schemes. Existing support schemes should be strengthened to encourage new forms of creation and promotion of creative content. In addition to established schemes for the audio-visual sector, specific financial support for the music sector with the Music Moves Europe programme and a European Music Observatory need to be adopted.

5. Break silos to ensure the adaptation of and coherence between policies. In particular, EU competition and trade policies must give careful consideration to the specificities of the cultural sector.

Authors’ societies in numbers

We represent 33 members from 28 different countries

Our members distributed €5.4 billion royalties in 2018 and invested €216 million in European culture

In total, €5.3 billion in royalties was collected €4.5 billion was distributed* €216 million was invested in social and cultural funds

All data from 2018

* Amounts not distributed mainly cover the management fee and royalties still in the pipeline to be distributed
The ALAI Authors’ Right Award

GESAC joined forces with the Association Littéraire et Artistique Internationale (ALAI) to run an annual competition called the European Authors’ Right Award. The award is as a communications tool and an incentive to inspire the next generation of copyright experts.

Young students and researchers are invited to submit essays relating to authors’ right for the chance to win a prize and receive recognition from Europe’s community of authors’ societies and copyright experts.

The first ALAI European Authors Right Award ceremony took place on 14 May at the Belvue Museum in Brussels. The event attracted 80 people from the EU institutions, academia, the legal profession, rightholder organisations and GESAC member societies. The award ceremony was led by Professor Frank Gotzen, with a keynote speech from guest of honor MEP Jean-Marie Cavada.

The winner of the 2019 ALAI European Authors’ Right Award was Dr Hannes Henke, for his essay ‘E-books in German and European copyright law: backgrounds-contacts-effects’.

“The winning essay struck a careful balance between all the interests at stake and was insightful and gave a very careful analysis of law while being pragmatic, showing historical perspective and an economic insight. And that’s what’s needed today to defend authors’ right and copyright.”

- Caroline Bonin, jury member and Vice-Chair of the Madrid Group

“We need fresh blood in authors’ right and copyright. We were very lucky to have a broad response from several countries and we hope that in the coming years this prize will grow even bigger.

- Frank Gotzen, President of ALAI

Communications update

The renewal of the EU legislature provided a good opportunity for GESAC to take stock of the way we have been working and seek to make improvements. One such area was our website.

Throughout the summer of 2019 we worked on revamping the website with a new design and structure. The aim was to improve visitors’ immediate understanding of what GESAC is, who we represent and what we do. Given that 61% of incoming MEPs after May elections were new and would not be familiar with the GESAC community, this would prove useful for the months ahead.

The website also features a simpler and more aesthetically pleasing user interface, so visitors can easily find news and information about our policy positions. This new look and feel has been carried across to other areas of communications, particularly social media, where we have tried to continue the momentum built up over the course of the Copyright Directive campaigning.

As more and more of the Brussels bubble conversation takes place online, it’s important for us that GESAC is both on top of what’s being said and, where necessary, a prominent part of the conversation.
Internal functioning

Presidency of the grouping and Board

In 2019, the Board held quarterly meetings (plus one conference call) to discuss the functioning of the Grouping, its current and future priorities. Upon the request of the Board, we conducted a membership survey to assess whether or not there was a need to adapt GESAC’s governance. Half of the societies answered the questionnaire and 81% of them expressed a very high level of satisfaction with regard to GESAC’s general performance. Overall, GESAC members are broadly satisfied with the current governance structure and do not consider the need for any structural changes.

Members also provided good ideas on ways to improve GESAC’s efficiency in relation to the flow of information. Improving GESAC is a work in progress and any ideas on ways of improving its efficiency are always welcome.

The Board also discussed developments at EU level and the need to review the grouping’s strategy accordingly and to make recommendations for the General Meeting.

On 20 November the Board had fruitful discussions with Mr Manuel Mateo, from Commissioner Mariya Gabriel’s Cabinet and Mogens Blicher Bjerregård, President of the European Federation of Journalists.

Following the departure of Mr Anders Lassen as CEO of KODA on 30 June, Mr Jose Jorge Letria (SPA) took on the role of Interim President of GESAC until subsequent elections, which will be held during the General Meeting of June 2020. Mr Robert Ashcroft’s departure from his role as CEO of PRS for Music also meant that he had to leave his function as one of the three Vice-Presidents of the Board.

At the end of 2019 the Board was composed of:

- José Jorge Letria (SPA), Interim President of GESAC and President of the Board
- Jean-Noël Tronc (SACEM), Vice-President of the Board
- Victor Finn (IMRO), member of the Board
- Harald Hecker (GEMA), member of the Board
- András Szinger (ARTISJUS), member of the Board
- Gaetano Blandini (SIAE), observer to the Board
- Jean-Noël Tronc (SACEM), Vice-President of the Board

Madrid Group

The Madrid Group is the legal committee of GESAC and is open to any society that wishes to take part. Since 2017 it has been chaired by Tobias Holzmüller from GEMA. The Vice-Chair is Caroline Bonin from SACEM, both were re-elected on 14 November 2019 for two years.

Legal experts that were active in 2019 represented:

- AKM
- ARTISJUS
- BUMA
- GEMA
- IMRO
- KODA
- OSA
- PRS
- SABAM
- SACEM
- SCAM
- SGAE
- SIAE
- SOZA
- STIM
- TEOSTO
- TONO
- ZAIKS
- CISAC as an observer

The Madrid Group’s work results in position papers and contributions to the Commission’s consultations, as well detailed legal work on amendments to the legislative proposals and any other emerging issues.

In 2019, the group met 5 times in-person (plus one conference call). At each meeting, the Group had an in-depth exchange on the state of affairs in Brussels and national developments on the main issues at stake.

Until the adoption of the copyright directive in April 2019, the Group conducted a full analysis of the different texts proposed at Council level and discussed the lines to take on each issue, the priorities, as well as the red lines, any possible fall-back positions and the opportunity of joint positions with other rightsholder organisations. These lines were then approved by the Board, where necessary.

The Madrid Group also started following the transposition of the Copyright Directive into national laws and provided GESAC members with guidance and interpretation on some of the more sensitive issues at stake. The group has been deeply involved in the stakeholder dialogues on Art. 17 organised by the European Commission.

In addition, the Madrid Group had regular exchanges on the CRM Directive transposition, on CJEU and national case law and is discussing any issue of interest for GESAC and its members.
Public Affairs Committee (PAC)

The Public Affairs Committee (PAC) gathers people specifically appointed to work on public and EU affairs and participation is open to all interested members. The PAC is chaired by Héloïse Fontanel, Head of European and International Affairs at SACEM and Vice-Chair is Robbert Baruch, Public Affairs Manager at BUMA. In 2019, lobbyists for the following members actively attended the Committee meetings:

- BUMA • GEMA • KODA • PRS • SACEM • SCAM • STIM
- SABAM • SIAE • SGAE • TEOSTO • ZAIKS

The PAC met five times in 2019 to exchange information on lobbying actions EU affairs, coordinate lobbying efforts, and mobilise authors to attend events in Strasbourg or Brussels.

The PAC also contributed to the translation of GESAC’s positions into communication materials and their dissemination at the national level.

Throughout the year, and especially in the context of the Europe for Creators campaign, members of the PAC were highly active; on social media, contacting the national press, producing videos, articles and other content.

Where necessary, members of the PAC were involved in the work of other working groups. The Chair and Vice-Chair of the PAC regularly attend the Madrid Group meetings to ensure both remained aligned.

General Secretariat

The General Secretariat comprises of six people Veronique Desbrosses, General Manager; Burak Ozgen, General Counsel; Habib Msallem, Communications Manager, Catherine Navet, Administrative and Financial Officer, Alexia Pickard, Senior Policy Officer; Martine Rezzi, Senior Legal Advisor.

Transparency and accountability

The General Secretariat’s daily work and actions were detailed to the CEOs of GESAC member societies in the reports that were sent out on a monthly basis. KPMG is in charge of auditing GESAC’s annual financial accounts.

Membership

In 2019, GESAC had 32 members across 27 EU countries, plus Iceland, Norway and Switzerland.

In November 2019, the General Meeting agreed to welcome one new member, effective from January 2020, AUTODIA from Greece, broadening the diversity of nationalities we represent.