MEMORANDUM OCC Nº 1*/2017

SUBJECT: The role of consumer generated contents in the music industry: conflicts and perspectives

AUTHOR: Héctor Fouce

Coordinator: Inmaculada Ballesteros

http://www.fundacionalternativas.org/cultura-y-comunicacion/documentos
1. PRESENTATION

Digital culture already is the present in which we live. The wounds of transition from the analogue model are being gradually left behind and a new model of culture has taken root in our societies. A model whereby users are no longer limited to consume what the media and cultural societies generate, but are now active elements in their circulation and, often, of creativity itself. Evidently, this new model has generated disruptions and transformations, which, in the case of music, were initially dramatic. But right now the music market is taking advantage of the opportunities in the Internet, and has been growing during the last four years, with the digital market in Spain receiving in 2016 over one hundred million Euros -61% of its revenue. (Promusicae, 2017), while a new panorama is consolidating with new actors, new relationships among them and new ways of action from authors, industries, technologies and users. This work will explore the existing interweaving tensions, endeavoring to point out some recommendations towards a horizon that brings together the potentialities of technologies, the fair remuneration of those whose way of life is music, and the daily practices of the listeners who make music so important.

2. THE MUSIC INDUSTRY IN THE DIGITAL ERA. CRISIS AND TRANSFORMATION

In 1982 the music industry introduced the CD as a music support and opened a spectacular growth cycle, “an anomalie it the income generated by the salès of records” (Oliver et al, 2017,55), led it to having to invent the diamond record (Seabrook, 2017, 138) in order to account for the level of salès of the “top 40s”. However, and unbeknownst to it, it was opening the door to a new digital world which, for a time, was perceived by the industry as its worst nightmare. The development of the net, the widening of band width, the capacity of copying CDs – although the analogue copying tapes was more usual in the past), as well as the apparition of a format allowing to reduce the size of music files (the MP3),
generated the conditions for the web to fill with music files which users were able to exchange freely (Fouce, 2009).

In 2000, Napster became the first server making it possible to exchange files by means of the peer to peer (P2P) service, connecting computers in the net without having to go through a central server. The music industry then launched an all-out war against this type of services, achieving one success after another, marred however by the never-ending emergence of new illegal alternatives. Although it was able to close most of the P2P (after Napster came Kazaa, Limewire or Gnutella), there was a dramatic reduction in the sale of records and new piracy services constantly sprung up. The "copyright wars" (Lessig, 2005) also had an effect on the relationships between producers and consumers, following a campaign of judicial proceedings seeking to obtain exemplary rulings.

The first attempts of the large record companies to generate a legal consumption alternative of digital music (PressPlay and MusicNet) did not work at the time. The emergence of iTunes in 2001, which, hand in hand with Apple, was the first link towards the creation of a new business, featuring the return to the centrality of the song vis-a-vis the record- as was the case in the era of the singles (the origin of iTunes) as well as on the radio-. After a fifteen-year fall in revenues, 2013 was the first year of music sales improvement at world level: the growth of digital sales started to offset the descent of analogue supports. And this is done with two different systems: direct sale of songs or records through the net (the origin of iTunes), and streaming service (at-request song consumption, with no ownership over them, as in Spotify), which may be financed by suscribing or with publicity. Besides these new professional music platforms, these same contents may be found in social networks and user generated contents platforms (UGC), whose business model mostly concentrates on advertising, paying in the same manner as music platforms (such as Facebook, or YouTube in the strictly audiovisual field).
3. THE EVOLUTION OF USER ROLE: FROM PIRACY TO USER GENERATED CONTENTS

Digital culture is not simply a technology change process, but it also means a cultural change which “encourages users to seek information and to establish connections between scattered media contents” (Jenkins, 2008, 15). Henry Jenkins defined this new culture as convergence culture, and it rests on three pillars. The first one is media convergence, or the combination of the flow of contents through multiple platforms, the cooperation between different cultural industries and an audience ready to go anywhere to find the desired type of leisure entertainment. The second pillar is participative culture: now audiences do not simply absorb the media and culture industry messages, but they reformulate them on the basis of their experience and share them through their social interactions. The third element would be collective intelligence, a concept coined by the Frenchman Pierre Lévy: none of us can know everything; each one of us knows something and we can bring the pieces together if we share our resources and combine our skills (Jenkins, 2008, 14-15).

This cultural change has come about in the wake of the cultural industry, as happened with radio, music televisión or tapes. Convinced that computers and the Internet would destroy culture, they started a “war against their consumers, endeavouring to force them to return to old relationships and to obedience to the established rules.” (Jenkins, 2008, 19). This confrontation took place in a contradictory context, as well: while the media and cultural industries were fully engaged in a growing process of ownership concentration in large media groups, the reduction of costs distribution and production, which greatly benefited the industry, “has also allowed consumers to file, comment, own and recirculate the media contents in new and powerful ways” (Jenkins, 2008, 28). Along with digital culture comes the reinforcement of the figure of the prosumer, the producer-consumer (García Canclini and Cruces, 2012). The audiences are now active, whereas before the were passive. They are migrant, vis-a-vis the audiences loyalty in the analogue model, whose most evident example is the linear traditional televisión, which makes us stay in front of the set at a given momento in order to reach the
content in which we are interested or produces the massive contents that the radio or televisión distributors want to broadcast during prime time. The former consumers were isolated, and they now share their experience with others, through the web. Their work as an audience is, therefore, noisy and public, against the invisible activity of the former model.

The rules of the game of contemporary culture have been established by the copyrights laws, and became global at the end of the XIX century, when the masses that emerged during the industrial revolution became literate and popular newspapers and books appeared. But this profound change in creators and audiences roles has cracked the categories upon which those laws were based. Lawrence Lessig is one of the most critical voices with the old copyrights laws, born within the framework of a culture of readers/writers. During the analogue era, the ambition of cultural industries was to be able to control every use made of a piece of work; but in a model which, as we have seen, anyone is a creator, this control is nearly impossible. The efforts of the cultural industry to prosecute users who did not respect the rules are doomed to fail. The solution is adapting to the new reality. If you do not want your content stolen, make it easily available...Access is the mantra of the You Tube generation. And it does not necessarily need to be free” (Lessig, 2008, 46).

Even those contents more closely linked to the market and to the mainstream generate a different, local meaning depending on who and where consumes them. The circulation of users created contents, which it only been an audience till now, helps to circulate those local meanings, those “personal translations” of the cultural industry products (Breitz, cit in Lessig, 2008, 7). The capability to add something new to the contents we receive is, indeed, the main feature of the 2.0 web, a term coined in 2004 by one of the first Internet pioneers, Tim O’Really. Blogs were the first products specifically created for this new way to understand the Internet. “Comments have become an integral part of blogs. Some are profound, some are silly, others are simply designed to provoke. But by adding the answering capacity, blogs changed the way in which they were read” (Benkler, cit.in Lessig, 2008, 59).

The 2.0 web emergence placed the user generated content (USG) at the center of
the Internet. This rather blurry concept refers to all those online content creation practices carried out in a non-professional way and apart from the traditional media structures; they are, for instance, all those practices that feed the social nets. Sharing a link, commenting some news, uploading our own texts or pictures, doing a remix of some known song... All of these are content generating practices, in opposition to what record companies do when uploading an artist's video or what mass media do in their web issues, even though all of these contents wind up mixed up in a single media magma in the net. To quote Jenkins (2008), this mixture of popular with corporate and amateur with professional is one of the features of convergence culture. So is the coexistence of original contents with others, derivated and transformed, which often makes it difficult to establish the creative status of the cultural products that we consume.

In 2006, Time magazine placed a “You” on the front page of its issue dedicated to the personality of the year. Facebook, the most popular of the social webs, was born in 2004. The main network node for audiovisual contents, You Tube appeared in 2005 and was purchased by Google one and a half year later. The settling of user generated contents grew in parallel with the descent of piracy in the net, while companies adapted themselves to the dynamics demanded by active audiences. A frequently mentioned instance is that of Harry Potter'fans: the admirers of the boy wizard have not only massively purchased his books and films, but they have also created stories using the characters and places created by J. K. Rowlin. This fan fiction was initially tolerated, but when Warner purchased the rights to the story, it tried to limit the circulation of these fan generated contents. They noisily opposed this, led by teenager Heather Lawver, and, by means of their campaign in the net, they were able to keep their alternative stories circulating. “This is the story of a company forced to learn something about the digital era”, said Lessig (2008, 208). And one of the main lessons received, quoting Lawyer herself, is that “fans are not a threat, but rather a part of the marketing budget for which it is not necessary to pay.” (quote in Lessig, 2008,208). Companies discovered that user generated contents can not only be an aid to circulation of their creations, but also an additional source of income.
4. COPYRIGHTS AND TECHNOLOGY IN CONFLICT WITH WEB 2.0

The new technological advances always mean a conflict between those who benefit from the possibilities it opens, and those who held positions of power until the onset of the technology. During centuries the printing press was the technology generating a greater conflict in the world of culture. The first laws regulating copyrights (Ana Statute in the United Kingdom, in 1710) were born as an answer to conflicts between printers, publishers and writers.

Once settled in each of the countries, the copyrights laws very soon became international. As early as 1886, the Convention for the protection of artistic and literary works was developed in Berne, promoted by Victor Hugo; the United States did not join it until 1989. The World Trade Organization was created in 1995, placing the questions of copyrights at the heart of global economy.

As had happened with the printing press, the emergence of the Internet meant a drastic change in the relationships between creators, the culture industry and the audience. One of copyrights first regulations in the digital context was the *Digital Millennium Copyrights Act (DMCA)*, which was signed in 1998 by the president of the USA Bill Clinton. At that time, many perceived the Internet as a land full of promises for technology companies and users, and a threat for creative industries. But, above all, it was a *terra incognita*, a world to explore: the law was born to regulate relationships between the actors of the culture world, without even knowing what kind of practices it intended to regulate.

Litman (2006, 89) has pointed out that a good portion of those who made the law “were totally naïve about the Internet and a little more competent vis-a-vis computers”. What was then called “information superhighways” were imagined as an image of televisión, to which a certain amount of interactivity would be added, allowing to purchase from the remote control. However, Bruce Lehman, the main negotiator for the law, knew that “on-line webs would not attract a massive public unless they incorporated music and films” (Levine, 2013,22). *The DMCA was a balancing exercise between the interests of the technology companies*- which
had to provide both the hardware and software in the net through investments – and culture industries – which would market their music, film or book catalogues.

The outcome of this balance was the *safe harbour* idea. The law assumed that Internet platforms acting as intermediaries, technology support suppliers for the exchange of contents between users, can not screen information circulation in their webs, so that they should not be held liable for possible user offences. “In order to balance the safe harbour, a withdrawal warning concept was introduced...” If the owners of copyrights were to find a non-authorized copy of their on-line work, they could send a warning to an Internet supplier or a third neutral party, asking for its withdrawal” (Levine, 2013, 31). Only then would the platform be compelled to withdraw it promptly, otherwise it could be held responsible. This law gave rise to the conditions for the emergence of the 2.0 web; investigator Tim Wu has called it “the Magna Carta of the 2.0 web 2.0” (quote in Levine, 2013, 34) thus allowing for the arrival to the Internet and the connected society that we know nowadays.

5. THE USER AS THE CENTER OF THE MUSIC WEB

The legal model of the secure harbour has been copied in most countries. In Spain, the Information Society Law of Services (Ley de Servicios de la Sociedad de la Información, LSSI), was approved in 2002, as the transposition of the European Directive on Electronic Commerce. This law and the the context of change towards the culture of convergence, coincided with a severe crisis of sales in the music industry while, at the same time, it was confronted with massive piracy of its products through the Internet, and not finding a business model which would allow it to take advantage from the listeners’ digital practices.

The industry figures stopped falling in 2013, a year when both the sale of physical supports and digital sales grew (Fouce, 2014). By this year the digital sector already represented 45% of the music sales business. But that revenue did not only come from the sale of songs through services such as iTunes, but thanks to the growth of the streaming services, which provide consumer requested music (public
In a world where smartphones allow a continuous connection with the Internet, streaming offers the possibility to always have ready what one wishes to hear without needing to download it; it also eliminates the temptation to resort to piracy, since all that music is available to the listener for free (financed by publicity) or at very moderate prices (fixed subscriptions with unlimited use).

Streaming services may generate earnings in these two different ways: by means of publicity or through subscriptions. If showing advertisements is chosen, the listener does not pay anything, as in open television, radio or the digital newspapers. If one wishes to eliminate publicity between songs, several services offer the possibility of paying for a subscription. Spotify, created by the Swede Daniel Ek in 2008, is the most popular streaming service. In March 2017 it already had 50 million subscribers all over the world (one million in Spain), even though, since 2015, it has Apple's streaming service as a competitor, with close to 20 million users; and there are other services, such as Deezer and Tidal, with remarkably lower figures (Lacort, 2017).

All of the above also coexist with channels that do not offer music exclusively, in which songs have an important role. Such is the case of YouTube, where less than one third of contents are of music nature, and the users hardly listen to an hour of music a month, compared to the 55 hours consumed by the average user of Spotify (Muller, 2016); according to the IFPI, however, 58% of its users declare to have used it occasionally to listen to music, exploring new songs or artists, thus adding the value of discovering the music talent. (IFPI/IPSOS, 2016, 4).

There is a remarkable difference between the Spotify type business model and those following the YouTube model. In the case of Spotify, the enterprise decides what contents are available, after purchasing the catalogues from the record companies which control the exploiting rights of the works. According to Seabrook (2017, 368), the companies take 70% of the revenue obtained from subscriptions; this very high rate is partly due to the main global record companies -Universal, SONY and Warner- which have a 15% participation in Spotify's shareholding. Many
Memorando OCC Nº 1*/2017: The role of consumer generated contents in the music industry: conflicts and perspectives

artists, however, have criticised the fact that, with this business model, they hardly get any revenue in spite of the multiple listenings of their songs (see Seabrook, 2017, 371-373; Corroto 2012). There is a problem of transparency, endemic in the music industry, in the way in which information circulates. ‘Even though Spotify transmits detailed information to the companies, at the end of the day it is them who decide what part of that information they share with their artists, thus the distribution of money is not transparent (Seabrook 2017, 369).

The business model based on user generated contents, after the YouTube style, is different. The users themselves provide the contents, and the record companies are just one more user: they decide whether they want to upload their favorite singer’s video, his song remix, his interpretation of a popular theme, accompanied by his guitar from his bedroom (Justin Bieber, the now famous singer, started his music career in this way) or his own songs, seeking to attract a talent hunter (such as, for instance, Pablo Alborán). Copyrights are recognized and protected by means of a YouTube screening tool called Content ID: sound and image are compared with the 50 million reference files that the industry has sent to the platform, as they are subject to copyrights.

Should the screening detect a coincidence between the material uploaded on YouTube by the user and the reference file belonging to a copyrights owner, this owner is offered three options: he may introduce publicity and thus obtain most of the income generated by the video; he may leave it and follow the viewing statistics; or he may fully block it in YouTube, so that access is impossible (Google, 2016, 37). This interrelation system with users (who may upload any contents that interest them) and with the music industry (which may block or obtain revenue from users uploaded material) allows us to state that “every time that a music fan chooses YouTube instead of a non-authorized source is a victory against piracy (Google, 2016, 35). In 2013, after its technologic success in the protection of copyrights, Content ID received an EMMY award for that very reason.

However, the global record companies do not seem quite satisfied with YouTube’s achievement. The 2016 IFPI (International Federation of the Recording Industry)
yearly report recognized with satisfaction the growth of sales, but it creates a new concept in its first pages: the value gap. Frances Moore, IFPI’s top executive, used the submission of the report text to complain that, in spite of the 900 million users, the services paid for by publicity only represent 4% of the music industry earnings, (IFPI 2016, 5). The report states that, in 2015, the 68 million of streaming’s subscription services generated 2.000 million dollars in profits for the industry. In contrast, the more than 900 million users of publicity remunerated services “only” contributed with 634 million to the coffers of the record companies during the same year 2015 (in 2016, only YouTube contributed with up to 1.000 million) (IFPI, 2016, 22), revealing an injustice due to the gap or difference between user generated income from publicity and that generated by subscription. The comparison is acute: although YouTube is today the main income source for the music industry (Guisasola, Promusicae) and even though it has the tool to block contents, if preferred (with Content ID), the industry denounces the income difference “per user” in two different platforms (Spotify for music and YouTube for audiovisual contents), with contents of different nature (phonograms in Spotify and user generated videos in YouTube) and different business models (subscription in Spotify and financed by publicity in YouTube).

Faced with this situation, the music industry demands a new regulation. They believe that the concept of safe harbour was born to protect users creativity, but it has eventually fed the profits of some Internet enterprises. They assert that they alone take on the investment in music, but others, mere intermediaries, obtain most of the income; this question has many nuances: because of the ever decreasing investments for production, because of free distribution which generates income offered by the Internet platforms, but, above all, because with the new habits which have turned the traditional public into culture creators, these platforms and social networks are the ones which, in an automatic, global and free way choose the most recognized talent without always needing a risky investment in potential promises. An example of this reversion of the traditional path is Bely Basarte, a woman from Madrid, born in YouTube and self-made until Disney chose her to dub Bella’s voice in Spanish, and Universal signed her to record an album and go on a tour.
There is no doubt that the Internet platforms have meant a new source of income for the music industry, which has been able to reverse the depressive economic trend. With their system, they own the rights of those who obtain most of the publicity generated revenue (YouTube, 2016) and the owners of the rights may withdraw the contents whenever they wish. The key to the economy debate probably is what is reported by artists, claiming greater transparency from the record companies and management entities, in order to know how much belongs to them exactly from whatever is generated by their works (this demand from the EU draft directive was welcomed by creators and platforms).

YouTube has invested 60 million dollars on its screening technology, thanks to which the record industry receives income from user shared contents, generating “50% of its income from YouTube monetizing material uploaded by fans” (Google, 2016, 11). This screening also benefits creators: “one of our music ecosystem most dynamic parts in YouTube are the fans uploading of tributes, backstage takes, mixes, mashups and clips” (Google, 2016, 11), materials that can circulate (and turn into money) thanks to ContentID that identifies their copyrights owners and allows them to do with them as they wish.

The record industry attack is not disconnected from the modification of copyrights regulations being prepared by the EU to demand technology tools for contents screening. In fact, the IFPI’s above mentioned report (2016, 24) informed about the creation of a coalition which intended to pressure the EU to review the safe harbour legislation, applauding that the present draft makes the platforms liable for the prevention or forestalling (and anticipating, therefore, the author’s report) the availability of unlicensed contents of users uploads. Most European platforms, however, can not afford such an investment if the success of the ContentID tool were to turn into a legal requirement in the EU, as proposed by the European Commission, there will hardly be a handful of American giants which could survive and would monopolize the distribution of music in Europe.
6. CONTENTS SCREENING AND CONTROL IN THE 2.0 WEB. PROBLEM AREAS

In September 2016, the European Commission announced its proposal to modify the copyrights regulations (a sector which is remarkably harmonized among the 28 members). Although the value gap concept is stated in elusive terms, the music industry celebrated the new direction (Music Ally, 2016): if the directive continues forward in the terms of the first proposal, those companies holding large amounts of user generated contents would have to use “effective techniques of contents recognition” to identify materials subject to copyrights and to provide to those copyrights owners with information about the recognition and use of the works and other services.

This prior screening duty contradicts the electronic commerce directive, which does not allow imposing compulsory general monitoring of contents (art. 15) and would drastically change the nature of the net as we know it: this may be read as a war of the old culture industries seeking to retrieve their eroded position. This same directive proposal establishes that those who link the newspaper news compensate the publishers (this initiative is already active in Spain and only brought about the withdrawal of Google News of Spain, causing countless harm to the newspapers, such as the traffic generated in their direction from this service, recently estimated in up to 16 million Euros for the media in our country (NERA Consulting and AEEPP, 2017).

The users’ capability to share contents they consider relevant is being constrained by payment requirements or legal risks, thus deepening a problem that was already identified in the Hargreaves report, prepared to update the British copyrights legislation: “the copyrights regime can not be considered suitable for the digital era, when millions of citizens are daily breaking copyrights, simply to move a music fragment or a video from one device to another. People are confused as to what is allowed and what is not, therefore endangering the prestige of the law” (Hargreaves, 2011,5).
Even though the idea of a previous screening of contents before they become available may seem like a good idea to a layperson, it faces huge practical problems, and we shall point out three of them. The first is of a technical nature: a screening system must be scalable; that is: should the amount of files to be screened grow exponentially, so must the screening capability. Developing a screening system for a small service may be possible, but if it grows very fast, the need for technology investment would skyrocket; in this manner, this obligation would be driving entrepreneurs and new local platforms lacking that consolidated economic capacity out of the market, thus increasing the position of dominance of others, such as YouTube: a dominance situation which, indeed, means an ongoing investigation and prosecution to Google, its mother enterprise, by the European Union.

The second problem deals with the difficulty to decide under what conditions does a user need permission from the copyrights owners in order to use certain contents. The copyrights owners may grant territorial licenses in a global network, or exceptions and permits to third parties; the European law also regulates a limits system (such as a quote or a parody) which, in the practice and in some cases, grants the user the capability of using music or images without permission. An automatic screening system, with thousands of millions files would not be capable of identifying these authorized uses, which not even specialized Courts are capable of delimiting without reservations. If, to quote Klein, Moss and Edwards (2015,59): "breach warnings are simply based on an accusation rather than on reliable evidence", how much more would the result of an automatic screening with general rules turn into censorship.

A third problem would eventually explode at the very heart of the music industry. If screening systems require comparing each file with a reference one, the industry would have to offer every one of those files to every service provider, a request which may be impossible to fulfill. And if they were to simply meet the requests of the more successful services, the music industry would once more be expelling these new initiatives from the market industry and encouraging the position of dominance of those services that they are now accusing of generating the value gap: we would find ourselves facing the creation of another barrier to the
creation of new European platforms.

7. USER CENTRALITY AND THE RECOVERY OF THE MUSIC INDUSTRY TO GUARANTEE CREATIVITY IN THE NET

From 2013, both income and the employment level in the music industry have grown steadily (Oliver et al, 2017, 52), while piracy has gone down (La Coalición, 2016). All of the most recent reports about the music industry (IFPI 2016, Alternativas 2017, SGAE 2016) insist on the importance of digital income growth in the shoring up of the industry, and a good part of this income is produced thanks to user generated contents.

The love of music goes hand in hand with the need to share it with one’s peers and to add a personal touch. This active capacity of audiences is the engine of the 2.0 web and it needs to be preserved; any transforming process in the world of music should take into account the wealth of these activities and add their preservation among its goals. Some guidelines are listed below in order to maintain a music environment that places the listeners’ activities at its center, bringing their creative and economic value together.

**Implementing user participation possibilities.** Even in those services whose contents are presented in a centralized manner, users play a central role through their lists, which they share with other listeners. “The playlist is the álbum in the world of streaming” (Seabrook, 2017, 360). Whether they choose the classic streaming or the one fed by listeners, they will always value the opportunity to do something more than just listening to the music.

**Increasing the link between artists and listeners.** The social nets have brought artists close to their public and, specially, to their fans. The possibility of using their songs in their creative practices and to circulate them among their peers is a strategy to obtain loyalty and it also contributes to making artists and themes known for free. The app Music.ly for instance, allows its users to make short videos (between 15 seconds and one minute) where they record themselves singing songs...
from their favourite artists, which they later exchange with the rest of the users. It already has 90 million registered users, most of them very young.

**Improving transparency, especially in connection with the remuneration of authors and artists.** Authors are the origin of culture and an essential element; listeners focus their interest and their activity on the artists; artists are the ones who attract users towards one or another service. If listeners perceive that authors or their favourite artist do not receive what they deserve, their attachment to the music will diminish; it is useless for the Internet services to give data to management companies and entities if the artists do not get to know that information. The repeated criticism of musicians, demanding more transparency from their representatives when knowing how their songs circulate, make listeners reticent at the time of using one or another service. A recent announcement states that Deezer is studying to change its earnings distribution model to a user centered one, which favours the remuneration of artists be effectively linked to what listeners hear and not, as it is now, screened by the total number of users of the service (Mulligan, 2017).

**Encouraging users creative activities.** The activity of the audience may be minimal (such as pressing “like” or sharing some contents) or gaining creativity when recording versions or when it is a question of *mashups* or remixes. In those instances, a restricted interpretation of copyrights would be suffocating personal views and new forms of creation, which only enrich our cultural environment besides generating additional revenue for the music industry and disseminating the work of the artists. Regulating copyrights demands an in-depth reform which takes into account the new reality. Dealing with audiences as mere passive consumers does not answer to the reality of contemporary practices. It is especially necessary to redefine all of the transforming uses in order to make room for the infinite number of creative possibilities that digital technology has opened up.

**Promoting new music distribution services and models.** The more competition there is in the market, the more options the listener will have to find a way to connect with music suitable to his interests and situation. A wide supply will also
allow record companies to decide what conditions are more suitable and to bet for one service or another as their preferred music channel. An open market also favours the emergence of new models, hand in hand with entrepreneurs. Legislative changes to be approved should tend to facilitate the arrival of new competition in the market and to favour new ideas.

Redefining of the legal framework. Both the copyrights regulation and the services of the information society require a revision in agreement with the new practices and technologies in use. In any event, these already ongoing legislative changes should take into account the dynamics of the culture of convergence and not hinder the circulation of contents and the creative activity of audiences. The capability to link contents, to share informations or to re-elaborate works in a creative manner should not be restricted by the greed of culture industries which want to keep control over the use of its catalogues or by the conflicts between the music sector and the technology enterprises as to how to distribute the profits generated by subscriptions or publicity from user generated contents. The best that the new legislation can bring is 1) specifying the elements of transparency demanded from all industries, 2) reinforcing the principles of the Electronic Commerce Directive, which has allowed a historic dynamization of cultural contents, and 3) consecrating the central position of authors in creative works, above management entities and digital publishing, music or film industries.

REFERENCIAS

Memorando OCC Nº 1*/2017: The role of consumer generated contents in the music industry: conflicts and perspectives


• IPKitten. 2016. “CJEU says that linking to unauthorized content is NOT a communication to the public unless one seeks financial gain and has knowledge of illegality” http://ipkitten.blogspot.com.es/2016/09/super-breaking-liberal-cjeu-says-that.html

• Jenkins, H. 2006. *Convergence culture.* Barcelona. Paidós


• Lacort, J. 2013. “Las cifras de Spotify: un magnífico gigante que sueña con ser rentable” Hipertextual, 14/03/2017. https://hipertextual.com/2017/03/las-cifras-de-spotify

• Lessig, L. 2005. *Por una cultura libre.* Madrid. Traficantes de sueños


• Levine, R. 2013. Parásitos. Como los oportunistas digitales están destruyendo el negocio de la cultura. Barcelona. Ariel


• NERA Consulting. 2015. *Impacto del Nuevo Artículo 32.2 de la Ley de Propiedad Intelectual.* Informe de para la Asociación Española de
Editoriales de Publicaciones Periódicas (AEEPP).


- PROMUSICAЕ. Mercado de la música grabada en España 2016 - Informes PROMUSICAЕ. http://www.promusicae.es/estaticos/view/4-informes-promusicae
