

DIGITAL ECONOMY ACT 2010

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Topic 11: Public lending right

Background

204. [Section 43](#) amends the Public Lending Right Act 1979 (“the 1979 Act”) and the Copyright, Designs and Patents Act 1988 (“the 1988 Act”) to reflect the changing nature of book publishing and the increasing demand for the loan of books from public libraries in formats other than print. It does this by:
- Extending eligibility for public lending right (“PLR”) payments, to cover authors of audio-books and e-books;
 - Extending PLR to cover producers and narrators of books that are recorded as sound recordings; and
 - Protecting public libraries who lend the books from liability for breach of copyright or breach of rights in performances.
205. The section does not extend PLR to works that are available for loan from public libraries but that do not consist mainly of written or spoken words or still pictures. For example, films, music recordings and computer games are not covered. Neither does the section extend PLR to digital files downloaded outside library premises.
206. Since its introduction in 1979, PLR has compensated authors for the potential loss in sales resulting from their works being freely available to borrow from public libraries. Under the current PLR scheme established by virtue of the 1979 Act translators, editors, compilers and illustrators are included (along with writers) in the definition of ‘author’ and so are eligible for PLR payments. PLR is now recognised by European legislation (Directive [2006/115/EC](#) on rental right and lending right) as reflecting and protecting the exclusive lending and rental rights of holders of rights in print books.
207. Authors, performers and producers of non-print books, such as audio-books and e-books, have rights conferred on them under the 1988 Act allowing them (or anyone to whom they have assigned their rights) to authorise or prohibit the lending of their work by public libraries. The law required libraries to enter into individual contractual and financial arrangements with those rights holders for the lending of non-print books.
208. It is the view of government that this requirement could have had an impact on the willingness of libraries to lend audio and e-books. It could also have resulted in libraries lending works in breach of the rights of authors and other rights holders. Section 43 is designed to help simplify the current system of payment to rights holders, give a wider range of rights holders’ protection under the PLR scheme, and support innovation in publishing and the creative industries. The government hopes that it will also increase non-print lending by encouraging authors to enter the non-print market.