



**GEORGIAN
COPYRIGHT
ASSOCIATION**
COLLECTIVE MANAGEMENT ORGANIZATION

ANNUAL REPORT

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General Overview

In 2013, Georgian Copyright Association over again played significant role in the Country in the field of copyright protection and enforcement. Over the reporting year, GCA had much contributed for maintaining and improving the results obtained by reforms realized.

In the course of 2013 year, no significant legislative or institutional changes were effective in the field of copyright, but the period is remarkable due to the fact that the Georgia has finished the process of negotiation regarding the Deep and Comprehensive Free Trade Area agreement - DCFTA and the signing date is to be close. One of the mainstreams of the DCFTA is the protection of Intellectual property and Copyright.

The Association has elaborated a fairly ambitious strategy and action plan, with the objectives of licencing the new segments using the copyright objects, establishing the new licencing agreements for the bigger users (broadcasting companies, cable operators and etc.) with the better terms for the copyright holders, 50% increased collection of royalties in comparison with last reporting year, improve of distribution tools and consequent increase of paid royalties for the authors/right holders.

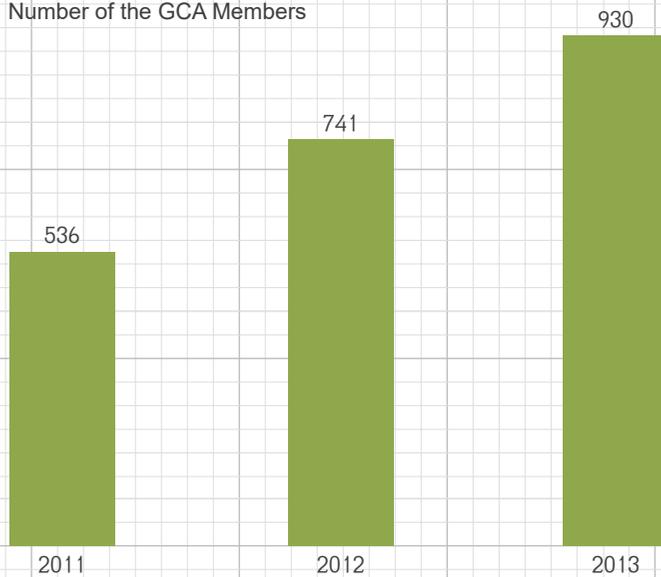
As the results demonstrate, the action plan was successfully implemented. In 2013, positive results were observed in the line of copyright protection and enforcement, which once more highlights the stability of the Georgian Copyright Association and the effectiveness of its activities.

Systematization of the information

The existence of the accomplished database on authors and their works carries the high social and commercial values. GCA is the only organization in the country where are gathered and listed all the information on works of the Georgian authors and representatives of creative art field, they are registered, kept and permanently updated. The association conducts the above-mentioned data exchange with the international partners worldwide and thus guarantees the elimination of copyright infringement of the Georgian art works while using. For this very purpose, since 2013 GCA uses the special software purchased by the financial support of EU. The software provides the tools for integration of local information to the international partner societies' databases. This process was accomplished by the end of 2013 and currently suggests the proper performance of the software.

During 2013, the trust of authors towards GCA is even more increased, more and more authors protect their copyright via GCA.

Number of the GCA Members

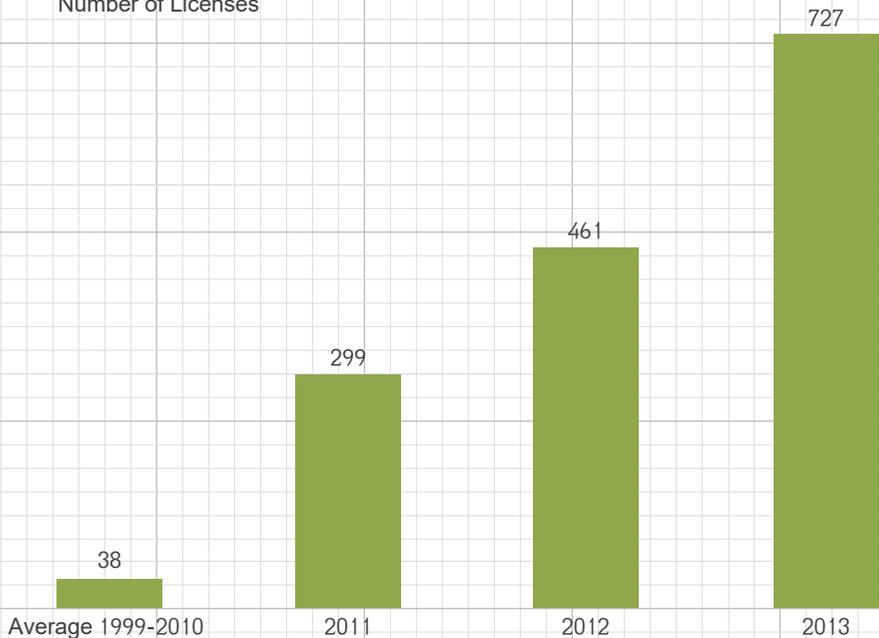


Licensing

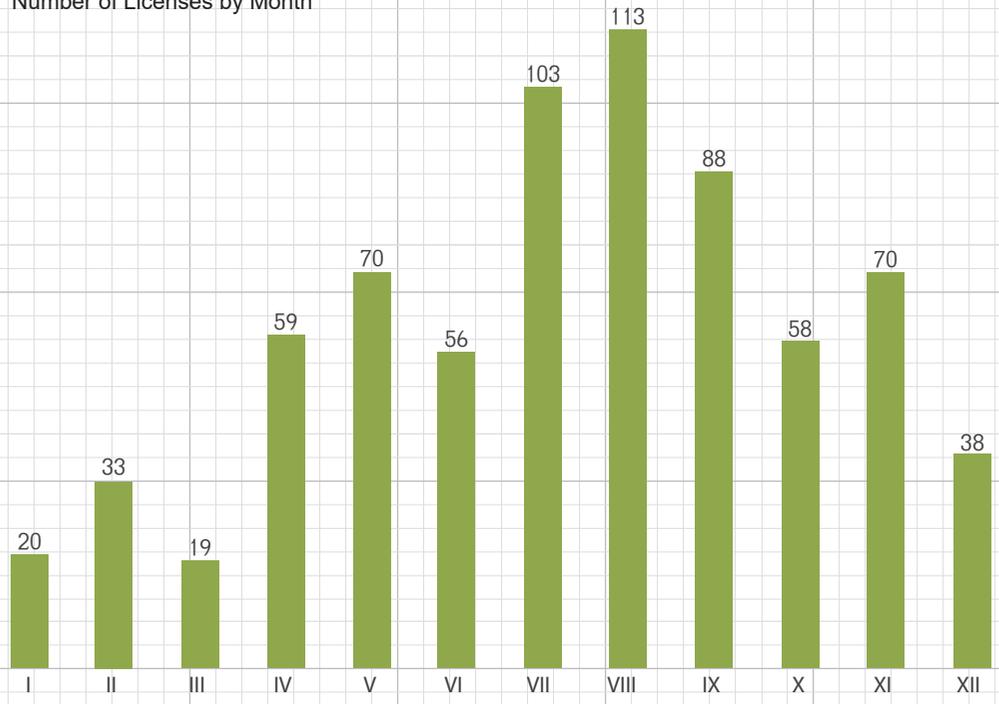
Like other countries worldwide, the usage of copyright protected work needs the special permission from the author/right holder or from the Collective Management Organization (CMO), the usage of the works without such permission is considered as infringement and means the special legal sanctions. Over years, the CMOs are most effective and comfortable tools for the authors and users as well, as far as CMOs work with the principle of "Single Window" while issuing the copyright usage licenses.

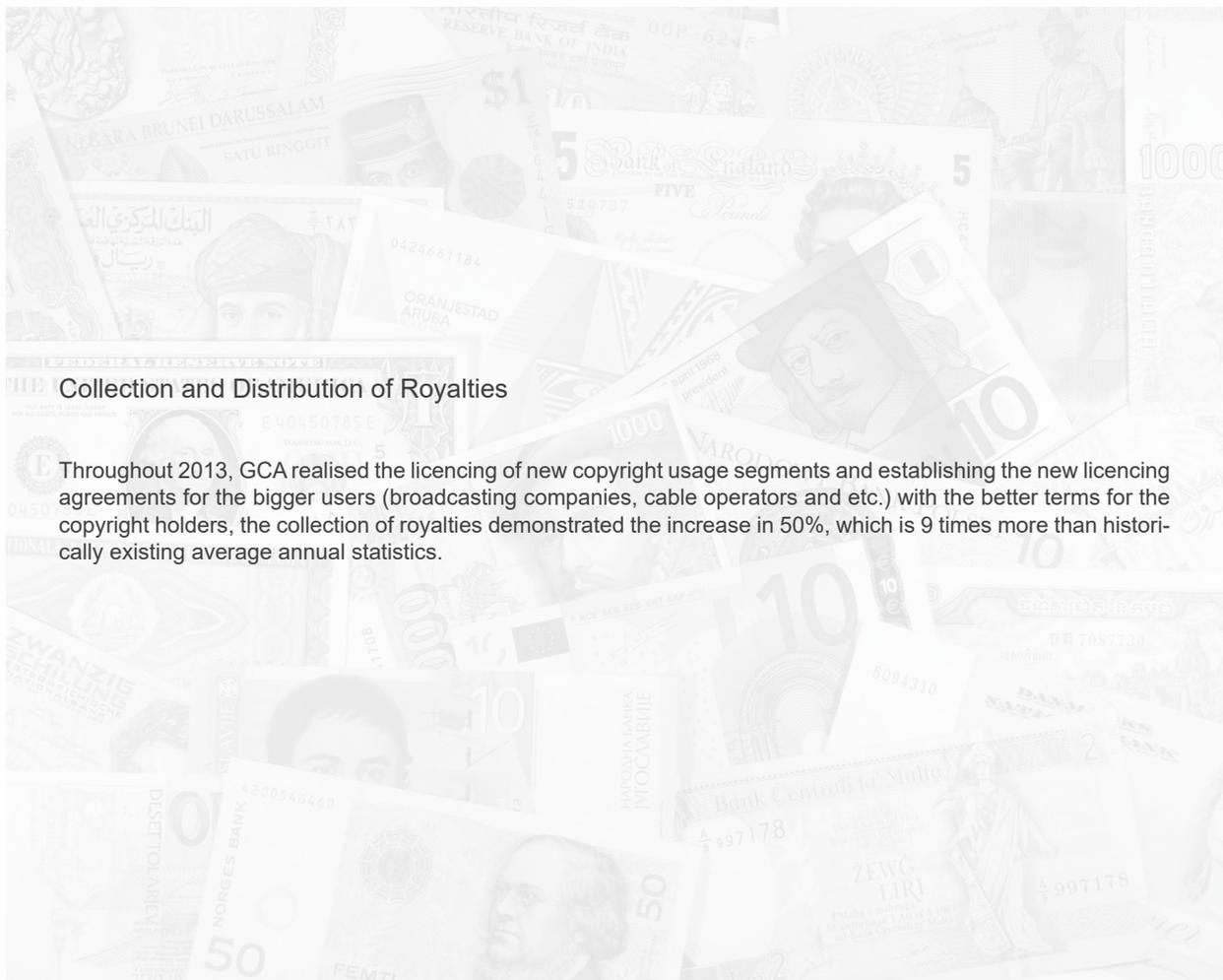
In 2013, the wide scale licensing process was successfully progressed. The monitoring team was strengthened as far as the team has undertaken the responsibility over controlling the user market and establishment of licensing agreements. Over the reporting year, the team significantly exceeds the previous years' statistical data.

Number of Licenses



Number of Licenses by Month

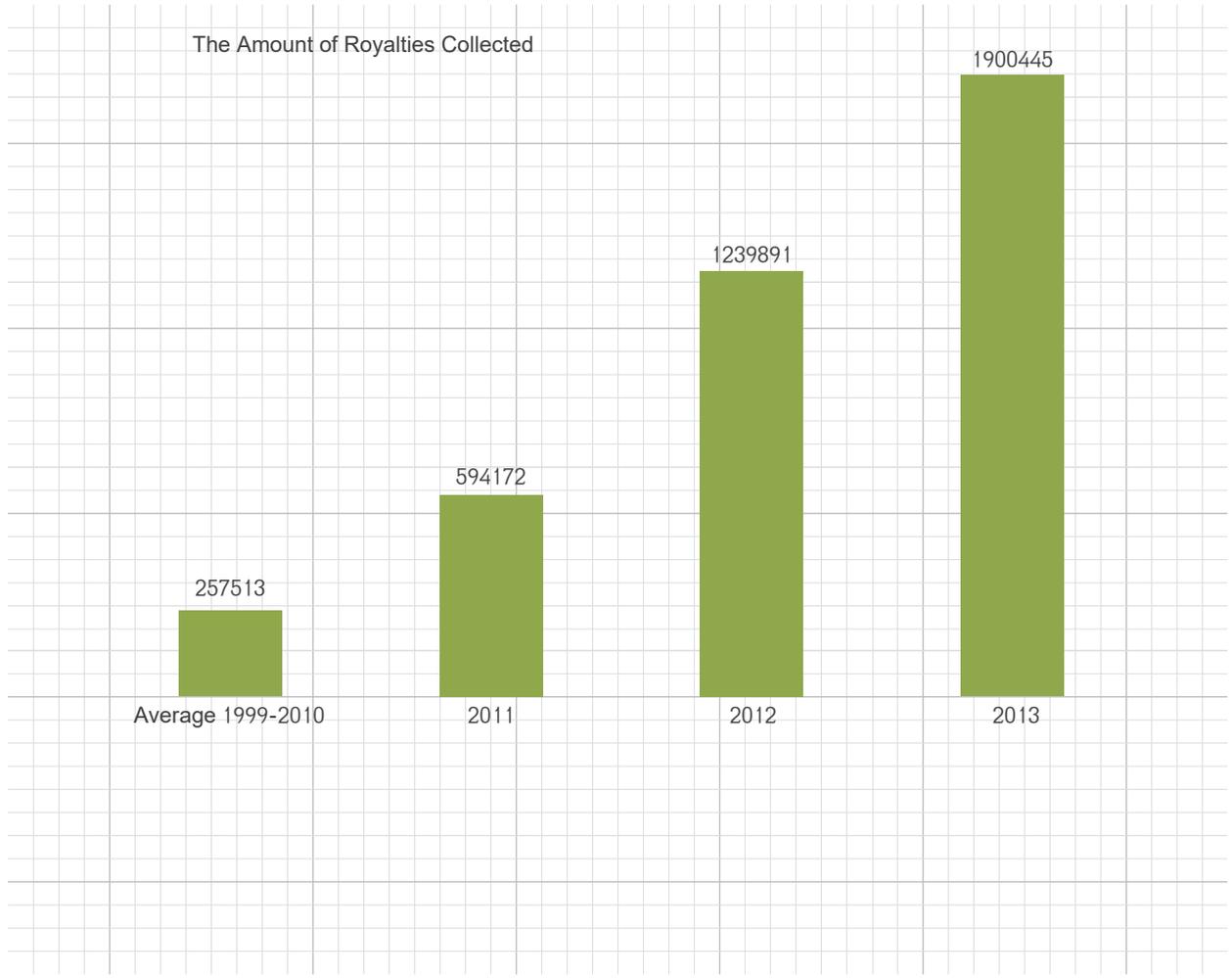




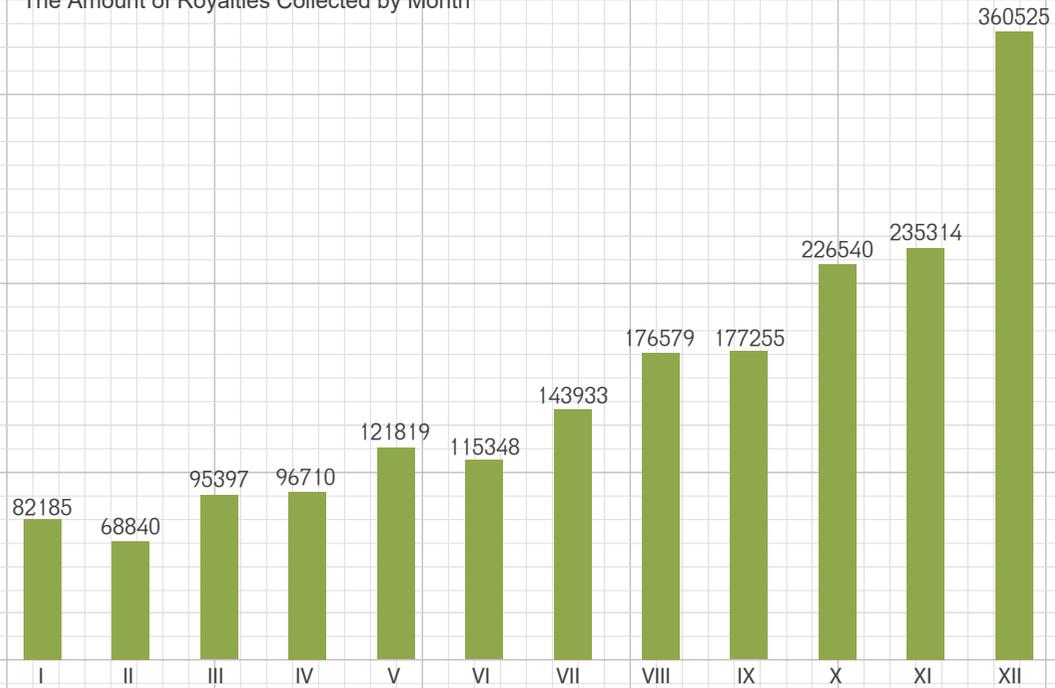
Collection and Distribution of Royalties

Throughout 2013, GCA realised the licencing of new copyright usage segments and establishing the new licencing agreements for the bigger users (broadcasting companies, cable operators and etc.) with the better terms for the copyright holders, the collection of royalties demonstrated the increase in 50%, which is 9 times more than historically existing average annual statistics.

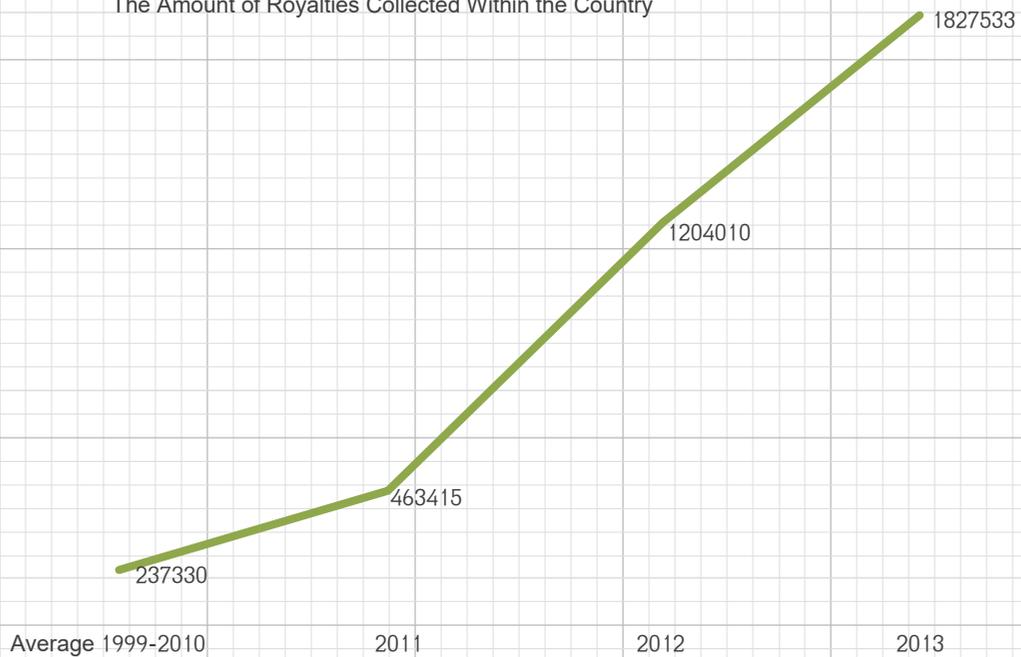
The Amount of Royalties Collected

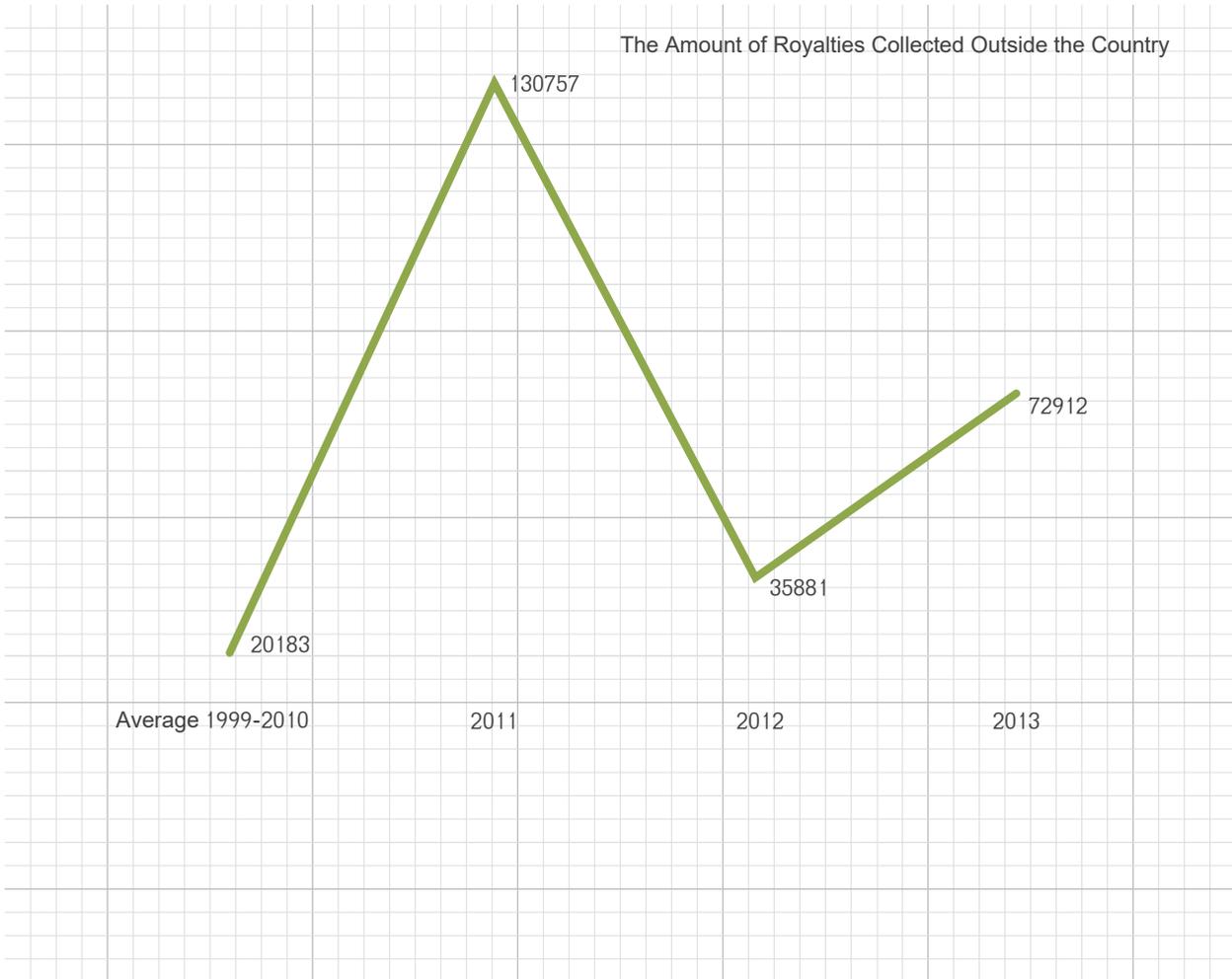


The Amount of Royalties Collected by Month



The Amount of Royalties Collected Within the Country





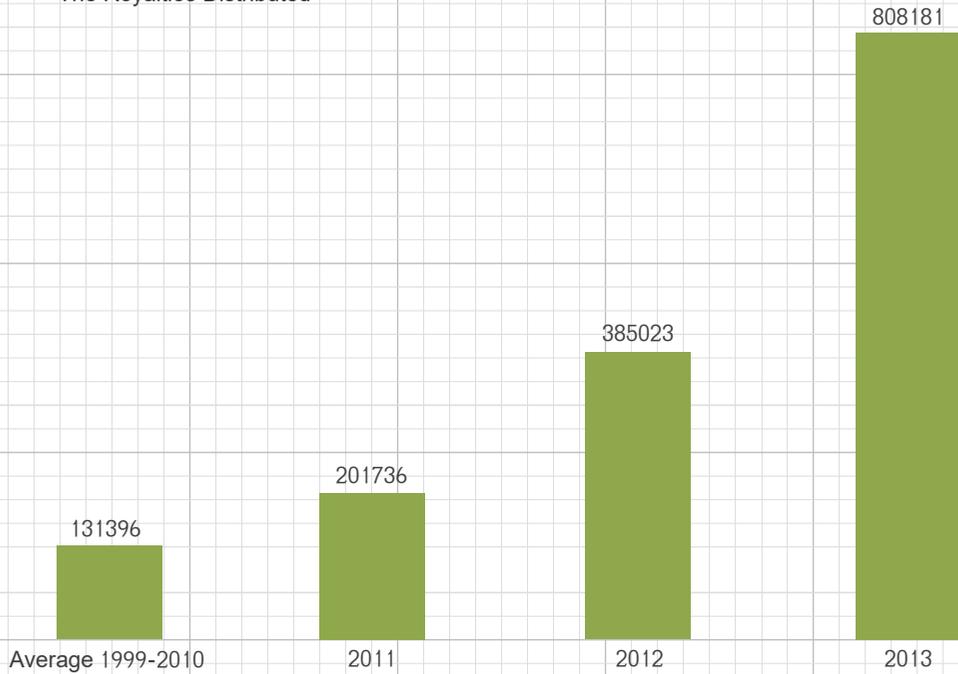
The Amount of Royalties Collected According to the Societies



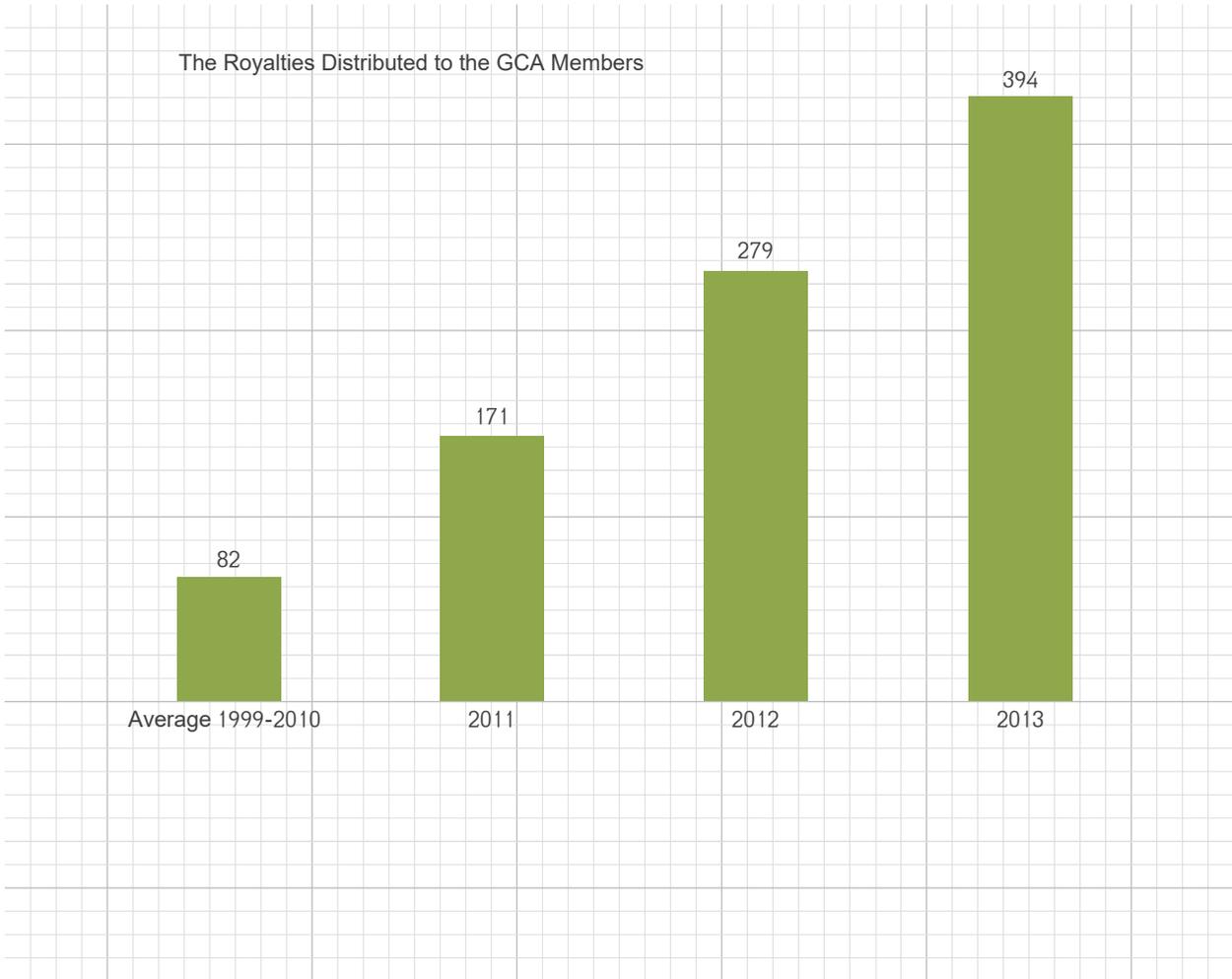


All the successful results of reforms are accompanied by challenges. Equal to royalty collection, their proper and fair distribution is a matter of significance. Throughout 2013, huge efforts were dedicated to the elaboration of entire standard for obtaining the relevant information from the users needed for rational distribution of collected royalties. Through the joint consultations, were drafted the modern forms of information provision suggesting the simplification of the royalty distribution process. Simultaneously, from 2012, GCA adjusted the royalty distribution system to the international standards. The collected royalties are distributed via the special software CoSIS. The system was fully installed though the participation of foreign experts and suggests the accurate functioning.

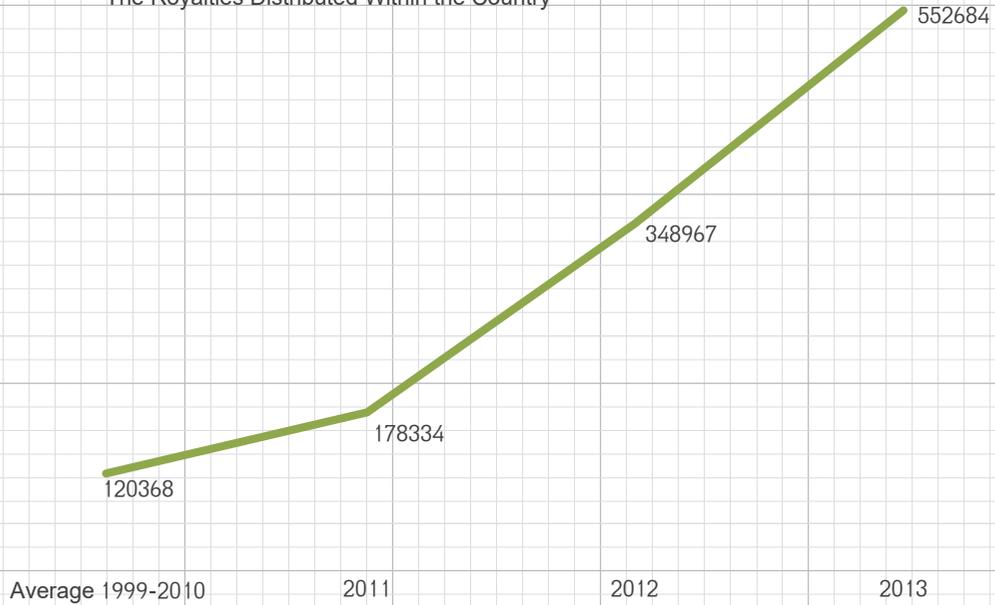
The Royalties Distributed



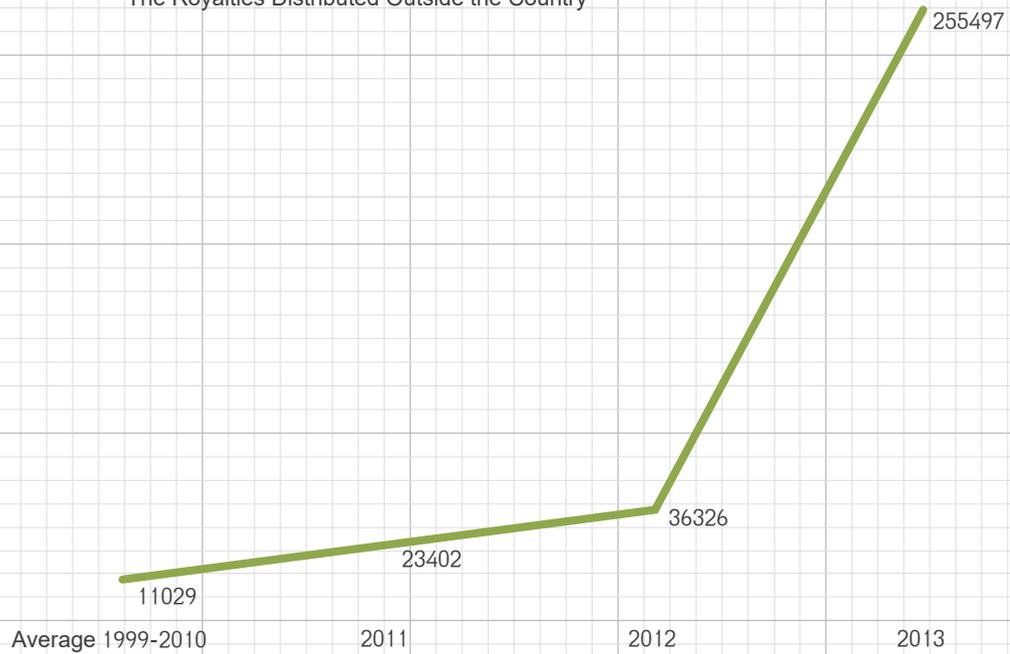
The Royalties Distributed to the GCA Members



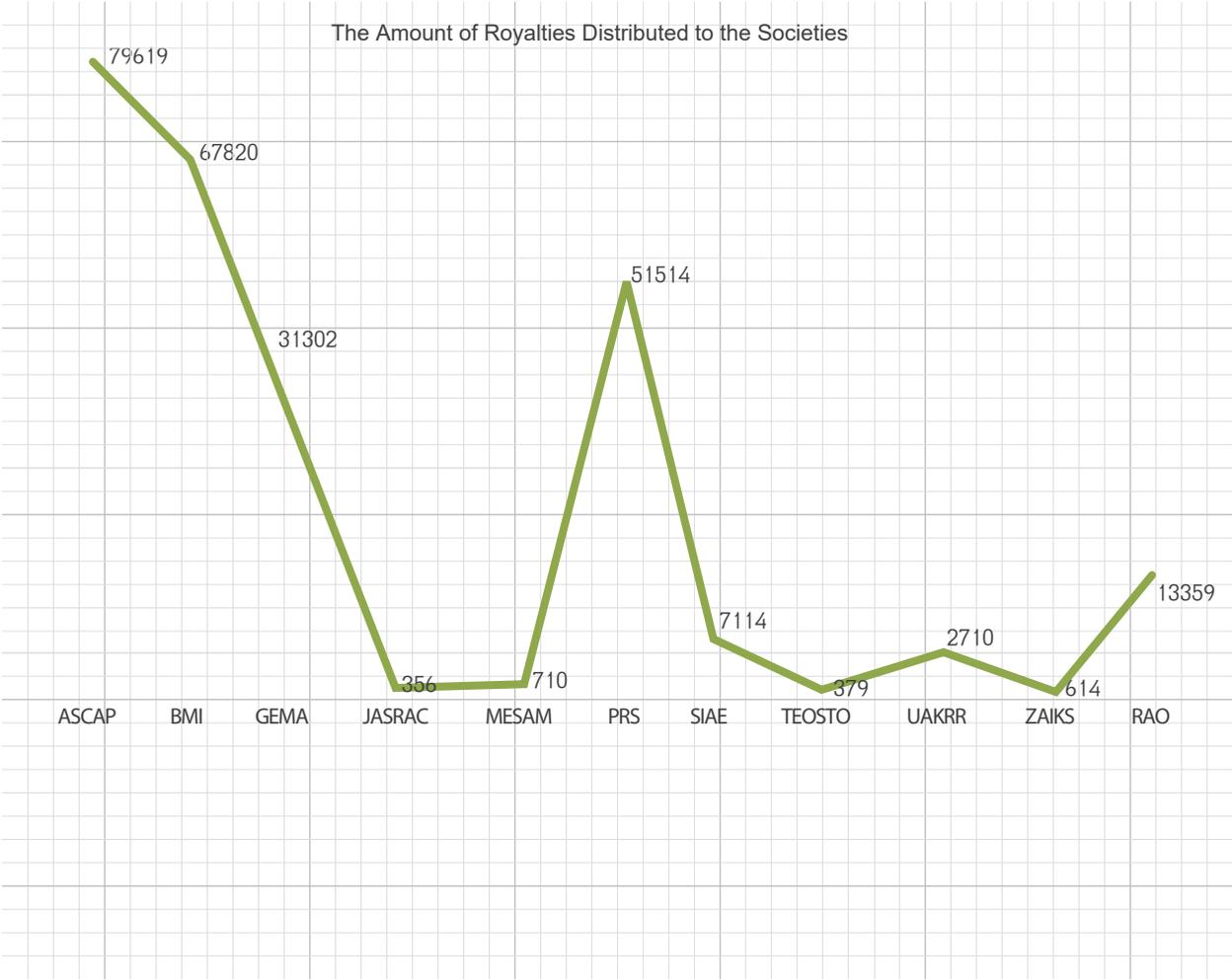
The Royalties Distributed Within the Country



The Royalties Distributed Outside the Country



The Amount of Royalties Distributed to the Societies



Publicity and Transparency

The main principle of Georgian Copyright Association's operation is Publicity and transparency. Problems accumulated over the years were successfully solved. Any kind of information, despite those which are legally under private and commercial confidentiality, is public and available for all interested parties.

Information on GCA activities are regularly posted at the website and within social networks. Thus, the association members and users, receive the relevant information upon the request on financial data, certain user and about authors' works. In 2013, the GCA members actively apply to the especially for them elaborated software providing the individual access to the information on royalties, source of collection and distribution.

Annually, GCA publishes the reports, which suggests the detailed description of the GCA activities in all directions. The same report is submitted to the umbrella organizations. Association is legally responsible towards the State bodies, this the annual detailed report is submitted to the National Intellectual Property Centre SAKPATENTI.

Public Awareness

The mainstream of the copyright protection and enforcement comes on the awareness of authors and users, as well as of society in general. The copyright management employs much efforts and resources, especially in modern conditions, when the usage of copyright objects becomes more intensive. Increase of social awareness simplifies the copyright protection process and in high developed countries provides the desired result through the minimal resources.

With this purpose, in the course of 2013, association performed a number of activities. Via the support of donor organizations, were planned and delivered the sequence of thematic seminars for the representatives of creative art with the participation of foreign experts. The seminar discussions were oriented on the exploration of problems facing to authors and related interested issues. The special workshops were arranged for the Georgian judges and journalists as well.

Association delivers actively the copyright consultation services for the association members and for all parties interested in the copyright field. We successfully continue to publish the “Copyright” magazine, which provides the opinion of foreign and Georgian experts on copyright protection, suggests the information on the attitude of business and state bodies to the copyright field; also, it announces the art and cultural processes/events ongoing in the country and etc.

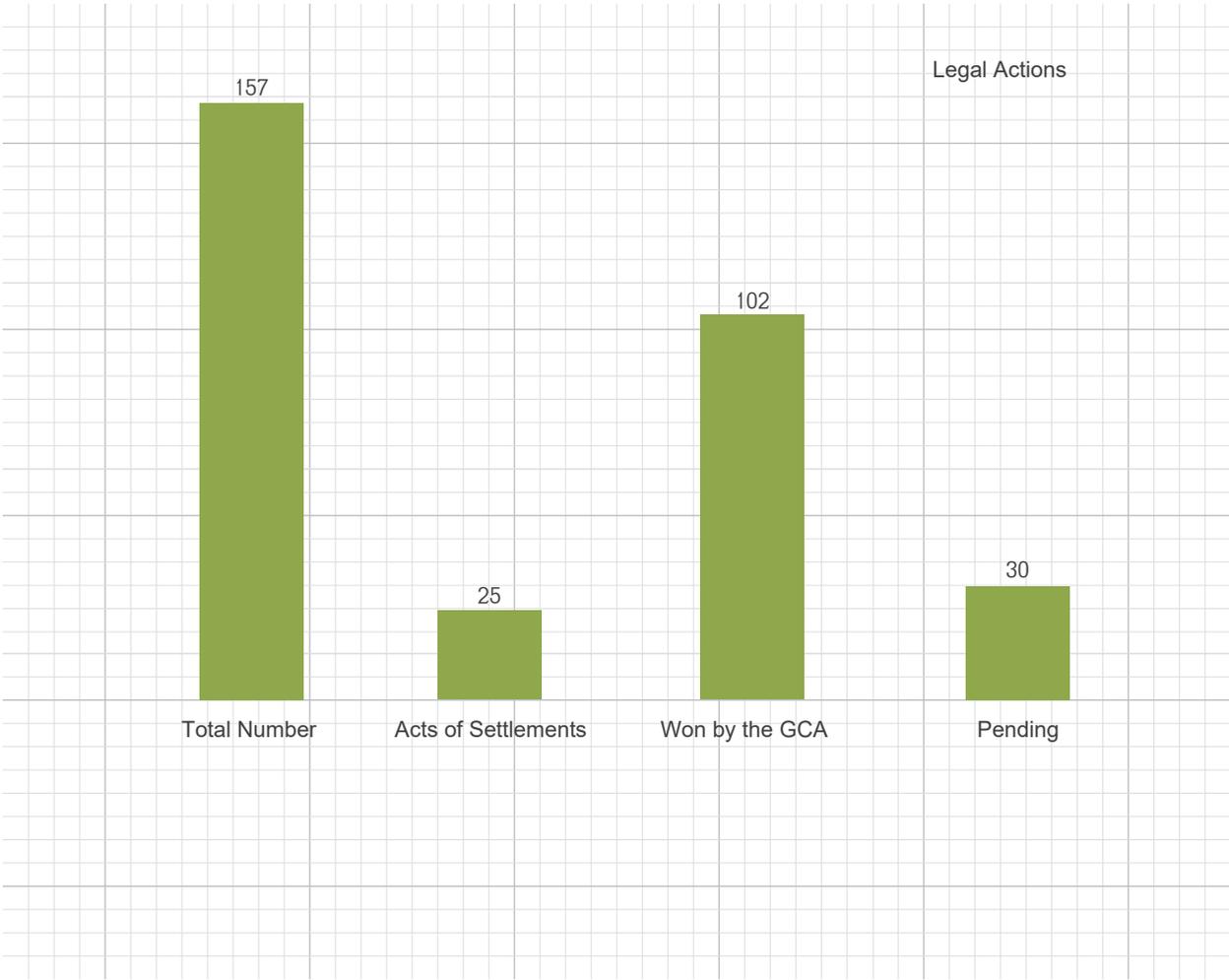
The association employees intensively participate in the TV and Radio talk shows, where along with the interested parties they discuss the problems existing in the copyright field and their solution ways. Besides, the association website and social networks actively disseminate the news on GCA activities for the public awareness and information.

Prevention of Infringements

Along with its main activity, such as the collection and distribution of royalties, the GCA is actively involved in the fight against of copyright violation.

The association actively learns the authors' applications on copyright infringement, leads the negotiations and in most cases achieves the desired agreements without court involvement. In purpose of regulating the disputes, within the GCA itself, works the target committee on disputes. In case of necessity the Association conducts the charge-free representation of the members in the court, and thus guarantees the elimination of infringements and prevents the further violations. All the above mentioned, serves to the mitigation of infringement cases in the country.

In purpose of infringement elimination, GCA actively cooperates with the state bodies. In 2013, via direct participation and support of GCA, the law enforcement bodies revealed and destroyed a huge amount of pirated CD and DVD productions, and relevant to the law the criminal prosecution measures were effective. In addition, GCA actively participates in the workshops and seminars arranged by the state bodies, dedicated to the discussions on copyright challenges and their solution ways.



International Cooperation

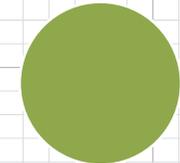
In the course of 2013, the Association extended the international cooperation with the international donor organizations, as well as with Umbrella organizations and foreign partner societies.

The international donor organizations continue their cooperation with GCA and actively participate in GCA capacity building, contribute much to the copyright protection in the country in general. In 2013, The Commercial Law Development Program (CLDP), EU delegation to Georgia, The German Society for International Cooperation (GIZ) and other donor organizations financially supported many important events. The US experts paid their visit to Georgia and shared their experience in copyright protection. The special retreat for judges and journalist was delivered in relation of copyright issues. The thematic cycle of seminars was conducted for the representatives of creative art and etc.

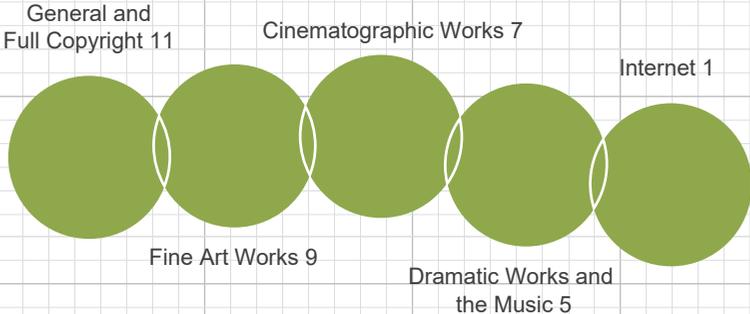
Georgian Copyright Association's development is actively supported by the umbrella organizations: International Confederations of Societies of Author sand Composers - CISAC, International Federation for Reproduction Right Organizations – IFRRO and International Organization Representing the Mechanical Right Organizations - BIEM. The membership within the above-mentioned organizations benefits GCA in proper implementation its functions and solution of problems persisting in relevance of copyright protection.

During 2013, the relations with the international partners gained more active character, thus positively influenced on the indicators of royalties collected for the GCA members and royalties distributed by GCA for the foreign authors. In addition, new agreements for reciprocal representation were established, thus supported the widening the GCA international activity area worldwide.

Reciprocal Agreements



Musical Works 95



General and Full Copyright 11

Cinematographic Works 7

Internet 1

Fine Art Works 9

Dramatic Works and the Music 5

Conclusion

Due to modern challenges and technology development the copyright field gains more and more significance. On one hand, it supports the dynamic creative process and represents the fundamental motivator for the creative people, and on the other hand it provides the legal access for the users to the copyright protected objects, which is a great contribution to the development of the users' activities. Consequently, the copyright protection represents the tool for the mutual fulfilment for all the parties involved in the process.

The active development of copyright protection field in Georgia started in 2011, the essential activities were launched, and effective measurements were delivered. The achieved results are supported by the statistical data and international evaluation of the GCA's activities. According to the international rating, Georgian Copyright Association gained the first place among the copyright societies operating in post-soviet countries and this happened for the first time of GCA's existence.

Despite the above mentioned, still stays problematic the activation of legal mechanisms for fight against the infringements. As well as in the whole world, in Georgia, it is essential the involvement of the state bodies and performance of relevant measurements in the violation line, as well as the authors' activeness is important, as far as the copyright field protection meaningfully defines the development of the country in general and like developed countries guarantees the grounding the culture of legal usage of the copyright protected objects.
