Prime Minister Mateusz Morawiecki

President Of The Council Of Ministers Office Of The President Of The Council Of Ministers Al. Ujazdowskie 1/3 00-583 Warsaw

Dear Prime Minister,

We, the representatives of the Polish film community, representing the creators, actors and producers, were outraged by statements by the government representative, Minister of Digitization Janusz Cieszyński, contained in an interview for Dziennik Gazeta Prawna of July 1, 2023 and in an interview for the Interia Biznes portal of July 21, 2023.

In both conversations, the Minister denied that his ministry was blocking the adoption of an amendment to the law on copyright and related rights, introducing royalties from the internet for filmmakers. However, it was the ministry headed by Mr. Cieszyński, that just after the memorable December meeting of representatives of the Polish authorities with the President of the Netflix platform Reed Hastings, sent a number of critical comments to the Ministry of Culture. The bill, which had so far been successfully passed at successive levels of government, has suddenly stalled.

The scandalous blocking of the act by the Minister of Digitization is a fact. This is all the more outrageous because the amendment implements the EU directive on copyright in the Digital Single Market, which Poland pledged to adopt June 2021. Mr. Cieszyński insists that his action is caused by "concern about rising prices for digital cultural goods." However, we can say without a doubt that this type of argument is a populist play that only aims to mislead public opinion. An analysis of subscription prices for streaming services in Europe and the world makes it clear that in countries where there are or have recently been legally guaranteed royalties for creators, there have been no increases in subscription prices for this reason. Subscription price increases are not the answer to legal solutions in individual countries. They are the result of the global pricing policy of streaming services. If the subscription for streaming increases — this happens in many countries at the same time, regardless of the legislation (an example of Netflix, which has just introduced account-sharing fees around the world, including Poland.)

Minister Cieszyński calls for violation of the law in force in Poland, which, perhaps, he doesn't realize. As a reminder, the law on copyright and related rights states in article 17: "Unless otherwise provided by law, the creator shall have the exclusive right to use and dispose of the work in all areas of exploitation and to: remuneration for the use of the work". The remuneration should cover all fields of operation, including the most currently popular online distribution. The EU Copyright Directive explicitly forbids this and requires all countries in the European Union to ensure that creators are paid in proportion to the benefits achieved by streaming platforms and other distributors in all fields of operation.

Minister Cieszyński is silent on the fact that, in connection with the more than two-year delay in the introduction of the directive, **Poland will have to pay very high penalties - of course, from the pockets of all Polish citizens.** The European Commission filed a complaint against Poland to the Court of Justice demanding a fine of 13,700 euros per day, calculated from the set deadline for the implementation of the directive in March. **Poland is 788 days behind in implementing the directive. The penalty for today is already more than 10 million euros!**

We are shocked by Mr. Cieszyński's ostentatious unwillingness to abide by the law. He shamelessly and outright denies the need for regulation of artificial intelligence, the lack of which can lead to, f. ex. obtaining personal data on a previously unimaginable scale. The lack of appropriate legislation in this area also threatens all cultural industries based on intellectual property.

It is reprehensible that the fate of Polish filmmakers is being decided by a person who does not have basic knowledge of the functioning of the film industry, constantly proving his alliance with international corporations. Contrary to the claims of the Minister, royalties from the internet, which is to be regulated by the amendment prepared by the Minister of Culture, **don't have anything to do with donations or support for the poorest artists**. So Mr. Cieszyński either does not know the content of the directive he is blocking, or he is once again deliberately trying to mislead the public. Royalties are not an exclusive remnant, thanks to which fortunes are built, but an integral part of the remuneration of every filmmaker, established in Polish law almost 30 years ago.

In Poland, royalties are paid by TV stations, cinemas or DVD distributors. **Only VOD platforms are still exempt from this obligation.** Unfortunately, an outdated law with a minister susceptible to lobbying by streaming services results in a situation in which, as Polish creators, we are discriminated against and lag far behind our European colleagues. Exempt from the payment of royalties **platforms derive huge profits from the results of our work, almost not including us in these profits.** The estimated annual revenues of the Polish streaming market are already at least PLN 2.5 billion. Royalties, on the other hand, would account for only a small percentage of this amount, about 1.5%. Intended for all film-makers whose films are available on the websites and thanks to which these websites can function at all. It is easy to calculate that this amount is much smaller than the penalty charged by the European Union for the failure to implement the directive. Does anyone in the Government calculate that?

Minister Cieszyński's relentless attacks on the creators of Polish culture are an unsuccessful attempt to divert public attention from the promises made to the Netflix CEO. This is not what is expected of a government official. It is reasonable to pose the question here: were streaming royalties for thousands of Polish filmmakers sold for a promise to build a Netflix Engineering Center that would employ only a few dozen employees?

Dear Prime Minister,

In view of all the above circumstances, we are asking you for another meeting. As representatives of the Polish film community, we would like to have the opportunity to present our position to you. We hope that you will find time for the representation of Polish filmmakers, just as you found time to meet Reed Hastings. Please indicate a convenient time for you.

Yours faithfully,

The Board of the Polish Filmmakers Association

The Board of the Polish Directors Guild

The Board of the Polish Screenwriters' Guild

The Board of the Polish Society of Cinematographers

The Board of KIPA - Polish Producers Alliance

The Board of Producers Guild of Poland

The Board of the Polish Actors 'Union

The Board of the Filmmakers Trade Union

The Board of the Polish Editors' Association

The Board of the Editing and Post-Production Guild

The Board of the Polish Documentary Directors Guild

The Board of the Polish Female Filmmakers Association

President of the Polish Film Academy

ZAPA the Union of Audiovisual Authors and Producers

For the attention of:

President Jarosław Kaczyński

Vice-President Of The Council Of Ministers President of Law and Justice

Piotr Gliński

Minister of Culture and National Heritage