

**KAMRAN IMANOV**

**COPYRIGHT IN AZERBAIJAN  
(possibilities and perspectives)**

**Baku – 2018**

**Kamran Imanov,**

Chairman of Board of the Intellectual Property Agency of the Republic of Azerbaijan.

**Copyright in Azerbaijan (possibilities and perspectives).  
Baku, 2018**

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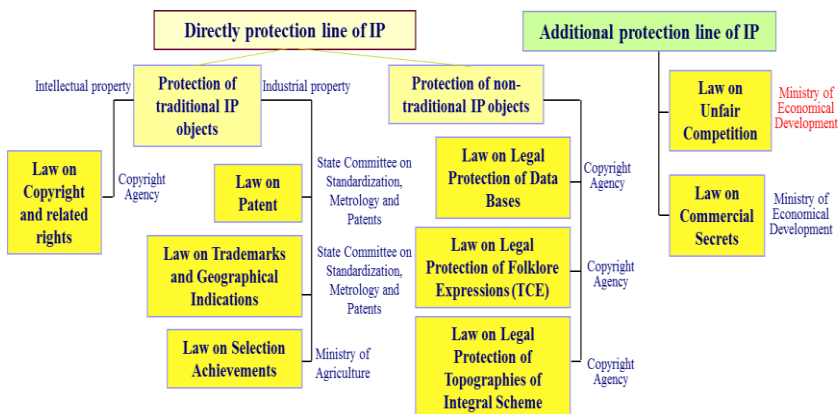
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# DISTRIBUTION OF AUTHORITIES AND INFORMATION BETWEEN COMPETENT BODIES OF INTELLECTUAL PROPERTY IN AZERBAIJAN



## I. National legislation base, classification and management of IP



**Law Enforcement:**

- Civil, Criminal, Procedure Codes and Code of Administrative Offences.
- Customs Code.

**The copyright:**

- Law on Enterprises;
- Law on Culture;
- Law on Theatres;
- Law on Cinematography;
- Law on Tele-radio broadcasting;
- Law on Advertising, etc.;
- Law on Electronic Commerce;
- Law on Digital Signature and Electronic Document Circulation.

**International Treaties:**

**WIPO:** Bern Convention

Geneva Phonograms Convention

Roma Convention

WIPO Internet Treaties

**UNESCO:** Convention for the Safeguarding of the Intangible Cultural Heritage

**CIS:** 6 Bilateral Treaties

## **II. The State Copyright Agency of the Republic of Azerbaijan**

### **1. Statute**

Agency is the body of the central executive power that carries out the state policy in the field of traditional IP objects (copyright, related rights) and non-traditional IP objects (rights on TCE (folklore), topography of integral schemes, data bases (information collections)); provides the normative-legal regulation, development and coordination of this activity field

["The Statute of the Agency" and "Structure" were affirmed by Decrees of the President of the Republic of Azerbaijan dated to 30.08.2005 with amendments and additions, 11.11.2008, 31.08.2009, 30.10.2009 and 21.12.2009].

### **2. Relation to Government**

The State Agency is included into structure of the Cabinet of Ministers of the Republic of Azerbaijan.

The Chairman of Agency is the member of the Cabinet of Ministers.

### **3. Leadership**

The Chairman and the Deputy Chairman of Agency are appointed by the Order of the President of the Republic of Azerbaijan, the Chief of Staff and heads of departments are affirmed by consent of the Administration of the President. The board of Agency is affirmed by the Cabinet of Ministers of the Republic of Azerbaijan.



#### **4. Participation in Governmental bodies**

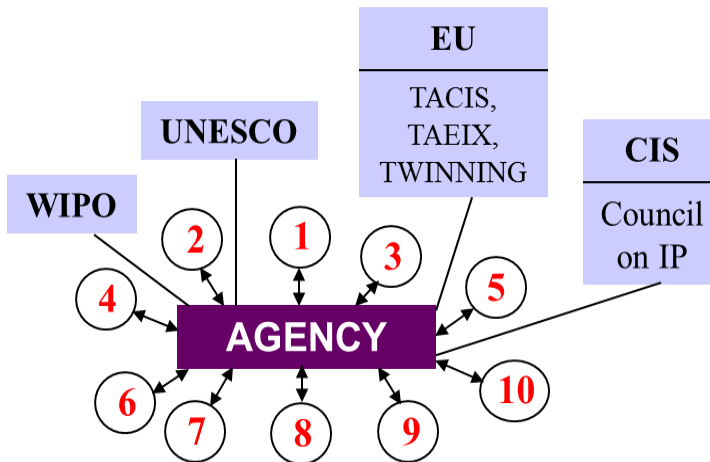
- ❖ State Commission on Cultural Rights;
- ❖ Governmental Commission on Integration with EU;
- ❖ Governmental Commission on WTO;
- ❖ Governmental Commission on Export-Import Control;
- ❖ Governmental Commission on Enforcement of IP Rights and Fight Against Piracy.





## 5. Cooperation with other bodies

- State Committee on Standardization, Metrology and Patent **1**
- State Customs Committee **2**
- Ministry of Economic Development **3**
- Ministry of Taxes **4**
- Ministry of Culture and Tourism **5**
- Ministry of Education **6**
- Academy of Science **7**
- Ombudsman Administration **8**
- Judicial and law enforcement powers **9**
- Organizations of right holders, non-governmental organizations, local self-government bodies **10**



## 6. Functional structure



## 7. Improvement of professional skill and retraining

**On-line WIPO** – 8 employees

**On-line WTO** – 14 employees

**Courses and seminars** (WIPO, USA, UK, South Korea) – 4 employees

### The general purpose of the Agency

State policy implementation on using of IP potential, as tool of social-economic and cultural development and formation of IP culture.

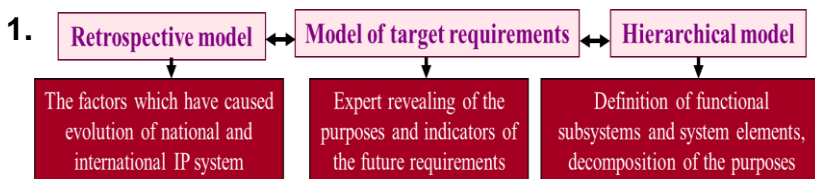
**Problem 1 (governmental body) State policy implementation.**

- Developing of national strategy of IP development;
- Developing of State program on IP, system forecasts;

- Control over the current legislation and coordination of IP sphere;
- Drafts of laws and normative-legal acts on IP;
- Tariff policy in IP sphere;
- International cooperation in IP sphere;
- Others;

**TOTAL 16 functions.**

### **FRAGMENT OF NATIONAL STRATEGY OF LONG-TERM DEVELOPMENT OF IP SPHERE**



**Problem 2.** Stimulation of RIA and creation of favorable environment for investments into creativity and innovations, distribution and enrichment of creative and innovative products and services.

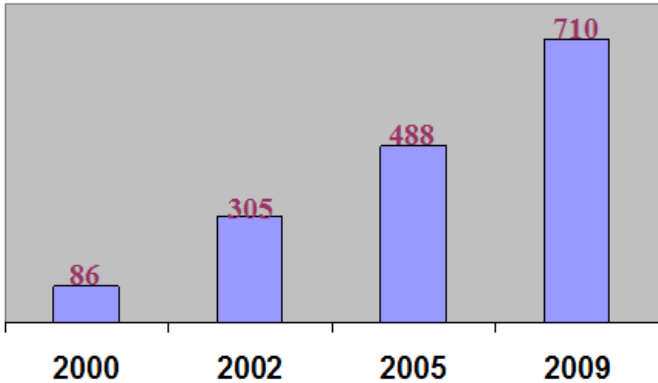
**“Azerbaijani Authors” Unity** – musical works

**“Guild of Film directors”** – audiovisual works

**“Author”** – related rights

- Accreditation of collective management organizations, the methodological assistance, segments formation, control of the activities and dispute resolutions.

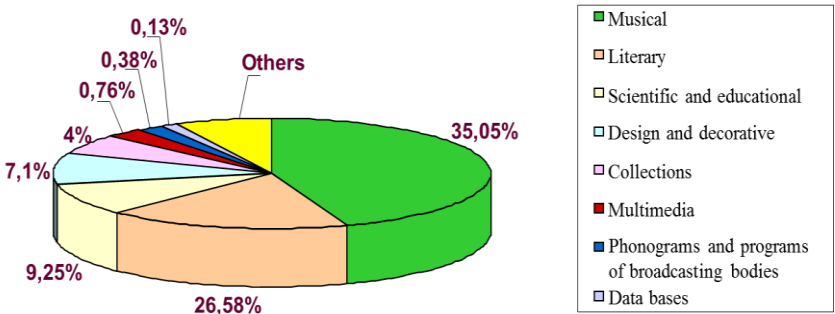
# DIGITAL REGISTRATION, INCLUDING ONLINE



**Volume of registration on years**

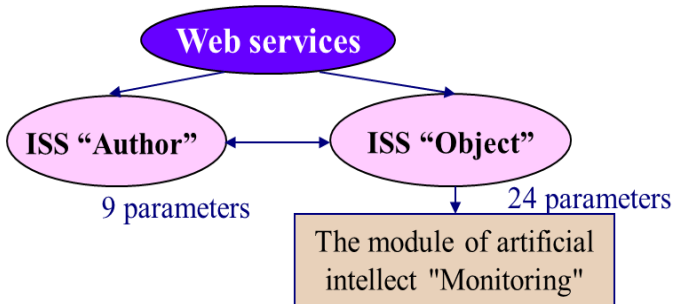
- Optional registration of IP objects, granting of certificates of the established form and the publication of the registered rights.
- Creation and conducting a national digital database and the depositor on authors (right holders) and IP objects.

# DIGITAL REGISTRATION, INCLUDING ONLINE



**Types of the registered objects in %**  
(total number 7087)

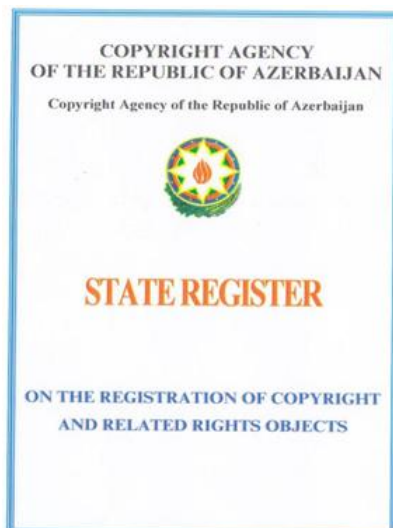
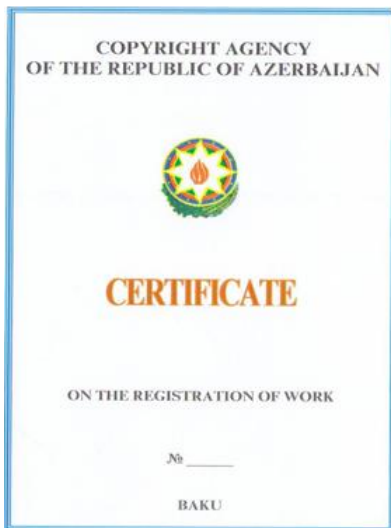
## DIGITAL DATA BASE



**Programming environment:** Delphi

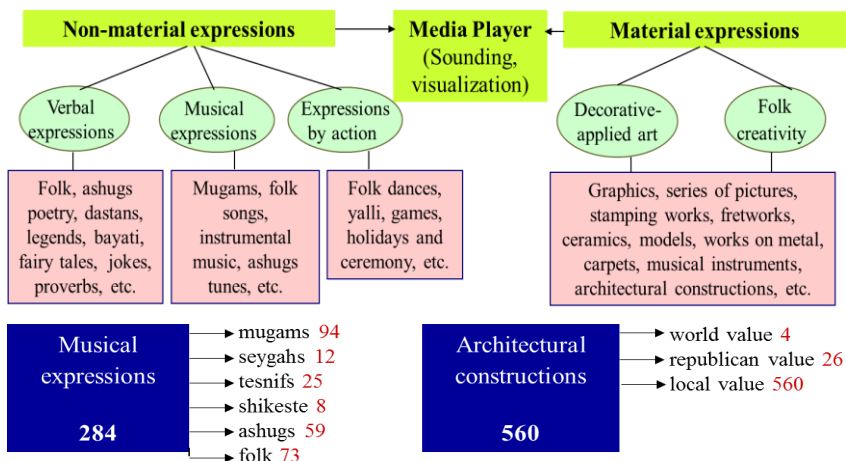
**Language:** Pascal, Search language - SQL

**Output:** Search on any parameters, accounting and statistical data.



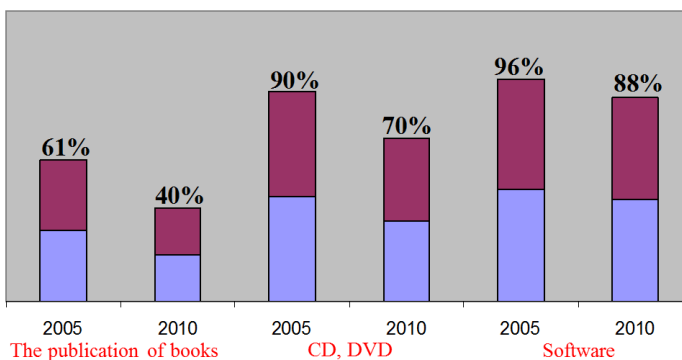
- Creation and conducting of multimedia digital library on TCE (folklore).

## MULTIMEDIA DIGITAL LIBRARY “FOLKLORE”



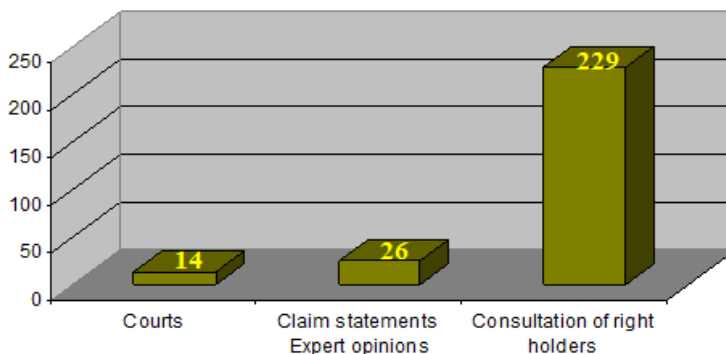
- ✓ Monitoring of the level of infringement of IP Rights and piracy, its estimation and carried out measures.
- ✓ Monitoring of using TCE (folklore) according to the legislation.

## COMPARATIVE INDICATORS OF LEVEL OF A PIRACY



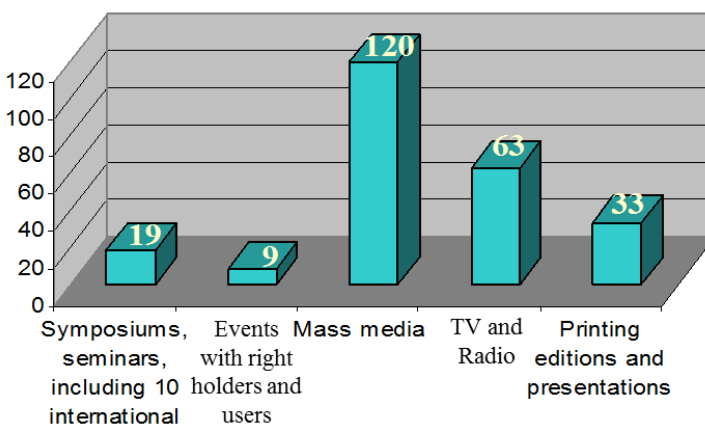
**2010:** 4 monitorings, withdrawn over 7000 piracy CDs, DVDs

## ENFORCEMENT STATISTICS 2010



- Representation of interests of the state in courts on infringement of use TCE, expert conclusions, the third party in questions of infringements of IP Rights.

## FORMING IP CULTURE 2009-2010



- Consultation of right holders and preparation of their claims, the methodological assistance in IP questions to law enforcement bodies, publications

in IP sphere, radio and TV debates, symposiums, seminars, round tables, etc.

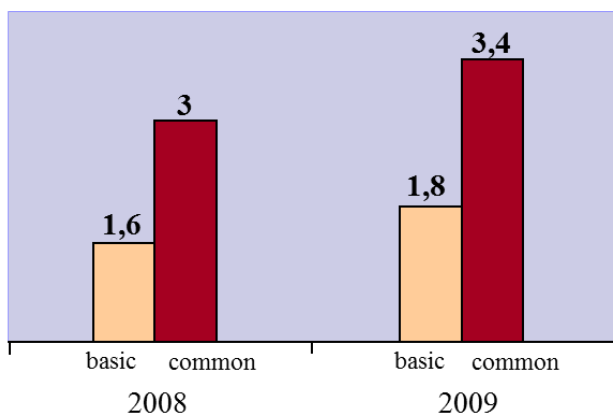
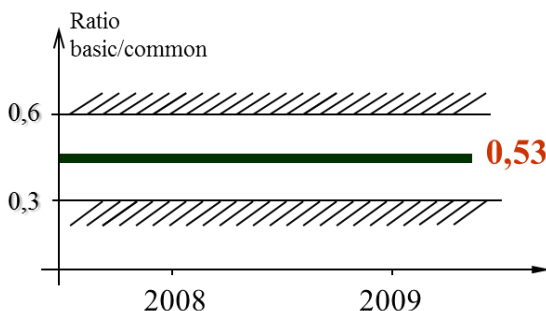
- Conducting statistics of court cases on IP, etc.

### **TOTAL 30 functions**

**Problem 3.** Transformation of IP into the powerful development tool of the economy based on knowledge.

- Valuing of contribution of the industry based on the copyright (creative industry) in country GDP

### **SHARE OF THE CREATIVE INDUSTRY IN GDP**



### **GDP of Azerbaijan in 2009**

34,6 billion manats (43,25 billion \$)



- Researches on an index of innovation in model of Solow.
- Revealing of a share of investments connected with IP.
- Working out of methods of an valuing of IP actives on a microeconomic level, etc.

### **TOTAL 7 functions**

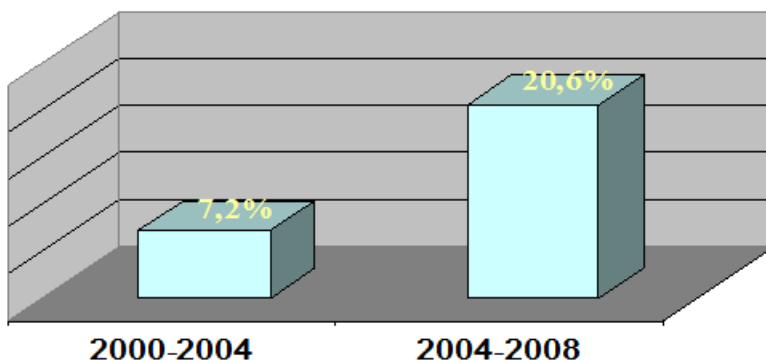
### **INDEX OF INNOVATION (CREATIVITY) IN MODEL OF SOLOW**

$$Y = A \cdot K^{\alpha} \cdot L^{\beta} \rightarrow \Delta Y / Y = \Delta A / A + \alpha \Delta K / K + \beta \Delta L / L$$

(capital, labour, knowledge)

A – growth at the expense of innovations,

K – capital, L – labour,  $\alpha = \beta = 0,5$ .



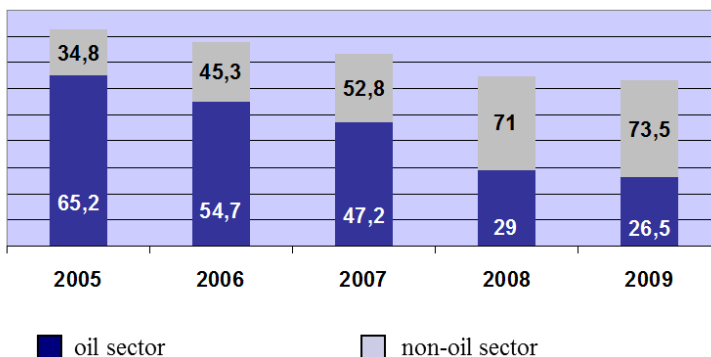
For 7 years of steady economic growth, pro-growth of GDP at the expense of innovations has grown on 13 %, GDP volume in 7 times.

*“The purpose is to convert our “black gold”  
into “human gold”.*

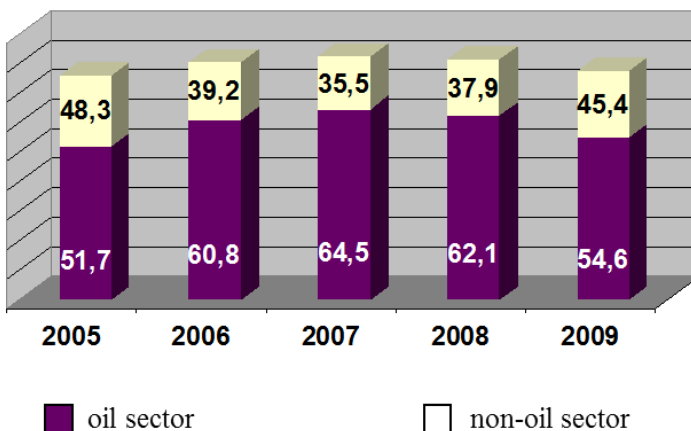
**Ilham Aliyev**

President of the Republic of Azerbaijan

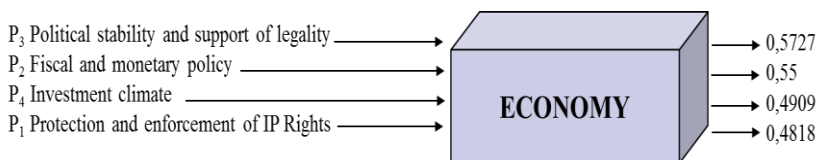
## Parity of investments



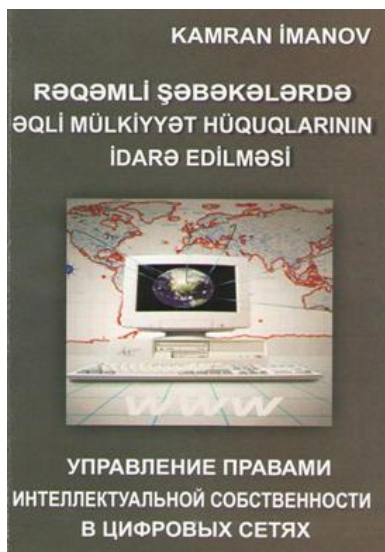
## Share in GDP



## Experton value of the governmental economic policy factors



**Problem 4.** Using of IP potential in forming of an information society.



Using of Internet: **44,4%**

Mobile phones: **61,9%**

Internet Service Provider : **> 30**

- Normative regulation and actions for forming of the mechanism of protection and implementation of the rights following from development of IT and e.com.
- Monitorings of using of the digital rights on the domain «.az».
- Working out of digital rights management methods, DRM.
- and etc.

**TOTAL 6 functions.**

**The law “On Electronic Trade”:**

The positive decision of a question on responsibility of the founder of the Internet resource and the provider.

**The law “On Enforcement of IP Rights and Fight Against Piracy”:**

Authorizes to observe the using of the digital rights, to control the activity of collective management organizations and to take measures on infringements to the executive power body in copyright sphere.

## **PROJECTS AND COLLABORATION POSSIBILITIES?**

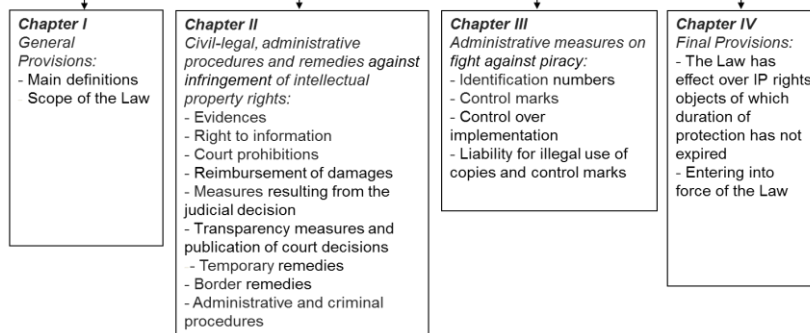
### **PRIORITIES**

- 1. Strengthening of rights enforcement and target to infringements.**
- 2. The future of the digital copyright.**

**Law of the Republic of Azerbaijan  
“On enforcement of intellectual property rights  
and fight against piracy”**

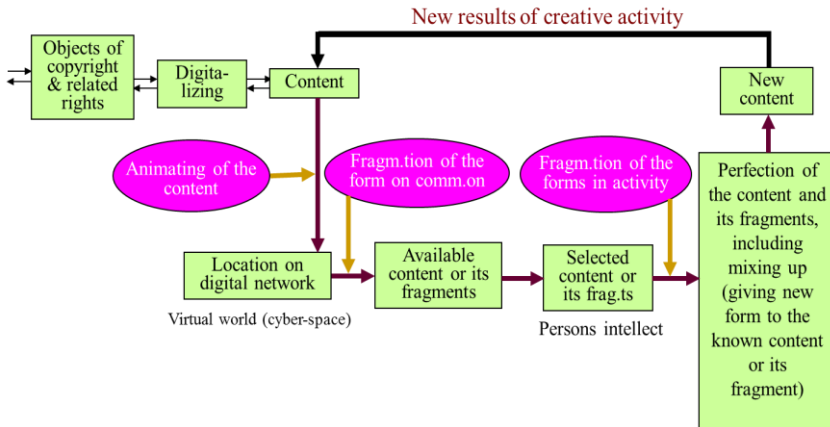
Issues regulated by the Law:

- Determination of court and administrative procedures and measures;
- Prevention of illegal producing and distribution of works, phonogram copies and other intellectual property objects.



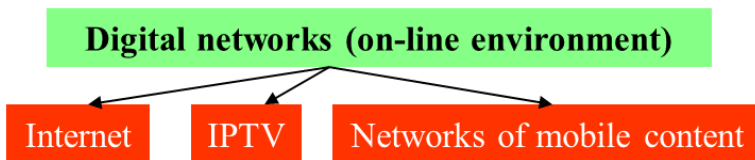
#### 4. The future of copyright in Azerbaijan.

##### ➤ Circulation of content in virtual world (cyber environment).



##### ➤ Expansion of services in online mode:

- increasing nonlinearity of content in broadcasting;
- growth of file exchanging in P2P networks without mediation of the central server (time-shifting);
- transition online of musical shops in ministudios routine;
- growth of sales in a network of mobile content (rings-tones, realtones, a ring-bekton).

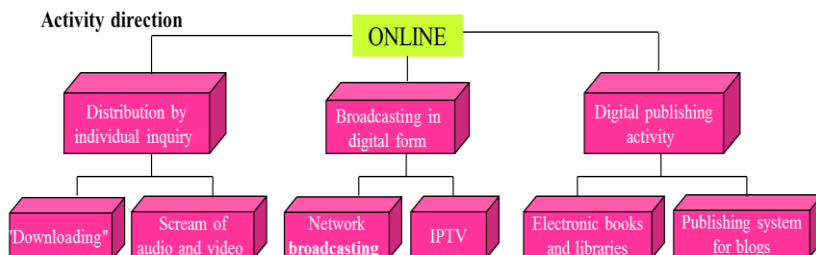


##### ➤ Reorganisation of collective management:

- one-stop-shops about online licensing of demands;
- digital control – blanket licenses, State control of rates (Copyright Royalty Board), creation of

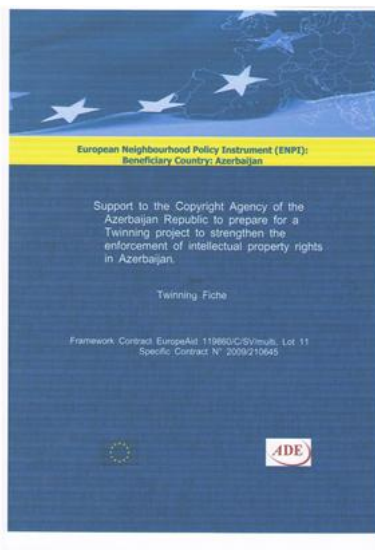
special state bodies on digital rights (Great Britain – Digital Rights Agency, Switzerland – the Center of licensing of products in a cyberspace).

## ONLINE SERVICES IN DIGITAL NETWORKS



### 3. Creation of the Centre of IP enforcement.

- Twinning project «Capacity development for enhancing enforcement of copyright and related rights in the Republic of Azerbaijan».



## Business model of IP enforcement Center

Purpose of creation	Legal enlighten and training in IP enforcement sphere, and also maintenance of production based on copyright and related rights by special antipiracy marks – hologrammes.
Basic functions	<ol style="list-style-type: none"> <li>1. Maintenance of functioning of the centre of training, exposition and library.</li> <li>2. Conducting registration and delivery of digital codes to press products, soundtracks, audiovisual products, databases, and software extended in retail trade.</li> <li>3. Delivery of special marks – hologrammes of production based on copyright and related rights.</li> <li>4. Conducting the state registers of production admitted to distribution based on copyright and related rights, licenses between collectives of right holders and the broadcasting organizations and grant of certificates.</li> <li>5. Examination on a subject of «clearing of the rights» of objects admitted to distribution in a trading network, on broadcasting and on a cable.</li> </ol>
Resources	State support and own incomes.
The organizational form	Juridical body.

- **Efficiency of model “copyright in digital networks”.**
  - Alternative models (Ficher, Creative Commons, Dolgin, “copyleft”).
  - Substitution of copyright system?
  - Digital content: the form or the content (cloning, duplicating, decomposition).
  - Registration of digital content?
  - Prohibitive system of the exclusive right and content .
  - "Internet right" or the right of free uses of works by obtain the remuneration?
  - Technology, fund raising sources on remuneration and its distribution.
  - Changes made to the Law «On enforcement of IP rights and fight against piracy» (on Parliament discussion).

“Realization, including collective management of the rights in digital networks (the digital rights) is realized according to the current legislation.



The corresponding executive power body acting in copyright sphere carries out control over use of the digital rights, organizes collective management of them and takes within the limits of the powers of measures at their infringement, including at wrongful detour and breaking of means of protection, and also change or information destruction on management of the rights without the permission of the right holder”.

### THE THREE-LEVEL TEST

LEVEL I	LEVEL II	LEVEL III
Limitations are set by copyright legislation (Art.17-24, 33-35)	Does not cause an unjustified damage to ordinary use (Art.15. p.5, Art.36. p.1)	Does not restrain legal interests of right holders unreasonably (Art.15. p.5, Art.36. p.1)

### Collective management of digital rights: the compulsory license

- Business model of On-line monitoring and licensing of Enforcement Centre.

# **BUSINESS-MODEL OF SERVICE OF ON-LINE MONITORING AND LICENSING OF ENFORCEMENT CENTRE**



Purpose of creation	Collective management of rights in a digital network by «one-stop-shops» principle with on-line licensing.
Basic functions	<ol style="list-style-type: none"><li>1. Obligatory registration of a digital content by giving of a unique code-identifier.</li><li>2. Formation and conducting of a special site about stored content on conditions of its use and digital storage of objects.</li><li>3. Automatic identification of user's request, giving licensing and providing of electronic payments to individual and collective users.</li><li>4. Providing of tracing of the facts of using by means of the special automated mechanism of indexing of Internet resources and content search (like search systems: Google, Yahoo, Yandex, etc.) (cyber monitoring system).</li><li>5. Support of standards «Information on management of the rights» and «Technical measures of protection» and the digital codes of stored objects.</li></ol>

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Prepared in the Intellectual Property Agency  
of the Republic of Azerbaijan.