

The Copyright Package: An unnecessary risk for SMEs

Today, the European Commission published its package of proposals to modernise copyright rules across the EU. This includes a Directive on copyright in the Digital Single Market and a proposed Regulation on online transmissions and retransmissions of television and radio programmes.

The European Coordination of Independent Producers (CEPI), representing independent audiovisual production companies in Europe, is very concerned with the potential impact that the proposed Regulation could have on the sector as a whole and particularly on Small and Medium Enterprises. TV producers have been crucial in addressing the interest of the audience by providing varied cultural and linguistic content which can be monetised across the EU providing valuable re-investment, sustaining diversity and competitiveness. *“In a time where Europe needs to be more united and competitive than ever before, the proposals in the Copyright package present a dangerous and unnecessary risk, in particular for SMEs”* warns CEPI Secretary General Elena Lai.

The Commission’s proposal in the Broadcast Regulation to extend the Country of Origin principle to broadcasters’ ancillary online services, despite the opposition of the majority of consulted stakeholders and no legal or economic evidence of its benefits, will undermine the principle of territoriality upon which rests the financing of audiovisual works.

The principle of territoriality and contractual freedom provided under current EU copyright law allows for a flexible financing system which means producers can maximise the exploitation of a work.¹ Our business models rely on these as irreplaceable instruments for reinvestment in content and to tailor our offer to very diverse cultural and socioeconomic realities.

The Regulation therefore risks reducing the production and access to European TV and film content and restricting cultural diversity, ultimately damaging consumer interest. The Oxera Study² of May 2016 (and many other studies on the subject) highlights that undermining territoriality is likely to adversely affect European consumers and the AV industry in the short term (up to €9.3bn welfare loss per annum) and the medium to long term (up to €4.5bn welfare loss per annum).

We therefore urge the European Parliament and Council to adapt the proposals to ensure investment in high quality original EU content is preserved for the benefit of viewers and independent TV and film producers.

Finally, we also note the copyright package contains some very positive proposals. In particular, we embrace the “value gap” provisions in the proposal for a Directive on Copyright in the Digital Single Market making online service providers more responsible for the protection of works.

¹ CEPI’s response to the SatCab review consultation, p. 4. [Link](#)

² The impact of cross-border access to audiovisual content on EU consumers. Oxera and O&O, May 2016. [Link](#)

About CEPI

The European Coordination of Independent Producers (CEPI) supports the interests of independent film and television producers in Europe, representing 8,000 independent production companies in Europe. Our members supply over 16,000 hours of new programming each year to broadcasters in Europe, ranging from single documentaries and special event programming to game shows, light entertainment, and high-cost drama series.

Should you need any further information, please contact Ms. Elena Lai, CEPI Secretary General at cepi@europe-analytica.com.

