



**INDIAN REPROGRAPHIC RIGHTS ORGANIZATION:
DISTRIBUTION POLICY
(December 2020)**

1. PURPOSE OF FORMATION OF IRRO:

The Indian Reprographic Rights Organisation (IRRO) is the **sole and exclusive copyright society** mandated to issue blanket / transactional reprographic usage licenses for foreign and Indian copyright holders in India by the Department of Copyright, Government of India, under section 33(3) of the Copyright Act, 1957. The Indian Reprographic Rights Organization (IRRO) is a non-profit making organization. Its members are Indian and foreign authors and publishers.

The IRRO, firstly, has been registered under the Ministry of Human Resource Development, Government of India, vide Registration No. CS/04/reprographic rights in the field of literary works/2002 dated 28 June 2002, as a **Copyright Society under sub-section (3) of section 33 of the Copyright Act, 1957**. Again on **15 September 2014** registration of IRRO renewed under the new Copyright Rules, 2013 as registration **No. C.S.01/2014**.

The IRRO is **exclusively permitted** to commence and carry on the Copyright business for “reprographic rights in the field of literary works” in India. IRRO is also full member of the International Federation of Reproduction Rights Organizations (IFRRO).

The IRRO is the **sole licensing authority to issue licenses to users** of copyrighted works of its members and collect the royalties on their behalf and distribute them. The Society represents numerous Authors and Publishers of India as well as foreign Authors and Publishers and the other RROs of similar nature in India via its bilateral/unilateral agreements with similar societies of other countries. Procuring a Reprographic Usage License for use of any Printed and Digital Works is **Mandatory** for all private, government and non-profit organizations.

2. INTRODUCTION OF FUND TO IRRO

Indian Reprographic Rights Organisation (IRRO) receives revenue from domestic licensing schemes on behalf of publishers and authors worldwide. It also receives licensing revenue from overseas Reproduction Rights Organisations (RROs) on behalf of publishers and authors in India for copying of their works overseas. This Distribution Policy reflects the rules for receipt and allocation of Funds set in IRRO's Constitution and has been set by IRRO's Governing Board to ensure that distribution of licensing revenue is:

- timely;
- tied to usage;
- fair and equitable; and
- consistent and even handed,
 - between groups of rightsholders (e.g. publishers, authors, domestic and overseas rightsholders);
 - between licence pools (Universities, Schools, Business etc.); and
 - from year to year.

3. LICENSING REVENUE

IRRO represents publishers and authors whose works are copied under IRRO licensing schemes and services operating in India. It has mandate agreements with Indian publishers and reciprocal agreements with Reproduction Rights Organisations overseas that provide the repertoire that can be copied under its licensing schemes and services.

IRRO receives licensing revenue from RROs overseas on behalf of Indian publishers and authors for copying of their works overseas. Revenue from IRRO's blanket licensing schemes is held in different revenue pools (e.g. Universities, Schools, Business etc.) and sampling surveys are carried out in each sector to gather bibliographic data on the works being copied under licence for distribution purposes. Revenue from IRRO Transactional Licensing Services is held separately and licensees provide IRRO with records of all copying carried out under licence for invoicing purposes.

4. DISTRIBUTABLE FUNDS

4.1 Distributable Funds:

At the end of each accounting period, net revenue (less administrative expenses) from overseas RROs; IRRO's blanket licensing schemes and Transactional Licensing services is transferred to appropriate distribution pools and set aside for distribution. Such funds are held in interest bearing Term Deposit accounts.

4.2 Administrative charges:

IRRO deducts a fixed percentage 15% for costs incurred in day to day running the organization from the revenue collected from copyright licensing services and overseas RROs.

4.3 Deductions from Blanket Licensing Schemes:

Each blanket licensing revenue pool is offset by a proportionate share of IRRO's net operating costs, a contribution to the **Welfare and Development Fund**. The balance is declared for distribution (Distributable Funds).

4.4 Net operating costs:

Net Operating Costs are arrived at by offsetting interest and revenue from administrative charges against IRRO's operating costs which may include additional expense apart from Administrative charges.

4.5 Welfare and Development Fund:

Each year 5% of revenue from blanket licensing schemes is allocated to a separate account for Welfare and Development purposes conducive to the interests of publishers and authors in line with IRRO's Constitution and Objects.

4.6 Interest:

Majority of all Funds allocated for distribution is held in interest bearing Term Deposit accounts until it is distributed to the relevant rightsholders. Any interest earned on Fund held in trust is offset against operating costs incurred in the year the interest is earned.

4.7 Trust period:

Distributable Funds for each accounting period are held **upon trust** for a period of three years from the end of the accounting period in which the Funds were received, or such further period as the Board may determine.

5. ALLOCATION OF DISTRIBUTABLE FUNDS

5.1 Calculation of the amount allocated:

IRRO's distributions are based on the copying records provided by licensees and overseas RROs. Copying records are obtained from some licensees via sampling surveys and from other licensees via usage reports. The allocation of revenue from copyright transactional services is based on copying records provided by licensees.

5.2 Attribution

All Fund allocated for the copying of a particular work is attributed to the publisher (whether mandated or not) of the work who is required to share the funds with third parties (i.e. authors, artists etc.) based on the contractual arrangements between them. The publishers sign a Warranty that they control the reproduction right to the work. Local representatives of overseas publishers are nominated as recipients before overseas RROs. Where Fund is allocated to Indian publishers who have not signed a mandate with IRRO they are given the opportunity to do so when they are advised of the allocation. Where rights have reverted to the author, the Fund allocated for the copying of a work will be attributed to the author. Such authors may provide IRRO with a mandate relating to such works. Funds allocated to overseas rightsholders are attributed to the RRO in their country where one exists. These funds are distributed to the RROs that have signed Reciprocal Agreements with IRRO involving the transfer of licensing fees between them.

6. UNIDENTIFIABLE AND UNIDENTIFIED COPYING:

Often the copying records provided by licensees do not clearly identify the work copied. These records are divided into two broad categories – unidentifiable and unidentified.

6.1 Unidentifiable copying:

In this instance the information provided by the licensee on the record form identifies the work as copyright material but does not provide enough information about the work copied to enable the rightsholder to be identified and the Fund distributed. Although unidentifiable copying is recorded as copyright material copied for the purposes of assessing the volume of copyright material copied under a particular scheme, these records are excluded when distributable funds are allocated for distribution.

6.2 Unidentified copying:

In this instance, the information provided by the licensee on the record form is not sufficient to identify either the work or the rightsholder with complete certainty. Unidentified copying also includes instances where IRRO can identify the work but cannot identify or locate the rightsholder. Fund is allocated to these records and efforts are made to identify the work and the rightsholder so that the Fund can be distributed within the trust period. If IRRO is unsuccessful in identifying the work and/or the rightsholder the Fund may be transferred to an appropriate distribution pool at the end of the trust period for redistribution to its member rightsholders.

7. WORKS EXCLUDED FROM DISTRIBUTION:

The following works are excluded from IRRO's distributions:

- Works that can be identified as public domain (out of copyright);
- Works of rightsholders who have elected to exclude their works from IRRO's license schemes;
- Works of rightsholders who have advised IRRO that their works can be copied freely without payment of a license fee. These are referred to as copyright-free. In this instance IRRO asks the rightsholder to confirm that they either control 100% of the rights in the works to be excluded from the distribution or that they can exclude those works on behalf of other rightsholders;
- Unidentifiable copying. All works produced by or on behalf of a Government Department or Ministry or Institutions working under the Govt. will be excluded from IRRO's distributions unless the Government Department or Ministry has provided IRRO with a mandate to include such works.

8. DISTRIBUTION OF DISTRIBUTABLE FUNDS:

Distributable Funds available for distribution from the previous accounting year are allocated for distribution in the last quarter of each year. Revenue from a number of different licensing IRRO schemes including revenue received from the Copyright Transactional Service may be included in notifications provided to rightsholders. Distribution of licensing fees received from some sectors may be carried forward and accrued until there are sufficient funds to distribute and sufficient data on which to base the distribution.

8.1 Timing of Distribution:

Funds allocated to rightsholders from the Distributable Fund must be distributed to rightsholders as soon as practicable after distributable funds have been allocated. Priority is to be given to processing distributions to mandated rightsholders and to overseas RROs. Notifications will be sent to Indian rightsholders within 6-9 months of the annual distributable funds being allocated.

8.2 Distributions to RROs:

Funds allocated to overseas RROs will be distributed within six months of the annual distributable funds being allocated where the amount is more than Rs.50000/-.

8.3 Distribution to Indian rightsholders

Indian rightsholders are notified of the amounts they may be entitled to claim from Distributable Funds. The Notification is based on information provided by licensees and where available sets out details of the:

- Title of the works copied;
- Imprint (publisher);
- Name of the author(s)
- ISBN * Number of copy pages;
- Amount payable for each record;
- Distribution pool from which Fund allocated. No distribution will be made to Indian rightsholders until an invoice with applicable taxes and a signed Distribution Warranty and Indemnity is received from the claimant. Where the claimant is:
 - not registered or is
 - an estate or beneficiary of an estate, a letter stating that they own the rights to the work/s, is required to enable distribution.

9. DISTRIBUTION OF LICENSING REVENUE RECEIVED FROM OVERSEAS RROs

9.1 Distribution to Indian rightsholders:

Licensing revenue received from overseas RROs is to be distributed to Indian publishers or authors within 12 months of receipt by IRRO where appropriate attribution records are supplied by the RRO remitting the funds.

9.2 Unattributable Overseas Revenue: Where no such records are provided, funds remitted will be placed into:

- the Unattributable Overseas Income account for redistribution;
- the Welfare and Development ; or
- as otherwise determined by the Board.

9.3 Distribution of Funds remitted in error:

Funds remitted to IRRO by other RROs in error for works not owned by Indian rightsholders are to be attributed to the correct rightsholder and included in the distribution of Indian licensing revenue to overseas RROs. The usual administrative charge will be incurred and deducted from the amount redistributed.

10. EX GRATIA PAYMENTS:

IRRO's Board of Directors can elect to make payments to rightsholders who can establish substantial copying of their works under a IRRO license that has not been identified by the copying records. To make an ex-gratia claim, rightsholders are required to provide a statutory declaration setting out the details of the work copied, including pages copied, number of copies made as well as where the copies were made. They will also be required to supply evidence that the copies were made under a IRRO licence and not under a fair use provision of the Copyright Act or a direct license from the rightsholder. In determining whether an ex-gratia payment should be made, the Board will take into account payments from previous distributions.

11. DISPUTE RESOLUTION:

Any dispute regarding an amount paid or payable to a rightsholder must be made in writing by or on behalf of the rightsholder and must give the name and address of the person or organisation making the complaint. The matter shall be referred to the CEO of IRRO for determination. If the matter remains unresolved, it shall firstly be referred to the Board of Directors of IRRO for decision. If the rightsholder remains aggrieved, the matter shall be referred to the mediation of a mediator to be agreed by the parties, whose decision will be final and binding upon the rightsholder and IRRO. The costs and expenses of the mediator shall be shared by the parties equally. Should mediation be unsuccessful, then such dispute may be referred by either party to arbitration of a single arbitrator appointed under the Arbitration Act of India and the decision of the arbitrator shall be binding on the parties.

12. TRANSFER OF FUNDS FOR REDISTRIBUTION:

At the end of the trust period, any undistributed funds will relate to one of the following categories:


- Unidentified copying;
- Allocated to rightsholders IRRO has been unable to locate;
- Allocated to rightsholders who have not claimed the Fund; or
- The total amount allocated to the rightsholder from all distributable funds is under Rs.500/-. At the end of **the trust period**, which may be three years from the end of the accounting period in which the Funds were received, (or such further period as the Board of IRRO may determine), after every reasonable effort has been made to correctly identify and locate the rightsholders to whom Funds have been allocated, undistributed funds may be transferred to appropriate distribution pools for redistribution to member rightsholders where IRRO considers that there is insufficient information available to enable an equitable and accurate distribution. Such funds will be transferred without any further deduction of operating costs.

13. GOVERNING LAW AND JURISDICTION

If disputes may arise from this distribution plan then it shall be subject to the Indian law and the Courts at New Delhi shall have the exclusive jurisdiction to try and entertain any dispute arising out of the present distribution plan. If any clause under this plan is contrary to any law for the time being in force or any future law, the same may be replaced with a corresponding text, which is valid and equivalent to the intended meaning and shall not affect the validity of the remaining clauses. The rest of the Plan shall remain valid.


(DR. ASHOK GUPTA)
CHAIRMAN


(DR. S.S. AWASTHY)
VICE-CHAIRMAN


(PRANAV GUPTA)
SECRETARY GENERAL