



**GEORGIAN
COPYRIGHT
ASSOCIATION**
COLLECTIVE MANAGEMENT ORGANIZATION

ANNUAL REPORT 2015

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General overview

2015 was an important year for Georgian Copyright Association for various aspects, particularly for broadening spheres of its activities and licensing new segments. There were numerous of meetings with different categories of users as well as with foreign colleagues, the purpose of which was acquiring experience in new directions. As a result, the Association succeeded in moving to a new stage of licensing, in particular to a regional licensing and neighboring rights' licensing. There were also active steps taken in such spheres as Private Copying and Public Lending.

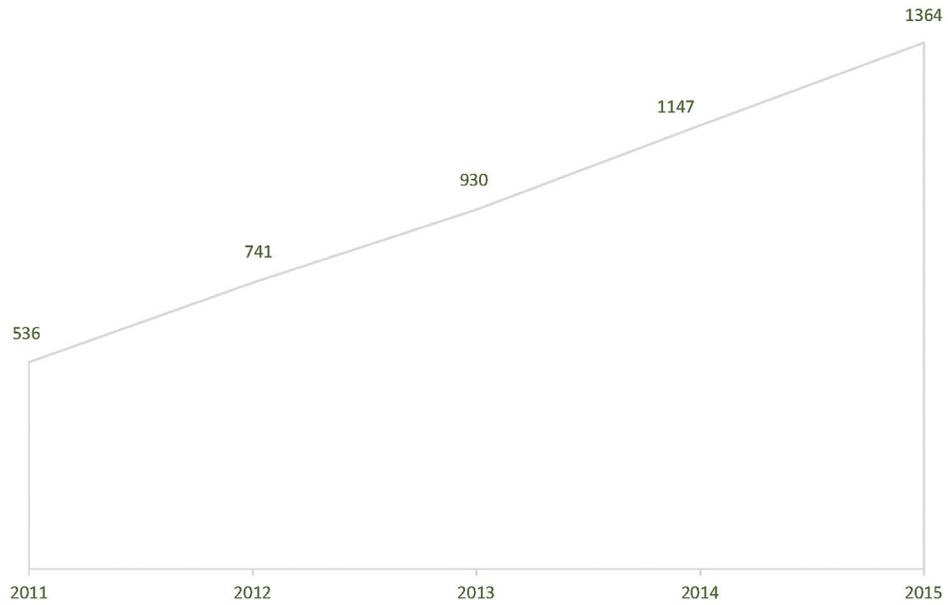
Last year the Association kept increasing public awareness. The activities of the Association about protecting copyright and neighboring rights and the campaign against piracy was actively covered by Media.

The Association again was actively involved in protection and administering of its members' rights. Assistance was rendered to many members, including at the international level. Profound and comprehensive agreement signed between Georgia and European Union on free trade in 2015 stipulated the necessity for legislative changes to provide the copyright and neighboring rights holders with corresponding guarantees, in the process of which the Association was actively involved. In this direction it is important to underline that the Association participated in the working process of the operative group established within the Ministry of Finance and financed by the European Union, the purpose of which was fighting against crimes in the sphere of intellectual property rights.

Last year the Association carried out a large amount of work in the direction of accumulating information. Together with enlistment of copyright and neighboring rights holders, different works of literature, art and science were registered. The information which is regularly integrated into international bases was brushed up. Right holder's diversification process is also notable, which was primarily caused by activation of mandate for neighboring rights protection. As a result, during the year the Association carried out active communication and information exchange with corresponding right holders.

Besides neighboring right holders, authors of audiovisual works also actively joined the Association, including directors and screenwriters, which was stipulated by necessity of collective management of their rights. As a result, the number of the Association members reached 1498 in 2015.

Number of Members

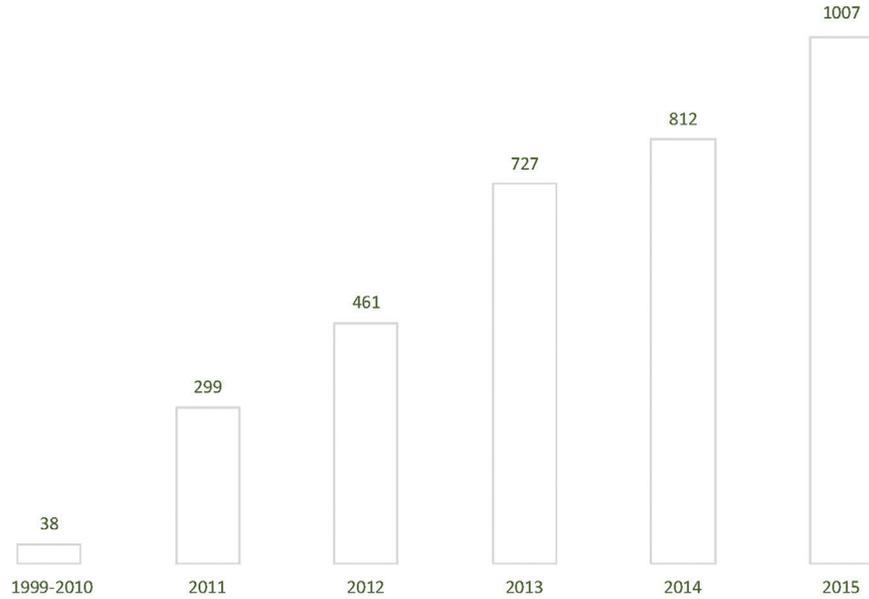


2015 was one of the most important years for the Association in the direction of licensing. First of all, it must be noted that the Association started active regional licensing. Despite the fact that the above-mentioned process had already started earlier, the amount of licensed regional users was small due to communication problems. The Association created Institution of Regional Officer in 2015, which implies presence of its representatives in every region. The above-mentioned body actively promoted the activation of the process and sharply increased number of licensed entities.

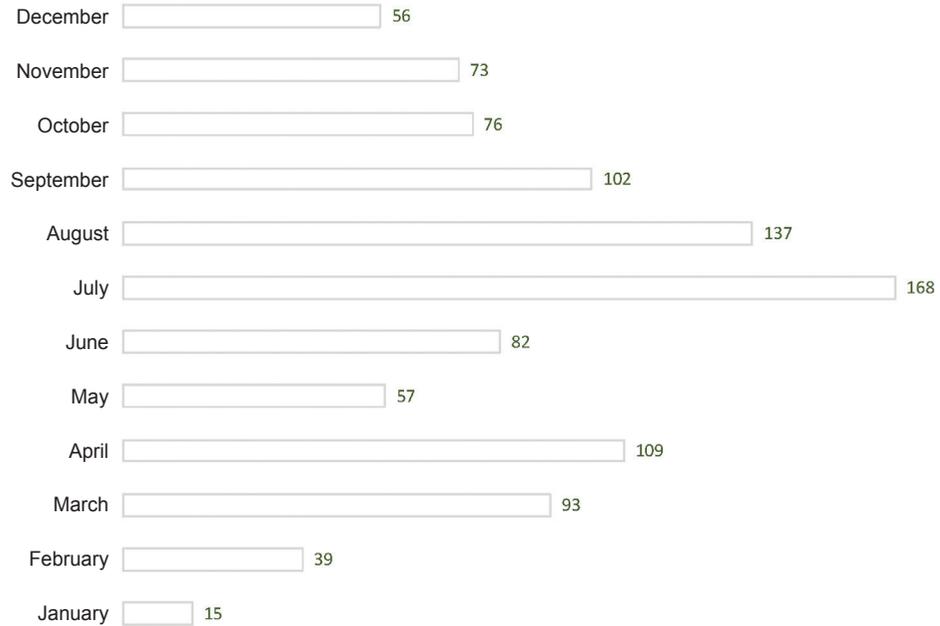
Another achievement of similar importance is activation of the mandate for the collective management of neighboring rights, which happened together with enlistment of neighboring right holders and signing bilateral agreements between the Association and foreign organizations administering neighboring rights on a collective basis.

Active work in the spheres of Private Copying and Public Lending must be also underlined. It must be taken into consideration that following long negotiations and consultations the above-mentioned spheres have settled corresponding tariffs. In 2016 the Association is planning more active work in both the above-mentioned spheres and collective management of audiovisual works.

Number of Licenses issued



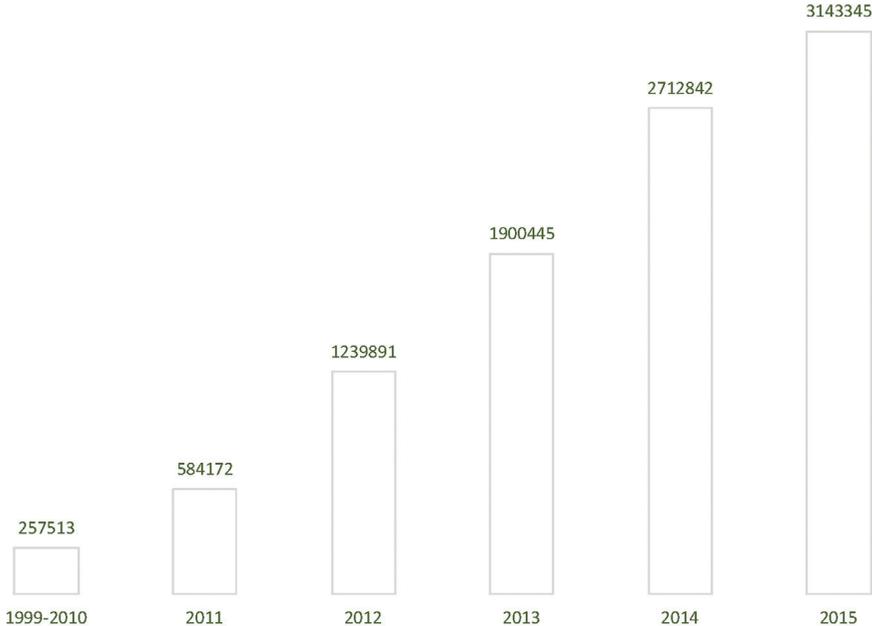
Number of Licenses issued by months



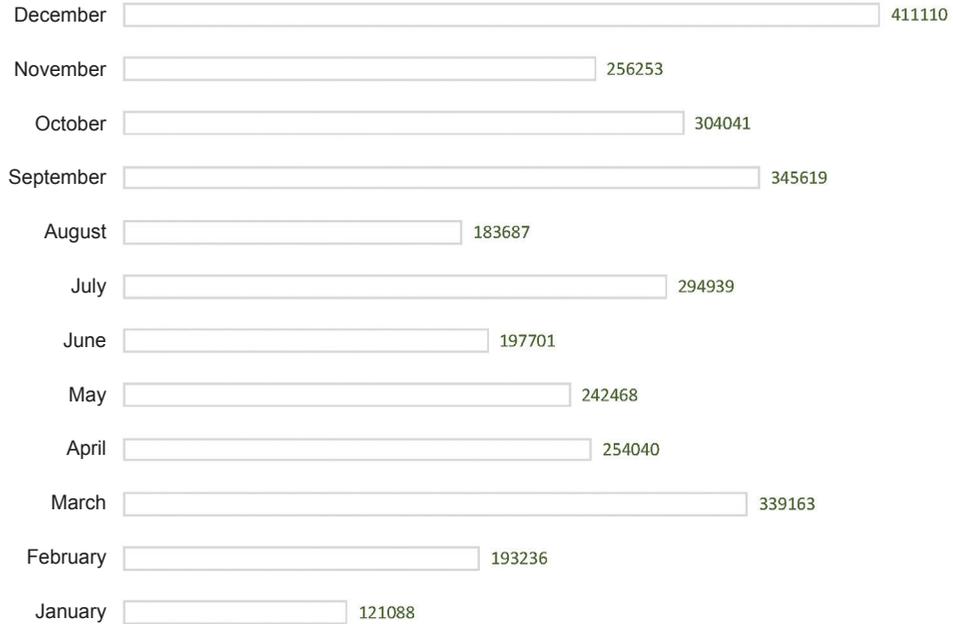
Collection and distribution of Royalties

The amount of royalties the Association collected in 2015 was 3 146 249 lari. The increase in number of users in every segment naturally resulted in royalty growth. New category of users must be noted from the viewpoint of royalty collection, which leaves hope for further increase of the numbers.

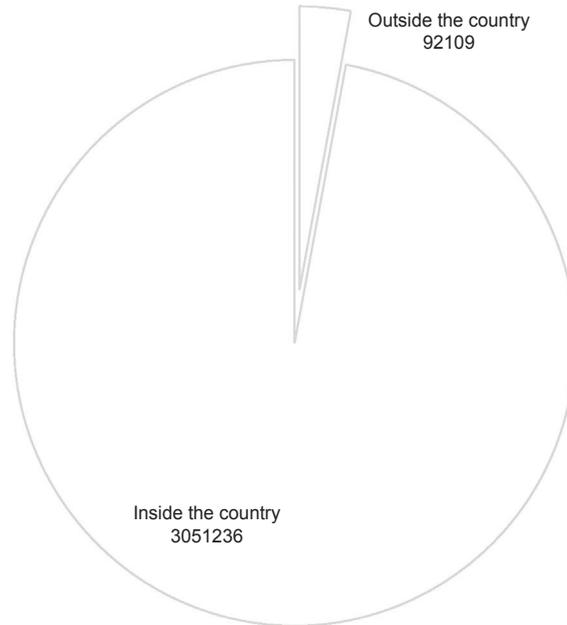
Whole amount of Royalty Collection



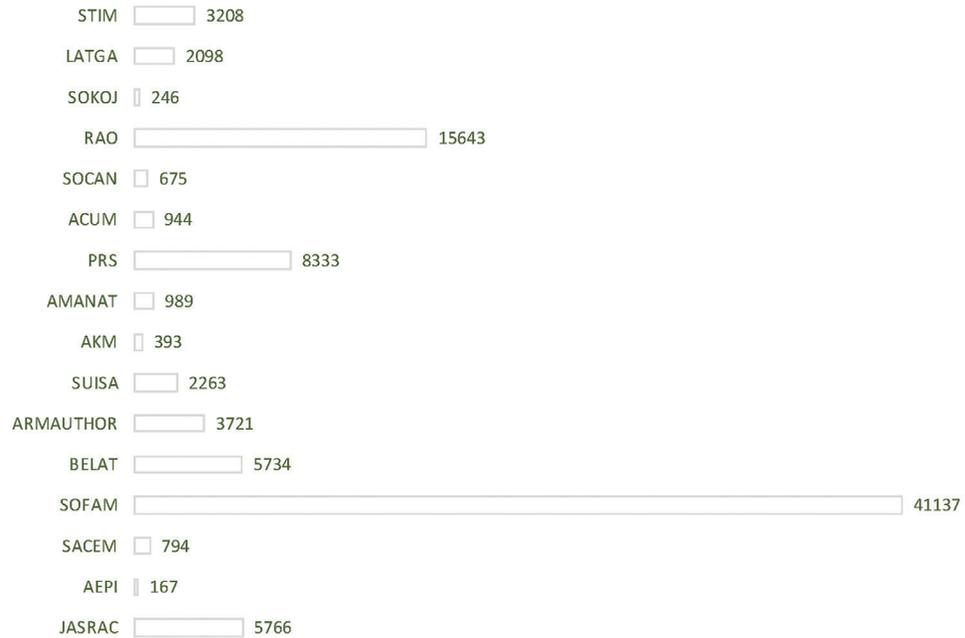
Royalty Collection by months



Royalty Collection by territories Local Abroad

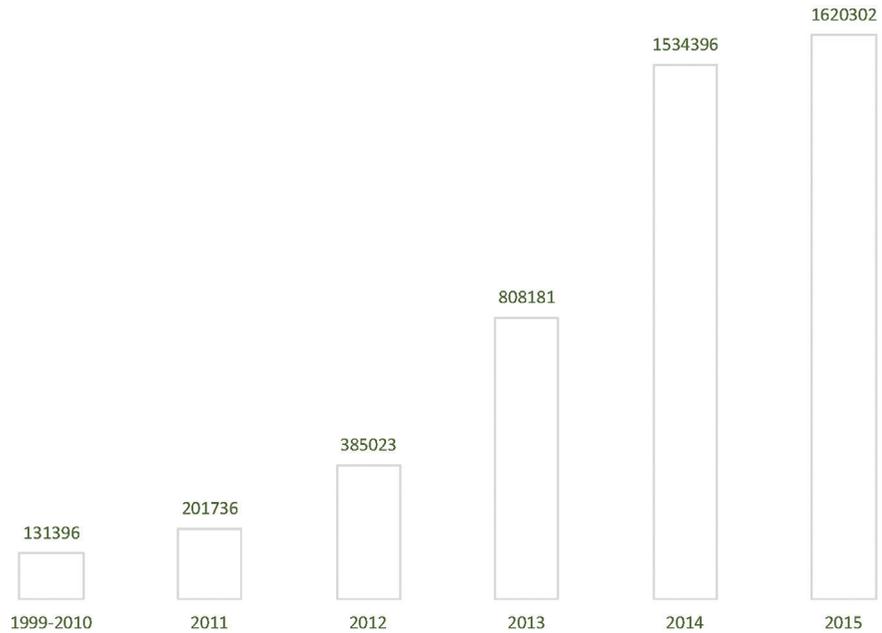


Royalty Collection by Partner Organizations

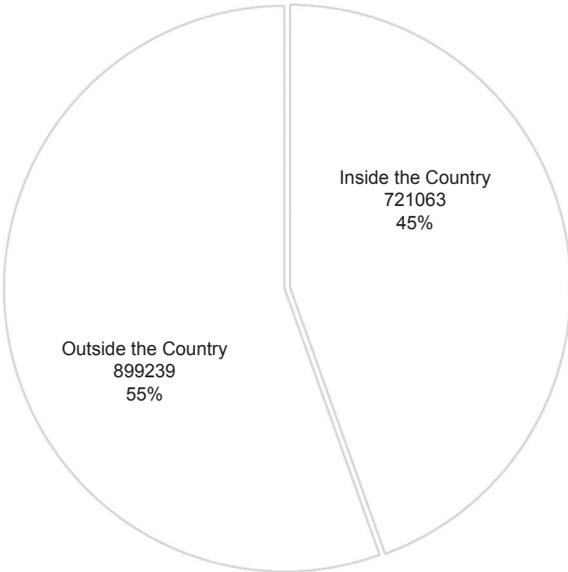


One of the most important functions of the Association is fair distribution of the collected royalties among the right holders. Next year the Association begins distribution of royalties collected for using the neighboring rights. This will be supported by special International Performance Database - IPD, the access to which is granted to the Association as a member of international umbrella organization SCAPR. The amount of royalties collected in 2015 is also impressive.

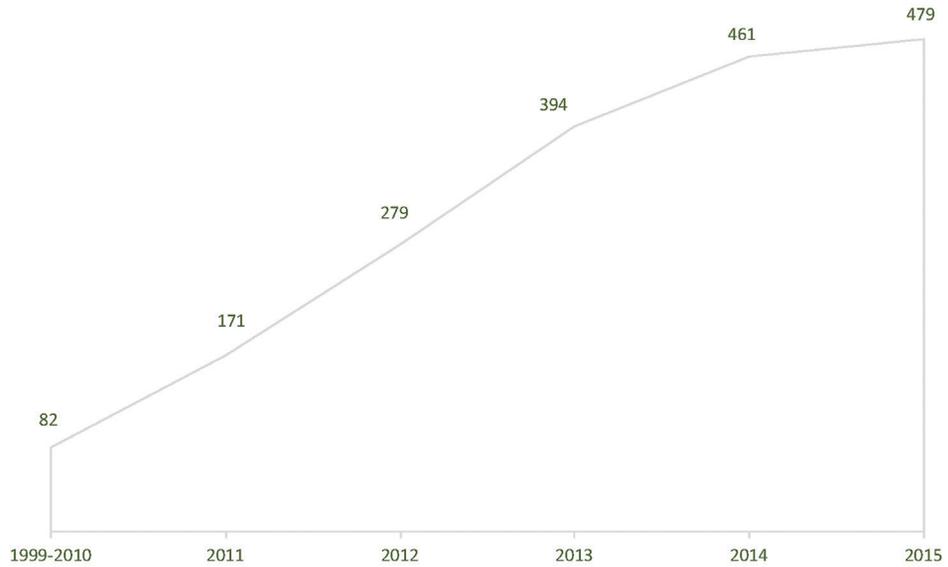
Whole amount of Royalty Payment



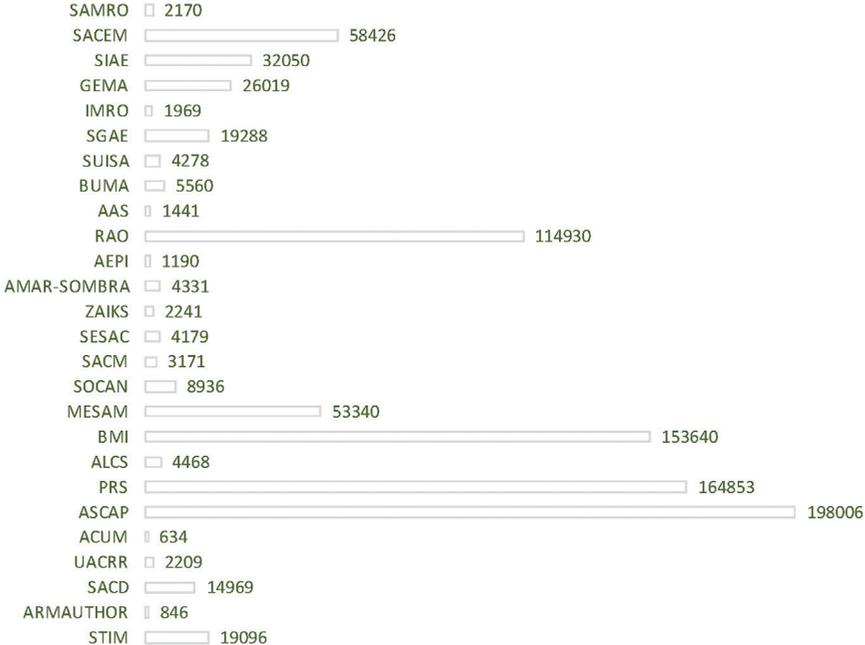
Royalty Payment by territories Local Abroad



Royalty Payment by number of Members



Royalty Payment to Partner Organizations



Publicity and Transparency

Publicity and Transparency is one of the most important principles the Association relies on in its work. This is primarily expressed by sharing the information about the functions with all the interested parties on the basis of mutual exchange of the related information.

In particular, when setting tariffs apart from taking into consideration international recommendations, the Association is engaged in active consultations with corresponding groups of users and analyzes all significant factors existing in the sphere.

The Association activities are also open and public for its members. Prompt and complete provision of the required information is one of the priorities of the Association. As a result, trust towards the Association grows from year to year both among users and in general society as well.

Information about Association activities is regularly published on the web page of the Association and on social media. Web page provides all important information about both Association activities and all documents which regulate its work, rules, tariffs, provisions, etc.

The Association elaborates and sets an annual report which in addition to general information contains detailed information about its activities. The Association annual report is available for any interested party. The report is also presented to the National Intellectual Property Center of Georgia – SAKPATENTI and is sent to international umbrella organizations as well.

The most important factor for successful work of the Association is stipulated by active increase of public awareness. In 2015, likewise in the past years, the Association work was broadly covered by media. Emphasis on the necessity of the copyright and neighboring rights protection resulted in absolute agreement of users to undertake responsibility for the law protection. In comparison to previous years there was an increase in the category of users who, without any involvement of the Association, express their own initiative to receive permission for using works protected by the copyright, which is the indicator of the positive development of society awareness.

The Association continues consulting different right holders. In addition to consultations, during the year the Association, supported by various donor organizations, carried out numerous seminars and working meetings with representatives from different spheres. Seminars for neighboring right holders, film directors, lawyers, judges and journalists were conducted in 2015. The above-mentioned seminars have already acquired annual character which is important not only for general awareness increase but for providing better guarantees for copyright and neighboring rights protection as well.

The Association still publishes "The Copyright" Magazine, which is for both the Association members and all interested parties as well. The Association was broadly involved in April 26 events devoted to the International Day of Intellectual Property, which was covered by different media channels.

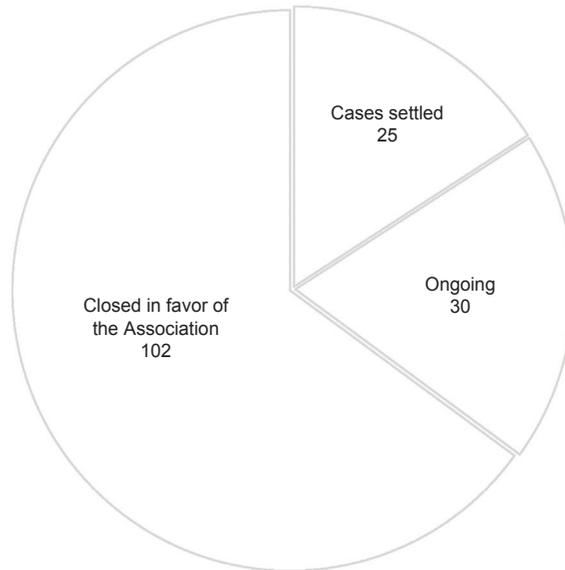
Prevention of infringements

It has to be underlined that a main function of the Association being a collective management organization of copyright and neighboring rights, is representation of both Georgian and foreign right holders in Georgia, granting permission to use their works protected by the copyright and neighboring rights law on their behalf, collection and distribution of royalties. In addition to the above-mentioned, the Association, together with other different state bodies, is maximally involved in struggle against copyright and neighboring rights infringements, by means of carrying out corresponding consultations, communication with infringers, regulation and settlement of different cases, etc.

The Association still upholds the practice of setting expert commissions with the aim of settlement of issues raised by the right holders. Despite the fact that commission decisions are not legally binding and represents a mere recommendation, yet their work is effective as the decisions are mostly upheld.

The Association broadly applied to judicious mechanism against copyright and neighboring rights infringement, which significantly promoted both payment of due royalties by users and decreased the amount of unauthorized usage of works protected under the copyright law.

Legal Proceedings



Total amount 157

International cooperation

International cooperation was the most active in 2015. The Association became a member of an umbrella organization SCAPR (The Societies' Council for the Collective Management of Performers' Rights) in May, which was achieved in quite a short period despite the fact that it is rather a long process. The Association also signed a number of bilateral agreements with neighboring rights' Collective Management Organizations of different countries.

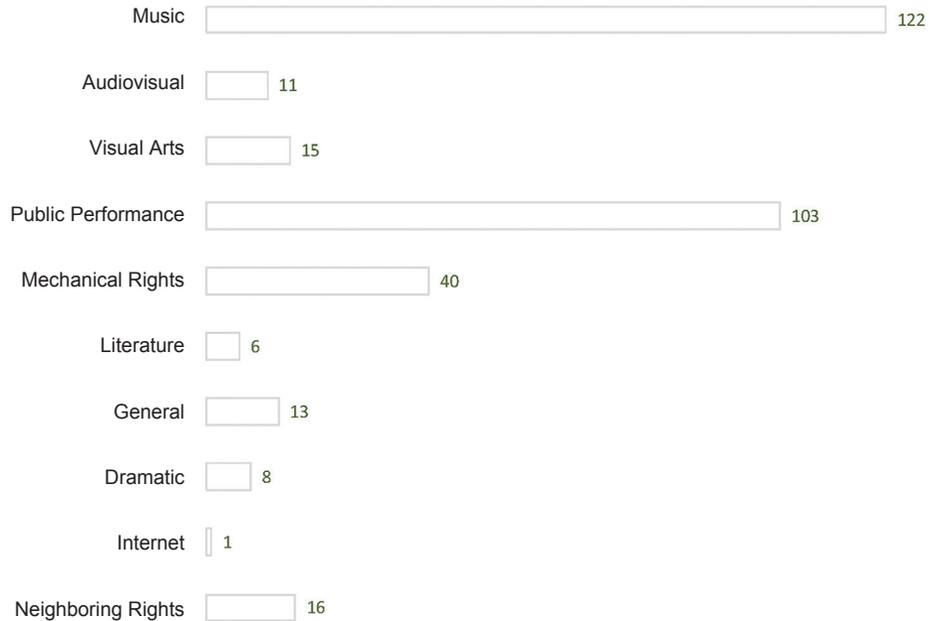
The first time in Georgian history the Association hosted one of the most important events in the copyright sphere. In April 2015 Tbilisi hosted European Committee of International Confederation of Author and Composer Societies (CISAC) which was attended by about 80 representatives from 50 countries. Shortly after the above-mentioned event the Association hosted another important event - European Development Committee Meetings of the International Federation of Reproduction Rights Organization (IFRRO).

Last year the Association carried out negotiations with the corresponding collective management organizations in Italy, Spain and Portugal with the aim of covering new spheres and gaining respective experience.

The relationship with the donor organizations was still intensive. Seminars for judges, lawyers and journalists, financed by the US Government – Commercial Law Development Program (CLDP) were carried out in Georgia. Numerous important projects are planned within the above-mentioned program in 2016 as well.

There is also intensive Cooperation with different umbrella organizations, member of which the Association is. In addition to umbrella organizations the Association established connections with new partner organizations and signed reciprocal agreements with them.

Agreements with the Partner Organizations



Total amount 335

Summary

On the whole, 2015 was a successful year for the Association both at local and at the international level. The number of licenses issued, and the amount of collected and distributed royalties provides one with quite an impressive result for the Association activities assessment. Becoming a member of SCAPR - an umbrella organization for collective management of neighboring rights and hosting two most important international events means quite a significant leap forward and underlines both successful work of the Association and increase of its international reputation.

Despite the existing progress, there is still a full range of challenges in the sphere, which requires even more successful work of the Association in the following years. This is related to enacting effective mechanisms for the fighting against copyright and neighboring rights' infringement, also licensing new spheres.

