

## Round Table- Digital Single Market, Internet and Copyright

*Chairwoman:*

**Françoise GROSSETÊTE MEP**, *Vice-Chairwoman of the EPP Group in the EP responsible for the Working Group on Economy and Environment*

*Panellists:*

**Pilar del CASTILLO VERA MEP**, *Member of the Committee on Industry, Research and Energy in the EP*

**Sabine VERHEYEN MEP**, *Vice-Chair of Delegation for relations with South Africa in the EP*

**Malcolm HARBOUR**, *Director of the Digital Policy Alliance, Former MEP*

**Audrey KEUKENS**, *Secretary General ad interim, Ecommerce Europe*

**Felice SIMONELLI**, *Researcher, CEPS*

- The Commission presented the Digital Single Market Strategy in May and noted that there are significant developments in the legislative work concerning the sector. There is a digital revolution going on, some of it stemming from start-ups, with big companies also investing heavily in infrastructure. For a strong digital economy Europe needs further investment in high-speed networks. Obstacles for citizens remain, and as such we need to support the digitization of the public sector, need to look at copyright, etc.
- Policy makers should pay more attention to the digital sector. The whole of the industrial sector is relying more and more on ICT – e.g. the automotive sector, consumer products (Internet of Things). The health, transport, energy and other sectors have ICT at the core of their future development. We are at a junction where governments are starting to look at the digital sector with never before seen focus. Europe needs to develop the DSM as it presents great opportunities in the global context and to generate growth and jobs. The end of roaming charges is a great achievement of the European Parliament, as is net neutrality, where a balanced solution was found in the end. Data Protection legislation needs to be adapted to new realities that accommodate Big Data. Data is crucial for innovation. Standardisation is another area that will have far reaching effects for the EU.
- Copyright, as part of Intellectual Property Rights is fundamental for creative industries. These industries contribute to a great degree to economic growth and job creation. Many problems that we face now can be saved by new licensing- and business models. In the movie sector and in other sectors it is a different situation, as rights are pre-sold and there is a territorial component. The Reda EP Report should have been an implementing report on the INFOSOC Directive, but new ideas for copyright were put forth. On copyright, there are some questions – territoriality will be difficult to get away with when it comes to sports licensing – we need a differentiated approach here.
- It is really important to not regard the DSM as a “policy ghetto”, as digital tools are built on the foundation of the Single Market. The digital market is exposing rigidities and obstacles which are not acceptable – e.g. suppliers partitioning the market, which is clearly against competition law. We have to get the Single Market working. The Digital Single Market will expose deficiencies, also due to Member States' protectionist practices. There are also far too many restrictions in the business-to-business activities.
- 40% of Europeans are e-shoppers, but only 15% shop cross-border. There is a massive opportunity there and our goal is to make it easier for SMEs to sell cross-border. Obstacles are: legal framework fragmentation, logistics and taxation or VAT systems fragmentation. Compliance for these fragmented regimes requires significant resources. Consumer rules need to be simplified and clarified. Legislation should recognise the economic potential in the industry.
- One of the Juncker guidelines (No.2) is very interesting as it calls for the breakdown of national dividing lines, including in copyright. Copyright law can be one barrier to justify geo-blocking

according to this.

- Copyright is dominated in Europe by territorial licensing agreements in the audio-visual sector. Territorial licensing presents problems: limited portability and limited cross-border trade. The latter prevents consumers in the choice of services. Even when services can be accessed, at times they can only be accessed through 'national offers' at local conditions and prices.
- The potential demand of cross-border audio-visual services is between EUR 750 million to EUR 600 million per year. The copyright market could be the one in which the DSM could be fully implemented as there are no or very limited delivery costs. Copyright are conferred by national authorities and are limited to that national market. As such 28 licenses are required instead of one pan-European license. Once a copyrighted good is sold, further distribution is prevented (principle of exhaustion). The reform of the EU copyright framework is necessary and 'more Europe' is indeed required.