



WHITE PAPER

Copyright Compliance in the Digital Workplace: Why You Need to Care About Copyright



In the digital age, employees share any content whenever and wherever they want. Welcome to the intersection of copyright and content sharing. Could seemingly benign information exchanges among your employees create a potential liability and place your organization at legal, financial and reputational risk?

It's business as usual: One senior executive regularly forwarded copies of digital materials to other colleagues. Routine, rapid-fire information exchanges done every day in offices around the world. Check. Next task. But what if the information was protected by copyright and the employee failed to get permission from the publisher or rightsholder to share the content?

While the law makes copyright an essential tool in the creation and distribution of new ideas, the digital workplace has become the fastest route to spread them. Ask employees up and down the corporate ladder, and they will tell you that forwarding information electronically to co-workers is integral to their jobs. Their employers will emphatically agree.

But the unauthorized distribution of information carries potential risk: Ordinary office exchanges—so natural to the digital world—can easily infringe on the copyrights of others. The result is a serious violation of law, which may be in direct contradiction to your company's mission statement and publicly announced goals, jeopardize your reputation and undermine your corporate compliance efforts.

Here is why copyright protection should be part of your corporate compliance policy and how you can effectively manage copyright compliance across your entire organization.

What is protected by copyright?

The Berne Convention sets minimum standards for copyrighted works. The detailed list of categories may slightly vary from country to country, but usually the following are included:

LITERARY WORKS blogs, books, cartoons, emails, letters, magazines, memos, newspapers, newsletters, trade journals, training materials and other written material, in paper or digital format.

COMPUTER SOFTWARE on disc, downloaded or in other formats.

PICTORIAL, GRAPHICS AND SCULPTURES three-dimensional artworks and other creations, as well as two-dimensional graphical images, maps and photographs, in paper or digital format.

SOUND RECORDINGS recorded or performed on compact discs, phonographic records, podcasts or other media.

AUDIOVISUAL WORKS motion pictures, multimedia presentations, demonstrations and slideshows, in analog or digital format.

DRAMATIC WORKS AND ACCOMPANYING MUSIC plays and screenplays, regardless of the medium in which performed or displayed.

What Is Copyright and Why Is It Important?

As a protector of a nation's creative output, copyright law is designed to encourage resourcefulness and clever creativity. The idea behind it is to grant a form of ownership of the creative aspects of original works to the individuals and businesses that create them. In most countries, any original work written, recorded or captured in some other fashion is protected by copyright. That includes art, music and literature, to be sure, but also research, news and blogs.

Today anyone with an Internet connection can simply send information through cyberspace with a stroke of a key and access vast stores of information online. No longer reliant on corporate librarians to secure information, employees are sharing content whenever and wherever they want.

Copyright establishes ownership and legal protection of original creative works. So any time employees share content digitally, there is risk for copyright violation. Aside from the potential risk, there is also the ethical component of doing the right thing. Obtaining permission from the copyright holder is just good business and demonstrates respect for the intellectual property of others. Given the value of a company's own intellectual property, it is both good corporate governance and in a company's best interest, to set high standards when it comes to respecting the creative output of others.

Only in an environment where each market player respects the intellectual property of others in return for respect for theirs, can ideas and creative works be protected in the long run and competitive advantages be established. Jennifer T. Mills, Senior Intellectual Property Counsel at Hewlett-Packard puts it this way: "We want other people to respect our IP, so we have to respect the IP of others." HP is among the companies taking steps to educate employees about the use of third party content. There's a fundamental misconception about copyright and the Internet and how they work together, says Mills. "People think as long as they can click it, they can use it."

How Do Employees Use Information?

Email communication is the preferred tool for employees to share information. On average, employees forward digital information 13-times per week. A whopping 76 percent of employees use it to attach documents, according to a report published in March 2014 by research and advisory firm Outsell Inc. Nearly half (45 percent) of workers surveyed cut-and-paste content directly into emails. As Outsell points out in the report highlighting its findings, sending a link is usually in compliance with the obligations created by copyright law while attaching documents or cutting and pasting often is not—but the distinction appears lost on users.

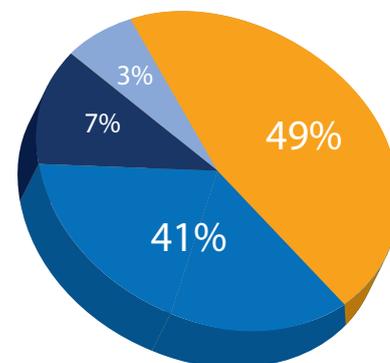
“ We want other people to respect our IP, so we have to respect the IP of others.”

JENNIFER T. MILLS
SENIOR INTELLECTUAL PROPERTY
COUNSEL, HEWLETT-PACKARD

Copyright Awareness in the Workplace

51% of surveyed workers either lack a copyright policy or awareness of it.

- Aware of Copyright Policy
- Unsure of Policy Details
- Don't Know of Policy
- No Policy



Source: RightsDirect Information Consumption and Use Survey-UK and Europe 2014. Copyright 2014 Outsell, Inc. <http://www.outsellinc.com>

Outsell finds other distinctions are lost, too. One is the difference between free information and freely shareable information. 75 percent of respondents agree that information they obtain online or in print at no charge can be shared without permission. In most cases, it cannot. When content is paid for, 73 percent of respondents agree that it is permissible to share it. Whether or not information is obtained for free or at a cost—sharing it internally and with third parties usually is strictly limited by copyright laws.

Information managers say the topic of copyright is more important than it was a year ago, according to a survey by UK publisher FreePint (see chart on page 7, “Interest in copyright is on the rise”). Apart from other factors such as the increase of digital content, it is copyright-related news stories that boost awareness—for instance the attention-grabbing headlines about the infringement lawsuits regarding Google’s attempt to digitize a vast amount of books in the course of the Google Book Search project.

“Prominent copyright news stories raise the issue to the forefront and cause some people to change their actions,” agrees R. David Donoghue, an intellectual property litigator for international law firm Holland & Knight and author of the Chicago IP Litigation Blog.

“But the bigger copyright issue is the incidental or unintentional infringement, such as an engineer who needs a few chapters from a textbook. That kind of copying is so prevalent that companies cannot rely on cautionary news reports to inform employees,” says Donoghue. Responsibility for educating them, he adds, rests with employers and their employees (see sidebar on page 3, “What is protected by copyright?”).

Systematically disregarding copyright requirements contradicts the values embedded in most corporate mission statements, guidelines and annual reports—potentially jeopardizing corporate credibility.

Taking Responsibility for Compliance

How does a company reach all of its employees about copyright? An important first step is taking responsibility to educate employees about compliance, encourage them to act on copyright issues and then put copyright policies in place (see sidebar on page 6, “How to create a copyright compliance policy”).

For many employers, that process begins by acknowledging that unauthorized use of copyrighted materials effectively means a consistent violation of law—a striking contradiction to the concept of good corporate governance and the principles of responsible corporate leadership based on accountability and transparency.

Running the risk of copyright violation constitutes a weak link in a company's compliance chain and creates a potential liability undermining other corporate compliance measures and transparent public reporting. And company-wide information sharing is vital to maintain a competitive edge in today's global economy. So companies with valuable IP in competitive and highly regulated industries—such as pharma or chemical—are well advised to make respect for third party copyrights part of their compliance policy.

Assessing the Risk of Copyright Infringement

The potential consequences of copyright violation are in the best-case scenario reputational damage and in the worst-case scenario significant financial losses in the case of infringement lawsuits. Unlike the U.S., large infringement lawsuits with high profile media attention certainly are not the rule elsewhere in the world and infringement cases taking place in other countries are usually settled outside court.

The higher risks to enterprises, however, are long-term damages in corporate reputation and brand, coupled with potential loss in shareholder confidence and value. In March 2012 the Swedish media company Cision settled compensation claims for copyright infringement with the US-based Dow Jones Publishing Group. Cision experienced significant loss in shareholder value and had to issue a profit warning of more than € 1 million.

Apart from financial and reputational risk, systematically disregarding copyright requirements contradicts the values embedded in most corporate mission statements, guidelines and annual reports—potentially jeopardizing corporate credibility.

In summary, corporate compliance officers should make the integration of copyright into their comprehensive compliance strategy a priority.

How to create a copyright compliance policy

Internal copyright guidelines can decrease your risk of copyright violation. When crafting a copyright policy, adhere to the following steps:

- ✓ **TAP YOUR ORGANIZATION FOR INPUT** Helpful suggestions can come from any department
- ✓ **ESTABLISH YOUR POLICY OBJECTIVE** Be clear on why your organization is implementing a copyright policy
- ✓ **DEFINE COPYRIGHT** Make sure to give concise definitions and examples
- ✓ **ADDRESS INTERNATIONAL COPYRIGHT ISSUES** Your guidelines should cover the countries you operate in
- ✓ **CLARIFY COPYRIGHT FORMATS** When it comes to copyright, multiple formats are protected
- ✓ **OUTLINE COMPLIANCE PROCEDURES** Name point-of-contact and lay out steps to request permissions
- ✓ **HANDLE COPYRIGHT INFRINGEMENT PROPERLY** Encourage employees to act responsibly
- ✓ **PROMOTE YOUR POLICY** Don't hide it in manuals, advertise on the corporate intranet and issue periodic reminders.

Managing Copyright Compliance

When it comes to managing copyright compliance, a major hurdle is the perception by corporate employees that obtaining permission is a cumbersome process that interferes with their ability to do their jobs.

A substantial amount of employees see getting copyright permission as an obstacle to sharing, according to Outsell. Most are either ambivalent about the efficiency with which they are granted permission, or they disagree that the process is convenient. Their impressions are largely accurate: The outreach and phone calls required to garner permission can absorb hours of work over the course of several days.

Simon Alterman, VP and Lead Analyst with Outsell, is not at all surprised by the survey's finding that busy employees and managers take a dim view of compliance procedures. "It speaks to the breadth of items on any knowledge worker's mind today," says Alterman. "We're all doing more with less, and we're moving faster."

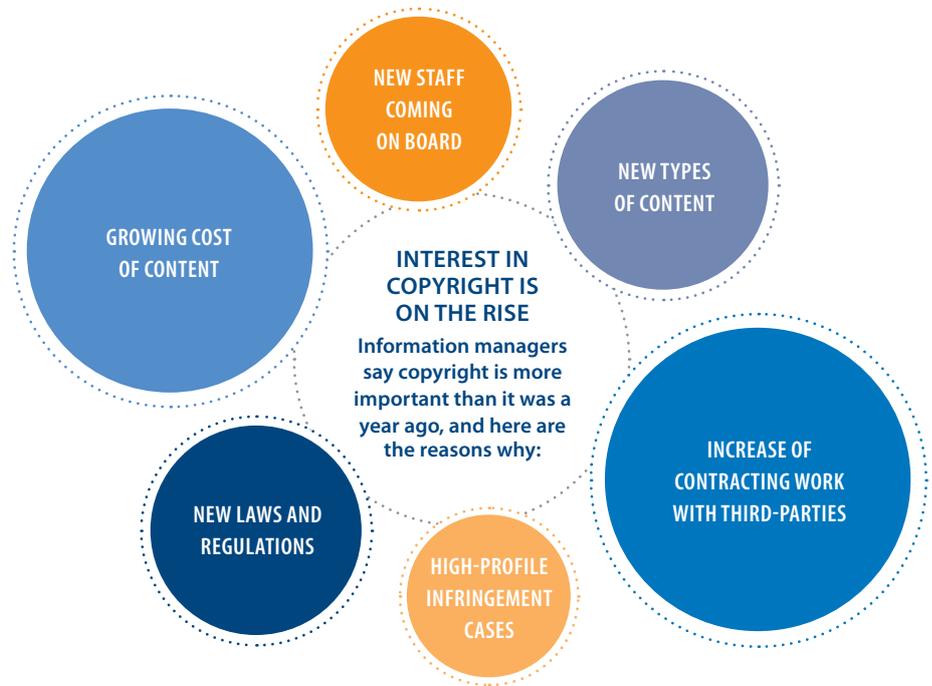
Alterman points out that publishers convey mixed messages to website visitors by routinely accompanying articles with multiple sharing options, such as allowing readers to email links and to post article-related comments on Facebook and other social media websites. "Certainly it seems fine to share if everyone is enabling it," says Alterman. His advice? Education is critical.

So far, the education is hardly occurring, especially not within corporations. Outsell found that while most employees know their companies have copyright policies, they often don't know how they work (see chart on page 4, "Copyright in the Workplace"). Most survey participants think their organizations have such policies. But the fact that a troubling 41 percent say they are unsure underscores the need for companies to provide mechanisms that facilitate compliance.

International Copyright Basics

What is global copyright? What are international copyright treaties? What is protected by copyright? Which different types of rights exist?

You will find answers to these and other questions in the international copyright basics section on www.rightsdirect.com.



Source: FreePint study, "Copyright Policies and Practices," p. 11, 2010.

Looking to learn more about copyright?

Consider taking part in **our Copyright Education programs** offered by RightsDirect, such as webinars or online certificates.

The Reality of Cross-Border Copyright

Aside from general lack of awareness and popular digital information sharing habits, there is another problem accelerating widespread copyright infringement: The difficulty of complying with copyright across borders.

Copyright law is national in scope, meaning that each country has its own copyright laws. While there is no such thing as international copyright, there are international treaties. The oldest and most important treaty about copyright is the Berne Convention, first signed in 1886, revised many times in the years since, and today ratified by more than 160 countries. Berne establishes minimum standards

of protection such as types of works protected, duration of protection, scope of exceptions and limitations.

Even so, the Berne Convention leaves implementation to the signatory states. Many countries have adopted copyright legislation that goes far beyond the Berne Convention, leading to very fragmented and heterogeneous copyright regulations. As a result, navigating an uneven cross-border copyright landscape can be a daunting challenge for international companies and their worldwide subsidiaries.

About RightsDirect

RightsDirect provides licensing solutions that make copyright compliance easy, allowing companies to re-use and share the most relevant digital content across borders. With RightsDirect copyright licenses and complementary information management tools, users can instantly check license coverage, manage permissions and optimize content workflow in one integrated solution.

Based in Amsterdam, RightsDirect is a wholly owned subsidiary of Copyright Clearance Center (CCC). Working in partnership with the world's leading publishers and collecting societies, we compensate participating rightsholders for the re-use of their works. Together, CCC and RightsDirect serve more than 35,000 companies and over 12,000 publishers around the globe. For more information, please visit www.rightsdirect.com.

Copyright Compliance Made Easy

Subscriptions and access to publisher databases provide basic usage rights, but sharing rights granted by publishers differ. Some publishers offer licenses permitting employees to exchange information legally and without risking copyright infringement. But other publishers do not.

A better and more comprehensive solution is the [Multinational Copyright License](#), which was specifically designed for the copyright needs of global companies by RightsDirect, the international subsidiary of US-based Copyright Clearance Center. The Multinational Copyright License simplifies copyright compliance by providing organizations with the rights to share content worldwide from millions of information sources while respecting the intellectual property rights of others. With the Multinational Copyright License, companies can access 950 million usage rights for publications offered by 12,000 publishers in 180 countries in the form of one annual license.

As technology continues to simplify the way workers find and share information, the RightsDirect solution provides a simple and cost-effective way to help employees share content and make copyright compliance easy across national borders.

The Multinational Copyright License allows companies to:

- save effort and money by reducing time spent pursuing permissions individually.
- benefit from a consistent set of permissions across all participating rightsholders.
- significantly reduce copyright infringement risk and support corporate governance policies.

RightFind™

Included with the purchase of a Multinational Copyright License, RightFind™ Advisor allows employees around the globe to conveniently check license coverage online without leaving their workflow.

Copyright Education

RightsDirect licensees are entitled to attend copyright education programs and to get assistance with corporate compliance programs. This incorporates instructor-led trainings, group discussions, question and answer sessions and analysis of real-world scenarios.

Solutions for German-based organizations

For organizations located in Germany, the [VG WORT Digital Copyright License](#) is specifically designed to meet the licensing needs of German organizations and their worldwide subsidiaries. RightFind™ Advisor and Copyright Education are also available.



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