

Proposed constitutional amendment (PEC) grants tax-exempt status to the distribution and sale of Brazilian music

Last September 25th, Brazil's Congress passed a constitutional amendment that grants an unprecedented tax benefit in favor of the Brazilian phonographic industry. Specifically, the exemption of tax applies to the distribution and sale of phonograms containing music performances by Brazilian artists, both at the federal and state levels.

This tax exemption will immediately bring several positive effects, mainly by eliminating the tax on the distribution of goods and services (known as ICMS), currently in the range between 19% to 25%, the tax on song downloads to mobile phones (35%), and the tax on song downloads to computers (15%).

IFPI LATIN AMERICA applauds Brazil for adopting this measure and hopes that it serves as an example for other countries in the region.■



Escola Paulista Da Magistratura organizes international workshop for judges and prosecutors

On October 24–25, the Escola Paulista da Magistratura hosted an international workshop focused on the protection of intellectual property rights on the Internet. An initiative of the Brazilian's Alliance for the Protection of Movies and Music (APCM), the event was attended by over 300 judges and prosecutors from Sao Paulo and some other cities, and featured Justice Giancarlo Mancusi, among many other experts. Mancusi is a renowned Italian judge with extensive experience in criminal cases involving music piracy in the digital environment.

The objective of the workshop was to provide participants with enhanced knowledge of online music piracy in its various forms, which has become a matter of increasing concern for Brazil. Today, Brazil is one of the fastest growing digital music markets in the region, with as many as 19 digital services offering single track downloads and music video streaming, among other products. However, growth must go hand in hand with exemplary sanctions against those who infringe copyright and neighbouring rights by engaging in the exploitation of illegal music websites.■



Important precedent in the fight against online music piracy

A Brazilian court has issued a conviction for phonographic piracy and sentenced the administrator of two websites to two years in prison along with the payment of a fine. On October 9th, the court found him responsible for the creation and operation for profit of two illegal websites called www.baixarcdmp3gratis.org and www.cdportatil.com.

The case dates back to 2010 when the Alliance for the Protection of Movies and Music (APCM) accused Rodrigo Reis Da Silva Ramos of copyright infringement for operating two websites that supplied thousands of illegal links to songs of both national and international artists. The APCM also confirmed that he was seeking commercial profit through the sale of adverts on the portals. This court ruling sets an important precedent for the fight against illegal websites in Brazil. It is hoped that other judges and prosecutors will follow this example. ■



TV GLOBO and ECAD agree on payment of performance rights

TV Globo, the most important Brazilian TV broadcaster and one of the largest worldwide, and the Brazilian performance rights agency ECAD (which stands for Central Office for Collection and Distribution) have come to an agreement over the payment of fees for the use of copyrighted music in the station's programmes. The deal brings an end to a conflict that had spanned 8 years and had led the parties to court.

Under Brazilian law, ECAD is the organization responsible for collecting performance rights fees on behalf of authors, performers and record companies in connection with the use of their repertoires. The recent agreement with TV Globo has settled a long-standing dispute around the amount of back royalties owed to ECAD as well as future amounts to be paid.

The deal was hailed as a milestone in the area of performance rights management in Brazil and in the whole region, both for its economic relevance and for its contribution to the normalization of relations between rights holders and an indisputable icon of the broadcasting industry. It is expected that similar agreements with other broadcasters will follow. ■



SKY (DIRECT TV) y ECAD sign landmark agreement in Brazil

SKY is one of the leading pay television operators in Brazil, and ECAD is a Brazilian organization that acts on behalf of rights holders by monitoring the use of their music in TV programmes and compensating them accordingly. Both parties have reached an agreement that puts an end to a 9-year legal dispute by providing for the payment of back royalties owed since 2004 and including the commitment to continue making regular payments.

Rights holders have welcomed the deal as a significant step toward the protection of performance rights in Brazil, where pay television operators have actively fought against the implementation of these rights not only by going to court but also by filing a complaint before the antitrust authorities against ECAD and its member collecting societies.



Brazilian government gives top priority to Marco Civil bill in legislative agenda

The Brazilian bill known as Marco Civil da Internet (Civil Rights Framework for the Internet), which includes the principle of net neutrality, has been given constitutional urgency status and could be passed into law this week. Our industry has strongly opposed this bill as it poses a serious challenge to the adoption of such contract policies, voluntary agreements or technical means as may be necessary to combat increasing Internet piracy in the Brazilian music market.

The principle of net neutrality implies that a judicial order will be required to demand the removal of any unauthorized content online. As previously reported by IFPI's national group in Brazil, rights holders had been able to include cease and desist procedures in the early drafts of the Marco Civil bill, thus providing for an exception in the cases of copyright piracy. However, some recent government decisions make it unclear whether this exception will finally find its way into the final document.