



14 June 2018

## **Music Economic Summit 2018: Speech by GEMA CEO, Dr. Harald Heker**

Dear Minister of State, Mrs Grütters,  
Dear Secretary of State, Mrs Wirtz,  
dear music friends,

thank you for coming here today. And thank you for your previous support **for a fairer online distribution** .

Because **fair online distribution** is in a bad way: Authors still only receive a small fraction of the profits which online oligopolies generate by using works protected by copyright.

The main problem is that the creators cannot negotiate on equal terms with platform operators. Even a dominant streaming platform such as YouTube regards the remuneration for authors as a kind of voluntary act of letting them participate - without actually acknowledging a legal obligation.

We therefore fight in Europe under the header **“Value Gap”** for more fairness on the internet. More than 28,000 artists and creators have, in the meantime, also taken part in the petition “Make the Internet Fair”.

### ***Proposition 1***

*A converging media landscape needs a clear regulatory framework which creates a level playing field for comparable online services.*

The term “**Value Gap**” here is a rather civilized expression. Based on calculations by **Roland Berger**, the market volume of online platforms in Europe amounts to €22bn. 23 per cent [of that] – in other words, about €5bn – are directly linked to the usage of cultural contents. And what about a fair remuneration for the creators of these contents? Nil points!

You could also refer to this situation as an **exploitation of the creativity of others**. An **exploitation** which some online oligopolies expose music authors to by using legal loopholes and operate a **parasitic value creation model**.

The argument of these platforms that they're only responsible for the marketplace and not for the content cannot be accepted for the property rights of creators and artists, just like they cannot be accepted in the case of fake news or hate speech!

### **Proposition 2**

*Access to musical works increasingly takes place via online platforms. They cannot simply nullify democratically decided rules such as copyright, media regulation, data and youth protection or tax legislation. Due to the special status, online platforms must fulfil their responsibility.*

A “Draft Directive on Copyright in the Digital Single Market” is currently being discussed in Brussels. What can this Directive achieve?

It would hopefully create the legal requirements that online platforms which benefit economically from the exploitation of creative contents will have to fairly remunerate the creators of such contents.

Platforms that **actively** present user uploaded contents by way of optimising or advertising them, may then no longer rely on the liability privilege. They do, quite simply, require a licence!

For the purposes of the fight **for a fairer distribution on the internet**, this Directive is long overdue. That is because it enables music creators in an increasingly digitised world to continue to be able to live off their work.

The Directive thus supports **artistic freedom**. This artistic freedom can only prevail if the existence of artists is secured.

### **Proposition 3**

*The participants at the outset of the digital value chain must be enabled to claim their share in the value creation from online platforms.*

The Directive also helps 'users': On the one hand, more music will be **legally available**. On the other hand, it will oblige **platforms** to conclude licensing agreements which can be designed in such a way that they also encompass the actions of the uploaders. For music users, this means **more contents AND legal certainty** and is thus an important contribution to **consumer protection**.

### Our **appeal to politicians**:

- Continue to **support** the adoption of this Directive. At the end of this process, there should be absolute clarity that platforms such as YouTube are involved in making available copyright protected content to the public. They must **no** longer hide behind the liability privilege for host providers.
- **Promote** a fair distribution on the internet with your involvement for the Directive, for consumer protection and for artistic freedom!
- **And make certain** that the **pre-eminence of politics** vis-à-vis an unregulated platform economy will be enforced.

Deliver your obligation of the coalition agreement: "To promote a" - and I quote - "*strong copyright for the protection of intellectual property which authoritatively sets out the responsibility of platforms.*"

And ensure that, as highlighted there, "*digital platforms are adequately involved in the refinancing of cultural and media content production.*"

Thank you very much.