

ANNEX

This Annex contains the comments regarding the format and numbering issues, with tracking changes.

Regulations on the Establishment of Collective management Organization

-Pursuant to the Law on Intellectual Property (Revised 2017) No. 38 / NA, dated 15 November 2017; -Pursuant to the Decision on Copyright and Copyright Related Rights No. 2824, dated 17 December 2019.

Chapter I General Provisions

Article 1 Purpose

This regulation sets out the principles and procedures relating the activities of a collective management organization, including the establishment, registration, rights and obligations, to implement the Law on Intellectual Property and the Decision on Copyright and Related Rights.

Article 2. Collective Management Organization

Collective management organization is an organization established on the basis of agreement among authors, copyright owners, related rights owners, to operate in accordance with the Law on Intellectual Property in order to protect copyright and related rights.

Article 3 Definitions

1. The following collective management organizations are called CMO.
2. The owner or rights holder in the case of copyright means the author; In the case of related rights means the performer, phonogram producer or broadcaster or any person who has been transferred or inherited a benefit or inherited or other persons who has been granted legal rights;
3. Royalties or remuneration means a payment made through exploitation from Copyrighted works to the Copyright owner
4. The Agreement on Cooperation between CMO and International Organizations refers to agreements with CMO and Lao PDR and overseas organizations that have similar roles and responsibilities to authorize the management of their copyrighted works in Lao PDR.

Article 4 The person who has the right to apply for the establishment of collective management organization.

Any legal entity, organization or group of citizens who are Lao citizens residing in the Lao PDR who wish to establish a collective management organization may apply for the establishment and operation as set forth in this regulation.

Chapter II Establishment of Collective management organization

Article 5: Procedures for Applying for the Establishment of Collective management Organization.

1. Establishment of legal entities;
2. Proposing to open a meeting to establish a collective management organization;
3. Adoption of the rules and the board of Collective management organization;
4. Registration as collective management organization.

Article 6 Request to open a meeting to establish Collective management organization

1. Any legal entity, organization or group that wants to establish a collective management organization must submit the following documents to the Department of Intellectual Property:

- 1.1 Application for approval to open a meeting to establish collective management organization;
- 1.2 The rules of a collective management organization;
- 1.3 Organizational structure;
- 1.4 Action plan;
- 1.5 List of members
- 1.6 List of Board members and officers, with respective biodata; and
- 1.7 Office location

2. Conducting the meetings to establish a Collective Management Organization

The committee responsible for establishing CMO appointed by the legal person must prepare a meeting within 90 days from the date of approval of the opening of the meeting.

The CMO Establishment Meeting is open to bring all members to the meeting, which has the following contents:

- 2.1 present the agreement on the approval to open the meeting to establish the CMO
- 2.2 Approval the rules of the CMO;
- 2.3 Nomination, elect the Board of Directors, the Board of Inspectors and other positions of CMO; and
- 2.4 Present Business/Operations Manual of CMO.

Article 7. Approval to open a meeting to establish a collective management organization

After receiving the complete documents as stipulated in Article 6, Clause 1 of this Regulation, the Department of Intellectual Property must approve the meeting to establish Collective management organization within 15 working days.

In case there is a request for an adjournment for the opening of the meeting for the establishment of Collective management organization from the committee, The Department of Intellectual Property may consider postponing the opening of the meeting for a further period of not more than 60 working days.

Article 8. Approval of the results of meeting to establish Collective management organization

Within 30 days after the opening of the meeting to establish collective management organization, the committee in charge of the establishment of the CMO must submit the documents to the Department of Intellectual Property for information, which must provide the following documents:

1. request letters for the approval of the rules, the Board of Directors and the Board of Inspectors of the Collective management organization;
2. minutes of draft rules, the election of board Committee and the Inspection Committee and the resolution of the meeting;
3. Draft rules and procedures of the Collective management organization that were passed at the meeting to establish the CMO; 4. List of members;
5. Office location.

Article 9. The structure of Collective management organization Collective management organization

composed of:

1. The Governing board (Chairman, Vice-Chairman and Members);
 2. Inspection Committee;
 3. Director / General Manager;
 4. Membership;
 5. Other staff as specified in the rules of the CMO.
- The Board of Directors of the CMO may consist of different types of rights holder.

Article 10. Requirement can be registered as a collective management organization

1. Non-profit organization;
2. The membership must consist of 25 or more rights owners or rights holders;

3. The General manager or executive director, as well as the heads of documentation, Licensing, distribution and finance, as may applicable, shall pass:
 1. Training on copyright or any related topics or has a basic knowledge on copyright from the Department of Intellectual Property or other institutions or other institutions, both local and abroad;
 2. Have the required management or technical skill and expertise to perform their duties;
 3. Be free of direct or indirect conflicts of interests both with the users of works and other subject matter, and members of the CMO.
4. The CMO shall have inspection committee that has the duty to oversee the management of the CMO.
5. Existence or establishment of an internal dispute resolution providing for an effective and workable process of settling disputes and governance between or among members of the CMO and its members, related to the membership agreement or the application of the CMO distribution rules, and of settling disputes between the CMO's members related to the registration of works or other subject matter.

Article 11. Application for registration as a collective management organization.

The applicant for registration must submit an application to the Department of Intellectual Property in the printed form of the Department and must accept the application, provide a receipt stating the number and date of application if the application is in accordance with the provisions of Article 12 of this regulation.

Collective management organization or similar organization established prior to the entry into force of this regulation shall be registered within 4 months of the entry into force of this regulation.

Article 12. Application for Registration Establishment of collective management Organization

Any legal entity, organization or group that intends to apply for registration as a CMO must apply to the Department of Intellectual Property as follows:

1. Request in print form of the Department;
2. the class of right or category of rights owners in which the CMO to represent or act for
3. Membership Agreement/Deed of Assignment
4. Mechanism for collection and distribution royalties' rate per category.
5. Organizational structure;
- 6 The Agreement on Cooperation between CMO and International CMO
- 7 License agreement;
8. Audited Financial Statements

Article 13 Consideration of the application for registration

After receiving the application for registration as collective management organization, the Department of Intellectual Property will consider the application for registration on the completeness and content of the application and must issue a registration certificate within 45 working days from the date of receipt of the application.

In case of renewal of the registration certificate, the Department shall consider the performance of the CMO in the previous registration and issue the registration certificate within 30 working days.

Article 14. Denial of Application for Registration

The application for registration as Collective management organization may be denied if

- A. The applicant does not comply with the provisions of Article 10 and Article 12 of this regulation.
- B. The applicant committed fraud or willful misrepresentation in the compliance with the documentary requirements of the Article 12 of this regulation.

The Department must notify the collective management organization of the reasons for rejecting the registration application.

Article 15 Registration as Collective Management Organization

The Department of Intellectual Property shall register, record the relevant information in the databases of the Department of Intellectual Property when the application is in accordance with the requirements in Article 10 and Article 12 of this regulation.

Article 16. Dissemination of Registration

After registration, the Department of Intellectual Property must publish the registration of the CMO on the Department's website, which has the following details:

1. Certificate of registration as CMO;
2. Agreement on the establishment and operation of a collective management organization;
3. Mechanisms for collection and distribution royalties to members of a collective management organization.

Chapter III Post-registration

Article 17 Changes in Documents After Registration

After registration, Collective management organization must notify the Department of Intellectual Property if there is a change or modification of the documents and provide the information to the Department of Intellectual Property for consideration if there is a change within 30 days.

Article 18 Renewal of registration certificate

The certificate of registration as Collective management organization shall be valid for 3 years from the date of registration onwards. When the registration certificate is renewed, it can be renewed every 3 years.

1. Application for renewal in the printed form of the Department;
2. Membership Agreement/Deed of Assignment
3. The Agreement on Cooperation between CMO and International CMO
4. License agreement;
5. Audited Financial Statements

Article 19. Suspension of certificate

After the issuance of the registration certificate of the Collective management organization, the Department of Intellectual Property must suspend the certificate of the following:

1. The CMO tolerated or abetted any of its Board members or officers in violating any related law, rules and regulations issued by DIP;
2. Any of the documents or material information/data therein submitted by the CMO has been found to be false or untrue.
3. Failure to maintain its compliance with the provisions of Article 10 of this Regulation;
4. Failure to engage in any of the activities of article 22 within 18 months after registration;
5. Malicious breach of contract or fiduciary duty against any of its members;
6. inconsistent regarding the primary activities and the duties of Article 23 of this Regulation
7. Failure to give proper accounting to DIP or to its members The DIP must notify the CMO of the suspension registration.

Article 20. Motion to Lift Suspension Order

The CMO may file a motion to lift suspension or explanation to the DIP within 90 days from receipt of the order of suspension.

Article 21. Cancellation of registration.

The DIP can cancel the registration certificate of collective management organization upon consideration by the Department in accordance with Article 19 of this Regulation.

The DIP must inform the CMO, in the absence of any explanation, CMO shall be deemed to have agreed to cancellation registration.

The DIP must inform the collective management organization for the results of the cancellation. The Department of Intellectual Property must record in the database and publish the cancellation on the website of the DIP.

Chapter IV **Rights and obligations of collective management organization**

Article 22 Functions of collective management organization

1. To manage Copyright and related rights on behalf of authors, Copyrights owners, related rights owners;
2. To Negotiate on licensing, The collection of remuneration on behalf of such persons, and to divide and distribute royalties, remuneration and other material benefits there from the allowance of exploiting the authorized rights;
3. To protect member's rights and legal benefits, including to represent the persons mentioned in item 1 above in legal proceedings, and to resolve any dispute on their behalf;
4. Other rights and obligations according to the provisions of IP law, Decision on Copyright and this regulation.

Article 23 Duties of the Collective Management Organization

The CMO has the duties as following:

1. Ensure the implementation of duties honestly, transparently and fairly, including compliance with relevant laws, agreements and regulations;
2. Make annual reports to send to members and the Department of Intellectual Property;
3. Summary of annual financial accounts that have been audited to be sent to members and the Department of Intellectual Property;
4. To hold an annual meeting, which shall approve the summary of the financial statements of CMO, the consolidated form, the annual report and other topics specified in its internal rules;
5. Invite representatives of the Department of Intellectual Property and CMO' members to attend the annual general meeting of members;
6. Submit documents or information related to CMO and its members as required by the Department of Intellectual Property;
7. Comply with the regulations of the Department of Intellectual Property issued periodically;
8. Promote creativity and other social activities;
9. Cooperate with domestic and foreign organizations that interact with each other in copyright and related rights;
10. Other duties as stipulated in this Intellectual Property Law, Decision on Copyright and related right and this regulation.

Chapter V **Final provisions**

Article 24 Implementation

Entrust the copyright division and related section within the Department to strictly implement this regulation.

Article 25 Effectiveness

This regulation is effective upon signature.