

Viviane Reding EU Commissioner for Telecoms and Media Digital Europe – Europe's Fast Track to Economic Recovery The Ludwig Erhard Lecture 2009 Lisbon Council, Brussels, 9 July 2009

Digital Priorities for the next five years

The se four measures mentioned should be implemented in the next coming months. You can be sure that I will not tire in pushing for their successful completion.

However, we already need to look today at the strategic priorities for the medium term. With other regions of the world becoming ever more competitive, Europe cannot simply tread water, by simply ensuring sufficient spectrum and modern infrastructures. Would you take a high speed train that isn't going to an exciting destination? Obviously, high speed internet requires high interest content and attractive services for the end-consumer. Also for this part of Europe's digital economy, a sound framework, combining the strength of market forces with a single-market-wide regulatory level playing field, appears to be the best answer that Europe can give. The Commission will open a broader consultation on our Digital Europe Strategy in August. Already today, I would like to present to you the four priority areas where EU action appears to be most needed ³:

1. My first and most important priority for Digital Europe is: To make it easier and more attractive to access digital content, wherever produced in Europe. The availability of attractive content that appeals to European viewers, listeners and readers will be decisive in driving further the take-up of high-speed broadband internet. It is therefore regrettable that we currently have an extremely polarised debate on the matter: While many right holders insist that every unauthorised download from the internet is a violation of intellectual property rights and therefore illegal or even criminal, others stress that access to the internet is a crucial fundamental right. Let me be clear on this: Both sides are right. The drama is that after long and often fruitless battles, both camps have now dug themselves in their positions, without any signs of opening from either side.

In the meantime, internet piracy appears to become more and more "sexy", in particular for the digital natives already, the young generation of intense internet users between 16 and 24. This generation should become the foundation of our digital economy, of new innovation and new growth opportunities. However, Eurostat figures show that 60% of them have downloaded audiovisual content from the internet in the past months without paying. And 28% state that they would not be willing to pay.

These figures reveal the serious deficiencies of the present system. It is necessary to penalise those who are breaking the law. But are there really enough attractive and consumer-friendly legal offers on the market? Does our present legal system for Intellectual Property Rights really live up to the expectations of the internet generation? Have we considered all alternative options to repression? Have we really looked at the issue through the eyes of a 16 year old? Or only from the perspective of law professors who grew up in the Gutenberg Age? In my view, growing internet piracy is a vote of no-confidence in existing business models and legal solutions. It should be a wake-up call for policy-makers.

I f we do not, very quickly, make it easier and more consumer-friendly to access digital content, we could lose a whole generation as supporters of artistic creation and legal use of digital services. Economically, socially, and culturally, this would be a tragedy. It will therefore be my key priority to work, in cooperation with other Commissioners, on a simple,

consumer-friendly legal framework for accessing digital content in Europe's single market, while ensuring at the same time fair remuneration of creators. Digital Europe can only be built with content creators on board; and with the generation of digital natives as interested users and innovative consumers .

I will give you two examples of what Europe could do concretely for this:

- First of all, we could facilitate the licensing of intellectual property rights for online services covering the territory of all 27 EU Member States . Today, right holders and online service providers need to spend far too much time and money on the administration of rights, instead of investing this money in attractive services. And consumers often cannot access online content if uploaded in another Member State. For online content in a single market of 27 Member States, economies of scale and consumer-friendly solutions will require a much simpler and less fragmented regulatory framework than the one of today. We had a similar problem when commercial satellite TV started more than 30 years ago. As right clearance for this per se cross-border service became increasingly complex, Europe developed the Cable and Satellite Directive and introduced a simplified system of rights clearance for the whole of Europe. I believe it is now time to develop similar solutions for the evolving world of online content.
- Second example: We should create a modern set of European rules that encourage the digitisation of books . More than 90% of books in Europe's national libraries are no longer commercially available, because they are either out of print or orphan works (which means that nobody can be identified to give permission to use the work digitally). The creation of a Europe-wide public registry for such works could stimulate private investment in digitisation, while ensuring that authors get fair remuneration also in the digital world. This would also help to end the present, rather ideological debate about "Google books". I do understand the fears of many publishers and libraries facing the market power of Google. But I also share the frustrations of many internet companies which would like to offer interesting business models in this field, but cannot do so because of the fragmented regulatory system in Europe. I am experiencing myself such frustrations in the context of the development of Europeana, Europe's digital library. Let us be very clear: if we do not reform our European copyright rules on orphan works and libraries swiftly, digitisation and the development of attractive content offers will not take place in Europe, but on the other side of the Atlantic . Only a modern set of consumer-friendly rules will enable Europe's content to play a strong part in the digitisation efforts that has already started all around the globe.