



**Response to the
Consultation Collective Rights Management Directive: technical review**

10 November 2015

Your name:	Andrew Chowns
Job Title:	CEO
Organisation name:	Directors UK
Organisation's main products/services:	<p>Directors UK is the professional association for film, television and all moving image directors in the UK, providing services and support to its members. It also operates a collecting society, distributing revenues from copyright levies accrued in other European countries in respect of the works of British directors, and operates a collective licensing scheme with the major UK television producers and broadcasters.</p> <p>Directors UK seeks to protect and enhance the creative, economic and contractual rights of directors in the UK, and works closely with organisations in the UK, Europe and around the world to represent directors' rights and concerns. Directors UK is a non-profit making organisation.</p> <p>www.directors.uk.com</p>

Directors UK has no comment to make on the specific questions asked by the IPO in connection with the draft regulations. However, we do have a number of points to make about some aspects of the proposed text and these are set out as follows.

1. Regulation 6 (c) (2): We would like clarification that the requirement that a CMO must communicate via electronic voting means including exercising members' rights, will not require us to provide facilities for real time live voting at the AGM. Providing real time live voting for potentially thousands of individuals would be extremely expensive and an enormous technical challenge for all CMOs.

2. Regulation 9 (1): We seek clarification as to precisely which categories of individual would fall within the scope of this clause (and also therefore caught by clause 9(3)). We are concerned that the use of the word "manage" may suggest that this clause is intended to go beyond the board of directors of a CMO

and embrace members of the management team, potentially drawing large numbers of individual managers into the scope of this clause.

4. Regulation 12 (9): Under the Directive a CMO must declare revenues un-distributable at the end of an initial 3 year period. In accordance with the 6 year UK limitation on claims this would be followed by a further 3 years' period taking it up to 6 years limitation period during which a CMO would be liable to honour a claim for royalties. During the first 3-year period, a CMO would also be required to make a diligent search for the missing rightholder. In practice, the stream of revenues for a work may extend for many years. This creates the probability that a CMO may no longer be liable to search for a rightholder for royalties that are outstanding for more than three years while still remaining liable to search for them for recent royalties for the same work. We believe this situation is bound to lead to confusion and to the probability that some rightholders will feel extremely aggrieved to discover that old portions of their royalties have been declared undistributable while others are still "live". Directors UK would prefer to adopt a policy whereby we would continue to search for the rightholder of a work that was continuing to earn royalties until all of them had remained unclaimed for more than three years. We ask for further clarification from the IPO that such a policy would be acceptable.

5. Regulation 17: This Regulation is expressed as Information provided to rights holders, but we think that it can only be workable if it applies to members. Most of the provisions in this clause do not make sense if they are applied to rightholders. For example, we would be unable to supply information to a person who is not a member because we would not know their address or contact details.

We also have a concern in relation to Regulation 17 (2) (g) concerning the provision of information about revenue which is outstanding. There are various legitimate circumstances where allocated payments are outstanding e.g. where a work is in dispute between one or more directors, disputes are active as to who is the principal director of a work, if programme has been incorrectly identified or reported or a director has less than £30 allocated to them. An obligation to alerting members that there are monies owed to them is likely to incite negative reactions and a rise in complaints despite there being perfectly legitimate reasons for the withholding of payment.

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