

[Name]

[Publisher]

[Address]

[Address]

[Date]

Dear [Name]

Your consent to Extended Collective Licensing – action required

I am writing to seek your consent to proposed applications by the Copyright Licensing Agency (CLA) under new regulations to extend its current licences to include the titles of publishers who do not already mandate PLS. This is an important step if we are to maintain the levels of revenue that PLS distributes to publishers. Last year we distributed £[XXX] to your organisation.

I set out below a brief explanation of Extended Collective Licensing and some background information about the new proposals followed by an invitation to consent to the proposed extensions. CLA's plans are fully supported by the trade associations governing PLS, and it is vital that we know whether you approve them.

Please take a moment to read this letter and act on the request for consent. If you do not have the necessary authority to provide such consent then kindly ensure this letter is brought to the attention of the appropriate person within your company as soon as possible.

What is Extended Collective Licensing?

Extended Collective Licensing (ECL) enables collective management organisations (CMOs) like PLS and CLA to grant licences to use works over and above those for which they already have mandates. It is particularly relevant to so-called orphan works, namely works owned by a right holder who has not provided a mandate and who might be difficult to locate.

When was ECL introduced?

ECL has been used successfully in the Nordic countries for many years. In 2011 the Hargreaves report, *Digital Opportunity: A Review of IP and Growth*, recommended that the ECL model be adopted in the UK too. The government agreed, and the Copyright and Rights in Performances (Extended Collective Licensing) Regulations were introduced in 2014.

Why is CLA proposing to extend its licences now?

The money that PLS distributes to publishers from CLA is generated from blanket licensing of the education, business and public sectors in the UK, as well as licensed uses abroad. Our data shows that a very small number of the works that are copied – accounting for approximately 0.03% of total revenues – have not been mandated by their right holders. ECL will allow CLA to cover these works too, and thus demonstrate that their UK licences provide access to the broadest possible range of works. This will remove one particular pressure on CLA to reduce licence fees and help maintain current levels of revenue.

How will this affect my organisation?

Any extension of CLA's current UK licences will not have any direct impact on your organisation and the revenues we distribute to you. However, if CLA is not able to extend its licensing in this way and show that it offers the right to copy a comprehensive repertoire of material in the UK, there is a risk that its revenues could be reduced. This would in turn reduce the money that PLS is able to distribute to publishers.

Why is my consent needed?

To extend its UK licences, CLA needs agreement from PLS and other members representing the publishers, authors and visual artists whose rights it is mandated to license. To do this, its applications to the Secretary of State must show that it has consent from "a substantial proportion" of right holders represented by each of these members. I am therefore writing to all publishers signed up to PLS to seek their consent.

Can I opt out of ECL?

Yes. Your right to exclude some or all of your works is unaffected, and is an essential pre-requisite for ECL. Titles you have already excluded will be excluded from any ECL unless and until you notify us that you would like to opt them back in.

What other safeguards are there for me?

You should be aware that all CMOs are obliged to have codes of conduct. These are intended to add extra security for all right holders, whether or not they have granted mandates to the CMO. You can find PLS' code of conduct at <https://www.pls.org.uk/about/code-of-conduct>.

I am a magazine publisher and have mandated NLA for business and government licensing. Is NLA also proposing to extend its licences?

Not as far as we are currently aware. NLA's licensing is more transactional by nature, and it only collects revenues for the titles for which it has mandates.

I have another query. Who can answer it?

Please contact Ara Iskanderian (at a.iskanderian@pls.org.uk) who will be happy to help.

What should I do now?

Please indicate with a cross in the relevant box below whether you consent or do not consent to CLA's proposal to extend all its current UK licences. Return this page to us by post or email to ecl@pls.org.uk by no later than Friday 28th July 2017.

☐

Yes, I consent.

☐

No, I do not consent.

Reason for not consenting (optional):

[Name]

Date.....2017

Thank you for your attention to this important matter.

Yours sincerely

Sarah Faulder
Chief Executive

Barnard's Inn, 86 Fetter Lane, London, EC4A 1EN
t: 020 7079 5930 f: 020 7079 5931 e: pls@pls.org.uk w: www.pls.org.uk @PLSlicensing
VAT Reg. No: 417 7687 16 | Reg. in England No. 1575236