



**EUROPEAN COMMISSION**

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## **Copyright and innovation in the Creative Industries**

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Thank you for your kind invitation to talk with you about the creative sector.

Today I want to talk about why, in a changing digital age, copyright reform is the right way to support that sector. The debate on copyright often involves extreme positions, rigid views, and emotive arguments.

But for me, this isn't a simple question: we need to recognise its complexity. Not to be dogmatic, but pragmatic. Not to consider the question as an abstract, philosophical issue: but in its context and time.

Let's remind ourselves of that context. The world we live in is changing fast. Technology is changing. Business models are changing. The way we consume and enjoy creative works - music, movies, games - is changing.

And, if we want to keep the right balance, the legal framework has to respond.

The last major EU copyright instrument, the Copyright Directive, was adopted in 2001. The Commission proposals it was based on date back to 1998.

Let's remind ourselves what's happened since then.

In 1998, Mark Zuckerberg was 14. Today, almost one billion people around the world actively use Facebook, to share photos, videos, and ideas.

In 1998, YouTube didn't exist. Today, [one hour of video is uploaded every second](#).

In 1998, most people listened to music on the radio, CD or tape. Now digital downloads often overtake conventional sales. New technologies allow downloading or streaming; easily, instantly, wherever you are. Not just to passively listen, but to interact and give feedback, to creators and friends.

But changes are not limited to the content business, they affect all sectors. Huge changes have taken place in the research area. Today, new scientific discoveries don't just come from new experiments, new drugs, new clinical trials: in fact, now, we can get new results by manipulating existing data. Data and text-mining techniques now lie behind a huge field of research, like human genome projects, potentially life-saving. They could hold the key to the next medical breakthrough, if only we freed them from their current legal tangle. Research activities are not clearly exempted from the copyright rules and there are many different rules in the 27 member states.

And here's the most important change since 1998. Back then, creation and distribution were in the hands of the few. Now they are in the hands of everyone: democratising innovation, empowering people to generate and exchange ideas, supporting and stimulating huge creativity.

And now let's remind ourselves what our objectives as policymakers should be for the creative sector.

We should help artists live from their art. Stimulate creativity and innovation. Improve consumer choice. Promote our cultural heritage. And help the sector drive economic growth.

We can't look at copyright in isolation: you have to look at how it fits into the real world. So let's ask ourselves: how well is the current system achieving those objectives, in the world we live in today?

Well for one thing, you often find that online licensing restrictions make it impossible to buy music legally. Sometimes, for example, you can't buy an MP3 across an EU border.

We have already made a proposal on orphan works and recently one on collective rights management, to make multi-territorial licensing easier. The licensing proposal is a good step forward to make it easier to legally access the music you love, especially across

borders. I hope legislators are able to agree it quickly. But this tackles only one aspect of the problem.

Because there are other problems too beyond licensing or orphan works. That's why the June 'Compact for Growth and Jobs' makes clear we need to focus also on substantive copyright reform.

And quite right too. For example, I ask myself, are current copyright rules favourable to potentially life-saving scientific research or do they stand in its way?

Do they make it easier or harder for people to upload and distribute their own, new creative content? And is that the best way to boost creativity and innovation?

How can we expect pan-European companies to succeed, if in practice they have to deal with 27 different sets of rules, even if based on a supposedly common European framework? How can we expect them to compete against American platforms that can easily market to hundreds of millions?

If it took the BBC years of paperwork to market a TV programme across the EU: how does that help repay their creative investment?

How are these restrictions improving our economy? How are they helping cultural diversity? How are they helping artists live from their art? How are they helping stem piracy?

In short, the world has changed, and is changing still. The change is rapid, it is profound, and it is a huge opportunity for the creative sector.

Each day we fail to respond, we are missing out. Consumers miss out on easy, legal access to their favourite products. The creative sector misses out on new markets, new innovations, new opportunities. We all miss out on new ways to share, recognise, and appreciate our cultural heritage. And our economy overall misses out on the chance of new growth.

Even today we see the consequences of that loss. The initiatives we can't seize. The potentially high-flying ideas that get stuck on the runway. The glory and the benefits taken by American companies, not European.

And every day that passes we put ourselves in a yet worse position. I'm afraid Europe can't afford that, not at the moment.

I'm glad to see that change is finally coming for copyright, at many different levels. Internationally, the World Intellectual Property Organisation is looking into a range of new copyright exceptions and limitations. Nationally, an increasing number of Member States are recognising the need for reforms, and testing new ideas in this field. But we need a common European solution, to avoid fragmentation and to seize benefits for a European Digital Single Market.

Now I am glad the EU is playing its part too, so that our single market, our crown jewel, delivers for the creative sector. We have started a process to assess whether further changes are necessary. For this, Michel Barnier is looking at whether and how the 2001 Copyright Directive needs to be adapted. I fully back his commitment to do that, set out in the Commission's IPR Strategy of last year.

During this process of assessment we should leave passion aside and take a pragmatic view. Is our current system consistent and relevant within the real world?

I am open to ideas from all stakeholders: artists, consumers, businesses, researchers. Only together we can adapt ourselves to the future, and stimulate innovation and growth.

The world is changing fast. Let's not wait for ever faster technology to be ever more constrained by over more outdated legislation. Let's not wait for the USA to speed ahead of Europe. Let's act right now: for artists, consumers, for our economy.

Thank you.