

SOCIETY CASE STUDY



Kazumasa Izawa,
JASRAC President



PROJECTS TO BUILD TOMORROW'S INFRASTRUCTURE

As revenues from digital have grown significantly in the past five years, Japanese rights society JASRAC has been active building up its infrastructure through various projects designed to deal with the increasing volume of transactions and the accuracy of data.

One of the key projects involves JASRAC and other CMOs in the Asia-Pacific region, that have joined forces to develop the Global Digital Service Data Exchange (GDSDX). The GDSDX is a common platform to share pre-matched work data of music used by digital services, with a view to have the platform used by all CISAC music societies in the future.

For JASRAC, the project is designed to respond to the growth in the “enormous” volume of musical works used through digital services, which is challenging music copyright organizations’ ability to capture and identify all the uses of music in more efficient and less labour-intensive ways. JASRAC is funding the system development costs of this project.

Another important project for the society is KENDRIX, a data exchange platform that will enable creators to

protect themselves from author impersonation and other abuses by certifying the existence of creators’ musical works. KENDRIX was released as a closed beta version in June 2022, with its official launch scheduled for October 2022.

At launch, KENDRIX will be equipped with an online identity verification system for creators (eKYC), allowing them to apply for JASRAC membership and to submit work registration forms. The service is available free of charge to JASRAC-affiliated and non-affiliated creators.

In addition, to improve the quality of data related to the public performance of works, JASRAC has been testing the Audoo Audio Meter technology at multiple DJ clubs in Tokyo. The system is based on a device that automatically identifies songs by using fingerprinting technology.

These projects are all aimed at the same goal: improve the quality of data through the use of the most up-to-date technologies in order to maximise the volume and accuracy of royalties distributed to members, in a cost-effective manner.



Overall, after two testing years, JASRAC royalty collections for fiscal year 2021–22 (April 2021–March 2022) amounted to JPY 116.73 billion, showing an increase of JPY 4.08 billion compared to fiscal 2020. This is the second largest level of collections in the history of JASRAC, after fiscal 2019. ■

We secured a high level of royalty distributions despite the pandemic. Incorporating the newest technologies, we aim to conduct our business in a way everybody involved in music can appreciate.

Kazumasa Izawa,
JASRAC President



Marie Anne Ferry-Fall,
Director General of ADAGP



ADAGP SIGNS “HISTORIC” LICENSING DEALS AND FIGHTS FOR CREATORS’ RIGHTS

After a year 2020 marked by ongoing support for artists in times of a major health crisis, the year 2021 brought some return to normalcy for ADAGP, with progress on the licensing front and with creators' rights.

The Paris-based society finalised an innovative partnership agreement with Google intended to support and remunerate visual arts authors in the digital ecosystem.

The two-prong deal, described as “historic” by ADAGP, consists of a licensing agreement, which will remunerate ADAGP members for the use of their works, and the creation of a support fund for the benefit of the artists represented by ADAGP. Both agreements are for a period of ten years. The first payments as part of the agreement were made in the Autumn of 2021.

Another accomplishment on behalf of ADAGP’s members is the progress towards securing recognition of a right of

exhibition by both the French government and venues where art is exhibited.

Overall, 2021 collections bear witness to these advances, with EUR49m collected in 2021 (an +8% increase compared to 2020). Income from the resale right, in particular, increased significantly in 2021, reaching EUR16.1m. This was a +40% increase on 2020, testifying to the dynamic recovery, in France and abroad, of the art market after long months of inactivity.

ADAGP also stepped up its advocacy activity in 2020–21. Since 2020, ADAGP has been an observer at the World Intellectual Property Organisation's Standing Committee on Copyright and Related Rights (SCCR), helping to develop toolkits to promote the resale right in countries wishing to implement it or enforce it more effectively. ■

|| 2021 has been a very satisfying year in many respects, with the signing of our agreements with Google and the changes with the exhibition rights, which have been implemented in a certain number of museums and art centres. But there is still a lot of work to be done.

|| **Marie Anne Ferry-Fall,**
Director General
of ADAGP

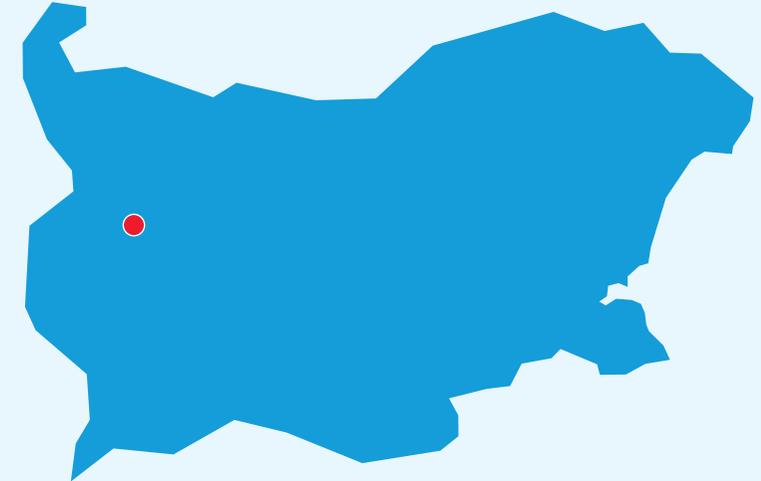
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Victor Bozhinov,
Film director and Chairman
of the Board of Filmautor



Ivan Dimitrov,
CEO of Musicautor



SOCIETIES JOIN FORCES TO CAMPAIGN FOR CHANGE IN BULGARIA

Authors in Bulgaria suffer from one of the lowest levels of remuneration in Europe. This is due in large part to the state's inability to create an environment for the professional growth of artists. The COVID crisis only worsened the situation.

Bulgaria spends EURO.11 and EURO.06 per capita on royalties for audiovisual and music creators respectively, according to CISAC data in 2021. Despite this, CISAC's member societies achieved collections growth in 2021. Musicautor grew collections by +8%, with digital income up +222% due to licensing agreements with Tidal, Deezer, Facebook, Instagram and TikTok, and with a major domestic mobile operator for the HBO GO service. Live royalties also recovered, up +45%.

To achieve a more sustainable growth, Musicautor and Filmautor, along with Artisautor, launched in 2021 the Alliance for the Development of Creative Forces (ARTS). It aims to support the relevant institutions and contribute

to economic development while also ensuring transparency, fairness and better conditions for creators.

The campaign highlights the extremely low rates in the broadcast sector, which have not changed since 2001. It also aims to fix contradictions in the legal landscape for the collective management of authors' rights, especially the ability of users to completely circumvent authors' rights for the retransmission of works. Creators also face poor enforcement and an ineffective procedure for solving tariff disputes with users.

The government is slow to act. In 2021 the EU opened an infringement procedure against Bulgaria for not implementing the Copyright Directive and Broadcasting Directive on time. The authorities have taken no action to date.

The new campaign is backed by data. In a 2021 survey by Filmautor and Gallup International, 75% of respondents say they are unable to negotiate remuneration except for a first lump sum payment; 95% of respondents say

collective management provides them with better protection of their rights. Many prominent artists also support ARTS, calling for urgent measures from the government in a powerful video. ■

"We are creating music and movies in spite of the imbalances in relations between participants in the creative environment."

Victor Bozhinov,
Film director and Chairman
of the Board of Filmautor

"The purpose of ARTS is the implementation of a well-focused and purpose-oriented state policy that reflects the rights and interests of all parties in the creative industry."

Ivan Dimitrov,
CEO of Musicautor

SOCIETY CASE STUDY



Cesar Cuadra,
Director General of ATN



TRANSFORMING CHILE'S NEW REMUNERATION RIGHT INTO ROYALTIES FOR AUDIOVISUAL CREATORS

In 2016, Chilean society ATN was part of a historic legislative success, securing an unwaivable right to remuneration for audiovisual creators. Following that victory, ATN has played the leading role in ensuring this right is enforced in practice and paying royalties to its members.

As a result of the society's work, ATN reported collections for the first time in 2021, totalling EUR670k for its member audiovisual creators.

Chile's famous Ricardo Larraín Law (No. 20.959) was signed into law in 2016, establishing a non-transferable and inalienable right to remuneration for audiovisual directors and screenwriters.

Securing the law was one thing, but enforcing it was another, and ATN had to take a series of actions to ensure the new right is respected and complied with.

The first step was to develop a modern and objective tariff system. This was commissioned to the University of

Chile's Faculty of Economics and Business. Using the parameters of intensity of use and breadth of repertoire, the tariff system enables fair and adequate rates for users required to pay.

Based on these tariffs, an intense negotiation took place between ATN and user organisations, also taking into account the spirit of Chilean intellectual property legislation, which encourages compromise between the two sides. Eventually on 11 October 2019 a tariff agreement with the pay TV guild (Acceso TV) was reached that effectively translated the Ricardo Larraín Law into commercial reality.

This agreement was not the end of the story, however. ATN then faced several legal challenges from free-to-air TV operators, promoted by employee unions. These were overcome with resounding success, and favourable resolutions were obtained both in the Tribunal de Defensa de la Libre Competencia—endorsed by the Supreme Court of Justice—and before the Constitutional Court.

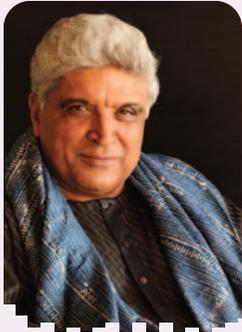


These judicial successes reinforce the legitimacy of the tariff system in the face of continuing resistance from the main free-to-air TV channels in Chile. The system is now the basis for other civil lawsuits initiated by ATN against those channels. ■

It is extremely satisfying that ATN has played such a key role in enabling audiovisual authors to share in the success of their works through its collective management. This is what motivates ATN in building respect for this new right for which we fought for so many years.

Cesar Cuadra,
Director General
of ATN

SOCIETY CASE STUDY



Javed Akhtar,
Chairman of IPRS



INDIA: IPRS DELIVERS BIG INCREASE IN ROYALTIES AND COVID HELP



Indian music society IPRS played a vital role in supporting members through a COVID crisis that brought a sudden end to live shows, concerts, filming and on-ground events.

Thankfully, new income-generating opportunities emerged as digital music consumption went up, helping IPRS grow revenues by +82% to INR3,000 million (US\$40 million) in 2021. Introducing a monthly royalty payment cycle against the earlier quarterly, the IPRS recorded its highest single-year royalty payout amounting to Rs.2,100 million (US\$28 million), up +15% in 2020.

Additional emergency relief funds were released to members. Through its Member Welfare Initiative, IPRS paid out Rs.97 million (US\$1.3 million) in multiple tranches from April 2020 to March 2022, and also provided funding for the medical needs of ailing members.

Undertaking multiple beneficial initiatives for its members, IPRS conducted pan-India workshops, online training, webinars and empowerment programmes on the latest

technology/trends shaping careers. Awareness-building initiatives for membership enrolment led to a 30% jump in new member registrations in 2021–2022.

On the technology front, the IPRS launched its new members portal, powered by BackOffice, thus empowering members to check their data and work and share related queries from a one-point source, thereby increasing transparency.

Despite strong collections growth, IPRS continues to face licensing challenges, with many major users, including homegrown OTT players, major broadcasters and radio stations, refusing to pay for the use of music. Inefficiencies get triggered due to insufficient data provided by the Indian broadcast industry hampering the collection and distribution of royalties.

Javed Akhtar, Chairman of IPRS, comments, “*The IPRS, apart from supporting its 3,900 members with emergency relief funds, also contributed to the upkeep of many from the creator community who weren’t our members then. Many*

of our well-heeled members emerged to wholeheartedly absorb the financial botheration of financially-hit creators. It was the moment we transcended the horizon and became a resplendent example of humanity and brotherhood for the world to emulate. After all, at the root of all creation are the indelible marks of compassion and solidarity.” ■

|| *As IPRS, we’ve not only managed to absorb the hard knocks of the pandemic but have also provided financial succour to many of our beleaguered members with a jump of 82% in revenue. It was possible due to our ability to do the needful in the time of a calamity, and our team led by CEO Mr. Rakesh Nigam at IPRS deserves special mention for this.*

Javed Akhtar,
Chairman of
IPRS

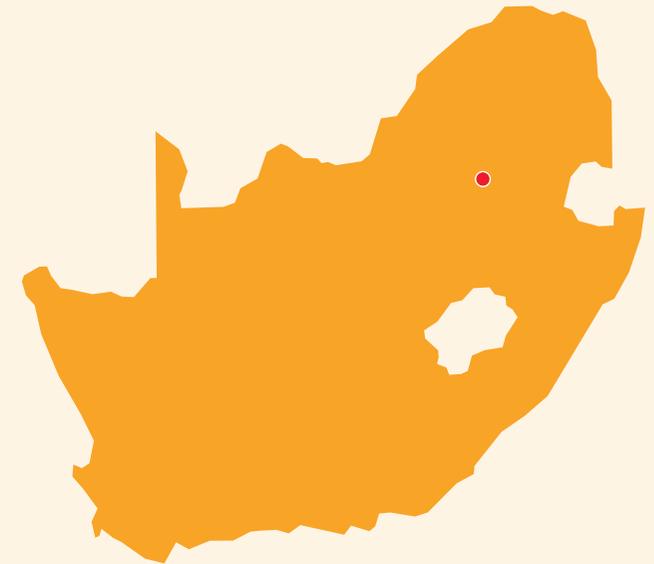
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Jotam Matariro,
CEO of CAPASSO



CAPASSO DEVELOPS ITS REGIONAL LICENSING HUB AND IMPROVES SERVICES



CAPASSO is a South Africa-based Digital Rights Licensing Agency that collects and distributes royalties for members and has been at the forefront of educating direct and indirect members, publishers and 25 African partner CMOs.

The society has made great strides over the last six years, growing its membership to 9,143 in total, comprising 7,540 authors and composers and 1,603 publishers. CAPASSO represents directly and indirectly over 7 million works for its members.

CAPASSO operates a regional Licensing Hub that has signed and obtained licensing agreements with major global DSPs including Apple, Spotify, YouTube, TikTok, Deezer, Boomplay and Tidal. It is also setting up one of the first regional video on demand licensing hubs.

Efficient and transparent distributions are key to CAPASSO's mission. Despite the challenges posed by the COVID-19 outbreak, the CMO continued to run four distributions

annually. During lockdown, a R2 million CAPASSO Relief Fund was set up to help members seeking financial aid.

On the systems front, in September 2021 CAPASSO launched an online portal which increases the speed and efficiency of works notification, a process that was previously done manually. The upgrade also improves member registration and other services.

CAPASSO provided virtual and physical training in the use of its portal to sister CMOs COSOTA and NASCAM, increasing works submissions and, in turn, the remuneration of creators.

CAPASSO works to educate members about creators' rights and the value of society membership. A recent collaboration on a free workshop with one of the country's biggest DJs and producers, Shimza, drew 300 attendees. ■

|| *We pride ourselves in what we do, from obtaining licences to maximising member royalties, to educating creatives. When Covid-19 broke out, creators were one of the first sectors that were hard hit and the last to be opened as they make a living from performing for supporters. However, the rise of streaming proved to be positive as this also increased our collection of royalties. Knowledge is power and we live by this saying.*

|| **Jotam Matariro,**
CEO of CAPASSO



Gorm Arildsen,
CEO of Koda



KODA'S AMBITIONS AND RESPONSIBILITY FOR THE WORLD AROUND US



Even though the COVID pandemic continued to cause significant financial losses for Koda, the organisation achieved an excellent financial result for 2021 with a turnover of EUR138m, which is on a par with 2020.

Koda aims to be among the world's best collective rights management societies five and ten years from now. It has an excellent starting point—Koda's management practices was judged "best in class" according to CISAC's compliance review of Koda in 2019. To build on this success, the society is now focused on resolving key challenges concerning metadata, new business models, new technologies and, not least, sustainability.

In 2021, Koda for the first time started to integrate sustainability into its core business. This started with an assessment of how the society could respond to challenges to sustainable development described by the UN Sustainable Development Goals (SDGs).

The aim is to engage in sustainable business development that aligns with the SDGs' economic, social and environmental aspects. This includes both the internal and external aspects: how Koda as a business can be sustainable on all parameters; and how the music industry in Denmark and globally can fulfil its role in implementing the SDGs.

Koda's membership grew by 1,547 to 48,799 in 2021, comprising creators and publishers. The society conducted a major qualitative membership survey during the year, the objective being to better understand the needs of members now and in the future. The survey showed general satisfaction with Koda, and the results serve as input for Koda's upcoming business strategy.

On the advocacy front, faced with a new draft bill which seeks to impose VAT on Koda activities, the society has lobbied hard on behalf of its members to remain exempt from VAT and for the exemption to extend to CMOs and similar organisations that manage collective rights. ■

We see partnerships and data as key enablers to ensure impact for Koda and the industry. Cross-sector partnerships and collaborations are crucial to tackling some of the industry's systemic challenges of sustainable growth and gender diversity.

Gorm Arildsen,
CEO of Koda

SOCIETY CASE STUDY



Jennifer Brown,
CEO of SOCAN

SOCAN

music. people. **connected.**
musique. monde. **connectés.**

A SHARPENED FOCUS ON DELIVERING TO MEMBERS



In 2021, SOCAN continued to realize new records in collections and distributions, including CAD\$416 million in total collections (a +6% increase over 2020), total distributions to members and clients of CAD\$353 million, and digital collections increasing +30% to CAD\$135 million.

To build on this success, SOCAN used the last two years to sharpen its focus on its core business of serving our members. The company divested its ownership in for-profit companies and going forward will be guided by four strategic pillars:

- **Member-centric:** All actions by SOCAN must be to the benefit of its 180,000+ member/client songwriters, composers, and music publishers.
- **Maximise royalties:** finding, collecting, matching, and distributing more royalties faster and more accurately, and ensuring that effective technology tools and people are in place to support this.
- **Revolutionise service:** SOCAN aims to provide the best quality of service to its members and stakeholders.

- **People and partners:** providing SOCAN's nearly 280 employees with the workplace, tools, information, and training to excel. SOCAN is also working to optimise more partnerships and collaboration within the Canadian music industry.

Concrete reforms are delivering on these guiding tenets. A distinct strategic team of reproduction rights experts was created early in 2021 to bring dedicated expertise to all levels of the company. Among many achievements, the team expedited first payments from the newly-formed MLC (Mechanical Licensing Collective) in the United States.

SOCAN's royalty collections area executed new agreements with a variety of digital service platforms in the fields of fitness, audiovisual (onscreen) productions and online concerts, to benefit members. Royalty collections was also part of a re-organisation effort, bringing greater member-oriented focus to roles and employees, and working as a complete, united group on royalty collections, services and operations.

With members continuing to shift their performances online in 2021, SOCAN maintained its *Encore!* program, which quickly distributed approximately CAD\$200,000 each quarter to eligible online concerts with royalties of CAD\$150 per concert. ■

|| Today, more than ever before, SOCAN is a member-centric organisation, committed to service excellence, working in partnership with our staff and stakeholders to maximise rights and royalties, and striving to exceed expectations at every turn. A year of strategic development and sharpened focus on our core business has put our members at the heart of every decision, large and small.

|| Jennifer Brown,
CEO of SOCAN