

Press release

Corint Media offers Google a licence agreement

Corint Media demands 420 million euros for the use of press publishers' rights in 2022 that belong to the press publishers they represent.

Berlin, October 15, 2021 Corint Media, a Collective Management Organization (CMO) that represents the neighbouring rights of press publishers, has submitted a licence agreement to Google. This is for the use of press content such as headlines, short article excerpts and preview images in its search engine, so Corint Media is currently demanding a licence fee of 420 million euros for 2022 on behalf of nearly 200 copyright holders. This calculation is based on the normal remuneration rate applied to the relevant turnover of the utilising company in the particular market - in this case Google in Germany. The arbitration board at the German Patent and Trade Mark Office, which is responsible for assessing tariff and remuneration issues, had already assessed a royalty rate of up to 11% on the relevant turnover for the entire repertoire as being basically appropriate. This percentage has been reduced accordingly as Corint Media currently administers the rights of approximately 200 digital press publications in the German market. The sales revenues Google generated from running their search engine in Germany are estimated to be around 9 billion euros in 2020.

According to the payments or claims for the use of press content that have become known in other markets, i.e. Australia around 100 million euros and Canada around 400 million euros, the sum being demanded is in perspective with regard to international comparisons. The antitrust authority in France recently ordered Google to pay 500 million euros. Contrary to an official order, the company had not negotiated constructively with the press publishers about the remuneration for the French press ancillary rights, which, like in Germany, is based on the EU copyright directive.

The online website of a medium-sized national newspaper that generates around 30 million visits per month would also generate revenues of about 15 million euros per year after this licensing. The revenue could be further increased by concluding additional licensing agreements. Corint Media has called on Facebook to open negotiations regarding this and is already in talks with Microsoft and other users.

Prof. Norbert Flechsig, copyright scholar and co-author of numerous commentaries about copyright law has said: *"The demand for adequate remuneration for copyright holders for online use is structurally not a new case for copyright scholars. If authors in the book sector receive at least 15% of the counter sales price as a regular royalty payment, then 11% of Google's sales can only be described as the lower limit of an appropriate payment for all German press publishers. Finally, the editorial work protected by copyright and ancillary rights is included in this remuneration claim, because these very editors must be proportionately*

remunerated for this work. Only with such an appropriate remuneration will contractual parity appear to exist, which the German legislator did not want to override in the relationship between press publishers and search engine operators".

(See below for a detailed quotation.)

Axel Voss MEP, the representative for the EU copyright directive said: *"All of the publishers must benefit from the press ancillary rights as this is the intention of the European legislators. The income is intended to secure the publishers and diversity of opinion as well the diversity of the press and it should also guarantee participation by journalists. Any attempt to circumvent this robust right is contrary to the purpose of the regulation and it must be rejected".*

Markus Runde and Christoph Schwennicke, managing directors at Corint Media: *"With this offer, the negotiations with the largest platform that uses press content are now entering the decisive phase. The law is there, it has been legitimised by Europe and it is approved beyond the EU. It's now a matter of quickly setting a price that is very transparent and does justice to the importance of the entire press on the internet".*

About Corint Media:

Corint Media, based in Berlin, is a European company working in the private media industry. It represents the copyrights and ancillary rights of almost all German and several international private television and radio broadcasters as well as those of numerous press publishers.

The media companies represented by Corint Media include TV stations such as Sat.1, ProSieben, RTL, WELT, SPORT1, CNBC, Eurosport, VOX, MTV and CNN as well as radio stations such as ANTENNE BAYERN, radio ffn, Klassik Radio, Radio Hamburg, Hit Radio-FFH, RPR1 and RTL RADIO as well as press publishers such as Axel Springer, Verlagsgesellschaft Madsack, the DuMont Mediengruppe, Augsburgener Allgemeine, the Aschendorff Mediengruppe, the Rheinische Post Mediengruppe and the Münchener Zeitungs-Verlag.

Corint Media is one of 13 authorised collecting organizations in Germany and it is supervised by the German Patent and Trade Mark Office.

About Prof. Flechsig:

Prof. Norbert P. Flechsig is a copyright scholar and honorary professor at the Law Faculty of the Eberhard-Karls University in Tübingen. Flechsig was a lecturer at the universities of Tübingen, Stuttgart, Ludwigsburg and Ravensburg-Weingarten and this included lecturing on copyright law.

As a scholar, he is one of the authors of the "Handbuch des Urheberrechts" (Handbook of Copyright Law) and "Beck'scher Kommentar zum Rundfunkrecht" (Beck's Commentary on Broadcasting Law), both standard works in their respective fields. Flechsig has spoken about the demanded remuneration rate:

"The demand for appropriate remuneration of copyright holders with the advent of the internet - especially in this case, remuneration for the absolute, exclusive ancillary rights belonging to a press publisher that makes

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his press publication publicly accessible when it is reproduced in whole or in part for online use by providers of social information services, i.e. by search engines, is **structurally not a new case** for copyright scholars. Literature and case law have been dealing with this issue for over 100 years. If authors in the book sector receive at least 15% of the counter sales price as a regular royalty payment, then **11% of the revenue** generated by search engine operators from their operations in Germany should be awarded to all of the German press publishers as their editorial work is protected by copyright and ancillary rights and this must be included in this remuneration entitlement that still has to be determined, because these editors must be remunerated proportionately for their work (Section 87k of the German Copyright Act) and **this percentage can only be described as the lower limit of an appropriate remuneration.**

Only with such an appropriate remuneration will contractual parity appear to exist, which is what the legislator wants to establish in the relationship between press publishers and search engine operators. If one assumes that Google's estimated 2020 revenue in Germany was 9 billion euros, then the assumed licence sum will be 990 million euros p.a. for all national press publishers and editors, i.e. all of the relevant copyright holders in Germany, seems rather small in view of this exorbitant revenue generated in our country. If one of the **main tasks of the collecting societies is to demand appropriate remuneration from those liable to pay remuneration** and to pass it on to the copyright holders that they represent, **then this remuneration claim against the search engine operators must not fall behind other remuneration claims**, such as those for reprinting press reviews, late reports, reproducing written works, other operator remuneration or the device remuneration - **and this claim must not be unreasonably delayed**".

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