



# REPORT OF ACTIVITIES

MAY 2015

—

MAY 2016

# FEDERATION OF EUROPEAN PUBLISHERS



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**“We need to recall endlessly the importance of our role in the creative chain, and why this role and obviously, the work of our authors, needs to be sufficiently encouraged via a fair copyright system.”**

## FOREWORD BY PIERRE DUTILLEUL, FEP PRESIDENT



### How can I describe my year as President of FEP?

The first word that jumps to my mind is “busy”, I could even say “very busy”.

When writing the preface for last year’s report of activities, I described the many lobbying activities performed by the FEP team, the Board and of course colleagues from our national members.

With the publication last year, in May, of the Digital Single Market Strategy and in December, of the Communication on the modernisation of the copyright framework, the workload increased ever more, as it is essential that the publishing community presents its arguments to all interested parties.

It is a very long process. We have to explain how much we invest in digital technologies, all the efforts we do – on behalf of our authors – to widen their audience, experimenting new ways of reaching readers, campaigning to remind the public of how enjoyable and how rewarding reading is...

To make possible these investments in finding the talents of tomorrow, in nurturing the talents of today, in reaching to the readers, in inventing new ways of bringing these books closer to those who will have an appetite for them, we need to have the necessary legal certainty that our engagements will not be challenged by hasty legislation.

Explaining this fact is the role of the FEP members on a national level and the role of FEP in the European Union.

I am always happy, as FEP’s President, when I can report a positive step forward, and at the time of writing these lines, it is the case. The Commission has just adopted its Action Plan on VAT, and the Commission is committed to work on the reduced rates for eBooks. Combatting the fiscal discrimination has been a long battle of FEP and of all of us on a national level. There is still work to be done, but the message sent by the Commission is nothing but positive.

“Why reform the value added tax and not copyright?” We hear this question more as an affirmation. The fiscal rules apply on the objet or the service, and the VAT is levied on everything that is acquired by a ‘consumer’, be it an object (the book) or a service (the eBook). So if an eBook seller sells the same eBook 1.000 times, the VAT will be levied 1.000 times. In the copyright field, the uses that one has with an eBook will be very different. I can think of the new streaming services as an example. If we want to be able to innovate, we need a balanced ecosystem and this is best achieved in a system promoting licences rather than exceptions.

We need to recall endlessly the importance of our role in the creative chain, and why this role and obviously, the work of our authors, needs to be sufficiently encouraged via a fair copyright system.

To this end, I have met several Commissioners and Members of Parliament, Directors General and Directors at the Commission, to repeat my true conviction that solutions are currently being developed by stakeholders, often through some form of experimentation as the eBook market is still in development, and that these solutions respond to the needs of the sector while providing users with the necessary permissions.

The French author Montesquieu said “Il ne faut toucher aux lois que d’une main tremblante” (One should touch laws only with a trembling hand) and when the Commission will present its proposals, FEP will have done its utmost to remind this wise principle to the legislator.

I wish to thank my colleagues in the Board, our Vice-President Henrique Mota and our Treasurer, Rudy Vanschoonbeek, as well as all of our colleagues (too many to be named) from our national publishers’ associations and of course, the staff at FEP, for their commitment to the cause of the most precious object on Earth, the smartest, the most convenient, the most amusing and instructive one: the book.

*Pierre Dutilleul*

## FEP MEETS

Between May 2015 and April 2016, FEP had four meetings with its member associations. Meetings are now divided in three sessions: our General Meeting, a Professional Meeting and a Technical one.

Our General Assembly of May 2015 took place in the splendid city of Vienna, at the invitation of our Austrian colleagues, who offered us the possibility to share a meal with them in the very room in which the Treaty of Vienna was negotiated. It was splendid, as was the entire programme.

In September 2015, FEP stayed in Brussels, where we had the opportunity to meet with officials of the European Commission in order to discuss issues of relevance to our members, and to meet colleagues from other publishers' associations in order to talk about plans for future actions.

In November 2015, after the successful "Dialogues" event, FEP had its General Assembly in Strasbourg, where we welcomed MEP Constance le Grip, who reviewed on our behalf the latest discussions on topics affecting book publishing.

February 2016 saw FEP meet in the great city of Antwerp, at the invitation of our Flemish colleagues, who organised a gathering with the city poet and a visit of the impressive Plantin-Moretus museum. This turned out to be a fascinating visit for the book lovers that publishers are. Our professional session was dedicated to the initiatives developed by FEP members to share expertise on innovation. Much is done at national level to foster innovation in our sector.

We really are looking forward to the next meeting in Stockholm and Turku!

In addition, we had a very well attended Rendez-Vous during the Frankfurt Book Fair, where colleagues from Europe and from the rest of the world had the chance to listen to Jens Nyman-Christensen, Deputy Director General of DG EAC (Culture & Education) and Gerard de Graaf, Director at DG CNECT (Digital agenda including copyright issues).



## FEP IN BRUSSELS AND IN EUROPE

FEP has been really active this past year, as always, with many files that are likely to affect our sector being examined and discussed. Therefore, we have organised a great number of meetings with Commissioners, their cabinets, the Director General, Directors of the relevant DGs and of course their services. We have also met with many Members of the European Parliament and their assistants. In addition to the regular meetings, we have had the chance to meet MEPs during the author-publisher Dialogues' dinner, and during the opening night of the Get Caught Reading exhibition. On 30 June 2015, colleagues from Belgium, Bulgaria, France, Germany and Ireland came accompanied with publishers or other actors from the book chain to meet MEPs and assistants.

As Member States also play a key role in the co-decision procedure of the institutions, it is crucial that FEP meets as many Permanent Representations as possible to brief them on our objectives and concerns. This is done in coordination with FEP members, who are relaying the messages in their respective capitals. FEP also organised a breakfast with the Permanent Representations during its summer meeting, in early September 2015. The event was very well attended and it was an excellent opportunity for FEP members to meet their representatives in Europe.

During these meetings, FEP is very often accompanied by publishers, and we would really want to thank them for giving their time away and for providing us with their expertise.

## FEP ADVOCACY

#copyrightforfreedom CAMPAIGN

On 20 March 2015, FEP launched a campaign called "#copyrightforFreedom" at the Paris Book Fair. One month later, we launched an online petition (on [www.change.org](http://www.change.org)) to gather support for creation through support for freedom of expression and to copyright. The petition gathered a great number of signatures.

Look for #copyrightforFreedom on [www.change.org](http://www.change.org).

[#CopyrightForFreedom](https://www.change.org/p/fep-launches-campaign-for-copyright-for-freedom)

## FIFTH AUTHOR-PUBLISHER'S DIALOGUES

The Dialogues, now in their fifth edition, have drawn MEPs and colleagues from the publishers associations to listen to the duo formed by the Swedish bestselling author, Hakan Nesser, and his publisher, Eva Bonnier. FEP President Pierre Dutilleul interviewing the author and lawyer Richard Malka on his latest publication - the manifesto in favour of copyright -, allowed for the participants to discuss several topics that are of particular concern to our community. The Dialogues are a unique occasion to hear, together, the voices of authors and of publishers. It is a moment to better understand how the two work together and how complementary they are.

They are a window on a very special relationship, always changing, which is indispensable in the creative process.

Thanks to the renewed support of the SNE and of the French Collective Management Organisation "SOFIA", FEP is delighted to announce that the sixth edition will take place in Strasbourg on 23 November 2016. FEP would like to warmly thank Mary Honeyball for supporting the event so it can take place in the Parliament.



## FEP'S "BOOK'S FACE"

'The whole world is there' is the title of a publication about the many roles and jobs required in order to publish a book. To put a face on these jobs, FEP has launched a new publication called "Book's Face", which is portraying the talents of our sector, from an educational publisher, to an innovator 'evangelist' and to a technical specialist in accessibility features.

## FEP ON SOCIAL MEDIA

FEP changed its handle to @FEP\_EU to be able to write longer messages. FEP has tweeted over 1.200 times since the creation of its Twitter account, sharing professional and legal information. During the last year, FEP increased its social media's efforts: we largely tweeted about the #copyrightforfreedom campaign, the infographics on books in Europe and the Get Caught Reading 2016 campaign.

FEP has also a Facebook page and of course, is very active on its own website, sharing information about the trade and its comments on legislative and regulatory developments with its members and with a wider audience.

## GET CAUGHT READING

In February 2016, FEP held a one-week-long exhibition in the European Parliament, thanks to the support of MEP Sylvie Guillaume. Pictures of more than 135 European personalities, including the Presidents of the Parliament, Commission and Council, were exhibited, as well as their words on their love for books. The event attracted many visitors, whom we had the occasion to remind about the importance of books ... and of balanced and fair policies.

If you wish to see the pictures or have more information about the soon-to-be-published eBook, we invite you to go to [www.getcaughtreading.eu](http://www.getcaughtreading.eu).

Of course, you can also follow the campaign on Facebook and on twitter (#GetCaughtEU).



## FEP NETWORKS

In European Affairs, it is absolutely crucial to team up with associations whose interests are common to yours.

FEP's natural allies are of course our colleagues of the European Writers' Council and of the European and International Booksellers Federation. Together, we are not just organising the European Union Prize of Literature, we frequently meet and discuss issues of common interest and we strive at working together as often as possible.

With EWC and EIBF, we also have started to meet with the European Bureau for Libraries, Information, and Documentation Associations in order to explore solutions to encourage a sustainable book ecosystem for both print and digital books. This is a work in progress.

The International Association of Scientific Technical and Medical Publishers, and the press publishers from the European Newspapers Publishers Association, News Media Europe, the European Publishers Council and the European Magazine Media Association, are essential partners in so many of the discussions we have with the European institutions. We liaise with them regularly so that our positions are coordinated and whenever possible, we defend common positions.

The same thing must be said for the International Federation of Reproduction Rights Organisations, based in Brussels and very active on the European scene.

We also work with networks sharing similar objectives and networks of creative industries (such as the Creative and Media Business Alliance and the Creative Works!). FEP is also a member of the European Internet Forum, a group of Members of the Parliament and interested stakeholders. Such a membership allows us to better understand the issues affecting different sectors.

Working and meeting with all these parties and groups provides us with more expertise and gives our sector better representation. It gives us the opportunity to be confronted with a whole spectrum of cultural and actors, reaching outside of publishing and of the book world.

## FEP STATISTICS

**FEP continued its regular collection of data on the European book sector, through a reviewed and improved version of its questionnaire.**

**FEP continued its effort of revision, integration and harmonisation of statistics on the book sector.**

**FEP produced a new yearly set of figures on book publishing.**

**FEP prepared regular reports on the results of its surveys in the field of statistics.**

**FEP cooperated with IPA by providing them with data and advice for their Global Publishing Statistics publication.**

**Upon request, FEP provided the European Institutions, researchers, and other interested parties with figures about the book market.**

**FEP produced a set of figures on the digital book market in a number of selected countries, based on the analysis of the reports from its members.**

## BACKGROUND

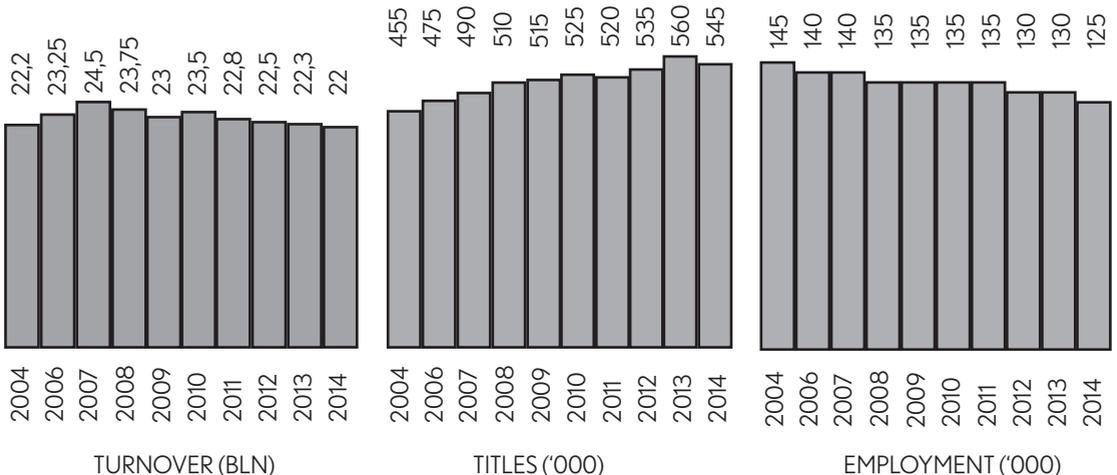
FEP has been gathering the best available information on a number of identified core data in order to produce a series of tables for the 2004-2014 period. Through processes of correction and integration, our FEP statistics, despite the remaining difficulties, are now quite complete, clear, accurate, and reflect well our needs.

There is a consensus on the need to keep on improving the collection of statistics on the book industry in order to support publishers' lobbying activities in Brussels. Such a need is based on the importance of providing FEP's counterparts in the European Institutions with a reliable picture of the value of the book publishing industry, for instance, in terms of income generation, employment, and the contribution to cultural diversity. It is also important for us to be able to build a series of fairly consistent data over a given period, which would allow us to assess, at least broadly, the impact of different variables (policy, economic conditions, etc.). The digital migration has further highlighted the importance of reliable

figures in understanding how several factors impact on market dynamics.

According to the latest information collected, European publishers (EU Member States plus Norway, Iceland and Serbia) generated a turnover of some €22 billion in 2014 (down from €22.3 in 2013), thus continuing a decreasing trend after the mild recovery of 2010. They published some 545,000 new titles (down from 560,000) and directly employed around 125,000 people full time (a little less than the year before - this is however an area on which it is difficult to gather reliable data. It is worth mentioning that a study published by EY in December 2014 estimated that the book value chain employed some 650,000 people directly). Around 16.9 million titles were commercially available, the large increase in recent years mainly being explained by the fast growth of digital catalogues. The digital share of sales was estimated at some 7% of the total, 4 to 5% represented by e-books and the rest by databases and other services.

EUROPEAN BOOK PUBLISHING STATISTICS, CORE DATA 2004-2014



# DG EDUCATION AND CULTURE

The Directorate General for Education and Culture (DG EAC) is the executive branch of the European Union responsible for policy-making in education, culture, youth, languages, and sport. DG EAC also supports these issues through a variety of projects and programmes.

The cultural and creative industries play an essential role in Europe's competitiveness, as shown by the European Commission commissioned study on the economy of culture. Even if culture is a subsidiary competence of the European Union, its

regulatory environment is set in Brussels in relation to copyright, competition, the single market and VAT.

It is led by Commissioner Tibor Navracsics, who was appointed in November 2014.

The Director General is Martine Reicherts, who was appointed in June 2015.

FEP has met with the Commissioner in the framework of the European Union Prize for Literature (EUPL).

## EUROPEAN UNION PRIZE FOR LITERATURE

### FEP'S INTERVENTIONS

In 2015, the Commission confirmed who the members of the Consortium responsible for the four following editions of the Prize would be: the European and International Booksellers Federation (EIBF), the European Writers' Council (EWC) and the Federation of European Publishers (FEP). They would be in charge of coordinating the initiative in 2016. The three associations are jointly responsible for the setting up of the national juries and the practical organisation of the awards ceremony, FEP being the project leader.

The selected countries for 2015 were Austria, Croatia, France, Hungary, Ireland, Italy, Lithuania, Norway, Poland, Portugal, Slovakia and Sweden.

The winning authors were announced by Commissioner Tibor Navracsics at the London Book Fair, on 14 April 2015. FEP and the rest of the Consortium cooperated to organise other promotional events related to the Prize, later, during the Frankfurt Book Fair.

On 23 June 2015, many public figures from the field of culture, literature and politics, as well as a broad European audience, attended the EUPL award ceremony. During this high-profile event, Commissioner Tibor Navracsics and MEP Silvia Costa (S&D, Italy), Chairwoman of the European Parliament Culture and Education Committee, handed out an award to each of the emerging talents.

Additionally, national events were organised in bookshops in each participating countries.

The selected countries for 2016 are Belgium, Bosnia-Herzegovina, Cyprus, Denmark, Estonia, Finland, Germany, Luxembourg, Romania, Slovenia, Spain and the Former Yugoslav Republic of Macedonia.

The 2016 winners were announced by the European Commission on 5 April 2016, via their Midday Express press release.

The 12 authors selected for 2016 received their award on 31 May 2016.

### BACKGROUND

The aim of the award is to put the spotlight on the diverse creative wealth of Europe's contemporary literature, to promote the circulation of literature within Europe, and to foster a greater interest in foreign literary works. Each year, in a three-year cycle, the juries representing a selection of the 37 countries who participates in the EU's Creative Europe Programme select one emerging fiction writer from their own country. The first ceremony of the Prize was held on 28 September 2009; the second took place on 18 November 2010, and the third on 28 November 2011. The new three-year cycles started in 2012, and that same year, the ceremony was held on 22 November 2012. In 2013, winners were awarded on 26 November and in 2014, on 18 November.

[www.euprizeliterature.eu](http://www.euprizeliterature.eu)

## EUROPEAN CULTURAL PLATFORMS/ CREATIVE EUROPE PROGRAMME

### FEP'S INTERVENTIONS

**FEP communicates the importance of encouraging the creation of innovative content and respecting intellectual property rights. FEP advocates for platforms to adequately voice the concerns of cultural industries, both concerning regulatory measures taken at European and national levels and for developing structural policies to support cultural industries.**

**Within the framework of the platform on Creative and Cultural Industries and in its position as board member, FEP meets on regular occasions with DG Education and Culture, and most particularly with the Unit Cultural Policy and Intercultural Dialogue.**

**FEP also takes part in the Access to Culture Platform, which was re-launched as the Arts, Rights and Justice Platform at the end of 2014. A meeting took place in September 2015 where the new objectives and action plan of the Platform were discussed.**

### BACKGROUND

FEP has been taking part in the two cultural platforms and actively contributed to the Working Group on artists' rights within the Access to Culture Platform. FEP is also a member of the board of the Cultural and Creative Industries Platform. The exercise allows us to coordinate with other cultural organisations.

Though these platforms are not operating anymore under the European Agenda for Culture, they both continue their work and meet and talk on a regular basis.

FEP worked with the platform on Cultural and Creative Industries in order to issue a common position on the "Creative Europe" funding programme for culture.

The total budget of €1.46 billion, on which the Member States and the European Parliament finally agreed upon at the end of 2013, represents a 9% increase compared to the previous programme. The budget is divided as follows: 30% for culture, 55% for media, and 15% for trans-sectoral activities, including the new financial guarantee facility (€121 million) which will be implemented from 2016 onwards.

Projects and activities that may be supported under the Creative Europe Programme:

- Cross border cooperation projects between cultural and creative organisations within the EU and beyond.
- Networks helping the cultural and creative sectors to operate trans-nationally and to strengthen their competitiveness and build their competence and capacity.
- Literary translation and promotion of translated books across EU markets.
- Platforms of cultural operators promoting emerging artists and stimulating European programming of cultural and artistic works.

The programme started on 1st January 2014.

## MULTILINGUALISM

### FEP'S INTERVENTIONS

**As member of the European Civil Society Platform for Multilingualism, FEP upholds the message that books are the fundamental vehicle of European culture, knowledge and languages.**

**FEP highlights regularly (including at public hearings and Commission meetings) the importance of translations for the circulation of books at the intra-community and international levels, in particular those from small linguistic areas, as well as the promotion of books abroad and of the linguistic training for book professionals.**

**FEP participated in all meetings since the re-launch, in 2012, 2013 and 2014.**

**The new European Commission's programme for Culture, Creative Europe, includes a strand dedicated to grants for translation. FEP met with representatives of the DG and of the Executive Agency on various occasions to discuss the guidelines for the grants and promoted them through various channels. FEP also took part in various workshops to better understand the application process.**

**FEP is providing its advice to members and publishers who have questions on the application process.**

### BACKGROUND

Languages are one of the key features of cultural identity. The European Union's motto "Unity in Diversity" is a reflection of the multilingualism which lies at the heart of the EU. The EU has always considered its many languages as an asset, rather than as a burden. While committed to political and economic integration among its Member States, the EU actively promotes the freedom of its citizens to speak and write in their own language. The three strands of the EU's multilingualism policy are: encouraging language learning and promoting linguistic diversity in society; promoting a healthy multilingual economy; and promoting social integration through improved knowledge and acceptance of languages.

The Commission launched a Platform on Multilingualism in order to create a forum for exchange of best practices for civil society stakeholders and to make recommendations on multilingualism. The Platform presented to the European Commission its recommendations on translation and terminology in June 2011. The Multilingualism Platform was re-launched in June 2012 and continues to promote multilingualism and policy developments that align with the new challenges and priorities that the European Commission has outlined for the coming years.

Creative Europe supports initiatives for the translation and promotion of literary works across EU markets, with the aim of increasing access to and readership of high quality European literature. One call for proposal was published in 2016. Overall, the initiative should allow the translation of 4,500 books over 2014-2020.

## INITIATIVES IN THE FIELD OF EDUCATION

### FEP'S INTERVENTIONS

**FEP met with officials of DG EAC and DG CNECT several times, in order to discuss the Commission's initiatives in the field of education.**

**FEP met with several MEPs and their assistants to address the issue of open educational resources (OER).**

**FEP maintained contact with European Schoolnet (EUN), a network of 30 European Ministries of Education set up to share best practices on ICT in schools, including research on ICT in education, in order to discuss possible areas for cooperation.**

**FEP participated in the meetings of the IPA Educational Publishers Forum in Oslo (September 2015), Cologne (January 2016) and London (April 2016) and in its Open Meeting at the Frankfurt Book Fair (October 2015).**

**FEP continued its collaboration with the European members of the IPA Educational Publishers Forum to address matters of specific relevance for educational publishing, to gather data and to leverage their expertise.**

**On 11 May 2015, FEP attended a conference on "Open Innovation in Schools: Bringing Policy into Practice", organised by the Open Discovery Space (ODS) consortium.**

**On 19 May 2015, FEP attended a lecture at the Université libre de Bruxelles on 'The Future of Education in the Digital Age', given by Xavier Prats Monné, who was then Director-General at DG EAC.**

**On 25 June 2015, FEP had a coordination meeting with the group of European educational publishers of the IPA EPF.**

**On 1 October 2015, FEP met with the Copyright Unit of the Commission to talk about issues related to education.**

### BACKGROUND

There have been several cases of governmental interference in the educational publishing market, in particular when involving support for Open Educational Resources (OER), often linked to digitisation projects in schools, which concern publishers insofar as they envisage the substitution of good quality, professionally published educational resources.

The European Commission (DG EAC) also became involved in this issue. It first issued a Consultation called 'Opening up Education' in August 2012, focusing on stimulating the use of ICT and OER in schools, two matters which raised several areas of potential concern for publishers. Amongst others, these included: requiring Open Access for publicly funded educational resources, and making school books available for free in digital not long after publication.

In November 2012, the Commission issued a Communication called 'Rethinking Education: investing in skills for better socio-economic outcomes', which illustrated its new strategy. It focussed on bringing the learning experience closer to the reality of the working environment, with the particular objective of combating youth unemployment by delivering the right skills for employment and increasing the efficiency and inclusiveness of education. One of its stated aims was to scale up the use of ICT and OER in education.

This was followed, in April 2012, by a roadmap, which placed great emphasis on improving the quality of and access to education by exploiting the potential of digital technologies and content, including OER. However, it explicitly stated that IPR issues were outside of the scope of the initiative. Then, on 25 September 2013, the Commission published a Communication on Opening up Education. This Communication did not propose any changes in copyright or any direct interference with copyrighted material produced by publishers. The Commission nonetheless found that the rights and obligations of users of educational materials under copyright should be more transparent across borders and it will try to develop technical solutions which provide transparent information on copyright and open licences to users of digital educational resources.

The document especially emphasised the potential of ICT and OER in improving education. In this framework, the Commission launched a portal linking to OER repositories, in order to improve the attractiveness and visibility of quality OERs produced in the EU. In addition, they invited Member States to stimulate open access to educational materials produced with public funds. Of most concern to European Publishers is that the Commission encourages the use of OERs by schools and the production, including through public procurement, of high-quality educational materials whose copyrights would belong to public authorities. The Commission also intends to promote standards for interoperability and portability of digital educational content, applications and services. The document highlighted that the complementarities of traditionally published resources and OERs, as well as freedom of choice for teachers and educators, should remain key guiding principles.

**On 20 October 2015, FEP led a delegation to meet the Cabinet of Commissioner Oettinger to discuss issues affecting educational publishers.**

**On 22 October 2015, FEP met with the Copyright Unit of the Commission to talk about issues related to education.**

**On 3 November 2015, FEP led a delegation to meet the Cabinet of Commissioner Navracsics to discuss issues affecting educational publishers.**

**FEP contributed to the organisation of an EIF dinner debate on “The digital transformation of education and the MOOCs” on 17 November 2015 and invited an educational publisher in the panel.**

**On 28 January 2016, FEP organised a series of innovation demonstrations by educational publishers for DG CNECT and DG EAC.**

**On 10 February 2016, FEP had a discussion with the Copyright Unit of the Commission on issues related to education.**

**On 9 March 2016, FEP attended a conference organised by the Dutch Presidency of the EU on “The future of higher education”.**

In October 2013, the European Parliament adopted an own initiative report on the strategy, which supported the notion of open resources. Another own initiative report on New technologies and OER, which contained some helpful inputs from the publishing sector as well as some negative points calling for harmonisation of exceptions and limitations, was adopted in March 2014.

In February 2013, the Council of the EU adopted a set of Conclusions on investing in education and training in response to Rethinking Education, generally welcoming the Commission’s initiative. The Council invited Member States, amongst other actors, to optimise ICT-supported learning and access to high quality OER. A debate on OER and digital learning, where ministers acknowledged that digital distance learning tools offer considerable opportunities (broadening access to education for isolated communities and less favoured students, increasing cost-efficiency and fostering innovation in education), but also raise important issues (lack of infrastructure, access to open resources not always free, quality of materials, recognition of competences, implications for teacher education, legal issues concerning copyright) was held during the Education and Culture Council of November 2013. Ministers also stressed that digital learning should not be the only approach to education and considered that, due to a lack of data on the impact of MOOCs, it was still too premature to discuss a possible European strategy in this field.

In February 2014, the Council adopted a further set of Conclusions. While agreeing on the importance of exploring new forms of digital learning, modernising education and enhancing digital skills, Member States stressed the importance of cooperating with relevant stakeholders and vowed to support education and training institutions in exploiting the potential of new technologies and digital content as a complement to traditional educational approaches. They encouraged partnerships between creators of educational content at a national and European level, in order to increase the supply of quality OER and other digital educational materials in different languages, whilst paying due regard to copyright and licensing issues, stressing the importance of teacher training, and recalling that digital tools are a means and not an end.

The Education and Culture Council of May 2014 adopted several Conclusions on education-related topics (teacher training, multilingualism, quality assurance); OER were mentioned in all of them but there was no particular emphasis. In November 2015, the Council adopted a European Commission/Council report on New priorities for European cooperation in education and training, which identified “Open and innovative education and training, including by fully embracing the digital era” as a priority area, recommending to promote the use of ICT to increase the quality and relevance of education and to boost the availability and quality of open and digital educational resources and pedagogies in cooperation with European open source communities.

DG EAC tasked the Joint Research Centre (JRC, the Commission’s in-house research arm) to carry out studies on OER in Europe (the OEREU project). Meanwhile, the European Standardisation Committee (CEN) worked on the eTernity initiative (European Textbooks Reusability Networking and Interoperability), which intended to bring European stakeholders together to develop “a common vision, frameworks and specifications for e-textbooks for educational purposes”. FEP participated in the launch of the project and ensured the involvement of several educational publishers in the collection of requisites. The project ended in January 2014 with few visible results. In 2015, DG EAC commissioned a study on the implementation of the copyright exceptions related to educational uses. The DG underwent a restructuring with the new Commission, which led to the creation of a unit for Innovation in education: Digital Technologies, Open Educational Resources, and Copyright.

# DG GROWTH



DG GROWTH was created from the merger of the previous DG Internal Market and Financial Services and DG Enterprise and Industry. It is responsible for the Single Market for goods and services, standards, public procurement, including e-commerce, postal services, regulated professions, company and corporate governance, as well as industrial policies. It ensures that EU policies in general contribute to improving the competitiveness of businesses in the EU. It promotes entrepreneurship and innovation and supports the European growth and jobs strategy, focusing especially on the needs of small and medium-sized enterprises.

In the context of the shifts within the new Commission, DG GROWTH holds the competency of the

enforcement of IPR, including copyright. It is dedicated to the fight against counterfeiting and piracy, and is charged with looking at the correct implementation of the Enforcement Directive and its review as well as other broader aspects concerning the fight against counterfeiting and piracy. FEP maintains regular contacts with this Unit. The Enforcement Unit was also initially in charge of the European Observatory on Infringements of IPR, now under the responsibility of the EUIPO – EU Intellectual Property Office.

The Commissioner is Elżbieta Bieńkowska, appointed in November 2014.

The Director General is Lowri Evans, appointed in September 2015.

## EFFECTIVE ENFORCEMENT OF INTELLECTUAL PROPERTY RIGHTS

### FEP'S INTERVENTIONS

**FEP was active at the European Parliament in debates around the own-initiative report issued by Pavel Svoboda MEP (EPP, CZ), which dealt with the IPR enforcement Action Plan (adopted on 9 June 2015); FEP contacted MEPs and explained its position to them.**

**FEP continued to explain, whenever relevant, the European publishers' position, upholding the principle that copyright must be respected and protected in the digital environment as well.**

**FEP continued to monitor its correct implementation, in all of EU countries in order to provide publishers with the necessary instruments to enforce their legitimate rights. FEP still organizes its informal Anti-piracy Working Group with its members in order to enhance information exchanges on piracy.**

**On 7 December 2015, FEP participated in a rights holder meeting on the 'Follow the money' approach organised by the European Commission.**

**On 14 March and 30 May 2016, FEP participated in stakeholder meetings on online advertising and IPR infringements.**

**FEP replied to the Commission's consultation on the evaluation and modernisation of the IPR enforcement framework (closed in April 2016).**

**On 21 April 2016, FEP attended a seminar on 'Follow the money', organised by the EUIPO and the Dutch EU Presidency in Rotterdam.**

### BACKGROUND

The Directive on the enforcement of intellectual property rights (IPRED) requires all Member States to apply effective, dissuasive and proportionate remedies and penalties against those engaged in counterfeiting and piracy, and to create a level playing field for rights holders in the EU. Implementation was due in all Member States by 29 April 2006 and, even though the Directive did not entail major changes to national legislation, the implementation process took a long time.

Still, some difficulties in the implementation remained in some Member States, in particular given that some provisions are seen as conflicting with data protection laws, and additionally due to diverging interpretations. For this reason, in December 2010, the Commission issued an implementation report on the Enforcement Directive, to assess its transposition in Member States and to analyse potential problems. The analysis showed that certain provisions of the Directive, including the relationship with other Directives, were understood in different ways by the different Member States and had given rise to different interpretations and applications in practice. It also addressed the extra, challenging dimension of enforcing intellectual property rights that the internet and digital technologies present. These provisions could warrant further clarifications to make the Directive fully effective. The Commission therefore started a process which could set out possible legislative amendments to the IPRED, starting with the launch of a public consultation, in January 2011, to feed into the Commission's evaluation on whether a review of the IPRED is needed.

In April 2012, the Commission issued a Communication on the Single Market Act, a list of proposed measures to boost growth and strengthen confidence, which included effective enforcement of IPR as one of the recommended actions. The Commission then started to review the IPRED. An extensive consultation was carried out on its application, culminating with a conference/hearing entitled 'Enforcement of IPR: the review of Directive 2004/48/EC' organised with stakeholders in April 2012, followed by a report. The Commission continued its review and issued a targeted survey on "civil enforcement of IPR", which closed in March 2013. The aim was to gather a detailed and holistic evaluation of the efficiency of national IP civil enforcement systems, including those implementing IPRED.

In July 2014, the Commission adopted the Communication called 'Towards a renewed consensus on the enforcement of Intellectual Property Rights: An EU Action Plan'. Through this Action Plan, the Commission seeks to re-orientate its

policy for intellectual property enforcement towards better compliance with intellectual property rights by all economic actors. The plan identifies three main pillars: improving prevention, increasing cross-border cooperation between Member States and the prioritisation of enforcement policy on the basis of objective data. Ten actions are proposed, divided in three blocks: a role for all actors along the IP value chain (communication and awareness campaigns; rights holders' responsibility and integrity of supply chains; 'follow the money': involves payment, advertising and shipping industries; assisting SMEs to enforce their rights: low value claims and national financed schemes; consumer payments as tools to tackle infringements); public authorities working together (cooperation between national authorities: IP Enforcement Expert Group; training programmes; guide on best practices for public procurement and IP); and better monitoring and targeting of IP enforcement policy (biennial report on the economic impact of EU's IP policy). The overarching principle of the 'follow the money approach' is to seek to deprive commercial scale infringers of the revenue flows that draw them into such activities (while focusing less on individuals infringing IPR).

The Commission is also holding workshops on key economic issues regarding the enforcement of IPR in the EU. Those workshops are organised with the participation of economists, researchers and experts specialised in the economics of IP. Moreover, the Commission has set up a group of experts on the enforcement of IPR.

The European Parliament reacted to this Communication, and in June 2015, the own-initiative report entitled "Towards a renewed consensus on the enforcement of IPR: an EU Action Plan" was adopted. The Parliament welcomed the Commission's Action Plan, which, according to the report, should ensure the effective, evidence-based enforcement of IPR. Enforcement plays a key role in stimulating innovation, creativity, competitiveness, growth and cultural diversity, as well as fair remuneration for creators. According to MEPs, all actors in the supply chain have a role to play in the fight against IPR infringement and should be involved in this process: the creative industries should, in turn, keep on developing attractive legal offers.

The Commission has now started the review of the IPRED, looking in particular at the role of intermediaries, access to evidence and the quantification of damages; as announced in the Communication on a Digital Single Market Strategy for Europe (May 2015), in 2016, the Commission will make proposals to modernise the enforcement of IPR, focusing

on commercial-scale infringements as well as cross-border applicability. The Commission launched a consultation on the issue in December 2015, which closed in April 2016.

The Commission also launched a series of dialogues with stakeholders, in the framework of the 'follow the money' approach, with a view to reach agreements in order to set the principles for voluntary cooperation practices in the fields of online advertising and payment services.

## EUROPEAN OBSERVATORY ON INFRINGEMENTS OF INTELLECTUAL PROPERTY RIGHTS

### FEP'S INTERVENTIONS

**FEP has been constantly involved in the Observatory's activities since its inception.**

**FEP actively participated in meetings of the Working Group Statistics and Economics, the Working Group "IP in the Digital World" and the Working Group on Public Awareness in September and October 2015 as well as March 2016.**

**FEP actively participated in the Observatory Plenary Meeting on 21-22 October 2015.**

**FEP replied to a customer satisfaction survey conducted by the Observatory.**

**FEP provided information to the Observatory and contributed to several of its reports and initiatives.**

**FEP participated in several coordination meetings with other stakeholders of the Observatory.**

### BACKGROUND

In July 2008, the Commission adopted a Communication on a new industrial property rights strategy for Europe. The Communication outlined a number of actions aiming to maintain a high quality industrial property rights system for the EU in the 21st century, calling for robust enforcement against counterfeiting and piracy. The Communication included copyright in order to present a coherent picture on the fight against piracy.

In September 2008, the Competitiveness Council adopted a Resolution on a comprehensive EU anti-counterfeiting and anti-piracy plan. This Resolution endorsed the need to step up the fight against counterfeiting and piracy and called for the creation of a European Counterfeiting and Piracy Observatory (EOCP). The Observatory, whose overall goal was to produce a continuous and objective series of assessments and up-to-date research that would lead to exchange best practices and knowledge among policymakers, industry experts and enforcement bodies, was launched in April 2009. It was initially managed by the Enforcement Unit of DG MARKT, but in 2011, the Commission decided to place it under the responsibility of the OHIM (Office for the Harmonisation of the Internal Market), due to its expertise and availability of resources.

The regulation was adopted by the European Parliament and the Council, and entered into force in June 2012. The Observatory, which was renamed the Observatory on Infringements of IPR, was tasked with, amongst others, enhancing the understanding of the value of intellectual property, improving the understanding of the impact of IPR infringements, assisting in raising citizens' awareness of the impact of IPR infringements and developing training programmes for people involved in the enforcement of IPR, including in non EU countries.

During the year 2013, the first full year of operation of the Observatory under the OHIM's supervision, a number of activities were carried out. For example, two major studies were published, the IP Contribution Study (quantifying the contribution of IPR-intensive industries to the EU economy) and the IP Perception Study (providing a qualitative and quantitative analysis of the perception of IP by citizens of all 28 EU Member States. Five working groups - Legal, Enforcement, Public Awareness, Statistics and Economics - held several meetings and continued their work. A number of new projects also entered into operation.

Under the 2014 Work Programme, projects carried out and ongoing included: a study on the state of IP education in the EU (preliminary results issued); making OHIM's case-law databases available and searchable; preparation for pan-EU IP awareness campaigns; monitoring the development of online legal offers; launch of the EU central database of orphan works; studies on the size and impact of counterfeiting and piracy; the firm-level analysis of the IP Contribution study. The Observatory also launched a newsletter.

The 2015 Work Programme saw the publication of several studies, including one on voluntary cooperation practices in the field of fighting copyright infringements, one on the state of IP education in the EU and the firm-level phase of the IP contribution study, the 2015 situation report on counterfeiting in the EU, a report on online advertisement on infringing websites as well as the deployment of the awareness raising Action Plan for Youth; the Observatory selected several national awareness campaigns for support. The Observatory is coordinating with DG Connect to promote the use of the Orphan Works Database. In July 2015, the Observatory officially launched the Ideas Powered website ([www.ideas-powered.eu](http://www.ideas-powered.eu)), an EU-wide interactive website dedicated to young people and IP, with contributions from young designers, composers, entrepreneurs and artists from all across the EU to show how IP supports innovation and creativity.

According to its 2016 Work Programme, the Observatory will: cooperate with other organisations to try and assess the size and impact of IPR infringements (including copyright online, in partnership with the JRC); to fully deploy its Youth Action Plan; to launch a study on legislative measures related to online IPR infringement; to set up a network of education experts and stakeholders to create educational resources on IP; to initiate a study on the cost for rights holders to enforce IPR; to finalise a study on business models commonly used to infringe IPR online; to launch the European aggregator of legal offers for digital content in four pilot countries; to continue the analysis of techniques used in online copyright infringements; to finalise a series of FAQ (Frequently Asked Questions) on copyright; and finally, to carry out a study on the economic value of public domain. In March 2016, the OHIM was renamed European Union Intellectual property Office (EUIPO).

## INTEROPERABILITY

### FEP'S INTERVENTIONS

**FEP joined forces with EIBF to campaign for interoperability in the e-book market, in order to prevent readers from being locked in by providers.**

**FEP raised the issue several times with officials from DG GROW and DG CNECT in order to gather support for a policy initiative to foster interoperability. Moreover, they presented this subject to several MEPs.**

**On 13 November 2015, FEP attended a workshop on "Open Standards for ICT Procurement: Fostering Interoperability", part of a broader initiative lead by the European Commission to provide guidance on the link existing between ICT standardisation and public procurement.**

**In December 2015, FEP replied to a consultation by the Commission called "Standards in the Digital Single Market: setting priorities and ensuring delivery", stressing the importance of standards and interoperability for the book publishing sector.**

### BACKGROUND

The current e-book market ecosystem is characterised by a lack of interoperability – the possibility for readers to purchase and access e-books from different platforms and on different devices. This is a problem for consumers, who in addition are often not aware of certain impediments when they make their choices of e-book suppliers. It is also a contradiction to EU policies as set out in the Digital Agenda for Europe. An ecosystem is "closed" if it forces customers to remain inside of it, by coupling devices and stores, adopting incompatible proprietary formats, making it difficult, if not impossible, to export e-books, and using proprietary DRM systems and/or imposing any sorts of legal restrictions. Some of the largest operators in the e-book market have implemented closed ecosystems for commercial reasons, a situation that independent booksellers and publishers in Europe would like to change.

Concerning e-book formats, ePub3 is an open, standard and interoperable format developed by the International Digital Publishing Forum that also includes many accessibility features and is quickly becoming the format of choice of the majority of publishers. However, interoperable formats are a necessary but not a sufficient condition to allow readers to read anywhere, anytime and on any device. The European Institutions have already taken action in a similar case when they brokered a MoU and then adopted a Directive on the interoperability of mobile phone chargers.

The European Commission considers the cross-border interoperability of online services and the digitisation of European public administrations to be important contributors to growth and increased efficiency. Therefore, it put forward a proposal for a new EU programme on interoperability solutions for European public administrations, businesses and citizens (ISA2, to follow after ISA, which will end on 31/12/2015); the programme was adopted by the European Parliament and the Council in November 2015 and will run until 2020. FEP is also addressing the issue from a public procurement point of view, especially in view of the digitisation of schools.

# DG ENVIRONMENT



The main role of this DG is to initiate and define new environmental legislation as well as to ensure that previously agreed measures are actually put into practice by the Member States. The objective of the Directorate-General is to protect, preserve and improve the environment for present and future generations. To achieve this goal, it proposes policies that ensure a high level of environmental protection in the European Union and that preserve the quality of life of EU citizens.

The DG makes sure that Member States correctly apply EU environmental law. In doing so, it investigates

complaints made by citizens and non-governmental organisations, and is able to take legal action if it deems that EU law has been infringed. In certain cases, DG Environment represents the European Union in environmental matters at international meetings such as the United Nations Convention on Biodiversity.

The Commissioner responsible is Karmenu Vella, who was appointed in November 2014.

The Director General is Daniel Calleja Crespo, who was appointed in September 2015.

## OBLIGATIONS OF OPERATORS THAT PLACE TIMBER AND TIMBER PRODUCTS ON THE MARKET/ILLEGAL LOGGING

### FEP'S INTERVENTIONS

**FEP is part of the Print Media Group, which represents the print media value chain, including paper manufacturing, converting, printing, publishing and direct marketing, to make sure that its views on environmental issues are properly represented. FEP regularly attends the PMG meetings (the last ones in date took place in September 2015, March 2016 and May 2016).**

**In view of the revision of the EU Timber Regulation, FEP consulted its members, who decided not to oppose the inclusion of printed matters in the scope of the Regulation, given the high levels of environmental compliance already adopted by publishers, while stressing the importance of not placing an excessive burden on companies.**

**In July 2015, FEP replied to a Commission consultation on the evaluation of the EU Timber Regulation.**

**On 19 May 2015, FEP met with DG Growth and DG Environment to discuss the prospects of the EU Timber Regulation.**

**FEP invited the European Commission to its Summer Meeting of September 2015 where the developments of the EU Timber Regulation were presented to FEP's members.**

**On 20 April 2016, FEP participated in a meeting of the Expert Group on Forest-based Industries.**

### BACKGROUND

Regulation (EU) No 995/2010 of the European Parliament and of the Council (20 October 2010), laying down the obligations of operators who place timber and timber products on the market – also known as the (Illegal) Timber Regulation – counters the trade in illegally harvested timber and timber products through three key obligations: it prohibits the placing on the EU market for the first time of illegally harvested timber and products derived from such timber; it requires EU traders who place timber products on the EU market for the first time to exercise 'due diligence'; it requires traders further down the supply chain to keep records of their suppliers and customers.

Printed products were originally excluded from the regulation (printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans), following the reaction of the representatives of print media publishers. The Commission started reviewing the Regulation in 2015, and the process will most likely be followed by a revision, which will once again look into the sectors covered by the regulation, with the objective of expanding the list (and most likely include printed paper products). This would impose certain obligations on publishers who import printed books from outside of the EU, in particular the need to exercise due diligence procedures; publishers would also be liable, should the books they import come from illegally harvested timber. The procedure for carrying out the due diligence could create an extra burden to publishers, which is to be assessed and also weighed against the reputational issues related to compliance with environmental standards.

For many years, European publishers have been paying close attention to issues of sustainability and environmental responsibility, notably regarding the choice of paper that is used for the printing of their various publications. However, responsibility for due diligence along the value chain may prove too burdensome for some, as they are not directly involved in the sourcing process and therefore don't have direct access to the necessary information.

In February 2016, the Commission issued an implementation report on the EUTR, which confirmed the validity of the legislation while acknowledging a slow uptake due to difficulties faced by both national authorities and businesses. The report does not provide clear indications as to a possible extension of the scope.

# DG COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY



The Communications Networks, Content and Technology (CNECT) Directorate-General (previously DG Information Society and Media) supports the development and use of Information and Communication Technologies (ICTs) for the benefit of all citizens. This includes fostering the growth of content industries drawing on Europe's cultural diversity.

With the reorganisation of the Commission 2014-2019, DG CNECT is now responsible for copyright and online services.

The Copyright Unit deals with the important task of enforcing the *acquis* on copyright and related

rights, its further advancement, modernisation and adaptation to new developments in technology or the markets concerned. It plays a particularly important role in the evolving market scenario and as such, the FEP has regular meetings and contacts with this Unit.

The Commissioner responsible is Günther Oettinger (Commissioner for the Digital Economy and Society), who was appointed in November 2014.

The Director General is Roberto Viola, who was appointed in September 2015.

FEP met with Commissioner Oettinger in April 2016.

# DG COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY

## REVIEW OF COPYRIGHT RULES

### FEP'S INTERVENTIONS

**FEP met with Commissioner Oettinger (7 April 2016), and with the Cabinets of the following Commissioners: Oettinger (23 June and 20 October 2015), Jourová (4 May and 16 November 2015), Moscovici (26 October 2015), Navracics (3 November 2015), Ansip (24 June 2015), Hogan (10 November 2015), Hill (16 November 2015), Malmström (20 November 2015) and Katainen (22 April 2016). FEP met with Vice-President Ansip on 11 January 2016.**

**FEP met with the Commission DG EAC (6 May 2015) and DG CNECT (23 June 2015 and 21 September 2015) to explain the situation of the book sector and illustrate the potential impact of the modernisation of copyright on book publishers.**

**FEP regularly meets with the Copyright Unit of the DG CNECT to discuss technical issues and give feedback on the publishers' views on specific aspects of their business that would be affected by the ongoing copyright reform.**

**FEP attended meetings at the European Parliament, during which the priorities of the Latvian and Luxembourgish presidencies of the Council were presented.**

**FEP met with Permanent Representatives and Ministries of the countries holding the Presidency of the Council.**

**FEP met with Intellectual Property attachés from a number of national Permanent Representations of the EU.**

**FEP took part in meetings and debates organised by Intergroups or other groupings of Members of the European Parliament, dealing with matters related to copyright and to the Digital Single Market (Digital Agenda Intergroup, European Internet Forum...).**

### BACKGROUND

The Commission considers the establishment of a Digital Single Market and the modernisation of copyright as two very important aspects of its mandate. The two instruments guiding the Commission's efforts in this area are the Communication of May 2015 on 'a Digital Single Market strategy for Europe' and the Communication of December 2015, called 'Towards a modern, more European copyright framework'.

On a political level, Andrus Ansip, Vice-President of the Commission, is in charge of the Digital Single Market, while Günther Oettinger is in charge of copyright issues through his position as Commissioner for Digital Economy and Society. The competent service of the Commission is the Copyright Unit in the Directorate General for Communications Networks, Content & Technology (DG CNECT). In the EP, the Committees involved in Digital Single Market and copyright issues are IMCO (Internal Market and Consumer Protection), ITRE (Industry, Research and Energy), JURI (Legal Affairs) and CULT (Culture). In the Council, copyright issues are discussed by the Working Group on Intellectual Property before political decisions can be made on a higher level.

On 6 May 2015 the Commission published its Communication on a Digital Single Market Strategy for Europe, in which it explained why a Digital Single Market is needed, how cross-border e-commerce can be facilitated, how unjustified geo-blocking can be tackled, and which way we should move towards to create a more modern and more European copyright framework. It also outlined the policies it has put in place to deal with online platforms and illegal content on the Internet, and explained in detail how the potential of the digital economy could be maximised. An Annex to the Communication (Roadmap for completing the Digital Single Market) comprising a list of actions to be taken in the years 2015 and 2016, with the objective of implementing the goals of the Commission in the above fields.

On 9 December, the Commission published a Communication setting out the roadmap towards a more modern and more European copyright framework. This Communication announced the drafting of a number of legislative initiatives which will be presented in 2016. In this Communication, the Commission considers a proposal on cross-border distribution of television and radio programmes, a proposal on cross-border access to content, a proposal on out-of-commerce works, a proposal for legislation required to implement the Marrakesh Treaty, proposals on exceptions (illustration for teaching, preservation by cultural heritage institutions, remote consultation in closed electronic networks and freedom of panorama), and a proposal on private copying and reprography levy schemes.

# DG COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY

## FEP'S INTERVENTIONS

**FEP met many JURI, ITRE, IMCO and CULT MEPs who were involved in Reports related to copyright and to the Digital Single Market.**

**FEP met with staff members from the Secretariats of the Parliament.**

**FEP was very active in producing amendments and in voting recommendations for MEPs concerning reports related to copyright (IPR Enforcement Report voted on 19 May 2015, Reda Report voted on 16 June 2015, Digital Single Market Report voted on 21 December 2015).**

**FEP produced position papers and submitted recommendations and infographics presenting its position.**

**FEP was invited to speak at the first meeting of the European Parliament Copyright Working Group.**

**FEP attended the monthly meetings of the Digital Single Market Working Group of the IMCO (Internal Market and Consumer Protection) Committee of the European Parliament.**

**FEP took part in the meetings of the European People's Party working group on copyright, where it was also invited to speak (6 May 2015).**

**FEP attended the regular meetings of the Copyright Working Group of Business Europe.**

**FEP met with authors (EWC), librarians (EBLIDA) and booksellers (EIBF) to discuss issues of relevance to the book chain (4 November and 18 December 2015).**

## BACKGROUND

Moreover, the Commission is considering a proposal about the definition of the rights of communication to the public, and a proposal on the remuneration of authors and performers, as well as proposals on the follow-the-money approach and the need to amend the legal framework applicable to commercial-scale infringements.

On 9 December, the Commission also published its first legislative proposal for a regulation of the cross-border portability of online content services. Apart from this proposal, which will be discussed in the Parliament and the Council in 2016, the remainder of the above-described legislative activity is expected to be presented in 2016.

In parallel with the above activities of the Commission, the European Parliament has been active in the field of copyright but also in the area of the Digital Single Market. In June 2015, the Parliament adopted a resolution based on the own-initiative and related rights in the information society. On 21 December, the Plenary of the Parliament adopted an own-initiative Report of the ITRE and IMCO Committees on Towards a Digital Single Market Act.

In November 2015, the CJEU issued a preliminary ruling on private copy and reprography levies. This judgement has created uncertainty about the status of publishers as rights holders and the lawfulness of their participation, on an equitable basis with authors, in schemes currently in place in EU Member States for the distribution of a fair remuneration paid by users of copyright-protected content for private copy and reprography.

# DG COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY

## FEP'S INTERVENTIONS

**FEP had discussions with the Commission about the decision of the EU's Court of Justice in the HP v. Reprobel case (C-572/13), in order to discuss the ways to resolve the problems this case brought about.**

**FEP regularly attends and speaks at conferences, seminars and workshops on copyright, which are organised and hosted by EU institutions, universities or**

**research centres ('Innovation in copyright management', 'Copyright at the digital age', 'Copyright in the Digital Single Market', 'Is copyright in the EU fit for the 21st century?')**

**FEP has attended meetings and contributed to the work of coalitions with other creative industries and authors such as Creativity Works! and the Creative Media Business Alliance (CMBA)**

## EUROPEAN DIGITAL LIBRARY - EUROPEANA

### FEP'S INTERVENTIONS

**In July 2015, FEP participated in the Europeana Creative Final Conference in Vienna, where it made a presentation on Europeana Food & Drink.**

**In November 2015, FEP attended the Europeana Network Annual General Meeting in Amsterdam. FEP participates in discussions in the framework of Europeana, upholding the view of publishers and at times, differing with Europeana and other Network members on some questions.**

**FEP is an active partner in the Europeana Food & Drink project.**

**FEP also works with the Conference of European National Librarians (CENL) to find balanced solutions for the legal deposit and subsequent uses of contemporary works. FEP has, with the CENL, adopted a joint statement for the deposit and harvesting of books and journals.**

### BACKGROUND

Europeana sets out to make all of Europe's cultural resources and scientific records – books, journals, films, maps, photographs, music, etc. – accessible to everyone, and to preserve it for future generations. FEP has been encouraging publishers to participate and has, through ARROW, developed an instrument in order to facilitate the use of orphan works - as well as out of commerce works - once agreements have been made with rights holders; ARROW was developed to simplify and underpin such processes.

The initiative focuses on two areas: cultural heritage (creating electronic versions of the materials in Europe's libraries, archives and museums, making them available online, for work, study or leisure, and preserving them for future generations) and scientific information, (making research findings more widely available online and keeping them available over time).

FEP has been an early supporter, since 2008, of Europeana and has been extremely actively involved in finding ways for publishers to be able to bring their publications to Europeana. In the early years, FEP was a member of the High Level Group on digital libraries and afterwards, it participated to a number of consultations, and was, for several years, part of the Europeana's Board. FEP is striving to find solutions to issues raised by librarians.

# DG COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY

## ARROW - ARROW +

### FEP'S INTERVENTIONS

**FEP remained engaged with the ARROW system as a Charter Member of the Arrow Association.**

**FEP contributed to the dissemination activities of the Arrow Association through a number of meetings with Commission officials, Members of the European Parliament and other stakeholders, also trying to secure public support for the system.**

**FEP maintained an agreement with the Arrow Association to contribute to the implementation of its promotion plan.**

**FEP reported to its member associations on a regular basis, to inform them of the developments related to the ARROW system.**

**FEP contributed to discussions and preparations around existing and emerging use cases for ARROW.**

**FEP supported the Arrow Association in dialoguing with the CENL.**

**On 30 June 2015, FEP participated in the Arrow Association's Board of Directors and General Assembly meetings.**

**On 26 August 2015, FEP participated in a meeting with Boek.be on the implementation of ARROW in Flanders.**

### BACKGROUND

Together with the emergence of digital libraries, the need to provide pragmatic solutions to the challenges of orphan works, out of print books, and clearance of protected material has arisen. In 2008, under the leadership of the Italian Publishers Association (AIE), FEP undertook a project under the Commission programme eContent+, called "ARROW: Accessible Registries of Rights Information and Orphan Works towards Europeana".

The project aimed at creating an interoperable search infrastructure, a distributed network of national databases to facilitate retrieving information about the rights status of works and a set of tools for both public and private organisations who wish to contact active rights holders in order to seek copyright clearance for the reuse of content. It also collected information on current and emerging business models and explored possible systems that facilitates

co-existence and interoperability between public institutions and commercial publishing initiatives, drawing from the emerging European solutions driven by the private sector. This infrastructure will include, but will not be limited to, the creation of a European distributed registry of orphan works and access to a network of existing clearance centres for out of print works, in line with the recommendations of the High Level Expert Group on Digital libraries. The system will also provide the infrastructure for the management of any type of rights information, thus facilitating the actual implementation of innovative business models for both digital libraries and private e-content providers.

The rights information infrastructure will facilitate the search for rights holders and the identification of public domain works, orphan works, out of print works and other copyrighted works, which could be released for inclusion and access if only the rights information infrastructure existed. The broad involvement of rights holders, collective management organisations and libraries provides critical mass to approach the problem at a pan-European level.

The project ran for 2.5 years, from September 2008 to February 2011; it led to the setting up of the planned infrastructure and to the piloting of the system in four countries: France, Germany, Spain and the UK.

Since 2010, most of the project partners have also worked on the enhancement and extension of the project: this led to the setting up of the ARROW+ project under the Competitiveness and Innovation Framework Programme 2007-2013. The project aims at sustaining the current developments by enhancing the system already in place following case usage requirements and integrating a wider range of countries, as well as piloting the inclusion of images embedded in books in its scope. ARROW+ started in April 2011; and FEP was the leader of the Work Package 3, which aimed at organising and coordinating national initiatives. The project was granted an extension and came to a conclusion at the end of December 2013. Work was completed in all the target countries, focusing on the creation of new data infrastructure or the integration of the one existing, the system was enhanced and plans were made for its sustainability in the long term. As a result, 12 new countries were integrated in the ARROW system: Austria, Belgium, Bulgaria, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Netherlands, Poland and Portugal. The project was assessed very positively by the independent reviewers appointed by the European Commission.

In September 2013, a legal entity was established to manage the system after the end of the project phase. Negotiations are still going on with regard to existing and potential new use cases for ARROW in several countries. A number of use cases have been completed and work is progressing on others.

Due to the fact that Europeana no longer supports the TEL (The European Library) online system, the Arrow Association has undertaken the migration of the national library catalogues onto its own servers, to maintain the first step of the Arrow workflow operational; for this reason the Arrow system was down for several months in early 2016. Meanwhile, the Arrow Association will continue looking for possible use cases and negotiating their implementation. As Member States gradually address the implementation of the Orphan Works Directive (which mentions Arrow as a tool for diligent search), requests are likely to increase remarkably.

# DG COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY

## TISP (TECHNOLOGY AND INNOVATION FOR SMART PUBLISHING)

### FEP'S INTERVENTIONS

**FEP actively participated in Management Board meetings and conference calls of the TISP project all along the period concerned.**

**FEP prepared the reports and deliverables within its competence, and coordinated the involvement of project partners and FEP members in the collection of information for the project.**

**FEP provided business cases and reports for the TISP Smart Book.**

**FEP coordinated partners' contributions and finalised the final edition of the TISP policy recommendations, issued in February 2016.**

**FEP participated in project meetings and attended project-related events at the European Digital Distributors Meeting (June 2015), LIBER International Book Fair (October 2015), NEM Summit at the Frankfurt Book Fair (October 2015) and FICOD - International Digital Content Fair (December 2015).**

**FEP contributed to the dissemination activities of the project through a number of meetings with Commission officials, Members of the European Parliament and other stakeholders.**

**FEP co-organised an EIF Breakfast Debate on Technology and Innovation for Smart Publishing at the European Parliament, which took place on 18 November 2015.**

**FEP reported regularly to its member associations on the goals and status of the project.**

**FEP actively participated in the TISP review meeting of 22 March 2016.**

### BACKGROUND

In June 2012, FEP organised a roundtable on digital book publishing together with DG Information Society. This inspired the European Commission to launch a call for a project bringing together the ICT and book publishing communities. A consortium of partners from the two domains, led by the Italian Publishers Association and including FEP, proposed the TISP project (Technology and Innovation for Smart Publishing), which was selected. The objectives of TISP are to foster business innovation in the book publishing and ICT sectors through enhanced dialogue, mutual understanding and information exchanges, as well as to support policy innovation at national and European level through recommendations stemming from the dialogue between the main stakeholder communities. The project provides a platform for publishers and technology providers to fill the gaps between them and to bring new ideas into both sectors. Initiated in January 2013, it ran until December 2015. In April 2014, the project launched an online resource, the TISP Smart Book, which collects business cases, studies, reports and analyses. FEP was the leader of the Work Package in charge of policy recommendations, together with Digital Europe. In February 2016, the final version of the TISP Policy Recommendations was published.

# DG COMMUNICATIONS NETWORKS, CONTENT AND TECHNOLOGY

## NEM (NEW EUROPEAN MEDIA)

### FEP'S INTERVENTIONS

**FEP participated in several meetings and conference calls of the NEM Steering Board and Executive Group.**

**FEP contributed to the update of the NEM Strategic Innovation and Research Agenda.**

**FEP contributed to developing synergies between NEM and TISP.**

**FEP coordinated the drafting of a paper on the NEM contribution to the Digital Single Market Strategy.**

**In October 2015, FEP participated in the NEM Summit.**

**FEP participated in the drafting of a position paper by NEM ACCESS, a NEM working group dedicated to accessibility of digital for the disabled.**

## EUROPEANA FOOD & DRINK

### FEP'S INTERVENTIONS

**FEP actively participated in regular conference calls of the Europeana Food & Drink project all along the period concerned.**

**FEP contributed to preparing and reviewing several deliverables within its competence.**

**FEP contributed to the dissemination activities of the project within the publishers' community.**

**FEP prepared its periodic activity and financial reports for the project.**

**FEP made presentations about the project at the Frankfurt Book Fair (October 2015) and the London Book Fair (April 2016).**

**On 26 and 27 November 2015, FEP participated in a general meeting of the project.**

**In March 2016, FEP participated in the Steering Board and General Assembly meetings of NEM, and was re-elected to the Steering Board.**

### BACKGROUND

NEM (New European Media, formerly Networked and Electronic Media) is a European Technology Platform dedicated to Content, dealing with Connected, Converging and Interactive Media & Creative Industries. In entering a new phase of its existence, NEM has been trying to become a key player in interactive content and media, and to enhance the involvement of creative industries. The European Commission (DG CNECT in particular) wants NEM to become a point of reference when it comes to reaching out to cultural and creative industries (especially SMEs) and to collecting their views with regard to technology-related policies affecting the sector and, in particular, concerning the definition of the research and innovation agenda (including funding programmes, such as Horizon 2020). NEM drafted and updated a Strategic Research and Innovation Agenda, which is meant to feed into the Commission's preparation of the work programmes of its funding schemes, in particular Horizon 2020.

FEP became a member of NEM in early 2014 and entered its Steering Board and Executive Group, then was re-elected to the Steering Board in March 2016.

### BACKGROUND

Europeana Food and Drink is a project that aims to promote the wider re-use of digital cultural resources available through Europeana, in order to boost creativity and business development across Europe. It has been running since January 2014 and will be until June 2016.

Europeana Food and Drink wants to provide the basis for innovative and commercially viable applications and services developed in partnership with creative industries, with a strong thematic focus on celebrating Europe's diverse food and drink culture, and with a view to demonstrate the potential of high-value digital content discovered through Europeana. Among the project outcomes, a book and an e-book produced in 2015 can be mentioned.

FEP is a partner of the project to ensure the involvement of the publishing sector and is part of the project cluster dedicated to the book and e-book initiative.

# DG JUSTICE AND CONSUMERS



The objective of this DG (formerly DG Justice, Freedom and Security) is to seek practical solutions to cross-border problems in order for citizens to feel at ease about living, travelling and working in another Member State and trust that their rights are protected no matter where in the European Union they happen to be. This involves, amongst other things, promoting and enforcing the Charter of Fundamental Rights of the European Union, fighting discrimination, data protection, fundamental rights, gender equality, effective justice, and consumer policy.

Consumer policy is central to the EU objective of continuously improving the

quality of life of all EU citizens. The aim of promoting the interests, fundamental rights and safety of citizens and consumers in the EU is enshrined in articles 153 and 95 of the Treaty establishing the European Community. The Directorate-General monitor the application of EU laws on the safety of food and other products, on consumers' rights and on the protection of people's health and devise on new policies.

The Commissioner responsible is Věra Jourová, who was appointed in November 2014.

The Director General is Tiina Astola, appointed in February 2016.

## REVIEW OF THE CONSUMER ACQUIS

### FEP'S INTERVENTIONS

**FEP is an active member of the Stakeholder Consultation Group for Consumer Rules for Online and Digital Purchases, put in place by the Commission's DG JUST (Directorate E -Consumers).**

**FEP regularly attends conferences and meetings involving consumers and dealing with consumer policies, including the new Directive.**

**On 4 May 2015, FEP (together with EIBF) met with the person from the cabinet of Věra Jourová (the Commissioner for Justice, Consumers and Gender Equality), who is in charge of the Digital Single Market strategy.**

**On 1 and 2 June 2015, FEP attended the European Consumer Summit, a wide gathering of policy-makers and stakeholders dedicated, this year, to "Shaping the consumer policy of the future".**

**On 28 September 2015, FEP attended a workshop on the Digital Single Market (DSM) package, which took place at the Parliament and focused on the upcoming legislation on consumer rights in the framework of the online purchases of tangible and digital content.**

**On 13 November 2015, FEP attended the monthly IMCO workshop on DSM, held in the Parliament and dedicated to the upcoming two directives on the online sales of tangible goods and of digital content, with a keynote speech from Commissioner Jourová.**

### BACKGROUND

The new Consumer Rights Directive came into force on 13 June 2014 and aims at reinforcing consumers' protection and at establishing a true internal market for retail, making cross-border trades easier and less costly for traders and providing consumers with a larger choice and proposing competitive prices. This Directive merges four previous EU consumer directives (Directive 85/577/EEC on contracts negotiated away from business premises, Directive 93/13/EEC on unfair terms in consumer contracts, Directive 97/7/EC on distance contracts, and Directive 1999/44/EC on consumer sales and guarantees) into one single set of rules, and proposes the adoption of a full harmonisation approach (i.e. Member States cannot maintain or adopt provisions diverging from those laid down in the Directive). It updates and modernises existing consumer rights, bringing them in line with technological changes and strengthening provisions in key areas where consumers have experienced problems in recent years – particularly in sales negotiated away from business premises (e.g. door to door selling). Several meetings took place between the Commission and Member States to assist them with the transposition of the Directive.

Although books are not mentioned explicitly in any of the provisions of the Directive, in the eye of publishers, this Directive plays an important role in the digital environment. It provides useful information on compatibility, in particular of hardware and software, and the application of any technical protection measures (e.g. limiting the possibilities for consumers to make copies) must be clearly stated. Furthermore, it specifies that consumers have a right to withdraw from any digital purchases until the moment the download begins.

The Directive also has an impact on physical distribution. Adversely to the previous directives, it states that consumers will be able to withdraw from the sales contract within 14 days, starting from the receiving of the goods (rather than at the point when the contract is concluded, as is presently the case) and that refunds – including delivery charges – must be paid within 14 days after the withdrawal.

The Commission's proposal for a regulation on a Common European Sales Law was withdrawn in 2015. The reason given for this withdrawal was that the proposal should be modified in order to fully unleash the potential of e-commerce in the Digital Single Market, in line with the Commission's priority for 2015, which was to propose an ambitious digital single market package. This package would, among other things, modernise copyright laws and simplify rules for consumers when making online digital purchases.

On 9 December 2015, following the Communication of May 2015 (Digital Single Market Strategy) whereby the Commission undertook to propose legislation to facilitate access to digital goods and services for consumers and businesses across Europe, and introduced simple and effective cross-border contract rules for consumers and businesses, the Commission published a) a proposal for a Directive on certain aspects concerning contracts for the supply of digital content and b) a proposal on certain aspects concerning contracts for the online and other distance sales of goods.

# DG JUSTICE AND CONSUMERS

These proposals aim to benefit businesses by reducing the uncertainty due to the complexity of the legal framework as well as the costs resulting from differences in mandatory consumer contract law rules and remedies for consumers, as well as to increase consumer trust by providing uniform rules with clear consumer rights.

The proposal for a directive on certain aspects concerning contracts for the supply of digital content is intended to protect consumers more than businesses. This is evidenced by the fact that there are no time limits to the exercise of the rights of consumers, nor to the responsibility of suppliers. Moreover, the burden of proof lies on suppliers, a number of remedies including the right to damages are at the disposal of consumers, and consumers have the right to terminate the contract at any moment after 12 months. The proposal also includes provisions related to copyright: "At the time the digital content is supplied to the consumer, it shall be free of any right from a third party, including based on intellectual property, so that the digital content can be used in accordance with the contract". The proposal will be discussed in the Parliament (IMCO Committee) and the Council in 2016.

The proposal for a Directive on certain aspects concerning contracts for the online and other distance sales of goods introduces important changes to the landscape created by Directive 1999/44/EC: the consumer will now have the right to terminate the contract even in case of minor defects; consumers will not have the duty to notify a defect of the goods to the seller within a certain period of time from its discovery; the burden of proof to shift from the seller to the consumer is extended from six months to two years. The proposal also includes provisions on copyright: "At the time relevant for establishing the conformity with the contract, the goods must be free from any right of a third party, including those based on intellectual property, so that the goods can be used in accordance with the contract". The proposal will be discussed in the Parliament (IMCO Committee) and the Council in 2016.

## DATA PROTECTION

### FEP'S INTERVENTIONS

**FEP has been following the discussions concerning the Data Protection Package in the Parliament.**

**FEP attended several conferences and hearings on data protection and privacy issues, notably at the European Parliament.**

**On 5 May 2015, FEP attended a workshop on Data, organized by the think tank Confrontation Europe.**

**On 16 July 2015, FEP attended an exchange of views on the DSM Strategy at the IMCO Committee of the EP, with representatives of DG CNECT, DG GROW and DG JUST.**

**On 19 November 2015, FEP participated in a conference, called "Digital Data in the EU - Happily ever after or content unavailable" and organized by the Socialist and Democratic Group in the European Parliament.**

### BACKGROUND

The current EU Directive governing data protection and privacy was adopted in 1995 and since then, the rapid evolution of technology and the expansion of the digital world have introduced many new ways in which data can be created, exchanged and manipulated. The issue of privacy and data protection in the digital world is regarded with increasing interest by decision-makers and stakeholders, and is followed closely by the cultural industries, due to its possible interaction with the protection of intellectual property rights. The intersection of legislative provisions on data protection and copyright enforcement has in fact created tensions in a number of cases in the past years.

In January 2012, after several years of consultations, the European Commission proposed a comprehensive reform of data protection rules in the EU. The completion of this reform was a policy priority for 2015. The objective of this new set of rules is to give control over their personal data back to citizens, and to simplify the regulatory environment for business. The data protection reform is a key enabler of the Digital Single Market, which the Commission has prioritised. The reform will allow European citizens and businesses to fully benefit from the digital economy.

More specifically, the Commission issued a proposal for a comprehensive reform of the EU 1995 Data Protection rules consisting in two legislative proposals: a new

general data protection Regulation, and a new Directive on protecting personal data processed for the purposes of the prevention, detection, investigation or prosecution of criminal offences or execution of criminal penalties and free movement of data.

The Regulation aims to update and modernise the principles enshrined in the 1995 Data Protection Directive to guarantee privacy rights. It focuses on: reinforcing individuals' rights, strengthening the EU internal market, ensuring stronger enforcement of the rules, streamlining international transfers of personal data and setting global data protection standards. These changes will give people more control over their personal data and make it easier for them to access it. They are designed to make sure that people's personal information is protected – no matter where it is sent, processed or stored – even outside the EU, as may often be the case on the internet. For consumers, the Regulations includes the "right to be forgotten", provision, to ensure easier access to their own personal data and 'opt-in' rather than assumed consent for data to be processed. These key changes will affect publishers who do handle private data in the course of their activities.

On the other hand, the Directive will ensure the protection of personal data of individuals involved in criminal proceedings, be it as witnesses, victims, or suspects. It will also facilitate a smoother exchange of information between Member States' police and judicial authorities, improving cooperation in the fight against terrorism and other serious crimes in Europe. It establishes a comprehensive framework to ensure a high level of data protection while taking the specific nature of the police and criminal justice field into account.

On 15 December 2015, the European Parliament, the Council and the Commission reached an agreement on the new data protection rules. The European Parliament's Committee on Civil Liberties, Justice and Home Affairs (LIBE), along with the Council, approved the agreement with very large majorities. The agreement was also welcomed by the European Council held on 17-18 December as a major step forward in the implementation of the Digital Single Market Strategy.

The importance of protecting personal data was also recognised by the Commission's in its proposal for a Portability Regulation (December 2015), whereby it was stated that the processing of personal data for purposes of verification shall be carried out in compliance with data protection rules.

On 6 October, the European Court of Justice declared in the Schrems case that the Commission's decision on the Safe Harbour arrangement was invalid. The judgment confirmed the approach the Commission had adopted since November 2013, which aimed to review the Safe Harbour arrangement for transfer of personal data to the US, in order to ensure a sufficient level of data protection in practice, as required by EU law. On 2 December, the College of Commissioners discussed the progress of the negotiations. Commissioner Jourova received a mandate to pursue the negotiations with the US, on the basis of a renewed and safe framework.

# DG RESEARCH AND INNOVATION



The Directorate-General for Research and Innovation's mission is to develop and implement the European research and innovation policy with a view to achieving the goals of Europe 2020 and the Innovation Union.

The Commissioner responsible is Carlos Moedas, who was appointed in November 2014.

The Director General is Robert-Jan Smits, appointed in July 2010.

# DG RESEARCH AND INNOVATION

## FEP'S INTERVENTIONS

**FEP coordinates with the International Association of Scientific, Technical and Medical Publishers (STM) so that the views of our respective members are well represented in Brussels.**

**FEP regularly attends meetings and conferences organised by DG Research, the European Parliament, other institutions or stakeholders on the issue of access to scientific publications and information.**

**FEP follows the debates and initiatives related to the development of the EU research and innovation funding programmes.**

**FEP has regular meetings with the EU Institutions to discuss topics of relevance for scientific publishers, in particular TDM.**

**FEP maintains that the sustainability of the sector must be taken into account. In its opinion, it is essential to distinguish between the principles of intellectual property and policies which allows for the access to scientific information published in STM journals. FEP is working closely with STM publishers to make sure that any policy in the field of access to scientific publications is a balanced one and recognises the added value of the publishing process.**

**FEP recurrently recalls, in talks with its counterparts, that in the case of scholarly journal publishing, publishers are offering 90% of their products in digital form, having thus successfully covered the objective of providing access to the content. FEP also upholds the notion according to which licences provide the best means to address the technical, economic and legal issues related to TDM.**

## BACKGROUND

The issue of access to scientific output is high on the institutions' agenda. Horizon 2020 is the financial instrument implementing the Innovation Union, a Europe 2020 flagship initiative with the objective of securing Europe's global competitiveness. Running from 2014 to 2020 with an €80 billion budget, its aim is to create new growth and jobs in Europe.

Horizon 2020 provides major simplification through one single set of rules. It will combine all research and innovation funding currently provided through the Framework Programmes for Research and Technical Development, the innovation related activities of the Competitiveness and Innovation Framework Programme (CIP) and the European Institute of Innovation and Technology (EIT).

The European Commission made a proposal in November 2011; the Commission also issued a Communication entitled 'Open Access (OA) to Scientific Information' in July 2012. There is a strong drive towards open access in the documents and support for Gold OA as the preferred way forward. An alternative is to have different embargo periods in case of Green OA, depending on the areas of research.

In November 2013, the European Parliament adopted the package on Horizon 2020 in plenary, and the Council carried out its final adoption a month later, in December. The first calls for proposals were launched that very same month.

Several further details are set in the grant agreements on research funding. Model Grant Agreements (MGAs) have been issued together with the first calls for proposals, but can be modified by the Commission. There are various versions of the MGA, depending of different sections of Horizon 2020 and several parameters. Some of them contain information on OA provisions, but some clarifications are still needed. An important point is that publication costs may become eligible for funding under Horizon 2020.

**FEP and STM have been organising a series of demonstrations on TDM to present the issue and the merits of licensing solutions over exceptions, and are engaged with the EC Commission on this subject in the context of the reflections on a review of the copyright framework.**

**On 13 July 2015, FEP joined a delegation of scientific publishers for a meeting with Robert Madelin, then Director General of DG CNECT, and members of the Copyright Unit, with the objective of exploring ways of addressing TDM.**

**On 16 September 2015, FEP went to the European Parliament to attend some demonstrations on TDM organised by STM, ALPSP and the UK PA.**

**On 12 October 2015, FEP attended a workshop organised by the Commission and called 'Alternative Open Access Publishing Models'.**

**On 27 October 2015, FEP attended a workshop on TDM organised by Science Europe.**

**On 8 December 2015, FEP attended a debate with Commissioner Moedas organised by Politico.**

**On 26 January 2016, FEP met with officials from DG Research.**

**On 27 April, FEP attended an event called 'Demystifying Text and Data Mining in a copyright context', which took place in the European Parliament.**

# DG TAXATION AND CUSTOMS UNION



The Directorate General's mission is to propose and develop EU policies in the field of taxation, as well as to ensure the proper implementation of taxation measures adopted by the Council and the Parliament. On the basis of this, it aims at developing a coherent, modern and simple Value Added Tax system.

The Commissioner responsible is Pierre Moscovici, who was appointed in November 2014.

The Director General is Stephen Quest, appointed in January 2016.

## REDUCED RATES OF VAT

### FEP'S INTERVENTIONS

**FEP met with or contacted several members of Commissioner Moscovici's cabinet and of DG TAXUD. FEP has always pleaded for books to be taxed at the lowest rate for the intrinsic educational, cultural and social value they carry, and is now committed to advocating for equal fiscal treatment for all kinds of books, regardless of their format or the way they are delivered.**

**FEP gathered information to support its arguments for equal treatment of all kinds of books and also intelligence on the position of the European Institutions on the subject, especially thanks to the help of the Working Group on VAT established within its members.**

**FEP regularly collects information about the implementation of the new VAT Directive in the EU Member States and about changes in VAT rates applied to books.**

**FEP frequently presented the issue of VAT on electronic publications to European Commission officials, MEPs and Permanent Representations in Brussels.**

**FEP continued to campaign, with the help of representatives of newspaper and magazine publishers, in order to raise support for the cause and convince the Commission to consider the issue of equal treatment of cultural products online and offline. FEP did so through meetings with a number of members of cabinets of relevant Commissioners and with representatives of the EU Presidencies.**

**Together with IPA, FEP produced a Global Special Report on VAT/GST on books and e-books, published in July 2015.**

**On 13 May 2015, FEP joined a Creativity Works delegation to meet with the cabinet of Commissioner Moscovici.**

### BACKGROUND

Out of the 28 EU Member States, 26 allow reduced or zero VAT rates on printed books, as per the VAT Directive, in recognition of the cultural, social and economic value of books and reading. FEP constantly supports this attitude and encourages its preservation and expansion.

In May 2009, a new Directive on VAT rates (Council Directive 2009/47/EC) extended the possible application of reduced rates to books on all physical supports; including CDs, DVDs and USB sticks but excludes downloads and access online, which according to EU law are electronic services and must be taxed at full VAT under the current conditions. As of April 2016, 14 Member States have taken advantage of the new provisions to extend the reduced rates to some or all books on other physical supports. However, differences remain in the fiscal treatment of books with regard to their format (printed or electronic) and means of delivery (online or offline).

A Green Paper issued by the Commission discussing the future of VAT (December 2010), as well as the related consultation, mentioned the discrepancy in treatment of cultural products online and offline. In late 2011, the European Parliament took a position on several occasions the Parliament Report on the future of VAT called for equal and favourable treatment of books in all format, a call echoed by MEP Gallo and 42 other MEPs with an oral question, and a Parliament resolution on modernising VAT recommended reduced rates for online cultural products and redressing the discrimination. The recommendation was reiterated in the Parliament's Annual Tax Report of March 2015 and in a Resolution on a topical subject in May 2015. Members of the Parliament continue to express their interest in the issue via Parliamentary Questions to the Commission.

A Commission Communication was issued in December 2011, based on the results of the consultation that followed the Green Paper and intended to set out the fundamental features of a future EU VAT system, as well as a list of priority areas for further action. The Communication devised a plan to propose a VAT system based on the principle of destination (taxation according to the rate of the country where the consumer resides), that would have to be simple, efficient and neutral, robust and fraud-proof. The Communication in general had a negative attitude towards the use of reduced rates of VAT, based on some responses to the consultation and on further economic analysis. Still, the arguments proposed by a number of stakeholders (including FEP) were taken into account, so that the document took into account the possibility of addressing the issue of the equal treatment of products available in traditional and digital formats, and did not rule out completely the use of reduced rates in selected cases.

**In June 2015, FEP, together with EWC and EIBF, wrote to the Dutch government and political parties, pleading them to drop a possible plan to eliminate the reduced rate of VAT on print books; the plan was not pursued.**

**On 31 July 2015, FEP, together with other publishers' representatives, sent a letter to President Juncker to follow up on his declarations on a reduced VAT for digital publications and to call for a swift solution to the issue.**

**On 30 September 2015, FEP joined a CMBA delegation to meet with the cabinet of Commissioner Moscovici.**

**On 19 October 2015, FEP attended the ECFIN Annual Tax Workshop, dedicated to the 'Political economy of tax reforms'.**

**On 18 February 2016, FEP attended a roundtable on 'The future of VAT', organised by the Federation of European Accountants.**

**On 8 April 2016, FEP issued a press release welcoming the Commission's Action Plan on VAT.**

In May 2012, the Council issued Conclusions on the future of VAT, based on the Commission's Communications that were quite negative about the use of reduced rates but acknowledged the intention of the Commission to assess the VAT framework according to principles that included addressing the discrimination. Member States agreed to examine the findings of the assessment. Around that time, the Commission held a small inter-service consultation regarding the assessment of the VAT structure. It asked a group of consultants to conduct a study in order to estimate the impact of changes in VAT rates and carried out an Impact Assessment to look into the possible effects of different policy options.

A new consultation from the Commission was issued in October 2012, focused on reduced rates of VAT; large attention was devoted to the issue of different treatment of online and offline cultural products, with a specific question on the definition of e-books for VAT purposes and one on the opportunity of having a precise definition of online cultural goods in EU legislation. In October 2013, the European Council took note of the Commission's intention to look into the issue of VAT discrimination.

Despite the pressure and expectations of many stakeholders, the 2009-2014 Commission eventually stopped the process: no VAT proposal was made, the study and impact assessment were never published and the file passed on to the new Commission. Given its aversion for reduced rates in general, DG TAXUD maintained that e-books and print books are not perfect substitutes and thus justified its reluctance to see reduced rates be applied to e-books. A High Level Expert Group on the taxation of the digital economy issued a report in June 2014, which mainly dealt with the taxation of internet giants, but also recommended to harmonise rates to the standard ones.

The Italian Minister of Culture, very supportive of the cause, made a proposal for the Culture Council of 25 November 2014 to adopt strong Conclusions on the subject, finally achieving a compromise on a text that recorded both the support of many Member States and the opposition of some others (based, allegedly, on cautiousness and budget considerations), as well as a reply by the Commission stating that they would keep looking into the issue.

As of January 2012, France and Luxembourg began applying reduced VAT rates to all kinds of books, regardless of the support. In July 2012, the Commission started an infringement procedure against them and in 2013, it referred to the Court of Justice of the EU to solve the issue. The CJEU ruled against the two Member States on 5 March 2015. Meanwhile, as of January 2015, Italy began to apply reduced rates of VAT on e-books as well, while Luxembourg re-established the standard rate in May 2015.

# DG TAXATION AND CUSTOMS UNION

In 2014, the new Commission took off with a cautious approach to the issue, with new Taxation Commissioner Pierre Moscovici not giving any clear signals of an intention to propose allowing reduced rates of VAT on e-books. However, President Juncker, Vice-president Ansip and Commissioner Oettinger all made supportive declarations on the topic during the year 2015. The DSM Strategy (July 2015) also mentioned that the issue should be addressed. In January 2016, the Commission published a Roadmap towards an Action Plan for a definitive VAT system, meant to propose actions to reduce fraud, simplify the system and look into VAT rates, among others; it stated that the issue of e-books would be explored in the context of the general VAT reform.

The Action Plan was issued on 7 April 2016, with the general objective to make the EU VAT system simpler and to reduce the possibilities for VAT fraud. With a view to remove VAT related obstacles to cross-border e-commerce, the Commission should make a proposal by the end of the year to, among other things, extend the One Stop Shop mechanism to online sales of tangible goods to final consumers;

introduce a VAT threshold for small businesses under which VAT registration would not be necessary in other Member States or the One Stop Shop for cross-border sales; and remove the VAT exemption for imports of small consignments from non-EU countries. The plan also envisages the modernisation of VAT rates: acknowledging that the VAT rules do not fully take into account technological and economic developments (the document specifically mentions e-books as an example) and that the destination principle mostly eliminates the risk of distortion (Member States competing through VAT rates). It states that the Commission considers giving more freedom to Member States in taking tax policy decisions (including on VAT rates).

Either way, this would open the way to reduced rates for e-books. But according to the Plan, the specific issue of e-books and e-newspapers will be addressed directly in a proposal (due by the end of 2016) entitled 'Removing VAT obstacles to cross-border e-commerce - e-publications', that will be tabled under the Digital Single Market Strategy, in the framework of the REFIT programme (aimed at simplifying EU regulations).

## NEW RULES ON THE PLACE OF SUPPLY OF ELECTRONIC SERVICES FOR VAT

### FEP'S INTERVENTIONS

**In December 2015, FEP replied to a Commission consultation on the issue of 'Modernising VAT for cross-border e-commerce'.**

### BACKGROUND

Directive 2008/8/EC of 12 February 2008, amending Directive 2006/112/EC with regard to the place of supply of services, established that as of 1 January 2015, the supply of electronic services (including e-books) must be taxed according to the VAT rate applicable in the country where the consumer is located. This means that retailers will have to know the VAT rates of each country they sell in and be able to locate their customers.

This shift towards the principle of destination in determining the place of supply for VAT purposes was meant, among other things, to eliminate the problem of distortion of the internal market that could arise with different VAT rates in different countries under the current rules.

Further legislation was adopted to implement those new rules (in particular the Council's Implementing Regulation 1042/2013 of 7 October 2013, amending Implementing Regulation 282/2011). In April 2014, the Commission published a set of explanatory notes to facilitate the understanding and implementation of the new rules (FEP participated in the drafting of those rules). A scheme, called the Mini One-Stop-Shop (MOSS), is being put in place to simplify the handling of VAT by retailers selling to more than one

Member State. Member States were expected to have their MOSS portals ready for companies to register by 1 October 2014 (most of them complied). The Commission also created a portal with information on VAT rules and procedures and explanations on the new rules and the MOSS.

Given the difficulties signalled by many small businesses after the introduction of the new rules on the supply of electronic services, the Commission is considering to propose the introduction of a VAT registration threshold, and other simplification measures (see section above). The Commission will publish a study on the impact of the new rules in 2016 and carried out a consultation on the subject.

# DG TRADE



The Directorate General for Trade is in charge of implementing the common trade policy of the European Union. It is negotiating the TTIP (Transatlantic Trade and Investment Partnership) and the TiSA (Trade in Services Agreement) on behalf of the EU. In the context of these negotiations, DG TRADE focuses on, among other things, the protection of intellectual property rights worldwide.

The Commissioner responsible for the DG Trade is Cecilia Malmström, who was appointed in November 2014.

The Director General is Jean-Luc Demarty, appointed in January 2011.

## TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP) - TRADE IN SERVICES AGREEMENT (TiSA)

### FEP'S INTERVENTIONS

**FEP regularly meets officials of DG Trade (IPR, Services, and Investment Protection Units) and DG EAC in order to discuss TTIP and TiSA.**

**FEP upholds the publishers' priorities in the IPR chapter and the question of the exclusion of cultural services from the scope of TTIP. FEP members are concerned that the fix book price arrangements, which are non-discriminatory national arrangements supportive of cultural diversity, could be challenged under TTIP.**

**FEP, together with other trade organisations of the cultural sector, continues its lobbying efforts to obtain an explicit exclusion of the cultural services from the agreement.**

**FEP took part to the debate and wrote to MEPs during the discussions at the European Parliament (Committee on International Trade) concerning the Recommendations to the European Commission on TTIP negotiations.**

**Since the start of the negotiations, FEP has attended a number of civil society dialogue meetings and other negotiator's presentations to hear about progress in the negotiations for TTIP and TiSA and ask questions to the negotiators.**

**FEP liaises regularly with its colleagues from the Association of American Publishers.**

### BACKGROUND

When negotiations on TTIP started between the EU and the US, it was decided that they would include a chapter on intellectual property rights. However, it was soon argued that all cultural services should be explicitly excluded from the agreement. However, the Council gave the mandate to negotiate to the Commission, excluding audio-visual services from it. This means that publishing, although an already largely liberalised sector, is potentially part of the discussions. The Commission has however informally stated that it has not yet been a part of the discussions. It is presumed that negotiations will concern very precise IPR-related issues, where the gaps between legislations affect trade between the EU and the US. The rounds of negotiations started in July 2013.

In the summer of 2014, the Commission issued a paper on TTIP and Culture which emphasizes that the EU must "take cultural aspects into account under other provisions of the Treaties" (art. 167 para 4) and that trade negotiations are one of these "other provisions."

The EU has a legal obligation under the 2005 UNESCO Convention (which the US has not signed) to protect and promote the diversity of cultural expressions, a principle also enshrined in the EU Treaties (art. 167 TFEU). Moreover, in relation to the trade agreements, individual Member States have a veto in areas related to culture and the audiovisual sector if an agreement threatens "cultural and linguistic diversity" (art. 207 TFEU).

In 2015, the eighth (2 to 6 February), ninth (20 to 24 April), tenth (13 to 17 July) and eleventh (19 to 23 October) rounds of negotiations on TTIP took place.

Negotiations might be concluded in 2016, however it is believed that this should not happen by concluding a less ambitious, less comprehensive and less balanced agreement than it was originally planned.

The Trade in Services Agreement (TiSA) is a trade agreement which is currently being negotiated by 23 members of the World Trade Organization (WTO), including the EU. The participating countries account for 70% of world trade in services.

## **TRANSATLANTIC TRADE AND INVESTMENT PARTNERSHIP (TTIP) - TRADE IN SERVICES AGREEMENT (TiSA)**

TiSA is based on the WTO's General Agreement on Trade in Services (GATS), which involves all WTO members. The key provisions of the GATS are also found in the TiSA.

The talks are based on proposals made by the participants. The TiSA aims at opening up markets and improving rules in fields such as licensing, financial services, telecoms, e-commerce, maritime transport, as well as facilitating the movements of professionals going abroad temporarily in order to provide services.

The European Commission negotiates on the basis of a mandate issued by the governments of the EU's 28 member countries. In March 2015, the EU governments agreed to publish such mandate.

The talks started formally in March 2013, with participants agreeing on a basic text in September 2013. By the end of 2013, most participants had indicated which of their service markets they were prepared to open and to what extent.

In 2015 the eleventh (9-13 February), the twelfth (13-17 April), the thirteenth (6-10 July), the fourteenth (6-13 October) and the fifteenth (29 November-4 December) rounds of talks were held. There is no formally set deadline for ending the negotiations.

The content of the said Agreement would possibly have an impact on the e-book market, since on 5 March 2015 the European Court of Justice ruled that even though e-books can be read on tablets and computers, they should be considered "electronically supplied services", not goods (Cases C-479/13 and C-502/13, Commission v France and Commission v Luxembourg).

## OTHER FREE TRADE AGREEMENTS AND TRADE IPR DIALOGUES

### FEP'S INTERVENTIONS

**FEP regularly attends DG Trade civil society dialogues organised around trade issues and IPRs.**

**FEP attended preparatory meetings organised by the Commission to discuss IP issues with third countries such as Turkey, Korea, Singapore, China, Ukraine, Thailand and Brazil and presented publishers' priorities and issues of concern in those countries.**

**FEP takes part in all relevant IPR dialogues with third countries.**

### BACKGROUND

A number of EU companies suffer from extensive counterfeiting and piracy activities in third countries that affect their markets on a large scale. Activities in China, India and Russia have been among the most harmful from this point of view.

The EU regularly hosts IP dialogues, which are also opportunities to give feedback on third countries' IPR legislation and to help address problems that EU industries encounter in their daily operations, to exchange best practices and to discuss concrete issues. Several dialogues of this type have been organized. The Commission initially tried to establish a positive relation with local authorities, to create a favourable atmosphere for discussion, and to find solutions for cases reported by European right holders.

In order to improve the protection of IP in China, the Commission has been active on a number of fronts, including the setting up of the EU-China IP Dialogue in 2004; it is a powerful tool, and its annual meetings allow for the direct exchange and action planning between the partners on a high level. The IP Dialogue is supported by the EU-China IP Working Group, which meets twice a year. The EU continues its IP dialogue with China and regularly consults stakeholders for feedback, most recently on the review of Chinese copyright legislation. IP Key is the EU's financial vehicle for this cooperation. On 29 June 2015, in Brussels, the European Union and China celebrated the ten-year anniversary of the structured annual dialogue on Intellectual Property Rights, in the wider context of the 17th EU-China summit.

The Commission has been negotiating a Comprehensive Economic and Trade Agreement (CETA) with Canada. At the same time, the Canadian government adopted a bill, whose aim was modernising Canada's copyright system which includes provisions on exceptions that, less than a year after the adoption of this bill, have already affected EU publishers negatively, in particular academic and educational publishers. This explains why many European publishers have already decided to leave Canada. The EU has tried in vain to use the CETA as leverage to influence Canadian copyright law.

Currently, there are also negotiations with India, which are blocked on the IPR chapter, although there are considerable print and online piracy issues affecting publishers in India. The Commission is also currently negotiating with Japan, however it is widely considered that such a deal would not affect European publishers too much, due to language differences and the high level of IPR protection offered under both systems.

**The most  
satisfying parts  
of my job are  
the moments  
when  
I feel like what  
I'm doing is  
actually useful  
to  
someone...**

**GIULIA BUSSOTTI**

**Giulia Bussotti is 31 and has a son. She graduated in Literature at Rome University and has been working in the publishing industry since 2009. She started as web content editor in a little publishing house. In 2012 she joined the LIA project that in May 2014 evolved in the Fondazione LIA, created by the Italian Publishers Association and where she deals with e-book accessibility and reading system for visual impaired people.**



### 1. Can you please describe your job in 100 words?

My job title is Technical Department Manager. What I do is taking care of all the technical aspects related to LIA's services: my office manages the workflows of the files provided by the Italian publishers who joined the Foundation. We also verify the compliance of the files to our EPUB accessibility guidelines and whenever they are not accessible we correct them. Finally we certify them by adding the LIA compliant metadata that will be included in the mainstream distribution flow. A very important part of my job is to supervise and test apps and reading systems in terms of accessibility to provide our users with useful updates.

### 2. What did you want to do when you were five years-old?

The first job I wished to do was the policeman on horseback. I have lived in Rome since I was a child and when my parents took me along the tree-lined paths of Villa Borghese, the most beautiful park in Rome, and I saw policemen on horseback I was really envious. In my imagination they just passed their time on the back of these marvelous Arab horses around the villa. I don't know why I dreamed to be a policeman and not a groom or a farmer! Maybe since I was already a pragmatic girl I was aware that I didn't live in Montana and that to be a policeman on horseback I had to become a real policeman. In high school I changed my mind and I thought to become a theatre actress, for a few years, like every girls growing in the eighties. Eventually the writer: that's why I ended up working in the publishing industry!

### 3. Can you describe a typical working day?

My working day is made of ordinary and extra-ordinary activities. LIA's catalogue management is my main duty as well as the continuous interaction with Italian publishers. As for the monitoring of software and apps, I have the chance to work with visual impaired users in the testing phase, an activity that allows me to have immediate feedbacks on our work. I'm also involved in international working groups devoted to standards, formats, metadata and accessibility. In addition to these activities, I am also involved in the training courses for publishers, professionals and users, technical advisory, communication campaigns. LIA is a small team: everyone's involved in every activity, despite its job role.



#### 4. What would happen to the book if you were not there?

Without me and my work Italian e-books would be not accessible to visual impaired people, I guess, the LIA catalogue will stop to be upgraded with new titles and our users would no longer have the same supply and choice of books we have guaranteed them up to now. In the LIA technical office we play an important work of check, certification and creation of metadata on the accessibility requirements of the file, there is nowadays any other organization that would do it in our place. Beyond technical activities, I have daily exchanges with publishers and testers, I listen to their issues and I bring their ideas and requirements in international environments where solutions can be achieved. If I had to

answer your question, I'd say also that in the long distance there wouldn't be the glue that holds all these information and the interest of all the players involved: accessible files are not enough on their own, they need to be integrated in a wider system, both in terms of technology and relationships.

#### 5. What is the most exciting/striking thing that ever happened to you in your job?

What we do is to enhance tools, provide a path in the journey towards content accessibility and, therefore, culture. It's a question of freedom. The most satisfying parts of my job are the moments when I feel like what I'm doing is actually useful to

someone. The Reading in Dark we organize are the most empathetic parts of my job. Famous writers and visual impaired readers read the same e-book (LIA complaint, of course!). Visual impaired readers can show what it means to read by enlarging characters, by using a braille display or speech synthesis. These events show how LIA's work and the opportunities provided by digital.

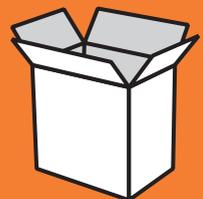
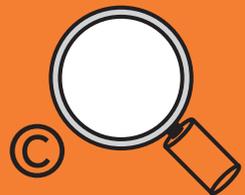
#### EDITORIAL

- . Reading panel
- . Commissioning or acquisition
- . Copy editing/Full text editing
- . Proofreading
- . Index making
- . Translation
- . Technical revision
- . Infographics
- . Legal reading if necessary
- . Relations with the author



#### FINANCIAL

- . Authors royalties & copyrights fees
- . Management accounts
- . Creditors & debtors
- . Legal procurement
- . Sponsors
- . Audits
- . Tax



#### PRODUCTION

- . Typesetting
- . File conversion
- . Layout & design
- . Paper buying & storage
- . Printing
- . Insurance & shipping

#### SALES & MARKETING

- . Representation
- . Marketing plans
- . Foreign rights
- . Publicity
- . Contracts with the media & PR approaches of opinion
- . Leaders & institutions
- . Social media
- . Parties

#### FULFILMENT & DISTRIBUTION

- . Order processing & servicing
- . Fulfilment & delivery
- . IT systems
- . Warehouse management
- . Digital warehouse & distribution
  - . Physical bookstores & other stores selling books
  - . Electronic bookstores
  - . Libraries
- . Consignment processing, returns, used/damaged books sales
- . Management of unsold stock

**Iris Blatterer, born in 1966, has a degree in Economic Sciences from the Vienna University of Economics and Business and has successfully completed two apprenticeships (as a bookseller and wholesaler for publishing companies). She was working for software companies (Business Standard Software and HR Software) and XEROX before she joined Verlag Jugend & Volk, an Austrian educational publishing house, as Managing Director in 2010.**



**1. Can you please describe your job in 100 words?**

As the Managing director of an educational publishing house I am responsible for the whole organisation and its activities, operationally and strategically. Jugend & Volk's work is extremely embedded in Austria's educational system and dependent on political decisions. So I have to be in close contact to our market: I negotiate with the Ministry of Education, visit schools and school authorities, and talk to teachers in order to meet their requirements. With our products we permanently have to adapt rapidly to the changes of the curricula. I also have to plan marketing activities and I am part of the Management team of the publishing group. On top of that I participate in national meetings of the Hauptverband des Österreichischen Buchhandels and in international meetings with other publishers of the Federation of Educational Publishers or within the IPA. One issue dominates my job very much: digitization in education – a task/challenge very time consuming and exciting!

**2. What did you want to do when you were five years-old?**

Nothing spectacular and extraordinary: I wanted to become a kindergarten/kindergarten teacher; at primary school a primary school teacher and during my first years in secondary school a veterinarian. Knowing me now, nobody can imagine me being a veterinarian! At

least, my first two visions fit very well to my current position: our products support teachers with their job/work. During my years at University and my first years in the software industry I actually worked as a teacher: for 7 years I taught accounting including ERP-Software at an educational institute for adults. It was a lot of fun and extremely satisfying seeing how my students improved their skills and understanding.

**3. Can you describe a typical working day?**

I am very lucky – my working days are full of variation. Something like that could happen:

- Arrival at the office – check Intranet, e-mails and various information sources. Discussions with colleagues about several topics via my “open door”.
- Meeting with our programme director to discuss decision by ministerial authorities and find solutions.
- Meeting with the service team to discuss customer's requests and prepare next steps..
- Write the monthly report for the company's owner.
- Business lunch with contact person who might broker possible authors.
- Board meeting of the Publisher's board of the Hauptverband des Österreichischen Buchhandels (Association).
- Work on digital strategy concept.
- Several telephone conferences regarding new marketing activities.

**4. What would happen to the book if you were not there?**

It is as simple as that: It would lose its driver.

**5. What is the most exciting/striking thing that ever happened to you in your job?**

In 2014 I became part of the task force for Educational Publishers within the Federation of European Publishers, where we work together to get an optimized framework for the European Publishers within the EU. I knew before that the 28 countries are very diverse in terms of their Educational systems, but now I can understand it even better. Normally I am a fan of simplifying processes and rules, but now I realize the importance of the differences and the cultural richness of Europe.

**Dorothee Werner, a trained bookseller, holds a degree in Philosophy from the University of Frankfurt (Main) where she also worked as a researcher in a project of the Deutsche Forschungsgemeinschaft (DFG) about the "Notion of Science in Albert the Great's De anima". In 2007, she started to work in various positions for the German Publishers and Booksellers Association, Börsenverein des Deutschen Buchhandels e.V. Since 2013 she is Head of Corporate Development and the Chief Executive Office of the Börsenverein.**



### **1. Can you please describe your job in 100 words?**

As Head of Business Development at Börsenverein des Deutschen Buchhandels (the German Publishers and Booksellers Association) I primarily connect people with one another to enable them to exchange knowledge and share ideas. Apart from that I develop strategies for new services, products or formats within Börsenverein and its affiliate enterprises. At the moment, we are preparing a project to support freedom of expression. Beyond that I am responsible for the German Book Prize, the customer service and the market research department.

Another important part of my work is the stimulation of innovation at a national and an international level. Right now we are developing a three-month acceleration program – named "Content Shift" – for entrepreneurs and startups from the book sector. The program starts in July and the closing event will be celebrated at the Frankfurt Book Fair in October 2016. Interested start-ups can send an e-mail to [werner@boev.de](mailto:werner@boev.de).

### **2. What did you want to do when you were five years-old?**

When I was five years old I wanted to work as a captain on a big sailing boat: sailing on the ocean, being outside under the wide sky, exploring the world, writing in the navigation book or writing stories, drawing maps in the cabin in the evenings... And somehow the things that I do today have very much in common – taking on an adventure, not on the high seas but in an industry which is nearly as important to society as water.

### **3. Can you describe a typical working day?**

I will take yesterday as an example: the day started with a team meeting during which we brainstormed new services for our members. Then our CEO and I discussed a concept for a symposium on freedom of expression at Frankfurt Book Fair 2016 with our CEO. After a quick lunch, I prepared an incoming call from the

European Commission (DG Cnect) with a colleague. Before leaving the office to fetch my little daughter from kindergarten I prepared a presentation for a FEP meeting, giving an overview about the innovation work we do at the Association.

### **4. What would happen to the book if you were not there?**

Some new islands would not be found... some new traces for the future of books not discovered.

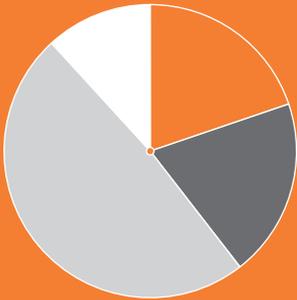
### **5. What is the most exciting/striking thing that ever happened to you in your job?**

The most exciting thing for me is to experience the large impact that books – no matter what genre – have on and for the lives of everyone each and every day. That is what keeps me going.

# BOOKS IN EUROPE

# FACTS AND FIGURES

A turnover of 22-24 billion euros benefiting the EU economy



European publishing, largest in the world: of the top 10 largest publishers, 7 are European



9 million titles are available in Europe, 2 million are e-books



More than half a million people work in publishing...\*



\*Direct and indirect employment in the book sector (authors, publishers, booksellers, printers, designers, etc.)

On average, a book has a print run of...



7000 in France

3000 in Spain

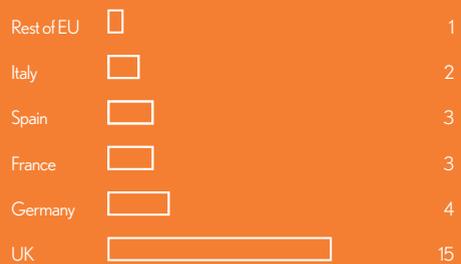
600 in

Over half a million new titles are published every year



Cross-subsidisation from best-sellers enables investment in new talents

The e-book market is a nascent one



\*E-books sales as a share of the total trade book market (in

# FACTS AND FIGURES ON THE BOOK MARKET

Average school budget for print and digital learning resources

1% in average

In France, print textbooks share is 0.23% of total educational expenditure (or 1% when discounting staff expenditure) (Source: SNE).

Self-published authors tend to sign with publishers once they are successful

50 Shades of Grey (E.L. James)

Self-published: 250 000 copies

By Random House: over 100 million copies

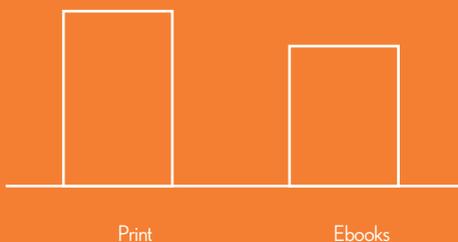
The demand for digital titles is still limited and varies according to countries

1,4% of textbooks adopted in Italy are digital

4 out of 5 publishers produce ebooks



Ebooks are only 15-20 % cheaper to produce than physical books



Producing ebooks generates certain costs which do not apply in the case of printed books

Books are the third most likely product to be purchased online\*



\*and first in Germany

Out of 10 books, only 1 makes a profit



2 break even, the rest is losing money

# FACTS AND FIGURES ON PUBLIC LIBRARIES

Local libraries lend music and audiovisual... and books



31.8 million  
phonograms\*

\*in France



11.4 million videos\*



164.9 million  
printed works\*

Authors receive much less from loans of their books than from sales in shops.

0,06 €

Several countries across the EU have not yet implemented PLR schemes (Greece, Bulgaria, ...)

\* Rate per loan in the UK in 2012 - Source PLR UK

The books most frequently borrowed in libraries are often bestsellers

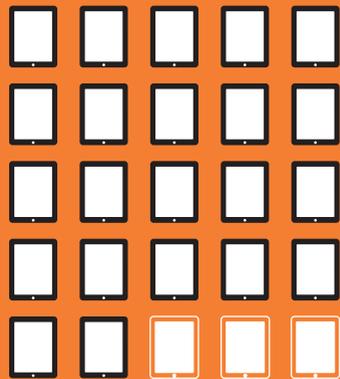
1. Lee Child / The Affair / Bantam (2011) 2. Lee Child / A Wanted Man / Bantam (2012) 3. E.L. James / Fifty Shades of Grey / Arrow (2012) 4. James Patterson & Maxine Paetro / 11th Hour / Century (2012) 5. James Patterson / Guilty Wives / Century (2012) 6. Hilary Mantel / Bring up the Bodies / Fourth Estate (2012) \*

> UK's most borrowed book of the decade 2002-2012: The Da Vinci Code, Dan Brown (2003)

They were also among the bestselling titles in bookshops!

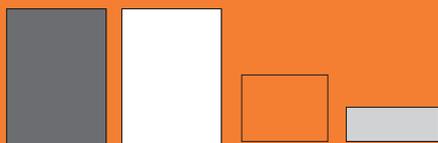
\* 2012-2013 (source UK PLR)

Libraries can take over a large part of the primary e-book market



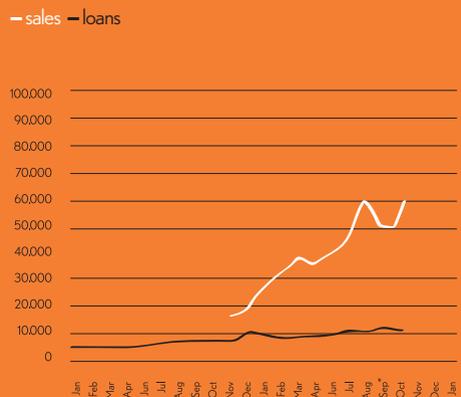
In Sweden, libraries only purchase 4% of all books sold, while they are serving up to 90% of the e-book needs

Library acquisitions make up at the very best 4% of publishers' turnover



So at least 96% of publishers' turnover is made through retailers

Experience shows how e-loans can cannibalise sales of e-books\*



\* eReolen in Denmark

# FACTS AND FIGURES ON THE BOOK MARKET

Educational publishing is a very important component of the overall publishing industry (6-7 billion € value)



- Educational (19%)\*
  - Academic (20%)
  - Trade (61%)
- \*up to 30% (ES, PL), 60% (IE)

33% of Danish primary school textbook market stems from sales of digital content



Because the Danish government has since 2012 supported the schools purchases of digital learning materials.

Different education markets have different needs and customers



Primary and secondary (parents, public institutions)



Educational consumer market (parents)

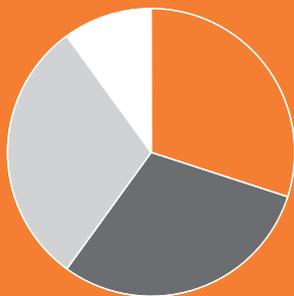


Higher education (students, university libraries)



Scientific and academic communication (university libraries, commercial companies, researchers, interested laymen)

Main costs in educational publishing



- Production/Storage 30%
- Trade 30%
- Overhead costs 30%
- Royalties authors 10%

School books alone are extremely widely copied and require licensing

## 400 million copies each year in Germany

(Source: VG Wort)

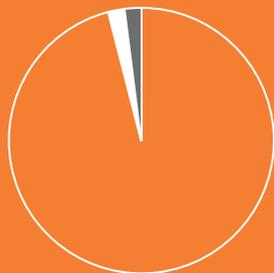
Since 2008, 100% of French text books are digital, 95% of Italian books



French publishers invest 4 times more than they recoup

# FACTS AND FIGURES ON THE BOOK MARKET

96% of ebooks are sold with soft DRM



31% of ebooks publishers produce enhanced ebooks



Books were the most desired Christmas gift in many EU countries for 2014.\*



\* Survey Deloitte Etude de Noel 2014 (in Denmark, France, Germany, Italy, Luxembourg, Poland, Spain, UK)

## ACRONYMS

ALDE Alliance of Liberals and Democrats for Europe	DG TRADE Directorate General for Trade	IPA International Publishers Association
AIE Italian Publishers Association	EBLIDA European Bureau of Library Information and Documentations Associations	IPR Intellectual Property Rights
ARROW Accessible Registries of Rights Information and Orphan Works	EC European Commission	IPRED Intellectual Property Rights Enforcement Directive
BEREC Body of European Regulators for Electronic Communications	ECR European Conservatives and Reformists Group	iTEC (Innovative Technologies for Engaging Classrooms)
CMO Collective Management Organisation	EIBF European and International Booksellers Federation	JRC Joint Research Centre
CEN European Standardisation Committee	EMMA European Magazine Media Association	MEP Member of the European Parliament
CENELEC European Committee for Electrotechnical Standardisation	ENPA European Newspaper Publishers Association	MOOC Massive Open Online Course
CENL Conference of European National Librarians	EOCP European Counterfeiting and Piracy Observatory	NEM New European Media
CETA Comprehensive and Economic Trade Agreement	EP European Parliament	NME News Media Europe
CJEU Court of Justice of the European Union	EPC European Publishers Council	OA Open Access
CMBA Creative Media Business Alliance	EPP European People's Party	OER Open Educational Resources
DG CNECT Directorate General for Communications Networks, Content and Technology	ETUCE European Federation of Teachers' Trade Unions.	OHIM Office for Harmonization in the Internal Market
DG EAC Directorate General for Education and Culture	EUEB European Union Ecolabelling Board	RRO Reproduction Rights' Organisation
DG EN Directorate General for the Environment	EUIPO European Union Intellectual Property Office	S&D Group of the Progressive Alliance of Socialists and Democrats in the European Parliament
DG GROW Directorate General for Internal Market, Industry, Entrepreneurship and SMEs	EUN European Schoolnet	STM International Association of Scientific, Technical & Medical Publishers
DG JUST Directorate General for Justice and Consumers	EUPL European Union Prize for Literature	TDM Text and Data Mining
DG TAXUD Directorate General Taxation and Customs Unit	EWC European Writers' Council	TiSA Trade in Services Agreement
	ICT Information and Communications Technology	TISP Technology and Innovation for Smart Publishing
	IFRRO International Federation of Reproduction Rights Organisations	TTIP Transatlantic Trade and Investment Partnership

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AUSTRIA: HAUPTVERBAND DES ÖSTERREICHISCHEN BUCHHANDELS  
BELGIUM: VLAAMSE UITGEVERS VERENIGING/ ASSOCIATION DES EDITEURS BELGES  
BULGARIA: АСОЦИАЦИЯ "БЪЛГАРСКА КНИГА"  
CZECH REPUBLIC: SVAZ ČESKÝCH KNIHKUPCŮ A NAKLADATELŮ  
DENMARK: FORLÆGGERFORENINGEN  
ESTONIA: EESTI KIRJASTUSTE LIIT  
FINLAND: SUOMEN KUSTANNUSYHDISTYS RY  
FRANCE: SYNDICAT NATIONAL DE L'ÉDITION  
GERMANY: BÖRSENVEREIN DES DEUTSCHEN BUCHHANDELS  
GREECE: ΟΜΟΣΠΟΝΔΙΑ ΕΚΔΟΤΩΝ ΒΙΒΛΙΟΥ ΕΛΛΑΔΟΣ  
HUNGARY: MAGYAR KÖNYVKIADÓK ÉS KÖNYVTERJESZTŐK EGYESÜLÉSE  
ICELAND: FÉLAG ÍSLENSKRA BÓKAÚTGEFENDA  
IRELAND: PUBLISHING IRELAND  
ITALY: ASSOCIAZIONE ITALIANA EDITORI  
LATVIA: LATVIJAS GRĀMATIZDEVĒJU ASOCIĀCIJA  
LITHUANIA: LIETUVOS LEIDĖJŲ ASOCIACIJA  
LUXEMBOURG: FÉDÉRATION LUXEMBOURGEOISE DES EDITEURS DE LIVRES  
THE NETHERLANDS: NEDERLANDS UITGEVERSVORBOND  
NORWAY: DEN NORSKE FORLEGGERFORENING  
POLAND: POLSKA IZBA KSIĄŻKI  
PORTUGAL: ASSOCIAÇÃO PORTUGUESA DE EDITORES E LIVREIROS  
ROMANIA: FEDERAȚIA EDITORILOR DIN ROMÂNIA  
SERBIA: УДРУЖЕЊЕ ИЗДАВАЧА И КЊИЖАРА  
SLOVENIA: GOSPODARSKA ZBORNICA SLOVENIJE  
SPAIN: FEDERACIÓN DE GREMIOS DE EDITORES DE ESPAÑA  
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