E.U. to Hear Proposal for Cross-Border Net Copyright

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BERLIN — Two European commissioners are proposing the creation of a Europewide copyright license for online content that could clear the way for cross-border sales of digital music, games and video — and lower prices for consumers.

The plan, to be offered Tuesday by Viviane Reding, the European telecommunications and media commissioner, and Meglena Kuneva, the consumer affairs commissioner of the bloc, would allow consumers to shop online for media from any retailer in the 27-nation European Union.

The two commissioners intend to outline their plan in Strasbourg, where the European Parliament is meeting this week, according to a copy of the proposal obtained by the International Herald Tribune.

The commissioners would introduce legislation to create the license this year.

Currently, most online retailers limit sales of media — both digital and in the more traditional formats — to the countries in which they are based because of the complexity of satisfying varying domestic copyright rules and fees.

“The offer of content online is growing more and more but the current regime is still locked into national territorial licensing, with the result that E.U. consumers are often prevented from legally watching content anytime, anywhere and on any platform,” the commissioners’ proposal said.

Cross-border sales of online film and music is rare in the E.U. because most retailers generally do not want to deal with the complexity of satisfying 27 different national copyright systems, which are administered by semi-autonomous collecting societies that levy and collect fees on each sale.

To avoid selling abroad, online retailers often required customers to use a credit card issued in the same country as they are based.

Whether Ms. Reding, a conservative legislator from Luxembourg who authored the E.U.’s price limits on cross-border mobile roaming fees, and Ms. Kuneva, a Bulgarian lawyer who negotiated her country’s admission into the E.U., could overcome the resistance expected from E.U. collection societies remained to be seen.

Depending on how the commissioners seek to have the license granted, a single E.U. license would force collecting agencies to make themselves a more attractive place to do
business or else lose the copyright fees to another country.

Isabel Palmtag, a spokeswoman for GEMA, the German collecting agency for music rights, said the association would await details before commenting on the proposal.

The complexity of national copyrights systems is one reason the BBC limits its iPlayer online video service to consumers in Britain, and why online retailers like Fnac in France sell only to holders of French credit cards.

It is also the reason why some global retailers like Apple, which do sell music and video across E.U. borders, have been required to sell the songs at different prices in different countries, a reflection of varying copyright fees.

If the obstacles are removed, a third of E.U. consumers in a recent survey said they would be willing to purchase digital content online from a retailer in another E.U. country. Only 12 percent of E.U. consumers did so in 2008, according to European Commission statistics.

Marcel Avargues, the executive director of the Electronic Retailing Association Europe, a group in Brussels representing 75 retailers with a combined €4.5 billion, or $6 billion, in annual sales, said his members had been pushing for the change and are more than ready to expand their online sales to other markets in the European Union.

Greater competition would lead to lower prices for consumers, he said.

“There is a feeling that many countries use different consumer protection and licensing laws to protect domestic businesses,” Mr. Avargues said. “But there is a pretty unanimous desire on the part of retailers that these artificial barriers to commerce be lowered.”

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