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Regulatory environment for platforms, online intermediaries, data and cloud computing and the collaborative economy

Fields marked with * are mandatory.

Objectives and General Information

The views expressed in this public consultation document may not be interpreted as stating an official position of the European Commission. All definitions provided in this document are strictly for the purposes of this public consultation and are without prejudice to differing definitions the Commission may use under current or future EU law, including any revision of the definitions by the Commission concerning the same subject matters.

You are invited to read the privacy statement attached to this consultation for information on how your personal data and contribution will be dealt with.

This public consultation will close on 6 January 2016 (13 weeks from the day when all language versions have been made available).

The Commission invites all interested parties to express their views on the questions targeting relations between platform providers and holders of rights in digital content (Question starting with "[A1]"), taking account of the Commission Communication "Towards a modern, more European copyright framework" of 9 December 2015. Technical features of the questionnaire have been adapted accordingly.

Please complete this section of the public consultation before moving to other sections.

- Respondents living with disabilities can request the questionnaire in .docx format and send their replies in email to the following address: CNECT-PLATFORMS-CONSULTATION@ec.europa.eu.
- If you are an association representing several other organisations and intend to gather the views of your members by circulating the questionnaire to them, please send us a request in email and we will send you the questionnaire in .docx format. However, we ask you to introduce the aggregated answers into EU Survey. In such cases we will not consider answers submitted in other channels than EU Survey.
- If you want to submit position papers or other information in addition to the information you share with the Commission in EU Survey, please send them to CNECT-PLATFORMS-CONSULTATION@ec.europa.eu and make reference to the "Case Id" displayed after you have concluded the online questionnaire. This helps the Commission to properly identify your contribution.
- Given the volume of this consultation, you may wish to download a PDF version before
 responding to the survey online. The PDF version includes all possible questions. When
 you fill the survey in online, you will not see all of the questions; only those applicable to
 your chosen respondent category and to other choices made when you answer previous
 questions.
- ★ Please indicate your role for the purpose of this consultation
 - An individual citizen
 - An association or trade organization representing consumers
 - An association or trade organization representing businesses
 - An association or trade organization representing civil society
 - An online platform
 - A business, including suppliers using an online platform to provide services
 - A public authority
 - A research institution or Think tank
 - Other

★ Please briefly explain the nature of your activities, the main services you provide and your relation to the online platform(s) which you use to provide services

3000 character(s) maximum

PRS is a collective management organisation which represents more than 114,000 songwriter, composer and publisher members. Through our subsidiary, PRS for Music, we license over 14 million musical works, 2 million from our members, from around the world through our network of reciprocal agreements with other societies. PRS for Music licenses the communication to the public right on behalf of PRS and the reproduction right on behalf of MCPS. In 2014 PRS for Music collected in excess of £664 million ($\[Eq]$ 922 million) of royalties and distributed over £565 million ($\[Eq]$ 785 million) to rightholders, making us one of the largest and most efficient collecting societies in the world.

In 2014, the royalties collected from over 100 licensed online services was £79.9 million (€111 million). PRS for Music collects more royalties from online services than any other music collecting society in Europe.

In 2015, the European Commission cleared the establishment of the first multi-territory licensing hub, ICE, a joint-venture between PRS, STIM and GEMA. The hub will provide simplified licensing solutions for online services as well as more efficient distributions to rightholders, all of which are essential to the successful operation of the digital single market for rights and are compliant with the obligations in Title III of the CRM Directive.

- *Are you a SME or micro enterprise?
 - Yes
 - No

⋆ Please specify

100 character(s) maximum

PRS for Music exceeds SME thresholds, though represents a membership of thousands of SMEs.

* Please indicate your country of residence

United Kingdom

~

★ Please provide your contact information (name, address and e-mail address)

PRS for Music 2 Pancras Square, London, N1C 4AG United Kingdom policy@prsformusic.com ★ Is your organisation registered in the Transparency Register of the European Commission and the European Parliament?

Note: If you are not answering this questionnaire as an individual, please register in the Transparency Register. If your organisation/institution responds without being registered, the Commission will consider its input as that of an individual and will publish it as such.

- Yes
- No
- Non-applicable
- * Please indicate your organisation's registration number in the Transparency Register

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If you are an economic operator, please enter the NACE code, which best describes the economic activity you conduct. You can find here the NACE classification.

Text of 3 to 5 characters will be accepted

The Statistical classification of economic activities in the European Community, abbreviated as NACE, is the classification of economic activities in the European Union (EU).

90.0

- ⋆ I object the publication of my personal data
 - Yes
 - No

Online platforms

SOCIAL AND ECONOMIC ROLE OF ONLINE PLATFORMS

Do you agree with the definition of "Online platform" as provided below?

"Online platform" refers to an undertaking operating in two (or multi)-sided markets, which uses the Internet to enable interactions between two or more distinct but interdependent groups of users so as to generate value for at least one of the groups. Certain platforms also qualify as Intermediary service providers.

Typical examples include general internet search engines (e.g. Google, Bing), specialised search tools (e.g. Google Shopping, Kelkoo, Twenga, Google Local, TripAdvisor, Yelp,), location-based business directories or some maps (e.g. Google or Bing Maps), news aggregators (e.g. Google News), online market places (e.g. Amazon, eBay, Allegro, Booking.com), audio-visual and music platforms (e.g. Deezer, Spotify, Netflix, Canal play, Apple TV), video sharing platforms (e.g. YouTube, Dailymotion), payment systems (e.g. PayPal, Apple Pay), social networks (e.g. Facebook, Linkedin, Twitter, Tuenti), app stores (e.g. Apple App Store, Google Play) or collaborative economy platforms (e.g. AirBnB, Uber, Taskrabbit, Bla-bla car). Internet access providers fall outside the scope of this definition.

* Please explain how you would change the definition

1000 character(s) maximum

The definition set out in this consultation is a very broad description of a large and complex market, which does not reflect the incredibly wide range of online platforms operating in the market. Most importantly it doesn't recognise the vastly different ways in which online platforms facilitate 'interactions' or the differing means through which they realise revenues from these relationships. Therefore, we believe this definition is not satisfactory in accurately and fairly defining the current online market and the multitude of players which operate in it. More importantly as such a broad generalisation it makes it difficult to accurately define the regulatory problems in the market, and by association the necessary policy or regulatory solutions. Therefore, when considering the appropriate definition in any future legislative framework it should be, while not being technologically specific, targeted and reflect the activities and characteristics of the relevant online platforms.

What do you consider to be the key advantages of using online platforms?

Online p	latforms
----------	----------

make information more accessible
make communication and interaction easier
increase choice of products and services
create more transparent prices and the possibility to compare offers
increase trust between peers by providing trust mechanisms (i.e. ratings, reviews, etc.)
lower prices for products and services
lower the cost of reaching customers for suppliers
help with matching supply and demand
create new markets or business opportunities
help in complying with obligations in cross-border sales
help to share resources and improve resource-allocation
others:

Have you encountered, or are you aware of problems faced by **consumers** or **suppliers** when dealing with online platforms?

"Consumer" is any natural person using an online platform for purposes outside the person's trade, business, craft or profession.

"Supplier" is any trader or non-professional individual that uses online platforms to provide services to third parties both under their own brand (name) and under the platform's brand.

- Yes
- O No
- I don't know

Please list the problems you encountered, or you are aware of, in the order of importance and provide additional explanation where possible.

3000 character(s) maximum

A successful and well-functioning digital market should be determined by the extent to which online platforms facilitate the 'willing seller' to interact with the 'willing buyer'; or, put simply, that the seller can consent to the sale of their goods or services on the terms under which the buyer agrees to purchase them. Unfortunately, in the case of some online platforms, specifically platforms which aggregate and provide access to user-uploaded content, too often the consent of rightholders is not obtained before their works are made available online.

In 2014 the CEO of PRS for Music, Robert Ashcroft, and the economist George Barker co-authored the economic study 'Is copyright law fit for purpose in the Internet era?' This report examined the economic harm caused by creators losing the right to consent to the use of their works online and how this has resulted in 'parasitic growth'; where the growth of the online sector has been at the direct expense of the creative sector. A copy of this study has previously been submitted to the Commission as evidence and can be found at:

https://ec.europa.eu/futurium/en/content/copyright-law-fit-purpose-internet-era

There are two key areas of the online market where the lack of consent by rightholders is most visible and harmful. They are:

- \bullet $\,$ $\,$ online intermediaries which provide access to content uploaded by users, and
- content aggregation sites, specifically those intermediaries
 which provide access to embedded content and hyperlinks.

These problems have occurred as a direct result of two problems in the European copyright framework: first European legislation (the Hosting Defence in Article 14 of the E-commerce Directive) and second the decisions of the Court of Justice of the European Union (CJEU) that apply a 'new public' criterion to the communication to the public right. In so far as these problems are related to definitions and interpretations of legislation the remedies must equally be created through regulatory measures. Further details on both these issues are set out below.

How could these problems be best addressed?

- market dynamics
- regulatory measures
- self-regulatory measures
- a combination of the above

TRANSPARENCY OF ONLINE PLATFORMS

Do you think that online platforms should ensure, as regards their own activities and those of the **traders** that use them, more transparency in relation to:

a) information required by consumer law (e.g. the contact details of the supplier, the main characteristics of products, the total price including delivery charges, and consumers' rights, such as the right of withdrawal)?

such as the right of withdrawal)? "Trader" is any natural or legal person using an online platform for business or professional purposes. Traders are in particular subject to EU consumer law in their relations with consumers. Yes No I don't know b) information in response to a search query by the user, in particular if the displayed results are sponsored or not? Yes No I don't know c) information on who the actual supplier is, offering products or services on the platform Yes O No I don't know d) information to discourage misleading marketing by professional suppliers (traders), including fake reviews? Yes No I don't know e) is there any additional information that, in your opinion, online platforms should be obliged to display? 500 character(s) maximum Have you experienced that information displayed by the platform (e.g. advertising) has been

Have you experienced that information displayed by the platform (e.g. advertising) has been adapted to the interest or recognisable characteristics of the user?

0		
	No	
	1 40	

Yes

I don't know

YesNo
★ What type of additional information and in what format would you find useful? Please briefly explain your response and share any best practice you are aware of. 1500 character(s) maximum
Online platforms often provide copyright information to their users. However, this information is often presented as part of their extensive 'terms and conditions', despite the fact that this information is often essential to the lawful use of the content on the site. We believe that copyright information should be provided in a much more targeted and appropriate manner to users, for example at the point of upload or accessing of content.
Do you find reputation systems (e.g. ratings, reviews, certifications, trustmarks) and other trust mechanisms operated by online platforms are generally reliable? Yes No I don't know What are the main benefits and drawbacks of reputation systems and other trust mechanisms operated by online platforms? Please describe their main benefits and drawbacks. 1500 character(s) maximum
USE OF INFORMATION BY ONLINE PLATFORMS
In your view, do online platforms provide sufficient and accessible information with regard to: a) the personal and non-personal data they collect? Yes No I don't know
 b) what use is made of the personal and non-personal data collected, including trading of the data to other platforms and actors in the Internet economy? Yes No I don't know

Do you find the information provided by online platforms on their terms of use sufficient and

easy-to-understand?

c) adapting prices, for instance dynamic pricing and conditions in function of data gathered or
the buyer (both consumer and trader)?
Yes
No
I don't know

Please share your general comments or ideas regarding the use of information by online platforms

3000 character(s) maximum

The importance of high-quality and effective data to rightholders was recognised in the CRM Directive, which places obligations on users to provide CMOs 'with such relevant information at their disposal on the use of the rights' (Article 17 Directive 2014/26/EU). While these measures are welcomed, without provisions to secure standards in the data collected in the first instance the data 'at their disposal' will remain often incomplete, unrecognisable and not fit for purpose.

All online platforms, but specifically sites which provide access to user-uploaded content, must play a greater role in the collection of data. While there has been some progress in music and melody recognition software by some user-upload sites this is, and will only ever be, part of the solution to identifying the use of musical works. A fundamental problem with these systems at this time is the over reliance on 'partners', professional uploaders designated by the platform, in the case of music this is often the record labels, to provide the 'master' from which other works are matched. This means that the software only finds matches related to a specific version of the work, very often only a fraction of the versions of the work on the site. In addition, the software is incapable of recognising the use of the lyrics when they are not accompanied by the melody or are set to a different melody. Therefore, there remain significant limitations in the identification of authors' rights and music in other formats, audiovisual and games.

Data collection obligations are a feature of the contract agreements between rightholders and licensed online platforms. However, in practice the ability to enforce minimum standards is hindered because very often online platforms, specifically user-upload sites, have an actual disincentive to accurately collect data on the use of works. This is because such data might give them 'actual knowledge' and, as a result, liability for the use of any copyright works (no protection under the safe harbour in the E-commerce Directive). In a transactional licence ecosystem unidentified and unmatched songs in data sets sent to CMOs for invoicing, reduce the scope of repertoire we can claim for and the royalties we can return to rightholders.

We believe all platforms which use content, including user-upload sites, should be required to ensure the highest quality of data is collected and provided to rightholders. In the case of user-upload sites this must include guaranteed minimum data-entry requirements for all uploaders. These should include, in the case of designated 'partners', industry standard data codes, specifically ISRC and ISWC; where they exist. Whereas all uploaders must as an absolute minimum provide Title and Artist information for each upload.

RELATIONS BETWEEN PLATFORMS AND SUPPLIERS/TRADERS/APPLICATION DEVELOPERS OR HOLDERS OF RIGHTS IN DIGITAL CONTENT

Please provide the list of online platforms with which you are in regular business relations and indicate to what extent your business depends on them (on a scale of 0 to 3). Please describe the position of your business or the business you represent and provide recent examples from your business experience.

	Name of online platform	Dependency (0:not dependent, 1: dependent, 2: highly dependent)	Examples from your business experience
1	Music download services	2	iTunes, Amazon, Google Play etc. PRS has licensed music download services since 2008. However, while still an essential source of income, revenues are sharply declining.
2	Music streaming services	2	Spotify, Apple Music, Amazon Play etc. We have been licensing music streaming services since 2008. Music streaming services are the fast-growing section of the online music market.

			Netflix,
		Amazon	
			Video, iPlayer
			etc. PRS
			licenses the
			musical works
3 Audiovisual services	2	in audiovisual	
		services for	
		terrestrial	
		broadcasters'	
		online	
		platforms and	
			for content
			aggregators.

			1
			YouTube, licensed since 2008. SoundCloud, licence agreement entered into in December 2015. Rightholders have been unable to license many online user-upload services which provide access to their
			unable to license many online user-upload services which provide
4	User-upload services	2	has resulted from the ambiguity in the Hosting Defence allowing user-upload services to claim that they are not liable for copyright. This is despite the significant impact these services have on the music market and on consumer consumption behaviour.
5	Cloud services	1	iTunes Match, Amazon Cloud, Google Play: under licence since 2011/12.

How often do you experience the following business practices in your business relations with platforms?

The online platform ...

* A parity clause is a provision in the terms of use of an online platform or in an individual contract between the online platform and a supplier under which the price, availability and other conditions of a product or service offered by the supplier on the online platform have to maintain parity with the best offer of the supplier on other sales channels.

	Never	Sometimes	Often	Always
requests me to use exclusively its services	•	0	0	0
applies "parity clauses" *	0	•	0	0
applies non-transparent fees	•	0	0	0
applies fees without corresponding counter-performance	•	0	0	0
applies terms and conditions, which I find unbalanced and do not have the possibility to negotiate	•	0	0	0
unilaterally modifies the contractual terms without giving you proper notification or allowing you to terminate the contract	•	0	0	0
limits access to data or provides it in a non-usable format	0	0	•	0
puts significant constraints to presenting your offer	•	0	0	0
presents suppliers/services in a biased way	•	0	0	0
refuses access to its services unless specific restrictions are accepted	•	0	0	0
promotes its own services to the disadvantage of services provided by suppliers	•	0	0	0

If you do experience them, what is their impact on your business activity (on a scale from 0 to 3).

Impact on my business:

The online platform ...

* A parity clause is a provision in the terms of use of an online platform or in an individual contract between the online platform and a supplier under which the price, availability and other conditions of a product or service offered by the supplier on the online platform have to maintain parity with the best offer of the supplier on other sales channels.

	0 – no impact	1 – minor impact	2 – considerable impact	3 – heavy impact
requests me to use exclusively its services	0	0	0	0
applies "parity clauses" *	0	0	0	0
applies non-transparent fees	0	0	0	0
applies fees without corresponding counter-performance	0	0	0	0
applies terms and conditions, which I find unbalanced and do not have the possibility to negotiate	0	0	0	0
unilaterally modifies the contractual terms without giving you proper notification or allowing you to terminate the contract	0	0	0	0
limits access to data or provides it in a non-usable format	0	0	0	•
puts significant constraints to presenting your offer	0	0	0	0
presents suppliers/services in a biased way	0	0	0	0
refuses access to its services unless specific restrictions are accepted	0	0	0	0
promotes its own services to the disadvantage of services provided by suppliers	0	0	0	0

If you are aware of other contractual clauses or experience other potentially problematic practices, please mention them here

1000 character(s) maximum

★ Please briefly describe the situation

3000 character(s) maximum

Please see our answer to the last question of the previous section (on the use of information by online platforms).

[A1] Are you a holder of rights in digital content protected by copyright, which is used on an
online platform?
Yes
O No

As a holder of rights in digital content protected by copyright have you faced any of the following circumstances:

An online platform such as a video sharing website or an online content aggregator uses my protected works online without having asked for my authorisation.

Yes
 No

An online platform such as a video sharing website or a content aggregator refuses to enter into or negotiate licensing agreements with me.

YesNo

An online platform such as a video sharing website or a content aggregator is willing to enter into a licensing agreement on terms that I consider unfair.

YesNo

An online platform uses my protected works but claims it is a hosting provider under Article 14 of the E-Commerce Directive in order to refuse to negotiate a licence or to do so under their own terms.

YesNo

As you answered YES to some of the above questions, please explain your situation in more detail.

3000 character(s) maximum

In the 15 years since the introduction of the E-commerce Directive the digital market has grown and changed significantly. One such development is in online platforms that facilitate users' uploading and sharing of content. Despite the great power and value these sites generate through the use of copyright works, their ability to claim they are mere hosts, evoking the Hosting Defence, means rightholders cannot fully enforce their rights. Services that have refused a licence as a result of the Hosting Defence include Vimeo, SoundCloud, CD Baby, BandCamp, Radionomy, Grooveshark and Listentomyradio.com. This is despite the fact these services are clearly not passive intermediaries as they take possession of the works, providing users with the ability to find what they want, when and where they want it, through features including search tools, curated playlists and recommendations.

The intention of the Hosting Defence was never to provide a copyright limitation to intermediaries who directly compete with licensed online platforms. Indeed the Commission's own proposal in 1998 referred to 'the provision of server space' as the example of an intermediary. However, the ambiguity in the definitions of intermediary has allowed for its abuse and created a broken online content market. This ambiguity must be addressed, by preventing active hosts from claiming the protections in the Hosting Defence, if a well-functioning digital single market for content is to be realised.

Discoverability is an increasingly important part of the online market. Aggregation sites, which derive value from the access they provide to content, usually through advertising on the site. However, the judgment of the CJEU in Svensson (Case C-466/12), and other similar cases, established that providing hyperlinks is a licensable act of communication to the public only if there is a 'new public'. In summary, this means rightholders cannot license online platforms which provide links and embed their works unless those services are deemed to reach a different audience from the original source.

The 'new public' criterion was never an intended limitation in the European copyright legislation, nor do we believe it is compatible with the obligations in the Berne Convention. It is essential, therefore, that the scope of the communication to the public right is clarified in any future copyright reforms. This clarity must ensure that rightholders have the ability to license communication to the public irrespective of whether the same work or subject matter has been previously communicated to the same actual or potential members of the public. Without such clarification, rightholders are prevented from deriving fair value for the use of their works.

Is there a room for improvement in the relation between platforms and suppliers using the services of platforms? No, the present situation is satisfactory. Yes, through market dynamics. Yes, through self-regulatory measures (codes of conducts / promotion of best practices). Yes, through regulatory measures. Yes, through the combination of the above.
Are you aware of any dispute resolution mechanisms operated by online platforms, or independent third parties on the business-to-business level mediating between platforms and their suppliers? Yes No
CONSTRAINTS ON THE ABILITY OF CONSUMERS AND TRADERS TO MOVE FROM ONE PLATFORM TO ANOTHER
Do you see a need to strengthen the technical capacity of online platforms and address possible other constraints on switching freely and easily from one platform to another and move user data (e.g. emails, messages, search and order history, or customer reviews)? O Yes No
Should there be a mandatory requirement allowing non-personal data to be easily extracted and moved between comparable online services? Yes No
Please share your general comments or ideas regarding the ability of consumers and traders to move from one platform to another 3000 character(s) maximum
ACCESS TO DATA
As a trader or a consumer using the services of online platforms did you experience any of the following problems related to the access of data?
 a) unexpectedly changing conditions of accessing the services of the platforms Yes No

b) unexpectedly changing conditions of accessing the Application Programming Interface of the platform
Yes
No
c) unexpectedly changing conditions of accessing the data you shared with or stored on the platform
Yes
O No
d) discriminatory treatment in accessing data on the platform
O Yes
No
Would a rating scheme, issued by an independent agency on certain aspects of the platforms' activities, improve the situation?
Yes
O No
Please share your general comments or ideas regarding access to data on online platforms 3000 character(s) maximum
Tackling illegal content online and the liability of online
intermediaries

Please indicate your role in the context of this set of questions

Terms used for the purposes of this consultation:

"Illegal content"

Corresponds to the term "illegal activity or information" used in Article 14 of the E-commerce Directive. The directive does not further specify this term. It may be understood in a wide sense so as to include any infringement of applicable EU or national laws and regulations. This could for instance include defamation, terrorism related content, IPR infringements, child abuse content, consumer rights infringements, or incitement to hatred or violence on the basis of race, origin, religion, gender, sexual orientation, malware, illegal online gambling, selling illegal medicines, selling unsafe products.

"Hosting"

According to Article 14 of the E-commerce Directive, hosting is the "storage of (content) that has been provided by the user of an online service". It may for instance be storage of websites on servers. It may also include the services offered by online market places, referencing services and social networks.

"Notice"

Any communication to a hosting service provider that gives the latter knowledge of a particular item of illegal content that it transmits or stores and therefore creates an obligation for it to act expeditiously by removing the illegal content or disabling/blocking access to it.. Such an obligation only arises if the notice provides the internet hosting service provider with actual awareness or knowledge of illegal content.

"Notice provider"

Anyone (a natural or legal person) that informs a hosting service provider about illegal content on the internet. It may for instance be an individual citizen, a hotline or a holder of intellectual property rights. In certain cases it may also include public authorities.

"Provider of content"

In the context of a hosting service the content is initially provided by the user of that service. A provider of content is for instance someone who posts a comment on a social network site or uploads a video on a video sharing site.

- individual user
- content provider
- notice provider
- intermediary
- none of the above

⋆ Please explain

PRS is a membership organisation which represents the rights of songwriter, composer and publisher members. We license those rights, alongside those granted to us via representative agreements with other collecting societies, to businesses and services which want to use those rights.

Have you encountered situations suggesting that the liability regime introduced in Section IV of the E-commerce Directive (art. 12-15) has proven not fit for purpose or has negatively affected market level playing field?

Yes

O No

♣ Please describe the situation.

3000 character(s) maximum

As we have set out earlier in our response, Section 4 of the E-commerce Directive has inadvertently created an online music market undermined by direct competition between services liable for the copyright of the works they use and those who claim they are not.

The impact has been an un-level playing field where licensed content services are forced to compete with platforms, specifically user-upload platforms and aggregators, which pay little or nothing for their content. This despite the fact all these services compete for the same audiences and derive economic benefit from offering comparable functionality, such as search, recommendation and presentation.

Licensed content providers must develop sustainable business models to generate revenues which can remunerate both themselves and the creators of the works they use. While user-upload platforms and content aggregators can provide services which are 'free', or at least 'free-at-the point-of-access', as their fixed costs are lower, by virtue of not having to pay for their raw materials (a licence for the content). In order to compete some licensed music streaming services have been forced to also provide a 'free' (ad-funded) service; although this is not itself profitable.

This unfair market has allowed some online platforms to grow their user base, and become dominant players in the online music market, at the direct expense of the licensed services. For example, in 2014 YouTube reported 15.9 billion streams in the UK of music content identified by rightholders (which is only a small portion of the actual music consumed on the service). This should be compared to the 7.2 billion streams in the UK reported by Spotify over the same period. YouTube's, and other services such as SoundCloud and Vimeo, ability to build scale is as a direct result of its ability to claim they have no, or limited, liability for copyright and the flexibility to provide free and 'free-at-the-point-of-access' services to consumers.

Taken together we believe the current unfair market is creating direct economic harm and impacting negatively on consumers. For example, there is currently little incentive or capacity for licensed services to offer a wider range of pricing options, such as a mid-price subscription model for occasional music consumers. Meanwhile broader innovation, both in additional content and functionality is also being stifled by the uncertainty of financial return.

Do you think that the concept of a "mere technical, automatic and passive nature" of information transmission by information society service providers provided under recital 42 of the ECD is sufficiently clear to be interpreted and applied in a homogeneous way, having in mind the growing involvement in content distribution by some online intermediaries, e.g.: video sharing websites?

- Yes
- No
- I don't know

Please explain your answer.

1500 character(s) maximum

There is considerable evidence that the concepts of 'mere technical, automatic and passive nature' are insufficiently clear to be consistently applied and no longer reflect the nature of the online market. This includes a number of recent judgments in national courts, including YouTube v Telecinco (Spain, 2014), Yahoo! v RTI (Italy, 2015) and TFI v Dailymotion (France, 2014), which held that user-upload sites could claim the Hosting Defence. In contrast, in Vjatšeslav Leedo v Delfi (2009) the Supreme Court of Estonia held that the Defence did not apply to user comments on a news website.

The most recent and significant example is GEMA v YouTube (July 2015) where the Higher Regional Court of Hamburg acknowledged that YouTube acts like a strong and autonomous music service in the market. It acquires the uploaded music videos in its own interest, offers the music like its own content and competes directly with other streaming services like Spotify. Accordingly the court found YouTube played an 'active role' and was not able to rely on the privileges of a host-provider pursuant to Article 14 of the E-commerce Directive.

The primary problem is that the current legislation fails to recognise that while online platforms may be passive in the uploading of the content, they are entirely active in the way in which they present and monetise that content.

Mere conduit/caching/hosting describe the activities that are undertaken by a service provider. However, new business models and services have appeared since the adopting of the E-commerce Directive. For instance, some cloud service providers might also be covered under hosting services e.g. pure data storage. Other cloud-based services, as processing, might fall under a different category or not fit correctly into any of the existing ones. The same can apply to linking services and search engines, where there has been some diverging case-law at national level. Do you think that further categories of intermediary services should be established, besides mere conduit/caching/hosting and/or should the existing categories be clarified?

- Yes
- No

Please provide examples

1500 character(s) maximum

We do not think that further categories of intermediary services should be established, not least because the term 'intermediary' implies an absence of liability. We also note that the term 'intermediary service provider' is not itself defined in the E-commerce Directive.

However, we are calling for legislative clarification to ensure a clear definition of 'active' hosts, to ensure these types of services cannot claim to have no liability under Article 14. This definition must capture all online platforms which present content (including through the ability to search), provide suggestion and promotion to users, organise works and receive economic benefit from these activities. The legislation must then state clearly that these 'active' hosts are liable for both the communication to the public and reproduction rights. This should be achieved by an amendment to the Copyright Directive, not the E-commerce Directive.

On the "notice"

Do you consider that different categories of illegal content require different policy approaches as regards notice-and-action procedures, and in particular different requirements as regards the content of the notice?

- Yes
- No

On the "action"

Should the content providers be given the opportunity to give their views to the hosting service provider on the alleged illegality of the content?

- Yes
- No

⋆ Please explain your answer

1500 character(s) maximum

We recognise that users may wish, and should have the ability, to challenge a decision to take down works which they have uploaded. However, in such instances we believe the content should stay down pending resolution of any dispute.

which one(s)
1500 character(s) maximum

If you consider that this should only apply for some kinds of illegal content, please indicate

Should action taken by hosting service providers remain effective over time ("take down and stay down" principle)?

- Yes
- No

Please explain

In 2014 PRS for Music's Anti-Piracy Unit reported in excess of 2 million instances of infringed musical works made available online. In addition, we work closely with other anti-piracy organisations such as the BPI and the Police Intellectual Property Crime Unit to tackle online infringement.

A recurring problem for PRS, indeed all rightholders, when seeking to tackle online illegal content is that takedown notices often have only a very limited short-term impact. Works which have been taken down quickly reappear, often in multiple places. As a result rightholders are often required to allocate significant time and resources to chase the same piece of content, from the same uploader, across the same sites. This is very cost-intensive for rightholders and is evidence that notice and takedown, in its current guise, has only minimal impact on persistent copyright infringers.

We support the principle of 'take down and stay down' as an important mechanism in combating online infringement. We note that there are an increasing number of content-identification software systems on the market that can create a 'fingerprint' of individual user uploads and identify the same works if they are uploaded again. These software solutions, alongside more targeted action against persistent uploaders of infringing content, could help online platforms enforce a 'notice and stay down' approach to all illegal content. This could form part of the wider 'duty of care' obligations on intermediaries. There may be scope for the European Commission (perhaps through the Horizon 2020 programme) to contribute support and finance towards developing software solutions.

Finally, we are aware of suggestions the notice and takedown processes could be supported by an independent alternative dispute resolution process. In our view, the introduction of dispute resolution systems between rights businesses (including collective management organisation) and online providers would have very little benefit, not least because it would serve simply to delay a process which due to its nature needs to be as quick and streamlined as possible. However, it is possible there may be benefits of such a system whereby individual rightholders need to enforce their rights directly, but may struggle without support.

On duties of care for online intermediaries:

Recital 48 of the Ecommerce Directive establishes that "[t]his Directive does not affect the possibility for Member States of requiring service providers, who host information provided by recipients of their service, to apply duties of care, which can reasonably be expected from them and which are specified by national law, in order to detect and prevent certain types of illegal activities". Moreover, Article 16 of the same Directive calls on Member States and the Commission to encourage the "drawing up of codes of conduct at Community level by trade, professional and consumer associations or organisations designed to contribute to the proper implementation of Articles 5 to 15". At the same time, however, Article 15 sets out a prohibition to impose "a general obligation to monitor".

(For online intermediaries): Have you put in place voluntary or proactive measures to remove certain categories of illegal content from your system?

Yes

No

Do you see a need to impose specific duties of care for certain categories of illegal content?

Yes

No

I don't know

Please specify for which categories of content you would establish such an obligation.

1500 character(s) maximum

In respect of copyright infringements we believe that online platforms should have a duty of care to more actively ensure identification and maintain the content on their sites.

Please specify for which categories of intermediary you would establish such an obligation 1500 character(s) maximum

Online platforms which allow users to upload content, store it and make it available to others.

Please specify what types of actions could be covered by such an obligation

1500 character(s) maximum

PRS for Music recommends the following obligations on service providers:

- (a) to provide an upload process that requires the entry of mandatory works information by the users, as set out in response to the questions above. The service provider must, where required by the rightholders, make all this information available to the licensing entity and not enter into agreements with other rightholders that restricts the free flow of this information.
- (b) to use appropriate technical means to identify copyright content in the upload process. As a minimum this should include deploying the best available content-identification software wherever commercially possible within parameters agreed with rightholders.
- (c) to use all necessary measures to verify the identity of musical works on the service, including the use of melody-recognition technology and industry standard work identifiers;
- (d) to provide clear and easily accessible information about whether the site is licensed or not;
- (e) to provide information to users about how copyright and moral rights protect third-party content;
- (f) to apply agreed business processes for the collection and reporting of content use, which are agreed and reviewed over time in agreement with the rightholders.

These obligations should be statutory duties, i.e. binding obligations prescribed in legislation.

Do you see a need for more transparency on the intermediaries' content restriction policies and practices (including the number of notices received as well as their main content and the results of the actions taken following the notices)?

Yes

No

Do you think that online intermediaries should have a specific service to facilitate contact with national authorities for the fastest possible notice and removal of illegal contents that constitute a threat for e.g. public security or fight against terrorism?

-	
	Yes

No

Please share your general comments or ideas regarding the liability of online intermediaries and the topics addressed in this section of the questionnaire.

5000 character(s) maximum

This issue is directly related to objectives enshrined in the Treaties and Directives of ensuring that competition is not distorted and providing a high level of protection for rightholders, so promoting innovation, creativity, investment and employment. The importance of ensuring payment to creators is underscored time and again. For example:

'If authors or performers are to continue their creative and artistic work, they have to receive an appropriate reward for the use of their work, as must producers in order to be able to finance this work.'

Copyright Directive, recital 10

'The protection of intellectual property should allow the inventor or creator to derive a legitimate profit from his/her invention or creation.' Enforcement Directive, recital 2

In an online market these principles are not diminished — in fact as has been evidenced in this response the ability for online intermediaries to exploit creative works without the consent of rightholders means that legislation to protect and enforce rights is perhaps more important than ever. Therefore we are calling for legislative clarifications which ensure a more balanced online market for online content, one which allows both rightholders and online platforms to grow together.

Data and cloud in digital ecosystems

FREE FLOW OF DATA

ON DATA LOCATION RESTRICTIONS

In the context of the free flow of data in the Union, do you in practice take measures to make a clear distinction between personal and non-personal data?

0	Yes
0	No
0	Not applicable

Have restrictions on the location of data affected your strategy in doing business (e.g. limiting your choice regarding the use of certain digital technologies and services?)

Yes
No

ON ACCESS TO OPEN DATA

Do you think more could be done to open up public sector data for re-use in addition to the recently revised EU legislation (Directive 2013/37/EU)?

Open by default means: Establish an expectation that all government data be published and made openly re-usable by
default, while recognising that there are legitimate reasons why some data cannot be released.
Introducing the principle of 'open by default'[1]
Licensing of 'Open Data': help persons/ organisations wishing to re-use public sector information (e.g., Standard European License)
Further expanding the scope of the Directive (e.g. to include public service broadcasters, public undertakings);
Improving interoperability (e.g., common data formats);
Further limiting the possibility to charge for re-use of public sector information
Remedies available to potential re-users against unfavourable decisions
Other aspects?
Do you think that there is a case for the opening up of data held by private entities to promote its re-use by public and/or private sector, while respecting the existing provisions on data protection? Yes No
ON ACCESS AND REUSE OF (NON-PERSONAL) SCIENTIFIC DATA
Do you think that data generated by research is sufficiently, findable, accessible identifiable, and re-usable enough? O Yes No
Do you agree with a default policy which would make data generated by publicly funded research available through open access? Yes No
ON LIABILITY IN RELATION TO THE FREE FLOW OF DATA AND THE INTERNET OF THINGS

As a provider/user of Internet of Things (IoT) and/or data driven services and connected tangible devices, have you ever encountered or do you anticipate problems stemming from either an unclear liability regime/non -existence of a clear-cut liability regime?

The "Internet of Things" is an ecosystem of physical objects that contain embedded technology to sense their internal statuses and communicate or interact with the external environment. Basically, Internet of things is the rapidly growing network of everyday objects—eyeglasses, cars, thermostats—made smart with sensors and internet addresses that create a network of everyday objects that communicate with one another, with the eventual capability to take actions on behalf of users.

YesNoI don't know
If you did not find the legal framework satisfactory, does this affect in any way your use of these services and tangible goods or your trust in them? O Yes O No O I don't know
Do you think that the existing legal framework (laws, or guidelines or contractual practices) is fit for purpose in addressing liability issues of IoT or / and Data driven services and connected tangible goods? Yes No I don't know
As a user of IoT and/or data driven services and connected tangible devices, does the present legal framework for liability of providers impact your confidence and trust in those services and connected tangible goods? O Yes No I don't know
In order to ensure the roll-out of IoT and the free flow of data, should liability issues of these services and connected tangible goods be addressed at EU level? Yes No I don't know
ON OPEN SERVICE PLATFORMS

What are in your opinion the socio-economic and innovation advantages of open versus closed service platforms and what regulatory or other policy initiatives do you propose to accelerate the emergence and take-up of open service platforms?	
3000 character(s) maximum	
PERSONAL DATA MANAGEMENT SYSTEMS	
The following questions address the issue whether technical innovations should be promoted and further developed in order to improve transparency and implement efficiently the requirements for lawful processing of personal data, in compliance with the current and future EU data protection legal framework. Such innovations can take the form of 'personal data cloud spaces' or trusted frameworks and are often referred to as 'personal data banks/stores/vaults'.	
Do you think that technical innovations, such as personal data spaces, should be promoted to improve transparency in compliance with the current and future EU data protection legal framework? Such innovations can take the form of 'personal data cloud spaces' or trusted frameworks and are often referred to as 'personal data banks/stores/vaults'? Yes No I don't know	
EUROPEAN CLOUD INITIATIVE	
What are the key elements for ensuring trust in the use of cloud computing services by European businesses and citizens "Cloud computing" is a paradigm for enabling network access to a scalable and elastic pool of shareable physical or virtual resources with self-service provisioning and administration on-demand. Examples of such resources include: servers, operating systems, networks, software, applications, and storage equipment.	
Reducing regulatory differences between Member States Standards, certification schemes, quality labels or seals Use of the cloud by public institutions Investment by the European private sector in secure, reliable and high-quality cloud infrastructures	
As a (potential) user of cloud computing services, do you think cloud service providers are sufficiently transparent on the security and protection of users' data regarding the services they provide? Yes No No potential	

As a (potential) user of cloud computing services, do you think cloud service providers are sufficiently transparent on the security and protection of users' data regarding the services they provide? Yes No No applicable
As a (potential) user of cloud computing services, do you agree that existing contractual practices ensure a fair and balanced allocation of legal and technical risks between cloud users and cloud service providers? Yes No
What would be the benefit of cloud computing services interacting with each other (ensuring interoperability) Economic benefits Improved trust Others:
What would be the benefit of guaranteeing the portability of data, including at European level, between different providers of cloud services Economic benefits Improved trust Others:

Have you encountered any of the following contractual practices in relation to cloud based services? In your view, to what extent could those practices hamper the uptake of cloud based services? Please explain your reasoning.

	Never				
	(Y[es]	Sometimes	Often	Always	Why (1500 characters
	or	(Y / N)	(Y / N)	(Y / N)	max.)?
	N[no])				
Difficulties with negotiating contractual					
terms and conditions for cloud services					
stemming from uneven bargaining					
power of the parties and/or undefined					
standards					
Limitations as regards the possibility to					
switch between different cloud service					
providers					
Possibility for the supplier to					
unilaterally modify the cloud service					
Far reaching limitations of the					
supplier's liability for malfunctioning					
cloud services (including depriving the					
user of key remedies)					
Other (please explain)					

What are the main benefits of a specific European Open Science Cloud which would facilitate access and make publicly funded research data re-useable?
 Making Science more reliable by better quality assurance of the data Making Science more efficient by better sharing of resources at national and international level
 Making Science more efficient by leading faster to scientific discoveries and insights Creating economic benefits through better access to data by economic operators Making Science more responsive to quickly tackle societal challenges Others
Would model contracts for cloud service providers be a useful tool for building trust in cloud services? O Yes No
Would your answer differ for consumer and commercial (i.e. business to business) cloud contracts? Yes No
Please share your general comments or ideas regarding data, cloud computing and the topics addressed in this section of the questionnaire 5000 character(s) maximum

The collaborative economy

The following questions focus on certain issues raised by the collaborative economy and seek to improve the Commission's understanding by collecting the views of stakeholders on the regulatory environment, the effects of collaborative economy platforms on existing suppliers, innovation, and consumer choice. More broadly, they aim also at assessing the impact of the development of the collaborative economy on the rest of the economy and of the opportunities as well as the challenges it raises. They should help devising a European agenda for the collaborative economy to be considered in the context of the forthcoming Internal Market Strategy. The main question is whether EU law is fit to support this new phenomenon and whether existing policy is sufficient to let it develop and grow further, while addressing potential issues that may arise, including public policy objectives that may have already been identified.

Terms used for the purposes of this consultation:

"Collaborative economy"

For the purposes of this consultation the collaborative economy links individuals and/or legal persons through online platforms (collaborative economy platforms) allowing them to provide services and/or exchange assets, resources, time, skills, or capital, sometimes for a temporary period and without transferring ownership rights. Typical examples are transport services including the use of domestic vehicles for passenger transport and ride-sharing, accommodation or professional services.

"Traditional provider"

Individuals or legal persons who provide their services mainly through other channels, without an extensive involvement of online platforms.

"Provider in the collaborative economy"

Individuals or legal persons who provide the service by offering assets, resources, time, skills or capital through an online platform.

"User in the collaborative economy"

Please indicate your role in the collaborative economy

Provider or association representing providers

Individuals or legal persons who access and use the transacted assets, resources, time, skills and capital.

 Traditional provider or association representing traditional providers Platform or association representing platforms Public authority User or consumer association
Which are the main risks and challenges associated with the growth of the collaborative economy and what are the obstacles which could hamper its growth and accessibility? Please
rate from 1 to 5 according to their importance (1 – not important; 5 – very important).
- Not sufficiently adapted regulatory framework
○ 1
© 2
◎ 3
O 4
© 5
- Uncertainty for providers on their rights and obligations
© 1
© 2
3
O 4
© 5

- Uncertainty for users about their rights and obligations
© 2
O 4
© 5
- Weakening of employment and social rights for employees/workers
© 1
© 2
© 3
O 4
© 5
Non compliance with health and cafety standards and regulations
 Non-compliance with health and safety standards and regulations 1
0 2
34
5
- Rise in undeclared work and the black economy
1
© 2
3
4
5
- Opposition from traditional providers
- Opposition from traditional providers 1
O 1
12
123
12345
 1 2 3 4 5 - Uncertainty related to the protection of personal data
 1 2 3 4 5 - Uncertainty related to the protection of personal data 1
 1 2 3 4 5 - Uncertainty related to the protection of personal data 1 2
 1 2 3 4 5 - Uncertainty related to the protection of personal data 1
 1 2 3 4 5 - Uncertainty related to the protection of personal data 1 2 3

- Insufficient funding for start-ups 1 2 3 4 5
- Other, please explain
How do you consider the surge of the collaborative economy will impact on the different forms of employment (self-employment, free lancers, shared workers, economically dependent workers, tele-workers etc) and the creation of jobs? Positively across sectors Varies depending on the sector Varies depending on each case Varies according to the national employment laws Negatively across sectors Other
Do you see any obstacle to the development and scaling-up of collaborative economy across borders in Europe and/or to the emergence of European market leaders? Ves No
Do you see a need for action at European Union level specifically to promote the collaborative economy, and to foster innovation and entrepreneurship in its context? Yes No
What action is necessary regarding the current regulatory environment at the level of the EU, including the Services Directive, the E-commerce Directive and the EU legislation on consumer protection law? No change is required New rules for the collaborative economy are required More guidance and better information on the application of the existing rules is required I don't know what is the current regulatory environment

Submission of questionnaire

End of public consultation

Background Documents

- BG_Въведение (/eusurvey/files/17798068-07b6-4cfb-8c80-a8e6a4f75e29)
- BG Декларация за поверителност (/eusurvey/files/0b5a7e6a-5c26-47ca-b263-9ece4aa566ca)
- CS_Prohlášení o ochraně osobních údajů (/eusurvey/files/a93fa8dd-757e-421e-81f9-e1c9bca745af)
- CS Úvod (/eusurvey/files/af54c429-c5bf-482f-8525-c156be285051)
- DA_Databeskyttelseserklæring (/eusurvey/files/5dd2c272-17fa-47f4-b0c7-2c207a86235f)
- DA_Introduktion (/eusurvey/files/05c0d888-2d35-4e19-a314-65e8092597d6)
- DE_Datenschutzerklärung (/eusurvey/files/b5e037cf-0350-40c3-b803-04f6357f9603)
- DE Einleitung (/eusurvey/files/300a2e87-e030-422a-b678-33fe2c7520a6)
- EL_Δήλωση περί απορρήτου (/eusurvey/files/b408fd27-c292-4fc0-9c2d-fd70c74062c4)
- EL_Eισαγωγή (/eusurvey/files/0be38358-a600-4568-bfd0-fd9697b1810f)
- EN Background Information (/eusurvey/files/0873ffeb-56b2-40d7-bf56-5aadbd176c3c)
- EN_Privacy Statement (/eusurvey/files/8861750d-baa1-4113-a832-f8a5454501b5)
- ES_Declaración de confidencialidad (/eusurvey/files/edd31f1e-fe9d-493a-af5e-7a7c793295a9)
- ES_Introducción (/eusurvey/files/600be540-eef2-4bde-bd3a-436360015845)
- ET_Privaatsusteave (/eusurvey/files/294d2e58-3a3d-4e32-905f-74e8b376c5e6)
- ET_Sissejuhatus (/eusurvey/files/4bc0f8b9-febc-478a-b828-b1032dc0117f)
- FI_Johdanto (/eusurvey/files/a971b6fb-94d1-442c-8ad7-41a8e973f2d5)
- FI Tietosuojaseloste (/eusurvey/files/28a1f27e-3a8e-41f3-ae27-201e29134555)
- FR_Déclaration relative à la protection de la vie privée

(/eusurvey/files/1341b7cb-38e5-4b81-b3bc-bd0d5893d298)

- FR Introduction (/eusurvey/files/308a1cf7-5e78-469c-996a-372b33a1992b)
- HR_Izjava o zaštiti osobnih podataka (/eusurvey/files/618120e1-286a-45d4-bbbd-2493d71617fb)
- HR_Uvod (/eusurvey/files/6bfc9d48-cd5c-4603-9c68-5c45989ce864)
- HU Adatvédelmi nyilatkozat (/eusurvey/files/76f442e6-3e2d-4af3-acce-5efe8f74932b)
- HU Bevezetés (/eusurvey/files/3ea8491d-429d-4c8f-be30-82db40fa59c5)
- IT_Informativa sulla privacy (/eusurvey/files/e2eb5a94-9e5e-4391-a8e3-35f9e151310b)
- IT Introduzione (/eusurvey/files/aa3bf020-9060-43ac-b92b-2ab2b6e41ba8)
- LT Pareiškimas apie privatumo apsauga (/eusurvey/files/ab30fabd-4c4e-42bc-85c5-5ee75f45805d)
- LT_lvadas (/eusurvey/files/d5a34e68-4710-488a-8aa1-d3b39765f624)
- LV_levads (/eusurvey/files/3a9bd2b1-7828-4f0e-97f1-d87cf87b7af1)
- LV Konfidencialitātes pazinojums (/eusurvey/files/7156fdc0-b876-4f73-a670-d97c92e6f464)
- MT_Dikjarazzjoni ta' Privatezza (/eusurvey/files/03139a3f-7b5f-42c0-9d2f-53837c6df306)
- MT_Introduzzjoni (/eusurvey/files/ceb27908-207c-40cf-828a-6cf193731cdf)
- NL Inleiding (/eusurvey/files/ca756d80-8c02-43e1-9704-3148a13c8503)
- NL Privacyverklaring (/eusurvey/files/83d9394e-b179-442f-8a1b-41514ad072df)
- PL_Oświadczenie o ochronie prywatności (/eusurvey/files/15612e0b-807d-4c6e-af1c-d65fe4ec9ddb)
- PL_Wprowadzenie (/eusurvey/files/df9e1828-bbd0-4e4a-90bb-ec45a8bf46da)
- PT_Declaração de privacidade (/eusurvey/files/50a6e820-91bc-4531-9a0f-47b3685753d7)
- PT_Introdução (/eusurvey/files/003979c0-5277-41e9-8092-2de66d57ca00)

- RO_Declarație de confidențialitate (/eusurvey/files/25c135c6-ce01-4081-a83e-53e86086797e)
- RO Introducere (/eusurvey/files/4334379b-e465-43a5-a944-8602090b0bf5)
- SK_Vyhlásenie o ochrane osobných údajov (/eusurvey/files/7fab071c-85f9-47eb-aaa9-949f2239701d)
- SK_Úvod (/eusurvey/files/e45df825-5e71-4172-b2ec-e07789cc3966)
- SL_Izjava o varstvu osebnih podatkov (/eusurvey/files/498ec1f0-3405-4454-9aa6-40607efe118f)
- SL Uvod (/eusurvey/files/1b0b239a-630d-4d36-a92f-d4b758d41ddc)
- SV_Inledning (/eusurvey/files/e9111c5b-4637-4ea1-b235-ece85ef8fe1a)
- SV_Regler för skydd av personuppgifter (/eusurvey/files/0d8275b2-8344-4895-8c09-51d075671061)

Contact

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