

From: [REDACTED] (MARKT) on behalf of FAULL Jonathan (MARKT)
Sent: 23 October 2014 19:13
To: MARKT A3 001
Cc: MARKT DIRECTOR GENERAL
Subject: FW: Ancillary copyright and startups

Plse reg – CF unit

From: Guy Levin [[mailto:\[REDACTED\]](mailto:[REDACTED])]
Sent: Thursday, October 23, 2014 1:29 PM
To: FAULL Jonathan (MARKT)
Subject: Ancillary copyright and startups

Dear Mr Faull,

As you may be aware, the Spanish government is on the verge of passing a bill containing an “ancillary copyright”, an unrenounceable right to payment any time an online aggregator uses a short bit of text or displays links. Our organization, [CoadeC \(The Coalition for a Digital Economy\)](#) which represents the UK’s digital startups, would like to bring your attention to the risks this law poses.

While the proposal is aimed at large news aggregation services, we are concerned that it may have significant spillover effects for smaller players, creating barriers and red tape for UK startups.

The proposal would tax many UK apps and online services offered to Spanish consumers. A broad range of activities could fall under this new tax: services that provide links, RSS aggregators, apps, scientific journals and blogs, to name but a few. Any UK startup falling in these categories may receive a bill from a Spanish collecting society.

This would set a worrying precedent and risk creating new barriers for smaller companies seeking to create and share content. Mandatory payments for the use of their content will only make it harder for startups to gain access to users across Europe, particularly when competing against the larger (and richer) tech companies, who are better able to absorb these costs.

In addition to the risks to the digital economy, we understand that this proposal may also run foul of European rules, namely the obligation to notify such regulations to the European Commission, in order to allow Member States and the Commission to screen and comment a proposed measure. In this case, however, we regret that the opportunity to comply with this well established procedure has not been observed. The regulation, first tabled in February 2014, is in its final stages and a final outcome is expected towards the end of October. We understand the Commission is aware of this.

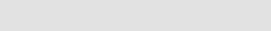
We would welcome your support in raising this matter, including with the Spanish authorities. Compliance with EU rules is, in this instance, important to the digital economy.

Yours sincerely,

Guy Levin

Guy Levin | Executive Director
The Coalition For A Digital Economy

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