



INTERNATIONAL ASSOCIATION OF SCIENTIFIC, TECHNICAL & MEDICAL PUBLISHERS

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European Commission

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**STM submission on the "Consultation on the Future "EU 2020"
Strategy**

The International Association of Scientific, Technical and Medical Publishers ("STM") comprises approximately 100 publishers of journals and reference works, based in 26 countries, including many Member States of the European Union. EU-based publishers publish 49% of all research articles worldwide (STM's members may originate approximately 2/3 thereof), employing 36,000 staff directly and another 10-20,000 indirectly, and make a Euro 3 billion contribution to the EU's balance of trade. STM publishers disseminate journal content, books and reference works, and databases, in a variety of forms including print and online, and in addition provide systems that enable access to individual articles and contributions (hereinafter: "Content") of a multitude of European and international scientific, medical and technical authors and scholars. This creative Content is available widely in electronic and in print form for access by individuals, whether through academic and corporate libraries or directly, for use in research, education, in industry, the professions and business.

STM welcomes this opportunity to make its submission as part of the consultation on the future "EU 2020" Strategy.

STM's interest representative ID number is: 704612025371728109.

STM has taken great interest in the Consultation on the Future "EU 2020" Strategy discussing the key priorities and welcomes the Commission's initiative to develop the "EU 2020" strategy succeeding the current Lisbon Agenda.

STM shares the view of the European Commission that our prosperity will come from innovation and from using resources better where the key input will be knowledge. As publishers, we play an integral role in this.

STM wishes to contribute constructively to the debate by giving its opinion on the key priority "Creating value by basing growth on knowledge". A more detailed and elaborated view of STM's position to the European Digital Single Market can be found in the submission made on "Creative Content in a European Digital Single Market: Challenges for the Future", dated January 5th, 2010¹.

I. Executive Summary:

In order to contribute to the realisation of the 2020 Vision, we believe the European Commission should:

- **Support a clear definition of the fifth freedom** along the lines of the existing and well established Four Freedoms. "**Free**" in the context of the Four Freedoms - and now also in relation to the Fifth Freedom - should better be described and imply the following: "**unrestricted, unconstrained and unbiased without prejudice or discrimination.**"
- **Foster sustainable access to scientific research and data that is grounded in evidence-based policies.** The Commission's work on the Publishing and the Ecology of European Research (PEER) project (<http://www.peerproject.eu>) is one example of current efforts under way to develop policies that will ensure sustainable dissemination of European research to all relevant stakeholders.
- **Maintain the current balanced and stable Intellectual Property system** that provides a return for investing in the

¹ http://ec.europa.eu/avpolicy/other_actions/content_online/index_en.htm

effective and efficient dissemination of research and data, and supports efforts to continue innovation and develop new business models.

- **Ensure that authors continue to have the freedom to decide where, when and how they publish.**
- **Co-ordinate a concerted fight against internet piracy by all actors and intermediaries** in the digital market place to foster the development of a single common market.
- **Promote the zero-rating of VAT on electronic books and journals** in the whole of the EU, alternatively applying the same reduced VAT rates to electronic books and journals as currently are applied in the EU Member States for printed publications to remove barriers for a Digital Market.

II. Detailed Comments on the “EU 2020 Strategy”

1. Defining the “Fifth Freedom”

STM welcomes the European Commission’s goal that “The aim for 2020 is to achieve a genuine European Knowledge Economy, in which all actors benefit from the free circulation of people, knowledge and technology (the 5th freedom)”.

Since its formation, the European Union has aimed to create a Single European Market where the principle of non-discrimination applies to all EU citizens. In order to achieve this, the so-called Four Freedoms have been established and implemented during the last 30 years as beacons guiding the whole development of an ever closer Union; the Four Freedoms as recognised today are:

- Free movement of goods
- Free movement of persons (labour)
- Free movement of services
- Free movement of capital

From the citizen’s point of view, these Four Freedoms have rightly come to characterise the Single European Market. They allow for example for unlimited and unfettered entry and exit between European countries for

European citizens belonging to the European Union or the opening of a bank account in any European country by a European citizen, with no cross-border constraints.

Since 2007, the European Commission has started to advocate making the free movement of knowledge the fifth freedom², in addition to the established Four Freedoms. The fifth freedom was primarily introduced with the launch of the Green paper "The European Research Area: New perspectives" in April 2007", and further described and broadened to "free circulation of researchers, knowledge and technology" in the "2020 Vision for the European Research Area"³ document adopted on 1st/2nd December 2008 by the 2891st Competitiveness Council. The fifth freedom should help to overcome possible fragmentation in the European Research landscape.

STM notes, and approves, the broadening of the term "Fifth freedom" to include not just the unrestricted circulation of information, but of researchers, knowledge and technology.

The fifth freedom should help to facilitate a "**free flow**" of information to researchers, students and citizens of all EU countries but the fifth freedom should not imply, or raise the expectation, that the "**flow of information is free**". "To move freely" does not mean the same thing as "to move for free".

For example, the other Four Freedoms do not imply or raise the expectation that these are to be enjoyed by all EU citizens and consumers "for free", ie at no cost to them. The free movement of persons (labour) or capital does not imply that people can move without having to pay for transport or that capital can be transferred between banks without bank charges. Similarly, the free movement of goods and services does not mean that such goods and services are supplied for free. The Commission should not use the phrase "free movement of knowledge" in such a way as to mislead the public into believing that knowledge, education or technological progress come "for free". Education costs money and it must

² Make 'knowledge' a fifth Community freedom, says Potocnik at Green Paper launch;
http://cordis.europa.eu/fetch?CALLER=NEWSLINK_EN_C&RCN=27454&ACTION=D

³ Council Conclusions on the definition of a "2020 Vision for the European Research Area",
http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/intm/104434.pdf; leaflet about EU 2020 Vision
http://ec.europa.eu/research/era/pdf/2020-vision-for-era_en.pdf

be paid for (whether directly via course fees or indirectly via taxation); knowledge transfer (e.g. via consultants) must be paid for; and so must publishing. **“Free”** in the context of the Four Freedoms - and now also in relation to the Fifth Freedom - should better be described and imply the following connotations: **“unrestricted, unconstrained and unbiased without prejudice or discrimination.** STM and its members are fully committed to realise these freedoms to the maximum extent possible and naturally strive towards the ever greater fulfilment of this dream; however, sustainability is the guiding principle in all efforts.

Society benefits from the pursuit, distribution, preservation and usage of scientific discovery and knowledge. Scholarly scientific publishers (Science, Technical, Medical, Humanities and Social Sciences publishers) are trusted partners in this endeavour and form an indispensable link in the process of creating, registering, certifying, formalising, improving, disseminating, preserving and using scientific information. For centuries STM publishers have been helping to create and disseminate (and now also preserve) the “body of knowledge” which presents the key ingredient for the development of a knowledge economy.

STM publishers are at the forefront of online and digital innovation. They are constantly committed to support, adapt and develop cutting-edge technological solutions that enhance the ways in which the research community and society at large accesses, uses and shares scientific knowledge; how the research community works collaboratively to identify and solve key challenges facing our world; and how knowledge can be organised and delivered in globally standardised, interoperable formats to ensure a seamless flow of information. Standardisation⁴ and organisation of knowledge plays a vital role and STM publishers were early adopters of standard identifiers for digital objects (the DOI, or Digital Object Identifier), which underpins the publisher-established system for linking reference citations in articles⁵; we are also involved in leading discussions about other digital identifiers, including ones for institutions and researchers/authors⁵.

STM publishers connect the innovators and creators of scientific information and ensure that their information is seamlessly disseminated and accessible in the digital marketplace.

⁴ STM is a member of EDItEUR and involved in the development of ONIX-PL; <http://www.editeur.org>

⁵ ORCID: Open Researcher Contributor Identification Initiative: <http://science.thomsonreuters.com/orcid/>

Today, in the STM digital market, consumers of scientific information through a variety of business models can already access the “body of knowledge” from everywhere and at any time (=free movement of information).

2. The Role of Intellectual Property in Fuelling Innovation and Creativity

A sound, solid and well-functioning framework of intellectual property rights forms an essential pre-condition for STM publishers’ continued investment in innovation. Publishers depend on the protection of incentives offered by copyright or on directly licensed rights to make substantial investments that support the peer review process; the promulgation of new fields of science; the enhancement of research articles, online journals, and web platforms; and the development of online tools that facilitate the discovery, dissemination, and preservation⁶ of scientific research and data. As an example, STM is constantly investing in new Web 2.0 applications (e.g. specific discipline social networks, “article of the future”, handheld applications for scientific information), extending the traditional access and discoverability of information and thus generating a new economy which is targeted to all information “consumers” (researchers, students, laymen). These Web 2.0 applications enhance STM publishers’ offerings and provide an excellent opportunity for the development of start-ups and other “knowledge-based” firms.

The current *copyright acquis* provides an appropriate balance between exclusive rights and exception and limitations. In STM’s view, exceptions and limitations from copyright infringement should remain exceptions, ie not become the rule. Wider access to legal copyrighted works can be achieved through the further development of business models (such as pay per view; article rentals (e.g. as provided by Deep Dyve); funder-, institutional- or author-paid access) and collaborative efforts between involved stakeholders which can be specifically tailored to the needs of a particular target audience or community. All these solutions share in common that they are (i) market driven, (ii) voluntary and (iii) based on principles of sustainability. The STM industry is experimenting with

⁶ STM industry is engaged in preservation initiatives such as Portico (<http://www.portico.org>) and in e-depot and preservation at the National Dutch library (<http://www.kb.nl/index-en.html>); STM as organisation participates in PAREInsight (<http://www.parse-insight.eu>)

business models, engaged in European projects (e.g. PEER⁷, PARSE.Insight) to generate evidence based data for future policy making, and actively contributing to the discussion about community-based solutions for e.g. visually impaired persons⁸.

The European Commission should foster co-operation among stakeholders in order to arrive at community-wide solutions.

The current IPR system gives researchers the freedom of where and how to publish. In STM's view the freedom for authors to choose where to publish their research and in what form is, and should continue to be, paramount for all actors in the scientific communication chain. The European Commission should support the tried and tested copyright system of "property rights *cum* moral rights".

3. Realising the Single Digital Market

In the field of academic and STM publishing, the transition to the digital market has been almost completed for the journal sector (e.g. 96% of Scientific, Technical and Medical journals are available electronically; 87% in Arts, Humanities and Social Sciences) while the e-book market has not yet moved beyond "nascent". With the advent of a large variety of new business models, aggregators (Ciando, Ebrary, NetLibrary, etc.) and licensing mechanisms, broad public access to those works nationally and across borders is the norm.

Multi-territorial licensing presents no structural, legal-technical difficulties for publishers of scientific works. It can and will be done depending on market demand. No intervention is needed and all actors should be left to experiment with rights acquisition, rights clearance and licensing.

However, illegal uses of content on the internet and intranets, as well as instances of widespread piracy, are slowing down the full realisation of a single digital market. Legal offerings of publishers can only thrive and multiply if illegal and unfair competition is curbed adequately and effectively through legal measures. In STM's view piracy, illegal use and a

⁷ <http://www.peerproject.eu>

⁸ STM is member of the stakeholder platform at WIPO, in order to facilitate arrangements to secure access for disabled persons to protected works; Report WIPO SCCR 18/4, 11th May 2009; http://www.wipo.int/edocs/mdocs/copyright/en/sccr_18/sccr_18_4.doc

lack of respect for intellectual property represent the biggest obstacle for the development of a single Online Market.

The European Commission should therefore engage to foster co-operation among all actors in the digital market place to vigorously fight against the online piracy of works.

Another significant barrier hindering the development of the Digital Market is the disparate VAT rate between electronic and paper publications. The European Commission should therefore consider either promoting a zero-rate for electronic publications or applying the same reduced VAT rate for electronic publications as are currently applied to printed publications.

In this regard, STM notes that – unlike the area of musical works – all collective licensing in our sector is traditionally confined to the licensing of secondary uses and on the basis of non-exclusive rights. There is no culture of mandating Reproduction Rights Organisations.

One measure that could facilitate multi-territory licensing would be to promote the greater availability of rights management information. ARROW⁹ is such a project where many stakeholders are working together to create a database for rights information and Orphan Works. Those solutions are being achieved on a voluntary basis and demonstrate that trust and understanding between stakeholders can evolve and flexible concepts can be developed. The European Commission should encourage the development of those projects by using existing instruments.

Conclusion:

STM supports the European Commission's efforts to develop an "EU 2020" strategy to become the most competitive and dynamic knowledge-based economy in the world, emphasising knowledge, innovation and the optimisation of human capital, and fuelled by the "knowledge triangle" of research, innovation, and education.

We agree that only with the development and definition of a shared vision and key priorities can the realisation of this venture be achieved.

⁹ <http://www.arrow-net.eu>

Respectfully submitted
For and on behalf of the International STM Association
14th January 2010

Very truly yours;

A handwritten signature in black ink, appearing to read "Michael Mabe", with a long, sweeping horizontal line extending to the right.

Michael Mabe
Chief Executive Officer

Cc: Federation of European Publishers (FEP)

International Federation of Reproduction Rights Organisations
(IFFRO)