

## [FR] Zelnik Mission Reports on “Creation and the Internet”

**IRIS 2010-2:1/19**

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The “Creation and the Internet” mission, chaired by Mr Zelnik, COE of the ‘Naïve’ music label, aimed at improving the legal offer on-line, reported back to the Minister for Culture (see IRIS 2010-1: 1/23) on 6 January 2010. The purpose of this cooperation with the professionals in the sector is to respond to the demand for financing the cultural industries, reaching beyond the educational and repressive aspects of the ‘HADOPI’ legislation. After hearing from about a hundred professionals in the sector, the report’s signatories say they are convinced that the method adopted until now by the Government, which offers a graduated response in preventing and penalising unlawful use of the Internet, is necessary, but far from enough. The report is a real plan of action for facilitating access to creation on the Internet, setting out a list of 22 proposals aimed at supporting the cultural industries in the digital environment, which include not only music but also the cinema, audiovisual products and the printed book.

The very next day, in his New Year address to the world of culture, the French President Mr Sarkozy referred to some of these measures. Firstly, the start of work in the coming months on an expert’s report to be carried out by the Ministry of Finance on “apprehending from the taxation point of view the activities of the major portals and international search engines present in France”, which currently escape national regulation. As proposed by the mission, the Government should also request the opinion of the national competition authority on the possibly dominant position achieved by Google in the market for on-line advertising. The President said he was also in favour of setting up, by the summer, a “young person’s music card”, of a value yet to be determined, with a 50% subsidy from the State, in order to promote legal downloading. Producers should also be given a period of one year to negotiate rights and release their musical files on all the platforms, whereas currently each record company negotiates the conditions for making its music catalogue available with each streaming and downloading site separately. If they failed to do so, the negotiation of rights would be covered by the legislation on compulsory collective management. He also advocated the referencing by French beneficiaries of their entire catalogues of videos on demand on all the platforms and on a single portal which would reference all of the available offer, under the supervision of the *Conseil Supérieur de l’Audiovisuel* (audiovisual regulatory body - CSA). The report also proposes relaxing the media chronology laid down in the agreement reached on 6 July 2009 (see IRIS 2009-8:

13) in order to bring forward the exploitation windows for films as video on demand by subscription (which could be accessible as early as the 22<sup>nd</sup> month after their first showing, or even as early as the 10<sup>th</sup> month, rather than after 36 months as is the case at present) and VOD free of charge. Still with regard to the audiovisual scene, it is suggested that the exploitation of films that have fallen into the public domain - which is by nature unrestricted and free of charge - should be taxed, in order to top up a fund for digitising heritage films. Lastly, the Zelnik mission's report includes a section on action at Community level, including:

- the desire to take action for application of the reduced rate of VAT for all cultural on-line services;
- defence of the specific nature of copyright and neighbouring rights before Community bodies;
- the definition and implementation of a European digitalisation strategy in relation to culture, and also the setting up in Brussels of a European platform for creation on the Internet.

***Création et Internet, rapport au ministre de la Culture et de la Communication, janvier 2010***

<http://www.culture.gouv.fr/mcc/Espace-Presses/Dossiers-de-presses/Rapport-Creation-et-Internet>

*"Creation and the Internet" - report to the Minister for Culture and Communication, January 2010*

