



Leadership in Information and Communications Technology

**ICT Ireland submission on the review of the
Copyright and Related Rights Act 2000**

July 2011

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Overview of the ICT sector in Ireland

ICT Ireland is the association within IBEC representing the high-tech sector. The ICT industry in Ireland employs over 82,000 people across an array of diverse industries, including leading technology multinationals, indigenous start-ups, telecommunications companies and digital innovators. Within the OECD, Ireland has one of the highest concentrations of employment in ICT and 9 of the top 10 global ICT firms have a significant presence here.

The sector's exports are worth €50 billion per annum and on a weekly basis, job announcements in multinational and indigenous technology firms are being made. Since the beginning of the year, over 2,230 new jobs have been announced, on foot of 3,500 jobs created in 2010 and a 6% growth rate in employment in 2009.

The need for copyright reform

While Ireland lacks solid figures on the value of the internet to the Irish economy, the UK internet economy is worth £100 billion or 7.2% of UK GDP. This makes the sector more valuable than the UK's energy or transport sectors. With this in mind, Ireland must embrace the opportunity created through the emergence of both internet based enterprises, and an economy strongly reliant on the services the internet allows.

There is a growing need to ensure that Irish and European copyright law fully supports innovation, creativity, competition and the public interest. ICT Ireland believes it is essential that the Irish and European copyright regime evolves to provide the level of flexibility and legal certainty needed for the emerging digital industries to flourish and drive economic growth.

Digital innovators in the United States of America have benefited from the flexible regime of exceptions to copyright rules under the broad heading of 'fair-use' - allowing the use of portions of a copyrighted work without undermining the work's normal economic exploitation. Europe and Ireland on the other hand, have developed a catalogue of precisely-defined exceptions which are too inflexible to accommodate technological, business and societal developments. This prescriptive approach appears increasingly maladapted to the digital economy and it deprives EU-based innovators the flexibility that has stimulated growth of high-tech businesses in the US.

The value of a 'fair-use' model

The fair-use doctrine has grown in importance with the rise of the digital economy as it permits a range of activities that are critical to many high-tech businesses including search portals and web hosting. Fair-use assures that technological innovations such as the internet itself can operate without violating copyright law. The added value of industries which rely on fair-use in the US was put at over \$2 trillion in 2007, roughly one-sixth of US GDP. The protection afforded by fair-use has been a major contributing factor to these economic gains and will continue to support growth as the US economy becomes even more dependent on information industries.

To guarantee Ireland and Europe's transition to a vibrant digital economy, measures must be introduced to ensure that Europe can match the US in terms of digital innovation. At a national level, rapid benefits could accrue through immediately enacting legislative change in the area of copyright exceptions, helping to foster greater digital innovation.

Ireland has gained significantly from the information technology revolution. However, if Ireland is to remain attractive to foreign direct investment in the field of ICT, it will need to lead the charge in maximizing the economic potential of ICT as set out under Europe's Digital Agenda. Ireland has a real opportunity to establish a competitive advantage in Europe by creating the most progressive digital regime possible.

ICT Ireland urges that Irish (and European) copyright legislation moves to mirror more closely the fair-use regime of the US, removing any competitive disadvantage Ireland may currently face. This will be a key step in putting Ireland on track for smart and sustainable growth.

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