

## INDUSTRY LOSES OVER A BILLION A YEAR

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Indie organisation IMPALA recently highlighted the problem of the European music industry losing large amounts of copyright money every year. MI spoke to Jonas Sjöström, who is part of the working group dealing with this issue with the EU.

**Two and a half years ago, the European Court of Justice made a decision in the so-called RAAP case, which left the European industry in a strange situation. In short, the judgement meant that rights holders outside the EU should be entitled to compensation when their music is played on e.g. radio in EU countries.**

So far nothing strange really, it seems like something positive and correct. The only problem is that in some countries, mainly the US, European rightholders are not paid when their music is used. In fact, no performers or labels get paid when music is played on American radio.

The result is a skewed "balance of trade", where US rights holders receive revenue when their music is used here, but European rights holders are not paid when their music is used there.

A few weeks ago, IMPALA criticised the fact that the EU has still not presented a solution. Jonas Sjöström of Playground Music, and also founder of IMPALA, has been part of the working group that has been working on this issue.

### **What do you see as the biggest problem with the current situation?**

- "The problem is that nothing is happening and uncertainty is increasing. There are huge amounts of money at stake for independent European record companies, artists and musicians. The EU passed a poorly written law that the Court of Justice of the European Union has basically said needs to be rewritten in order to fulfil its purpose. It is a self-inflicted problem that the EU Commission is responsible for solving, but unfortunately it has been stuck for more than two years.

- Unfortunately, the IFPI in London has also bowed down to the major companies on this issue. This has created a credibility problem for IFPI in Europe, as IFPI locally and its European members are naturally against RAAP in most countries."

### **What could be the long-term effect in Sweden and the rest of Europe?**

- "The RAAP judgement means that the principle of reciprocity ceases. This is the principle that governs all copyright conventions and means that the signatories to the convention guarantee to give the same protection to all signatories as they give their own creators in local legislation.

- The RAAP judgement means that the United States in particular, whose legislation does not give artists/musicians and record companies the right to remuneration when the music is played on regular radio, will now be entitled to full remuneration from radio/television broadcasts in the EU. In simple terms, money is moved from European artists/musicians and companies with European repertoire to those with American repertoire.

- Since the US repertoire is overwhelmingly owned by the three majors, there will also be a transfer of revenue from European independent companies to those who own US repertoire, which are the majors. It also means that the incentive for the US to introduce copyright protection for musicians and record companies, i.e. to sign the Rome Convention, in order to obtain protection for US repertoire in Europe, is removed. Now full protection is offered in Europe without having to give equivalent protection in the US to European music”.

### **How much money is involved?**

- “The estimated amount that will be moved in this way is €125 million per year. This is an enormous drain on European music. I find it hard to understand why the EU is not taking urgent action. It should go without saying, but there are obviously problems with how different countries want the regulatory framework to look.”

### **What is the best way to solve the problem?**

- “In its judgment, the European Court of Justice says that the law is badly written and they realise that the meaning of the law has not been what the Court's unambiguous interpretation has led to. Therefore, the law must be rewritten. The Commission now has to push for this or find another solution and take decisions that bring about a rapid change that upholds the principle of reciprocity, i.e. mutual protection. As the country holding the Presidency, Sweden now has an opportunity to do just that.”

Read the letter from IMPALA: <https://www.impalamusic.org/timetowakeup/>

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