

**A brief overview of the report of the Copyright Agency
of the Republic of Azerbaijan on the results of 2017**

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Carried out duties arising from Presidential Decrees and Regulations related to the field of economics and management, from the Development Concept "Azerbaijan 2020: A Look into the Future", from the "National Plan for 2016-2018 on the promotion of an open government", from the "State Program for 2016-2020 for the implementation of the National Strategy for the Development of the Information Society in Azerbaijan Republic", from the "Strategic Roadmaps for the National Economy and the Main Sectors of the Economy", from the five laws, the execution of which implemented by the Copyright Agency, takes appropriate measures in the direction of enforcing of copyright and other intellectual property rights, including the improvement in accordance with modern requirements of systems of legislation and management in the field of their protection in the digital environment and adaptation to international standards, and improving the level of services for the population.

In the year of the report, the Copyright Agency carried out activities in the following areas:

1. Improvement of the legislative and regulatory framework, including structural reforms and related works. By the Decree of the President of the Republic of Azerbaijan № 1503 dated to 6 September, 2017 "On ensuring the activities of the Copyright Agency" was approved the Charter of the Copyright Agency, by the Decision of Cabinet of Ministers № 482 dated to 10 November, 2017 was approved the structure and number of employees of the Agency.

In accordance with paragraph 5.1 of this decree, on November 14, 2017, the Agency conducted state registration of the Office of State Registration of Legal Entities of the National Revenue Department under the Ministry of Taxes of the Republic of Azerbaijan, as defined by the Law of the Republic of Azerbaijan "On State Registration and State Registry of Legal Entities".

Within the framework of reforms to implement the President's Decree № 1503 dated to 6 September, 2017, the Cabinet of Ministers adopted 6 decisions in the field of activity of the Agency, and prepared 2 draft decisions of the Cabinet of Ministers, 6 draft laws of the Republic of Azerbaijan and 5 draft decrees related to the application of these laws were prepared and submitted accordingly.

In the year of the report, successfully continued the process of improving the normative-legal acts in the field of copyright and other intellectual property rights, concrete works were carried out towards the implementation of 8 events on the protection of copyright and non-cultural heritage in the field of intellectual property, included as a priority in the Development Concept "Azerbaijan 2020: A Look into the Future", in order to implement these activities, taking into account the proposals of state bodies and non-state organizations, 3 laws, 1 strategy, 1 concept, 2 state programs, 1 action plan and 8 cabinet decisions were improved, prepares by the Agency, with a view to improving mechanisms for paying royalties for the use of the work, on the basis of the Agency's proposals, by the Decision of Cabinet Ministers № 486 dated to 20 October, 2017 was made certain changes to the Order of Cabinet Ministers № 38 dated to 1997. This served to resolve a number of issues, including questions about the calculation of royalties to authors and right holders for the use of musical works in restaurants, cafes, bars and holiday palaces.

In the framework of measures to expand bilateral intergovernmental cooperation was signed an "Agreement on cooperation in the field of copyright and related rights between the Republic of Azerbaijan and the Republic of Kazakhstan" and this agreement

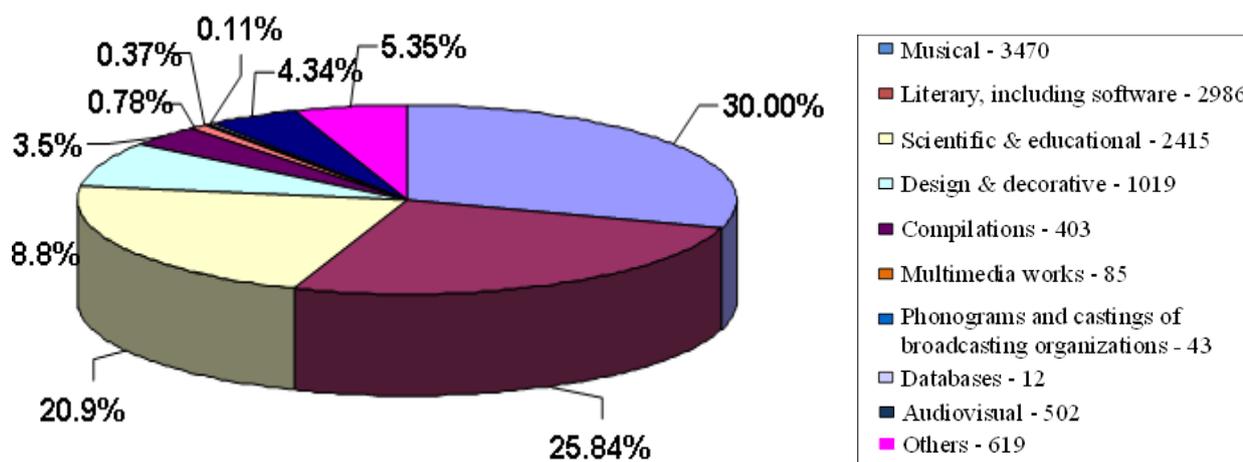
was approved by the Decree of the President of the Republic of Azerbaijan № 1502 dated to 23 June, 2017.

In 2017 the employee of the Copyright Agency for the effective work in the civil service was awarded with medal "Medal for Distinction in the Civil Service" by the President of the Republic of Azerbaijan Ilham Aliyev.

2. Registration of works and other objects of intellectual property. In the year of the report, 667 works of 354 authors were registered and 680 certificates of registration of the work were issued, and also through the "Electronic Services" section, based on 41 applications of the authors, 31 works were registered and 31 certificates of registration of the work were issued. At the same time, 7 treaties were signed in the year of the report. For registration of works and other objects of intellectual property in the state budget was paid 3750 AZN.

In general, the agency from 1996 to 2018, registered 11554 works and objects of related rights, including through the "Electronic Services" section 177 works of 85 authors were registered.

Total number of registered works from 1996 to 2018 (by percent)
(including on-line registration)



- Musical – 30%;
- Literary, including software – 25,84%;
- Scientific & educational – 20,9%;
- Design and decorative – 8,8%
- Compilations – 3,5%;
- Multimedia works – 0,78%;
- Phonograms and castings of broadcasting organizations - 0,37%;
- Databases – 0,11%;
- Audiovisual – 4,34%;
- Others – 5,35%

Author's remuneration. In 2017, within the framework of the additional functions of the Agency as a result of organizing the management of works of large formats, where the collective management of rights is not ensured, 115690 AZN of royalties were collected, and also according to the agreement between the Copyright Agency and the Russian Copyright Society in the field of collective management of authors' rights and mutual

assistance for the use of works of Azerbaijani writers, Russian Copyright Society transferred to the Agency's account 23303 AZN of remuneration. During the year, authors' remuneration in the amount of 128455 AZN which has been transferred to the bank account of Agency has been stored accordingly. Authors' remuneration in amount of 68109 has been transferred relevantly. 4500 AZN income tax redeemed from remuneration has been transferred to the state budget.

3. Implementation of duties arising from Decrees and Orders of Head of State Mr. Ilham Aliyev on reforms in the field of economy regarding Intellectual Property and economic development. Improving the mechanisms of commercialization and application of scientific research results within the framework of economic reforms in our country plays an important role in accelerating economic development. In this regard, within the framework of implementation of the relevant tasks arising from "State Program for 2016-2020 on implementation of National Strategy on development of information society in the Republic of Azerbaijan", "National Action Plan for the Promotion of the Open Government for 2016-2018", "the Action Plan for Implementation of Order of the President of the Republic of Azerbaijan No 2199 dated to July 13, 2016 "On Additional Measures to Increase the Applicability of the Business Environment in the Republic of Azerbaijan and further Improve our Country's Position in International Ratings"", including Decree No.1138 of the President of the Republic of Azerbaijan dated December 6, 2016 "On Approval of Strategic Road Map on National Economy and Major Sectors of the Economy", the Agency has taken the following measures in the following directions:

In connection with implementation of the relevant paragraphs of the indicated program characterized documents, in order to improve and commercialize the mechanisms of application of scientific research results, as well as to support the work carried out in our country to create favorable conditions for the application of high technologies in the economy as a result of scientific research carried out at universities and scientific research institutions, a number of events have been held by the Agency during the year, including 3 international events in our country on this topic (9 conferences and seminars, including other topics in the reporting year), with the organization and participation of the Agency:

- Seminar "on Azerbaijan Workshop on Intellectual Property Rights for SMEs" jointly organized by Copyright Agency and State Committee on Standardization, Metrology and Patents with support of Commercial Law Development Program of US Trade Department and US Embassy to Azerbaijan (27-28 February 2017);

- International Workshop on "Book Publishing and the Digital Revolution: Policies, processes and practical steps towards a digital publishing industry" jointly organized by Copyright Agency and WIPO (20 April 2017);

- International Workshop on "Intellectual Property Policies in Universities and Research Institutions" jointly organized by Copyright Agency and State Committee on Standardization, Metrology and Patents (29-30 June 2017).

As a result of these activities and researches, the brochure "On intellectual property policy in Azerbaijani universities and research institutions" prepared at Agency distributed to universities and research institutions, posted on websites, sent to WIPO, issues discussed with ANAS and the Ministry of Education in this topic. Also, a number of publications, scientific-methodical instruction and instructions, including brochures named "The Role of the Copyright Agency in Promoting Intellectual Property and Research Activities in Universities of the Republic of Azerbaijan (Innovative Development and Commercialization of Technologies in Universities)", "Innovative development of creative economy and small and medium entrepreneurship" and "3.0 emerging universities are based on thought-out IP policy" have been prepared and presented to stakeholders to

support commercialization of research results and promotion of intellectual products in higher education and science centers.

Within the framework of activities in this direction, the text of the "National Project for Intellectual Property Policy in University and Research Research Institutions" which was prepared as a result of discussions on bringing the World Intellectual Property Organization Model of Intellectual Property Policy for Universities into line with the university and scientific research institutes of our country has been settled. The Project Implementation Working Group was set up, the first meeting of the Working Group was held, where practical aspects of the national Project implementation, specific steps to be taken to implement this document, stages and rules of implementation, as well as the activities in 2018 were discussed.

In addition, the brochures named "Creative economy and development of the economy of Azerbaijan" and "Knowledge and technologies + Investments and intellectual property = Ecosystem of human capital of universities and industry" which serve to create favorable conditions for the introduction of high technologies in the economy as a result of the promotion of intellectual activity results and scientific research at universities and scientific research institutes, also the Roadmap has been developed for technology commercialization at universities and research institutes and distributed among the participants of the events, and the staff of universities and research institutes. Also, training courses were organized in order to support the development of high technology products market, up to 100 different training courses were organized, more than 200 theoretical and dozens of electronic training materials were prepared.

A digital rights management system based on the "one-stop-shop" format and online permits for use of objects protected under intellectual property rights on a global digital network has been put into use. About 2100 texts, photo, audio, video material belonging to Azerbaijani cultural heritage have been digitized, uploaded to electronic database and equipped with special protective watermarks for the formation of electronic database within this system. At the moment, the Agency develops a special platform based on blockchain technology for the purpose of improving the digital rights management system on the Internet. In this regard, a book titled "Fight against piracy and counterfeiting in digital environment: Azerbaijan's experience" was published.

The issue of promoting brand "Made in Azerbaijan" was kept under attention in Agency's activity. Promotion was made on TV, radio and other media tools to register logos as a subject matter of copyright, and work on preparing brochures and booklets on registration of them as object of copyright was continued.

Relevant activities, including conferences and workshops, were carried out within the framework of the implementation of the tasks outlined in the Action Plan on the implementation of the Order of the President of the Republic of Azerbaijan No 2199 of 13 July 2016 "On additional measures to improve the business climate in the Republic of Azerbaijan and further improve the position of our country in international ratings". The World Economic Forum's Report on the Global Competitiveness Index for 2017-2018 has been analyzed. According to this report, Azerbaijan has risen from 37th to 35th place, further strengthening its position in comparison with previous years. Azerbaijan ranks 37th in the section "Institutions" on "Protection of Intellectual Property" indicator with 4.8 points. Azerbaijan takes 1st place among CIS countries on this indicator. Azerbaijan ranks 33rd in the "Innovations" position related to "Intellectual Property Protection" and is a leader among the CIS countries.

**Indicators of CIS countries on “Protection of IP”
part of the Global Competitiveness Index Report for 2017-2018**

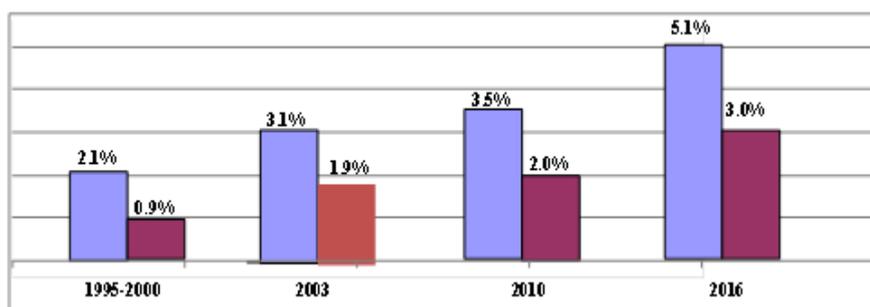
Ranking	Name of countries	Points
37	Azerbaijan	4,8
64	Tajikistan	4,2
75	Armenia	4,0
77	Kazakhstan	4,0
93	Russian Federation	3,7
95	Georgia	3,7
100	Moldova	3,5
118	Kyrgyz Republic	3,3
119	Ukraine	3,3

The book named “**Creative economy and innovative development of small and medium enterprises**” has been republished in Azerbaijan and English languages taking into consideration the importance of the innovations in economical development and for the purpose of awareness in this sphere and has been distributed to the participants and corresponding people during the events, also the issues on improvement of long-term statistical database showing the development dynamics of creative economy.

Despite of recession of world economy last years, share of creative industry based on copyright and related rights in GDP of our country has durably increased in the result of the events that regularly held jointly with corresponding state bodies. According to the accountings of the Agency, due to the situation on the 1st of January, productive spheres of creative industry have been increased to the level of 3101.1 million manat from 220.5 million manat. In this period a special weigh in GDP of industry of the country based on copyright has increased to 5.1% from 3.1% that it means 2.0% growth.

During these years a total volume of main productive spheres of copyright has increased from 153.3mln. manat till 1800.6 mln. manat, i.e. 11.7 times.

**Share in GDP of main copyright (main spheres) and
the industry based on copyright of Azerbaijan**



Note: situation on the 1st of January: the I column shows a special weigh in GDP of the industry based on copyright, the II column shows a special weigh of main productive spheres of copyright.

4. Enforcement of rights and formalizing the culture of intellectual property.

The issues on enforcement of copyright and formalizing the culture of intellectual property have been kept in the spotlight, measures on decreasing level of piracy and the strengthening the fight against plagiarism have been held. As well, according to the Law

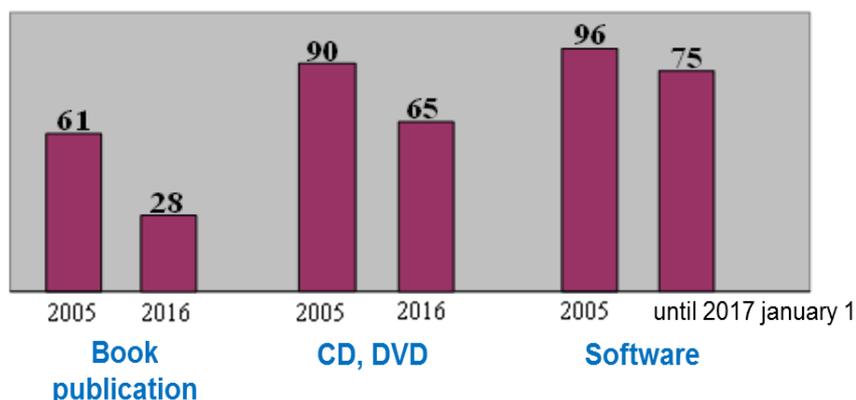
“On Enforcement of intellectual property rights and fight against piracy”, use of control marks has been begun, 21560 control marks have been given on the basis of publishing houses’ appeals for sticking on the the copies of copyright and related rights objects. At present the appeals of more than 20 higher educational institutions on giving control marks for printing products are being looked through.

Within the faremwork of the fight against piracy, the international conference on “Building respect for copyright and fight against piracy and counterfeiting in digital network” was held in organization with the Agency and WIPO’s support in December of 2017. The main aim of the event was building respect for copyright and support to the events held on against piracy and counterfeiting.

Within the framework of the fight against piracy, relevant works have been done on creation of anti-plagiary informational system in Azerbaijan and on its use, general principles and demands of national anti-plagiary electronic informational system has been prepared from the copyright legislation point of view, use of this system and importance and preferances of use in experimental scientific researches sphere are especially indicated by higher educational institutions. As a continuation of the works done in this sphere in our country and discussions during round table held on “plagiarism in texts of scientific, educational and literary works and ways of its prevention” in 2016 with organization of the Agency and the Ministry of Education, except exposing the armenian counterfeiting, the issues on importance of creation of anti-plagiary electronic informational system have been discussed also in conference on “The ancient texts and classic sources expose the armenian counterfeiting and falses” organized in April of 2017, at the same time the booklet on this has been prepared.

During report year, 10 expert reviews on piracy and plagiarism facts have been prepared on the basis of the authors’ appeals, the monitoring of market of intellectual property products has been conntinued, different awareness events have been held.

In the result of taken measures, in comparison with 2005 the level of piracy decreased **to 28% from 61% in book sale, to 65% from 90% in market of audio-video products, to 75% from 96% in program enforcement.**

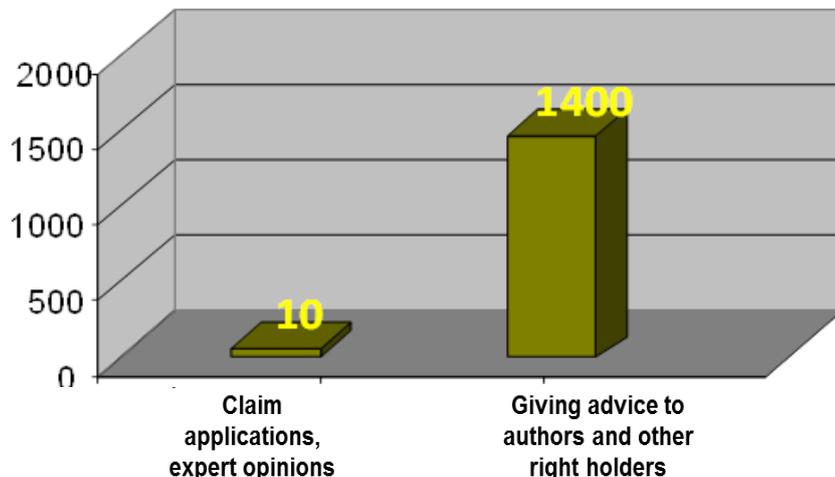


Note:level of piracy in program enforcement is shown 84% in Report 2016 of BSA.

Several working meetings have been held with leader and representatives of the organization “Microsoft Azerbaijan”, cooperation issues in program enforcement sphere have been discussed, as a result of the discussions, Working Group consisting of representatives of the Agency and the organization has been created for coordinating the fight measures against piracy in the sphere of program enforcement.

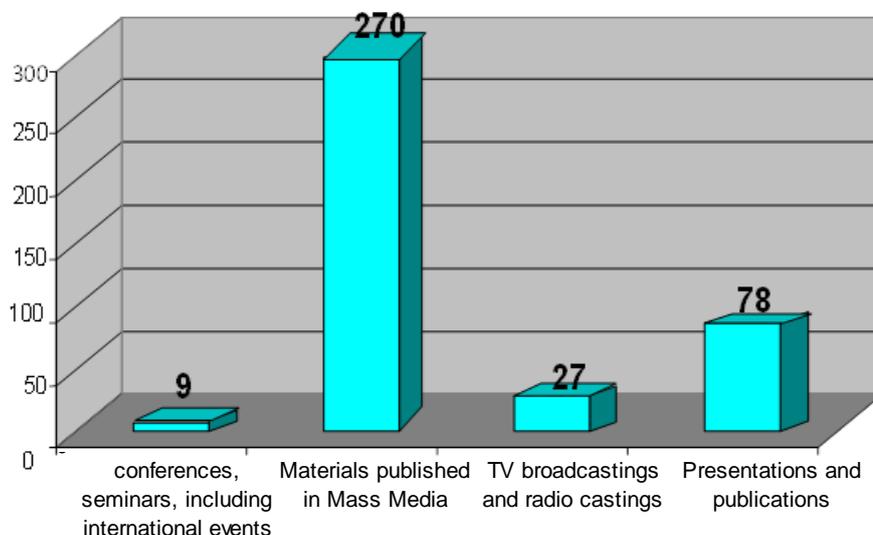
“Hot line” 960 and “Legal consultation” acting on public basis of the Agency have been in use for the authors and right holders during the year, have been looked through

more than 1400 appeals and questionnaires on their copyright problems, have been assisted on solving these problems and on preparing the claim applications, have been participated in 15 court meetings held in different courts, 10 expert reviews have been prepared on the base of questionnaires of state, court bodies and right holders.



Awareness measures: in Report year 9 international and national events have been held by organization and participation of the Agency for the purpose of legal awareness, more than 270 materials characterized information, awareness and propoganda have been published in Mass-media, numerous broadcasts and topics have been performed in TV and radio channels. The professional specialists, scientists, international experts, historians representing our country, foreign countries and international organizations and representatives of non-govermental organizations have represented more than 60 presentations in the events held by the Agency. Representatives of the Agency have performed with up to 10 presentations in the international events.

The activity on publication of awareness materials and distribution among the people has been continued, 13 books and booklets, 65 presentations (as a book) and other awareness materials, including 7 international conventions, agreements and treaties, laws, other normative legal acts have been published in 2017 at the Agency. They have been distributed during events as a propoganda means, also a special exhibition consisting of the publications of the Agency has been prepared during the events.



Traditionally, "World Book and Copyright Day" and "World Intellectual Property Day" had been celebrated in our country solemnly too in 2017. In this regard, the Action Plan was approved and traditional message of WIPO Director General Francis Garry and UNESCO Director General Irina Bokova had been translated into Azerbaijani and distributed, a series of events have been organized in this framework. This year's events have been remarkable by the further expansion of its geography.

During the reporting period, regular meetings were held with the representatives of public associations on collective management of property rights of authors and other rights holders, including Azerbaijani Authors Society and Guild of the Film Directors, they had been required to comply with the principles of transparency in their activities and submit reports on the results of their activities in accordance with the legislation, measures to resolve issues raised by them had been taken within the scope of the Agency's authorities. Participated in different events organized by non-governmental organizations, joint organised events of non-governmental organizations, including "Transparency Azerbaijan" Non-Governmental Organization and Economic Research Center on promotion of Open government principles and prevention of corruption, their project and initiatives had been supported.

5. Protection of cultural heritage and fight against Armenian plagiarism.

Activity on legal protection of folklore expressions and traditional knowledge of our people, especially prevention the attempts of falsification and misappropriation our cultural heritage by Armenians and exposition of such actions had been continued, in this context conference "Ancient texts and classical sources expose Armenian frauds and fabrications" had been held in April 2017, pretensions of Armenians on our cultural heritage and expressions of our material and non-material heritage had been exposed on the basis of irrefutable historical facts and scientific evidence.

In addition, due to the sounding of music of the song "San galmaz oldun" of the well-known Azerbaijani composer Alakbar Taghiyev as "background music" in January 8, 2017 dated edition on "Armenian cuisine" of the program "Путешествие за вкусом" on Russia's "Telecafe" channel the commentary had been prepared and published on the Agency's official website and had been distributed in the media.

Also, references on national affiliation and characteristics of the Azerbaijani folk songs ("Sari galin", "Susan Sunbul", etc.), national games music and dances ("Yalli", "Vagzal", "Kocheri", "Mirzeyi", etc.) that were given or played by Armenians as Armenian samples had been prepared by the Agency on historical, scientific and etymological bases and published on the website of the Agency, as well as commentary on article "Сари ахчик" или "Сары гелин". Зри в армянский корень" on the website "Sputnik Armenia" dated 21 April 2017 had been prepared by the Agency and had been distributed in the media.

In addition, our Embassy in Germany had been informed by the Agency about the presentation of great Azerbaijani poet Nizami Ganjavi as persian poet in playbills of the opera prepared by "Junge Oper Hannover" theater in Hannover on the basis of the poem "Leyli and Majnun" by him, as well as a broad reference on Nizami Ganjavi, prepared by the Agency and based on historical sources had been sent to our Embassy in Germany to present to the theater. As a result of the measures taken, the false information about the "Leyli and Majnun" work on the Internet and Facebook pages of the theater had been removed.

In this context, the activities aimed at the disclosure of Armenian frauds had always been in the center of attention, "Armenian allegations damage the rights of other nations", "On the Azerbaijani model of multiculturalism (based on identity data)", "Notes on

multiculturalism", "Armenian genocide" or Armenian terror? ", "Moral Terror: Against Tangible and Non-tangible Material Cultures" and other booklets, as well as "Introduction to the History of Armenian Historical Fables", "Copyright of Armenian Self-Denying", "Copyright" to fables in books of Armenian Authors" booklets, "The Armenian (non)folktales" book and "I came, I saw ..., I stoled" booklet (Azerbaijani, Russian, English and French), "Emergency situations and Cultural Values Protected by Intellectual Property Rights "(in Azerbaijani and English) had been re-publish and had been distributed to foreign guests, representatives and event participants throughout the year during the Agency's activities.

At the same time, materials that there are no grounds of inscribing of "Kochari" dance on the UNESCO Representative List of the Intangible Cultural Heritage as an example of the Armenians in the result of the dual standards of the international structures and that this dance belongs to the Azerbaijani people had been prepared and the necessity of taking steps to eliminate this decision in the future has been indicated and an extensive article on the issue had been published in the "Echo" newspaper.

6. ICT and Electronic Services. Taking into account the active involvement of ICT facilities in electronic commerce in the modern period, as well as ensuring the fulfillment of relevant tasks related to IT-IP combination and e-services development, derived from the "Azerbaijan 2020: Looking into the Future" Development Concept, during reporting period digital rights management system DRM (Digital Right Management), based on the "one-stop-shop" format and online permits for the use of objects protected by intellectual property rights in global digital network had been put into use. At present, the work on the formation of an electronic database is carried out and by the end of the last year the data on more than 2100, including 584 text works, 655 audio materials, 225 video materials, 114 photos, 411 authors and other right owners and materials had been digitized and placed on the electronic database.

As a continuation of the work carried out in this direction, book titled "Digitalization of Culture and Digital Copyright in Sustainable Development" had been republished, "Distance learning and video conference" system had been established and interactive Smart-class Training Center had been launched in the Enforcement Centre on Intellectual Property Rights under the Agency to train specialists in the field of intellectual property and to strengthen existing human resources.

In the reporting year www.copag.gov.az site of the Agency had been completely adapted to web hosting regulations of the Special Communication and Information Security State Agency, 5 e-services provided through the website had been further upgraded, 31 works had been registered and 31 certificates on registration of work had been issued on the basis of 40 applications by the authors through "Electronic service" section.

7. International cooperation. In the reporting year, our country was represented at the governing bodies of the World Intellectual Property Organization, including its Coordinating Committee, Program and Budget Committee, as vice president of the WIPO Copyright Treaty.

The delegation of the Copyright Agency took part in the 57th meeting of the General Assembly of the WIPO Member States held on October 2-11, 2017 in Geneva, during which the meeting was held with Mr. Francis Garri, WIPO General Director, in the framework of the "Intellectual Property as well as the work done under the "Azerbaijan 2020: Vision to Future" Development Concept, including the creation of digital rights management and online licensing in the "one stop shop" mode, as well as in cooperation

with the WIPO, innovative systems and scientific the results of the implementation of the results and high technologies were given to contribute to the provision of more favorable conditions for creativity and innovation.

F.Garri highly appraised the measures implemented in the field of intellectual property in our country and emphasized that the work on this direction will be further supported by the WIPO. At the end of the meeting, the Ministry of Education of the Republic of Azerbaijan and WIPO signed a joint statement on cooperation in the field of intellectual property policy and implementation of scientific results.

At the General Assembly's meeting, Kamran Imanov, the Chairman of the Copyright Agency, was elected vice-president of the WIPO Copyright Treaty in the elections to WIPO governing bodies.

Within the framework of the meeting, working meetings were also held with the staff of the WIPO relevant departments, and the measures planned to be held in the field of intellectual property in the next year were discussed.

In the reporting year, the representatives of the Agency were present at the meetings of the WIPO Committees, WIPO Regional Group meetings, bilateral consultations in Geneva within the framework of the WTO accession process and at the 14th meeting of the Working Group and the new Agreement between the Republic of Azerbaijan and the European Union on Trade, participated in the first two stages of the negotiations on the part of trade issues.

8. Results of the financial and economic activity of the Agency. The expenses of maintenance of the Office of the Copyright Agency for the year 2017 were 583,286 manats from 629,177 manats for a year. Other measures were spent for the year 219627 manats from 220,102 manats allocated for 2017 for the maintenance costs of the Intellectual Property Rights Protection Center.

9. Increasing the professionalism of the staff, the reception of citizens and the organization of clerical work.

1) Increasing the professionalism of staff. During the reporting year, staffing was carried out in accordance with the relevant legislation, eleven positions were promoted in the manner established by the legislation, and updated information on personnel was regularly included in the Registrar's Information System. Three different courses and programs were used to enhance the professionalism of the staff, 3 of them participated in online trainings on the EU-Eastern Partnership Program and received 12 certificates.

2) Organization of clerkship and reception of citizens. Clerical work has been conducted in accordance with the "Guidelines on the conduct of clerical work in state bodies, state-owned and controlling interest (shares) in legal entities and budget organizations belonging to the state", supervision of the delivery of draft orders, deliveries and deliveries of commissions.

During the reporting period, the Agency received 1677 documents, 523 documents were sent from the Agency. The movement of documents in the Agency has been strictly adhered to in their turnover and execution until the moment they are entered or sent to the organization. 695 of the documents included in the agency were directly related to the registration of the works.

Citizens received 759 appeals directly from the Agency (60 of them electronically), and 3 appeals were received from different organizations for consideration (762 in total). 695 of these appeals were positive, 2 partially resolved, 46 explanations were given, 14 were groundless, 1 were sent to the relevant organization for consideration, and 4 are currently under execution.

Annual Reports on Citizen's Clerical Claims are filled out and sent to the Presidential Administration of the Republic of Azerbaijan in the prescribed manner each year.
