



## Opinion

# As EU takes steps to protect its music industry, Canada should follow suit

The new EU copyright directive makes large online service providers liable for content posted on their platforms.

**T**he inability of policy to evolve with technology has prevented artists from receiving fair market value for their work."

That's the conclusion of a new report by the House Heritage Committee.

Music enriches our lives and provides a key mode of cultural expression. It also enriches our economy and drives trade diversification.

Yet, the sustainability of the Canadian music sector is being imperilled by a weakness in our copyright law—what's referred to in the industry as the value gap. It reflects the huge disparity between the value of creative content that is accessed and the revenues that are returned to those who create it. As governments sought to "empower" internet intermediaries, they were afforded exceptions that insulated them from liability for the content that appears on their networks without permission from—or compensation to—creators.

The value gap is indeed real, and its persistence threatens the livelihoods of Canadian artists, songwriters, and the companies that invest in them.

You have probably never heard of them, but Canadian songwriters and composers have made their mark on the world.

Their works are found on U.S. television programs, Japanese "J-Pop" albums, and in Brazilian movies. Music publishers are expanding their reach to ensure Canadian songs and songwriters are heard across the world.



House Heritage Committee chair Julie Dabrusin and her committee recently released a report that concluded that artists are not receiving 'fair market value for their work' because policies have failed to catch up with the evolving technology. *The Hill Times* file photograph by Andrew Meade

In only a few short years, Canadian music publishers have transformed their businesses. Of their total annual revenues, two-thirds are now earned in the export market. This is a success story about diversifying trade.

Yet, for all of their success abroad, fixing the policy environment at home is the essential element that will ensure the long-term survival of Canadian music sector.

### Lessons from Europe

In the spring, the European Union became the first major jurisdiction to enact provisions into law that are explicitly designed to close the value gap.

The new EU copyright directive makes large online service providers liable for content posted on their platforms. Under the new regime, responsibility will rest with platforms like YouTube and Facebook, whose businesses thrive on the distribution of user-generated content,

including music, to take steps to avoid copyright infringement and obtain authorizations from rights holders for themselves and their users.

Considering that 80 per cent of the songs played on YouTube are recommended by the streaming platform, channelling users to licensed content is easily doable.

EU member states are required to implement the directive into their domestic laws by 2021.

### Canadian solutions

Canada should follow Europe's lead by ensuring that large intermediaries, who are far more than mere conduits for online content, either obtain and pay for the necessary rights or face the consequences.

Specifically, Canada should tighten up broad technical exceptions, introduced to the Copyright Act in 2012, that do little more than deprive copyright owners of fair compensa-

tion for their work. And, since online distribution knows no national borders, it should take a stand against the Value Gap by strengthening the copyright protections in Canada's international trade agreements.

The recent Heritage Committee report found that Canadian creators and creative industries have faced steadily declining incomes in recent years. In seeking to close the value gap, they are asking for a levelling of the playing field that will allow them to effectively assert their intellectual property rights.

If we don't follow Europe's lead now, we risk losing our global competitive edge. Canadian lawmakers should take inspiration and lessons from Europe and make closing the value gap a top priority for the next Parliament.

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