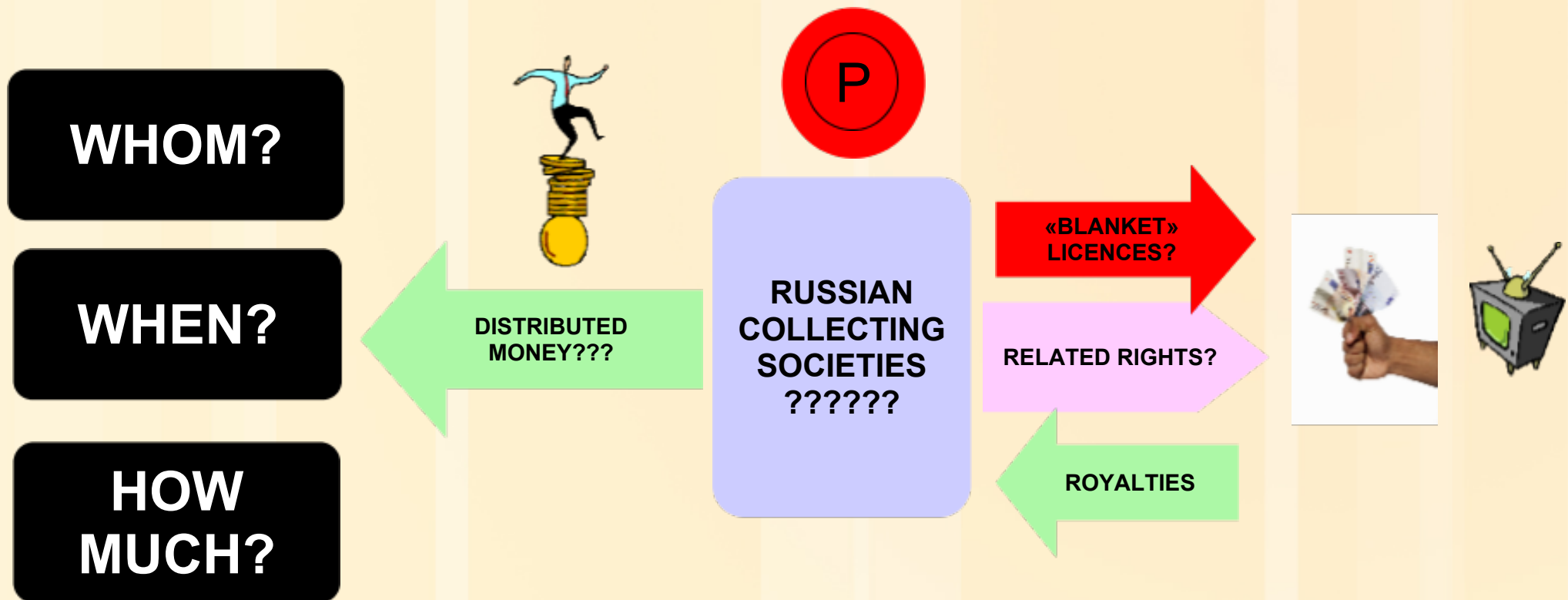


FROM RUSSIA WITHOUT MONEY? PLEASE WAIT AGAIN ...



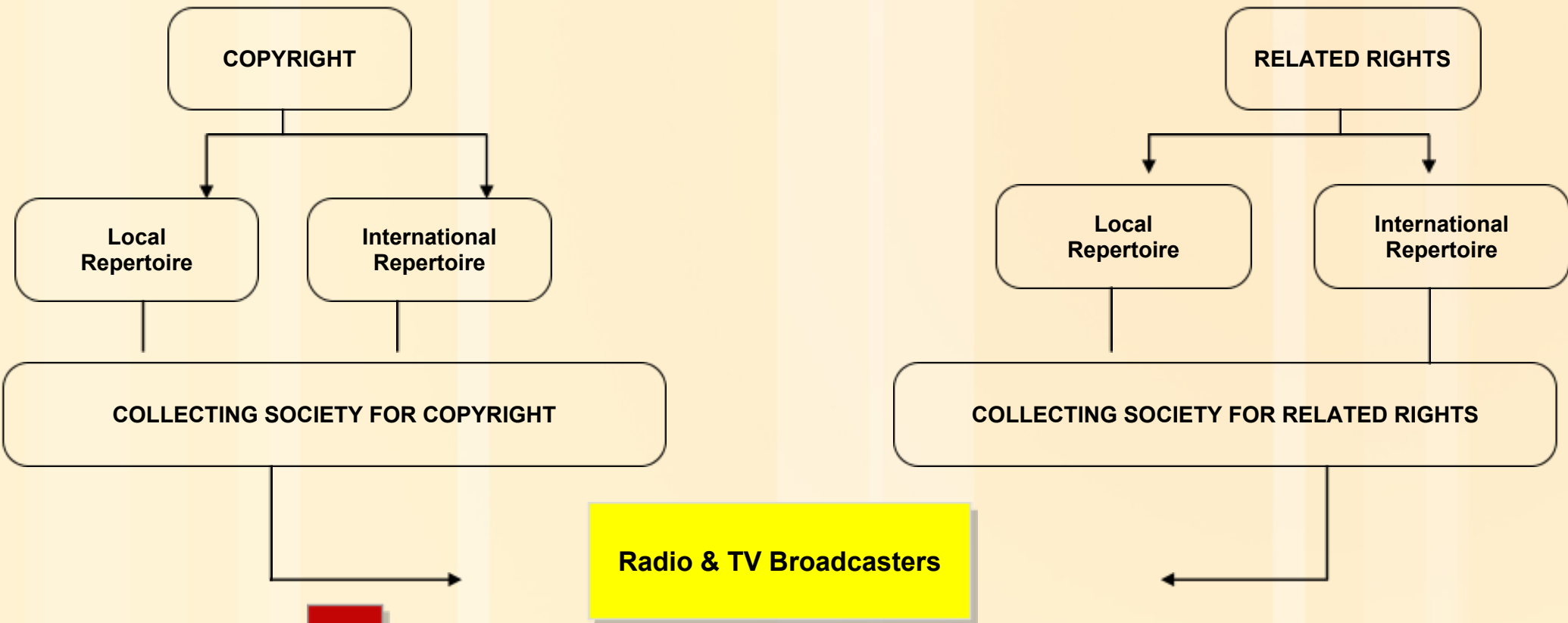
THE MAIN PROBLEM OF RUSSIAN CREATIVE INDUSTRIES – ROGUE COLLECTING SOCIETIES



RUSSIAN PERFORMING RIGHTS MARKET IS NOT HAVE TRANSPARENT

COMPULSORY COLLECTIVE MANAGEMENT IN RUSSIA FOR OFF-LINE ENVIROINMENT

Implementing compulsory collective management



NOTE

The necessity to subject the relevant collective management societies to the requirement of authorisation. Authorisation according Article 1244 of the Civil Code – **State Accreditation** ndrin.com

- FEDERAL SERVICE OF THE RUSSIAN FEDERATION FOR PROTECTION OF A CULTURAL HERITAGE (ROSOHRANCULTURA).
- THE FEDERAL BODY OF THE EXECUTIVE POWER THAT PERFORMS THE FUNCTIONS OF CONTROL AND SURVEILLANCE IN THE FIELD OF COPYRIGHT AND RELATED RIGHTS

**GOVERNMENT ACCREDITATION OF
COLLECTING SOCIETIES – DECEMBER,
10, 2008**

THE FIRST PHASE OF ACCREDITATION – FOUR COLLECTING SOCIETIES



Equal Rights Phonographic Alliance (EPA)



Russian Society for Performers' Rights Protection (RUOPI)



All-Russian Society of Authors' and Neighbours' Rights (VOASP)



Russian Copyright Owners' Union (RCU)

- EPA was founded in April, 7, 2008.
- Memorandum of Articles (only in russian) - <http://www.fonogram.ru/doc/uchdoc/ustav.doc>
- EPA is a legal possessor of Independent Non-commercial Organization “Russian Phonographic Association” (RFA)

MEMBERS OF THE EPA

- **The membership in the EPA can be granted to any right holders – person or legal entity (including any legal forms of the legal entities without any limitations or exceptions: LLC, LLP, JSC)**

Non-commercial Partnership “Russian Society for Performers' Rights Protection” (RUOPI)

- RUOPI was founded in June, 18, 1996.
- Memorandum of Articles (only in russian) - http://www.np-roupi.ru/roupi_ustav.htm

MEMBERS OF THE RUOPI

- **The membership in the RUOPI can be granted to any right holders – person or legal entity (including any legal forms of the legal entities without any limitations or exceptions: LLC, LLP, JSC)**

All-Russian Non-Governmental Organization “All-Russian Society of Authors’ and Neighbours’ Rights” (VOASP)

- **VOASP was founded in April, 17, 2008.**
- **VOASP together with RAO have concluded a major deal with Russian rail monopoly (Russian railways) – December, 5, 2008**
- **Russian railways will pay VOASP & RAO every year – more than US \$ 14 millions. Full text of deal (only in russian) - [see](#)**

MEMBERS OF THE VOASP

- **The membership in the VOASP can be granted only persons.**
- **Legal entity can be member only in one special case - legal form of the legal entity must be a non-governmental association.**
- **All any other legal forms are excluded: LLC, LLP, JSC.**

- RCU was founded in April, 9, 2008.
- Memorandum of Articles (in english) - <http://rosvois.ru/fileadmin/site/files/Statute.doc>
- Affiliated with [Russian Authors' Society \(RAO\)](#)

MEMBERS OF THE RCU

- **The membership in the RCU can be granted only persons.**
- **Legal entity can be member only in one special case - legal form of the legal entity must be a non-governmental association.**
- **All any other legal forms are excluded: LLC, LLP, JSC.**

THE FIRST PHASE OF ACCREDITATION – ALL FOUR LOUSERS

Non-commercial Partnership
“Russian Society for
Performers' Rights Protection”
(RUOPI)



Non-commercial Partnership
“Equal Rights Phonographic
Alliance”
(EPA)



All-Russian Non-Governmental
Organization “All-Russian
Society of Authors' and
Neighbours' Rights” (VOASP)



All-Russian Non-Governmental Organization Collective
Management Society of Neighboring Rights
“RUSSIAN COPYRIGHT OWNERS' UNION”
(RCU)

AFTER FIRST PHASE OF ACCREDITATION



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**All-Russian Non-Governmental Organization
Collective Management Society of Neighboring Rights
"RUSSIAN COPYRIGHT OWNERS' UNION"
(RCU)**

**All-Russian Non-Governmental Organization
"All-Russian Society of Authors' and Neighbours' Rights"
(VOASP)**

**All-Russian Non-Governmental Organization
"Society on collective management of related rights "RUSSIAN ORGANIZATION FOR INTELLECTUAL PROPERTY"
(VOIS)**

“31st March 2009 took place special conference of members of the Russian Copyright owners’ Union, with participation of delegates of the conference....

By way of the abovementioned conference there are made some changes in Statutes of RCU, decisions regarding rename of the organization and joining of All-Russian Non-Governmental Organization “All-Russian Society of Authors’ and Neighbors’ Rights” (VOASP).

New name of the organization is All-Russian Non-Governmental Organization “RUSSIAN ORGANIZATION FOR INTELLECTUAL PROPERTY” (VOIS).....”

[http://www.rosvois.ru/index.php?id=5&tx_ttnews\[tt_news\]=100&tx_ttnews\[backPid\]=4&cHash=2c9ab5197a](http://www.rosvois.ru/index.php?id=5&tx_ttnews[tt_news]=100&tx_ttnews[backPid]=4&cHash=2c9ab5197a)

- **VOIS was founded in March, 31, 2009.**
- **VOIS is a legal possessor of the All-Russian Non-Governmental Organization Collective Management Society of Neighboring Rights “RUSSIAN COPYRIGHT OWNERS` UNION” (RCU)**

MEMBERS OF THE VOIS

- The membership in the VOIS can be granted only persons.
- Legal entity can be member only in one special case - legal form of the legal entity must be a non-governmental association.
- All any other legal forms are excluded: LLC, LLP, JSC.

Special Letter from John Kennedy Chairman & chief executive IFPI to Prime Minister of the Russia Vladimir Putin – July, 23, 2009



Vladimir V. Putin
Chairman of the Government of the Russian Federation
The Kremlin
Moscow
Russian Federation

23rd July 2009

Dear Prime Minister,

I am writing to you as chairman and chief executive of IFPI, the organisation that represents the recording industry worldwide, to express my support for the forthcoming state accreditation of a society for collective management of rights of performers and producers as it is provided for by Part IV of the Russian Civil Code. We hope that this time the accreditation will finally take place.

As you know, intellectual property rights underpin the creative industries that are generating jobs and contributing to culture in Russia and internationally, as well as delivering tax revenues for governments all around the world. It is therefore extremely unfortunate that the vital performance rights of recording artists and record companies are not being properly enforced in Russia, while we await state accreditation of an organisation to collect performance royalties for recording artists and record producers.

IFPI's members are particularly concerned at the repeated messages being sent out from All Russian Organization of Intellectual Property ("VOIS"), an entity that claims to be acting as an accredited collective rights management society with the right to collect public performance and broadcast revenue in Russia on behalf of all producers and performers. What is more, we have understood from these messages that VOIS has started collecting royalties from users, without any authorisation whatsoever from the majority of local or international right holders.

I wish to stress that VOIS has not been mandated by IFPI's member companies. The collective management society authorised to collect public performance and

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broadcast revenue in Russia by the majority of local and international recording companies and international collective management societies' is the Equal Rights Phonographic Alliance ("RFA").

VOIS acts as though it enjoys state accreditation and claims that it was set up by the Russian government. Were that to be true, it would mean that the state accreditation process, scheduled by your government for the end of the month, would be a farce. We refuse however to believe that this is the case.

Revenue from performance rights is vital for record companies' ability to continue to operate and invest in the next generation of talent. Without help and investment by record companies, it is considerably more difficult for artists to build a career in music, with all the positive effects that has for jobs, taxes and growth.

I would like your reassurance that VOIS has not been set up or accredited by the Russian government and that the process of state accreditation for music licensing companies will be transparent and fair. I furthermore respectfully submit, on behalf of my entire membership, that IFPI is convinced that of all the applicants RFA is the only one that is able carry out the demanding task of sound recording royalty collection and distribution, and the only one to meet the required standards of accountability and transparency.

Yours sincerely,

John Kennedy
Chairman and chief executive
IFPI

Representing the recording industry worldwide
john.kennedy@ifpi.org

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Excerpts from the special letter IFPI to Prime Minister of the Russia

“IFPI’s members are particularly concerned at the repeated messages being sent out from All Russian Organization of Intellectual Property (VOIS), as entity that claims to be acting as an accredited collective rights management society with the right to collect public performance and broadcast revenue in Russia on behalf of all producers and performers. What is more, we have understood from these messages that VOIS has started collecting royalties from users, without any authorisation whatsoever from the majority of local and international right holders.

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**GOVERNMENT ACCREDITATION OF COLLECTING
SOCIETIES –
JULY, 31, 2008 – AUGUST, 4, 2009**

THE SECOND PHASE OF ACCREDITATION – THREE COLLECTING SOCIETIES



Equal Rights Phonographic Alliance (EPA)



Russian Society for Performers' Rights Protection (RUOPI)



Russian Organization for Intellectual Property (VOIS)

THE SECOND PHASE OF ACCREDITATION – VOIS TAKE IT ALL

**All-Russian Non-Governmental Organization “Society on
collective management of related rights “RUSSIAN
ORGANIZATION FOR INTELLECTUAL PROPERTY”**

(VOIS)

**Non-commercial Partnership
“Equal Rights Phonographic
Alliance”
(EPA)**



**Non-commercial Partnership
“Russian Society for
Performers' Rights Protection”
(RUOPI)**



All-Russian Non-Governmental Organization “Society on collective management of related rights “RUSSIAN ORGANIZATION FOR INTELLECTUAL PROPERTY” (VOIS)

- Certificate of the State Accreditation of the VOIS as Organisation Managing Rights on a Collective Basis – August, 6, 2009.
- Exercising the rights of manufacturers of sound recordings to receive a fee for a public performance and also for a broadcast or cable transmission of sound recordings published for commercial purposes (Article 1326 of the Russian Civil Code)

- Certificate of the State Accreditation of the VOIS as Organisation Managing Rights on a Collective Basis – August, 6, 2009.
- Exercising the rights of performers to receive a fee for a public performance, and also for a broadcast or cable transmission of sound recordings that are published for commercial purposes (Article 1326 of the Russian Civil Code)

VOIS HAS THE PERMISSION TO MANAGE RELATED RIGHTS AND COLLECT FEES FOR THE ANY RIGHT HOLDER WITHOUT REPRESENTATION AGREEMENT WITH SUCH RIGHT HOLDER

- An organisation managing rights on a collective basis which has obtained state accreditation (an accredited organisation) is entitled, apart from managing the rights of the right holders with which it has concluded contracts in the procedure set out in Item 3 of Article 1242 of the present Code, to manage rights and collect fees for the right holders with which it has not concluded such contracts
- **Item 3 of Article 1244 Part IV of the Russian Civil Code**

THE PERMISSION TO WITHDRAW RELATED RIGHTS FROM ACCREDITED ORGANISATION VOIS

- Any performer (local and international) is permitted to withdraw their rights from accredited organisation VOIS
- Any producer of sound recording (local and international) is permitted to withdraw their rights from accredited organisation VOIS

- A right holder that has not concluded a contract with an accredited organisation for the transfer of right management powers (Item 3 of the present article) is entitled at any time to refuse in full or in part the management of his rights by that organisation. The right holder shall notify in writing the accredited organisation of his decision. If the right holder intends to refuse the management by the accredited organisation of only part of copyright or related rights and/or objects of these rights he shall present thereto a list of such removed rights and/or objects .
- Upon the expiry of three months after the receipt of the relevant notice from the right holder the accredited organisation shall remove the rights and/or objects specified by him from contracts with all users and post information about it in a public information system. The accredited organisation shall pay to the right holder the fees he is entitled to that have been received from users under the contracts concluded earlier and present a report in compliance with Paragraph 4 of Item 4 of Article 1243 of the present Code.
- **Item 4 of Article 1244 Part IV of the Russian Civil Code**

- A right holder that has not concluded a contract with an accredited organisation for the transfer of right management powers ([Item 3 of the present article](#)) is entitled at any time to refuse in full or in part the management of his rights by that organisation. The right holder shall notify in writing the accredited organisation of his decision. If the right holder intends to refuse the management by the accredited organisation of only part of copyright or related rights and/or objects of these rights he shall present thereto a list of such removed rights and/or objects .
- Upon the expiry of three months after the receipt of the relevant notice from the right holder the accredited organisation shall remove the rights and/or objects specified by him from contracts with all users and post information about it in a public information system. The accredited organisation shall pay to the right holder the fees he is entitled to that have been received from users under the contracts concluded earlier and present a report in compliance with Paragraph 4 of Item 4 of Article 1243 of the present Code.
- **Item 4 of Article 1244 Part IV of the Russian Civil Code**

WRITER

- **ILYA KONDRIN RUSSIAN ACADEMY OF JUSTICE (MOSCOW) OF SUPRIME COURT OF RUSSIA & SUPRIME ARBITRATION COURT OF RUSSIA**

REFERENCES

- **ILYA KONDRIN «MAKE AVAILABLE RIGHT IN ACCORDANCE WITH THE RUSSIAN CIVIL LAW"»**

<http://www.kondrin.com>