

# News

## Editorial Robert Ashton



ONE OF THE INTERNET'S BIG BENEFITS is that it is democratic. The multi-million-selling Lady GaGa can sell a track for 79p alongside a struggling singer/songwriter who self-releases their music from a bedsit in Leeds.

Both want critical acclaim. Both also want to be paid.

But the industry has flagged up an important concern in Ofcom's initial draft Code governing how the Digital Economy Bill should deal with online infringements.

For the DEA to be truly democratic the Code needs to be inclusive and allow all rightsholders, however big or small, to be protected from illegal filesharing.

But suggesting a year-long notification period, whereby rights holders would have to tell ISPs how many infringement notices they expect to make over the next 12 months, and expecting copyright owners to pay the cost of

## Going Dutch is the fairest way of shouldering infringement report costs

Copyright Infringement Reports in advance, could be a step too far for cash-strapped labels and that struggling Leeds songwriter.

It is smaller copyright holders, who cannot draw on the support, expertise and deep pockets of a major, who are most vulnerable to the net pirates. They are, therefore, at most need of the DEA and the protection it affords them.

But it is almost impossible for them to predict the volume of CIRs they will need to send out in a 12-month period. What is more, having to shell out for these upfront would put a major strain on an indie label and there are a hell of a lot of those: some 80% of companies in the industry employ five people or less.

Quite simply, if Ofcom sticks to its guns it is in danger of prejudicing and disengaging those already disadvantaged from the DEA, which is unacceptable and would give the process absolutely no credibility.

The only way for the Code of Practice to have integrity when it is hopefully revealed in September is for Ofcom to take on board the industry's concerns about notification periods and ensure that all rights holders, from the smallest one-man band to giants like Universal, are able to shoulder the costs involved and fully participate in the process.

The good news is the draft is not a million miles from what the industry has been looking for and, with Ofcom already demonstrating it is prepared to be practical and pragmatic in other areas – after all, it isn't attempting to ring-fence every single ISP in the country initially – there is surely room for it to move on this.

The big ask, then, will be for the Department of Business Innovation and Skills to radically rethink the burden of costs it will be placing on the whole music industry if in a few weeks' time it doesn't budge from the Government's starting position and recommends it picks up the lion's share – 75% – of the tab for paying for all of this.

It might be too late to influence BIS now, which has been considering the matter of costs for many months. But what's wrong with going Dutch? An unequal split on costs can surely only store up further trouble ahead for regulators because it will undoubtedly lead to arguments and wrangling over the size and expense of the infrastructure and efficiency of systems put in place to operate the process of copyright infringing investigations and notifications.

After all, isn't everyone tempted to plumb for the most expensive pudding and dessert wine in a Fancy Dan restaurant when they know someone else is catching the bill?

Do you have any views on this column? Feel free to comment by emailing [robert@musicweek.com](mailto:robert@musicweek.com)

Green Paper submission calls for more support for indies

## Level playing field for all labels, Impala urges EC

### Organisations

By Robert Ashton

IMPALA HAS TOLD the EC there should be a block on further music mergers and also fair play from new online music services in order to create a level playing field for indies in Europe.

In a new submission to the EC's Green Paper on cultural and creative industries, the European indie organisation has highlighted a number of problems and difficulties facing its members and has come up with a four-point plan to fix them.

The Green Paper, a first for the cultural industries, laid out many of the challenges facing thousands of independent companies throughout Europe when it was published in April alongside a three-month consultation offering the industry an opportunity to highlight urgent attention.

The deadline for that submission closed on Friday with Impala one of the first organisations to register its thoughts. Impala executive chair Helen Smith says the Green Paper was a breakthrough for the independents, with the Commission finally recognising that competition rules need to level the playing field.

Impala's submission calls for action on four key points:

- Level the playing field. Impala argues that, if the EC wants to implement the Green Paper's conclusion to properly level the playing field via competition rules, it should prevent the majors from carving up the online market at the expense of the independents. This means a block on further mergers in the music market and that online music services licensing from the majors should also be obliged to license the independents. The organisation also wants a sector enquiry into music;

- Investment in production, promotion and distribution of European talent, in particular by the independents. It argues the film industry has long been the focal point of European cultural funding and music could also benefit from similar schemes. Smith also wants the EC to open up its European Bank schemes, create a Europe-wide loan guarantee scheme and enable the cultural industries to access SME-targeted funding – previously the reserve of science-based industries. Other measures to improve investment in indies could involve national and regional tax breaks;

- Reward investment in talent. This includes mechanisms that are commonly used in sports such as football to reward investment in talent

and reduce the competition imbalance between big and small companies. The organisation has already suggested a soccer-style transfer fee combined with revenue sharing;

- Improve label and artist revenues from collecting societies. Impala has asked the EC to ensure labels and artists get money due them from air-play and performances in all countries.

Smith adds, "The Commission talks about putting in place the right 'enablers', this includes measures such as an EC scheme to support music in the same way as film and making sure collecting society revenues flow correctly. It also needs to support new industry schemes to promote investment in new talent and bridge the competition gap between the big and the small, as Impala has suggested, with football style talent transfer fees and revenue sharing."

The Commission is expected to respond to all the submissions by the end of this year. Alongside this process Impala, which is celebrating its 10th anniversary later this year, is also setting up a finance working group to help bridge the gap between investors and independents.

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## Perry to kick off 4Music schedule



4MUSIC'S celebrity and music pulling power will be demonstrated later this year in a packed autumn schedule that includes Katy Perry premiering her new album *Teenage Dream* on the channel in late August.

Other highlights for autumn 2010 include the return of documentary strand *Real Stories*, live event *T4 Stars of 2010* and a UK exclusive *JLS* concert.

The broadcaster outlined its 4Music highlights for the autumn last week, at an event celebrating the station's second birthday after being re-branded from *The Hits*.

They also include:

- Album Chart Show specials from N\*E\*R\*D and The Hoosiers;
- Season two of *Real Stories*;
- The TV debut of online

music-based entertainment show *Pocket TV*;

- 4Music Video Stars of 2010 (working title) – a six-week series celebrating the best videos of 2010 as chosen by 4Music fans;

- Katy Perry speaking to Miquita Oliver about her new album, due for release on August 30;

- The UK exclusive of *JLS*'s first full-length concert, recorded at the end of 2009 at the HMV Hammersmith Apollo;

- *T4 Stars of 2010*. A live event at London's Earls Court, with performances from some of the stars of the year.

As previously announced, the channel will also be airing highlights from the *V Festival*, *Bestival* and *Orange Rock Corps* events.

Channel 4 head of music Neil McCallum says the schedule reflects the changing

musical landscape, as well as the audience's "fascination with celebrity".

4Music and Box TV's programming director Dave Young believes the channel has achieved much since the re-launch two years ago. "We have had 22m viewers this year, that's about 10.6m a month and 5m a week. And about 4m monthly viewers are in the bracket of 16- to 34-year-olds," he says. "We have become a big channel by being first for music."

Young explains that 4 Music compares itself to the top 30 digital channels, adding, "At certain times we outperform ITV2, BBC2 and Five. It is a really big channel."

In addition, on Freeview, 4Music is the 17th most-watched channel, beating names such as Sky 3, ITV 3 and Sky Sports News.



## MUSICWEEK.COM READERS' POLL

### LAST WEEK WE ASKED:

Should artists get more involved in campaigning on industry issues?

YES 32% NO 68%

### THIS WEEK WE ASK:

Should the EC tighten the legislation governing festivals following the Love Parade deaths?

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