

**LAW OF GEORGIA  
ON COPYRIGHT AND RELATED RIGHTS**

**Chapter I – General Provisions**

**Article 1 – Scope of regulation**

This Law shall regulate:

- a) relations associated with the property and personal non-property copyright that arise upon creation and use of scientific, literary, and artistic works (copyright);
- b) relations associated with copyright related rights of performers, producers of phonograms, and videograms, and broadcasting organisations ('the related rights');
- c) relations associated with the rights of database producers.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

**Article 2 – International agreements**

If the international agreements to which Georgia is a party establish rules other than the ones in this Law, the rules of the international agreement shall prevail.

**Article 3 – Scope of the Law**

This Law shall apply to:

- a) scientific, literary and artistic works, performances, phonograms, videograms and databases the rights to which belong to a citizen of Georgia, a natural person with a permanent residence on the territory of Georgia, and a legal person located on the territory of Georgia;
- b) scientific, literary and artistic works, phonograms and videograms, and databases, which were first published on the territory of Georgia; compositions, phonograms and videograms shall also be considered first published in Georgia if they are published on the territory of Georgia within 30 days after they were first published in a foreign country;
- c) a performance, first implemented on the territory of Georgia; a performance, recorded on a phonogram or a videogram, which is protected under subparagraph (b) of this article; a performance, which is not recorded on a phonogram or a videogram, but is included in a programme of a broadcasting organisation that is protected under subparagraph (d) of this article;
- d) programmes of the Public Broadcaster, the Ajara Television of the Public Broadcaster, and radio programmes, and a programme of another broadcaster that has received a broadcasting licence or has been granted authorisation under the procedure established by the legislation of Georgia, and transmits programmes through transmitters located in the territory of Georgia, over the air, by cable, or other similar means;
- e) architectural works, located on the territory of Georgia, artistic works incorporated as an integral part of architectural works located on the territory of Georgia, regardless of the citizenship or permanent residence of their authors;
- f) scientific, literary and other artistic works, performances, phonograms, videograms and programmes of broadcasting organisations that are protected in compliance with the international agreements to which Georgia is a party.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 3694 of 12 June 2015 – website, 15.6.2015*

**Article 4 – Definition of terms used in the Law**

The terms used in this Law have the following meanings:

- a) author – a natural person, whose intellectual and creative activity resulted in the creation of a work.
- b) audio-visual work – a work consisting of consecutive images accompanied by sound and/or without it, gives the impression of movement and can be perceived by eyesight and/or hearing. Audio-visual works include cinematographic and other works that are expressed by means analogous to cinematography (television films, video films, film strips, etc.).
- c) audio-visual work maker (producer) – a natural or legal person who initiated and undertook the responsibility for the production of such work. Unless proved otherwise, a natural or legal person, whose name and/or title is duly indicated on the work, shall be deemed as the producer of an audio-visual work.
- d) communication to the public – any action (excluding publication), as a result of which a work, a performance, a phonogram, a video recording, a broadcasting organisation's programme or a database, directly or through technical means, is made available to the public.
- e) publication – putting into civil circulation, with the consent of authors, other holders of copyright or related rights, and producers of databases, copies of works, phonograms, videograms or databases through sale or rent or through another form of transfer of property or ownership in the amounts that meet the reasonable public demand.
- f) rental – making available an original work or a subject-matter of related rights or their copy for use with the purpose of



earning a profit over a specified period of time.

g) videogram – recording of consecutive images in a tangible form accompanied by sound or without it.

h) videogram maker (producer) – a natural or legal person who initiated and undertook the responsibility for the production of the first recording of consecutive images with or without sound. Unless proved otherwise, a natural or legal person, whose name and/or title is duly indicated on the videogram and/or its case, shall be deemed as the producer of a videogram.

i) cable transmission – a sound and/or an image transmission by wire, optical fibre or other similar means of the communication to be received by the public.

i<sup>1</sup>) cable retransmission – simultaneous, uninterrupted and unabridged retransmission, via cable or a microwave system, of initial broadcast of television and radio programmes intended for the public, by wire or over the air, including by satellite.

j) computer program – a set of instructions expressed in words, codes, chips or in any other machine-readable form, which enables a computer to achieve certain results. The term also includes preparatory material for a computer program design.

k) broadcast – transmission of sound and/or image for communication to the public, by wireless communication, including by satellite (satellite – all satellites, operating in accordance with telecommunications rules in the broadcast bandwidth meant for broadcast signals to be provided to the public; satellite transmission – reception of programme carrier signals under the control and responsibility of a broadcasting organisation; programmes intended for the public shall be received as uninterrupted chain of communication – leading to the satellite and down towards the earth); transmission of encoded signals shall be broadcasting, if decoder means are provided to the public by the broadcasting organisation or with its consent.

l) broadcasting organisation programme – a set of sounds and/or images intended for reception by the public, which is transmitted over the air or by cable.

m) Database – a systematically or methodically based collection of works and/or other data and materials, which is individually accessible by electronic or other means. The term does not imply a computer programme that is used while creating and using a database accessible by electronic means.

n) reproduction – making of one or more copies of a work, a subject-matter of related rights or a database directly or indirectly, in whole or in part, by any means and in any form, including in the form of sound and video recording. Recording in electronic (including digital), optical or any other machine-readable form for temporary or permanent storage shall also be considered as a reproduction.

n<sup>1</sup>) temporary copy – an incidental or required temporary copy of a work, performance record, phonogram, videogram, database or broadcasting organisation programme, which is an integral and significant part of the technological process. The only purpose for creating a temporary copy is to ensure the transmission of an object in a network during interim or legitimate use of a work and/or a subject-matter of related rights between (among) third parties, and such a temporary copy shall have no independent economic significance.

o) reprographic reproduction (copying) – a facsimile reproduction of an original or a copy of a work, data or other material expressed in written or graphic form in any size with the help of photocopying or other technical means. Recording in an electronic (including digital), optical or other machine-readable form shall not be deemed as a reprographic reproduction;

o<sup>1</sup>) accessible format – the result of reproducing a printed work of science, literature, art by an alternative means or form, which ensures the access to the mentioned work by the beneficiary equal to a person who does not have the limitation of abilities specified in sub-paragraph (y) of this article. The accessible format shall not exclude the use of an auxiliary means and/or other assistance by the beneficiary or an authorised person, where necessary.

p) public transmission – broadcasting of images and/or sounds of works, performances, phonograms, videograms, databases, broadcasting organisation programmes over the air, by cable or other means (except for distributing copies of works or phonograms) so that the transmission of the image and/or sound may be perceived by individuals who are not family members or family friends at a place(s), which is at such a distance distanced from the place of broadcasting that the images and/or sounds may not be received at the reception place(s) without such broadcasting, including in a way that subject-matters of copyright or related rights and databases may be accessible to any person at a time and from a place of his/her choice;

q) public performance – presentation of a work, performance, phonogram, videogram, broadcasting organisation programme through declamation, acting, singing, dancing or otherwise, either directly (live performance) or by means of any device in a place(s) where a public performance may be perceived without requiring public transmission, and where the persons who are not family members or family friends are present or may be present. A demonstration of images of an audio-visual work in series shall be considered a public performance of the audio-visual work.

r) public display – demonstration of an original work or its copy directly or on a screen via a tape, slide, picture frame or any other technical means, where persons who are not family members or family friends are present or may be present. Demonstration of separate individual picture frames shall be considered a public display of an audio-visual work.

s) technological measure – any technology, device or its component, which, under normal operation, prevents or restricts



acts that are not permitted by the owner of the copyright or other rights. Technological measures shall be deemed effective, if the the right holder controls access to a protected work or other subject in use through the processes (decoding, restriction on copying or any other way), which serve the protection objective.

s<sup>1</sup>) circumvention of technological measures – using a device or its component and/or other means to neutralise technological measures;

t) rights management information – any information which identifies a work or other subject-matter protected under this Law, an author or right-holder, and/or any information about the terms and conditions of use of a work or other subject-matter protected under this Law, as well as any numbers or codes which represent such information, where any item of this information is mentioned in a copy of a work or other subject-matter protected under this law or appears during its communication to the public.

u) phonogram – a fixation of performance of sound, another sound or signal expressing sound. The term does not imply a recording of sound incorporated in an audiovisual work.

v) phonogram producer – a natural or legal person who initiated and undertook the responsibility for the production of the first sound fixation of a performance or other sounds. Unless proved otherwise, a natural or legal person, whose name and/or title is duly indicated on the phonogram and/or its case, shall be deemed as the producer of the phonogram.

w) fixation – fixing images and/or sounds in a tangible form that enables perceiving, reproducing and transmitting them using technical devices.

x) performer – an actor (theatre, cinema, etc.), singer, musician, dancer or another person who acts, reads, sings, declaims, plays a musical instrument or otherwise performs a literary or artistic work, or an item of a pop, circus, puppet or folklore shows.

y) beneficiary – regardless of other limitations of ability, a person who has such impairment of vision, physical ability, perception or other ability necessary for reading a printed work, due to which he/she cannot read a printed work equally with another person. A person who can read a printed work with the use of a simple means designed to improve vision shall not be considered a beneficiary. The decision to grant the beneficiary status to a person shall be made upon submission of the relevant expert opinion, health status report and/or notice of capacity limitation (taking into account the grounds for issuing the notice/status of capacity limitation);

z) authorised person – the National Library of the Parliament of Georgia recognised as an authorised person by Sakpatenti, a mass (public) library united in the library network of municipalities, an educational institution, a non-entrepreneurial (non-commercial) legal entity, one of the main activities of which is the non-commercial provision of educational services to beneficiaries.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 3966 of 15 December 2023 – website. 25.12.2023*

## Chapter II – Copyright

### Article 5 – Subject matter of copyright

1. Copyright applies to scientific, literary and artistic works that are the result of intellectual and creative activities, regardless of their purpose, value, genre, size, form and means of expression.

2. Copyright applies to a work which exists in a tangible form, irrespective of whether it has been published or communicated to the public.

3. Copyright shall not apply to ideas, methods, processes, systems, means, concepts, principles, discoveries and facts, even if they are expressed, described, explained, illustrated or embodied in a work.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### Article 6 – Scientific, literary and artistic works

1. Scientific, literary and artistic works are:

a) literary works (books, brochures, articles, computer programs, etc.);

b) dramatic or musical-dramatic works, choreographic or a pantomime works and other theatrical works;

c) musical compositions with or without words;

d) audiovisual works;

e) sculptural, painting, pictorial, lithographic, fine arts, and other similar works;

f) decorative and applied arts or monumental art works;

g) theatrical-decorative art works;

h) architectural, urban planning or landscape design works;

i) photographic works or works produced by aid of means analogous to photography. Certain images of an audiovisual work shall not be considered a photographic work;

j) maps, plans, sketches, illustrations and other similar works related to geology, geography, cartography or other spheres;

k) revised works, in particular, translations, interlinear translations of artistic works, adaptations, screen versions, reviews, staging, compilations, musical arrangements, and other alterations of scientific, literary and artistic works;

l) composite works, in particular collections, encyclopaedias, anthologies, databases and other works that are the result of



intellectual and creative activities according to the selection and arrangement of the material;

m) other works.

2. Copyright on revised and composite works shall be protected regardless of whether or not the works, on which they are based or which they include, are the subject-matters of copyright.

3. Revised and composite works shall be protected as original works.

4. Protection of computer programs shall apply to all kinds of computer programs (including operational systems), which may be expressed in any language and in any form, including the initial text and objective code.

*Law of Georgia No 1693 of 10 October 2002 – LHG I, No 28, 28.10.2002, Art. 129*

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 7 – Copyright severable from property rights**

1. Copyright shall not depend on the right to ownership of a tangible object in which the work is expressed.

2. The transfer of property or ownership of a tangible object shall not result in the transfer of copyright to the work expressed by that tangible object, except as provided in Article 18 of this Law.

### **Article 8 – Works not covered by copyright**

1. Copyright shall not be applicable to the following works:

a) official documents (laws, court decisions, other administrative and normative texts), as well as their official translations;

b) official national symbols (flag, coat of arms, anthem, awards, banknotes, other official national signs and symbols);

c) information on facts and events.

2. If works stated in paragraph 1(b) of this article are used under another name, the author's right may be protected.

### **Article 9 – Arising of copyrights**

1. Copyright in scientific, literary and artistic works shall arise from the moment of their creation. The work shall be considered to be created when it is expressed in a tangible form, which allows its perception and reproduction.

2. For a copyright to arise and be enforced, registering, legalising or otherwise formalising a work shall not be required.

3. (Deleted).

4. An exclusive right-holder, for ascertaining his/her right, may use a copyright notice, which shall be affixed to each copy of the work, and which shall consist of three elements:

a) the Latin letter C in a circle: ©;

B) the exclusive copyright holder's name (title);

C) the year when the work was first published.

*Law of Georgia No 651 of 5 December 2000 – LHG I, No 47, 14.12.2000, Art. 135*

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 9<sup>1</sup> – Depositing of works**

1. An author or another copyright holder shall have the right to deposit the original or a copy of a work with the National Intellectual Property Centre (Sakpatenti). Unless proved otherwise, a person referred to in a deposit certificate shall be deemed as the author/copyright holder of the work.

2. When depositing the original or a copy of a work with the National Intellectual Property Centre (Sakpatenti), an applicant must observe the copyright or other rights, related to the work submitted, of other persons.

3. An applicant shall be responsible for the accuracy and reliability of documents submitted to the National Intellectual Property Centre (Sakpatenti).

4. If a work is submitted to the National Intellectual Property Centre (Sakpatenti) by an author's heir, successor, or another person who owns the copyrights, the application must be accompanied by a document proving inheritance, succession, or ownership of the copyright.

5. While depositing a work with the National Intellectual Property Centre (Sakpatenti) through a representative, an application must be also accompanied by a document certifying the representation.

6. The information related to a work, deposited with the National Intellectual Property Centre (Sakpatenti) under this article, may become public at the request of its author or another copyright holder.

7. A fee for depositing works, determined by an ordinance of the Government of Georgia, shall have to be paid.

*Law of Georgia No 1585 of 3 June 2005 – LHGI, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 3032 of 4 May 2010 – LHGI, No 27, 24.5.2010, Art. 184*

### **Article 10 – Presumption of authorship**

1. A person who is duly identified as the author on the original or a copy of a work, shall be deemed as the author, unless proved otherwise. This provision shall also apply to a work published under a pseudonym, if the author is universally known under this pseudonym.

2. When the work is published pseudonymously (except for the cases when the author is universally known under this pseudonym) or anonymously, a publisher whose name or title is appropriately indicated on the work, shall be considered



to be a representative of the author, unless proved otherwise. He/she, as a representative, shall have the right to protect the author's rights and ensure their implementation. This provision shall apply until the author of such work reveals his/her identity.

#### **Article 11 – Co-authorship**

1. Copyright in a work created by two or more persons (co-authors) as a result of joint intellectual and creative effort, shall be jointly owned by the co-authors, irrespective of whether the work is an indivisible whole, or consists of parts, each of which has an independent meaning. Communication between the co-authors shall be defined under the contract they have made.
2. None of the co-authors shall have the right to prohibit the use of the work without a substantial reason.
3. A work may be published or be communicated to the public under a joint pseudonym, as agreed by the co-authors.
4. Each co-author shall have the right to use a part of the work created by him/her and has an independent meaning, unless otherwise provided for by an agreement they have made.
5. A part of a co-authored work shall be considered as having independent meaning if it can be used without other parts of the work.

*Law of Georgia No 1585 of 3 June 2005 – LHGI, No 31, 27.6.2005, Art. 198*

#### **Article 12 – The rights of authors (compilers) in composite works**

1. An author (compiler) of a composite work shall enjoy a copyright in the selection and arrangement of material, which is the result of his/her intellectual and creative effort.
2. A compiler shall protect the copyright of authors of works included in a composite work.
3. Authors of works included in a composite work shall have the right to use their works independently of the composite work, unless otherwise provided for by the copyright agreement.
4. A compiler's copyright shall not prevent other persons from performing selection and arrangement of the same material to create their composite works.

#### **Article 13 – Author's rights in derivative works**

1. An author of a derivative work possesses a copyright in the adaptation implemented by him/her.
2. An author of a derivative work must protect the copyright of the author of the work.
3. Copyright of the author of a derivative work shall not prevent other persons from adapting the same work.

#### **Article 14 – Exclusive right of a publisher**

1. Publishers of encyclopaedias, encyclopaedic dictionaries, scientific papers, periodicals and serial collections, newspapers, magazines and other periodicals shall own the exclusive right to use the works included in those editions. A publisher shall have the right to indicate his/her name or to request its indication while using such works in any form. Using a work published in a newspaper, magazine or another periodical, by another person, without the permission of the publisher of that newspaper, magazine or periodical or the author of such work, shall be inadmissible, except as provided in this Law. In the case of use of any exclusive material, published in a press or other mass media source, by other mass media source, the mass media source where the material was first published must be acknowledged.
2. Authors of works included in publications under the paragraph 1 of this article, shall retain the exclusive right to use their works, if not otherwise provided for by a copyright agreement.

*Law of Georgia No 2388 of 9 September 1999 – LHG I, No 43(50), 21.9.1999, Art. 223*

#### **Article 15 – Copyrights in audiovisual works**

1. Authors (co-authors) of an audiovisual works shall be: the director, the scriptwriter, the author of dialogues, the author of musical composition with or without words, created specifically for the audiovisual work.
2. Concluding an agreement to create an audiovisual work shall lead to transfer by authors (co-authors) of the exclusive right to use this work to the producer of the audiovisual work, unless otherwise provided in the agreement. The authors (co-authors) of this work shall retain the right to receive royalties from the user (a broadcasting organisation, a cinema, etc.) for the use of the work in any form, and any other agreement between the producer and the authors (co-authors) of the audiovisual work shall be void. This right shall be exercised only through organisations managing property rights on a collective basis.
3. A producer of an audiovisual work shall have the right to indicate his/her name or request its indication, while using this work in any form.
4. An author of a previously created work that has been adapted or incorporated in an audiovisual work, as well as an author of a work that has been designed in the process of creating an audiovisual work, shall retain the copyright in their works having an independent importance. They shall have the right to use the work independently, unless otherwise provided in the agreement, provided that such use does not interfere with the normal use of the audiovisual work.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*



## **Article 16 – Copyright in a work for hire**

1. Copyright in a work created by an employee or recipient of a work order, which is connected with performing official duties or executing the order (a work for hire), shall belong to the employer or the client, unless otherwise provided in an agreement.
2. (Deleted)
3. (Deleted)
4. (Deleted)
5. (Deleted)
6. An employer shall have the right to indicate his/her identity (title) or request its indication while using a work for hire in any form.
7. The amount and payment terms for an author's remuneration (royalties) while using a work for hire may be defined under an agreement concluded between the author and the employer.
8. (Deleted)

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 3032 of 4 May 2010 – LHG I, No 27, 24.5.2010, Art. 184*

## **Article 17 – Personal non-property rights of an author of a work**

1. Personal non-property rights of an author are:
  - a) to be recognised as the author of a work and to request such recognition for each copy of the work and/or while using it in any form, in an appropriate manner, including the right to request indication of the author's name (authorship);
  - b) to indicate a pseudonym instead of his/her name and to request such indication on each copy of the work and/or while using it in any form, in an appropriate manner, also to refuse to be named (right to a name) as well;
  - c) to decide when, where and in what manner to disclose the fact of having created the work;
  - d) to permit other persons to make changes in the work, in its name (title) and the author's name, as well as to oppose making changes in the work without the author's consent (right of integrity);
  - e) to protect the work from any distortion or violation in any other way, which may be prejudicial to the author's honour, dignity or business reputation (right to honour and reputation);
  - f) to permit other persons to attach the works of other authors to the work (illustrations, forewords, afterwords, comments, definitions, etc.);
  - g) to request the termination of use (the right to revocation of a work). In this case, the author shall be obliged to publicly announce the revocation. The right to revocation of a work shall not apply to a work for hire.
2. The right under paragraph 1(g) of this article shall be exercised at the author's expense. An author must compensate the inflicted losses to the user of a work, including lost profits. An author also shall have the right to withdraw from civil circulation at his/her own expense copies of a work produced previously with the purpose of sale or rent, or other forms of transfer of ownership or possession.
3. Personal non-property rights shall belong to the author independently of his/her property rights, and he/she shall retain them even in the case of renouncing the latter.
4. Alienating personal non-property rights *inter-vivos* of the author shall be inadmissible. Such rights shall be exercised after the author's death under the procedure provided in this Law.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

## **Article 18 – Property rights of an author**

1. An author or another copyright holder shall have an exclusive right to use the work in any form.
2. An exclusive right to use a work shall imply the right to perform, permit, or prohibit:
  - a) reproduction of the work (the right of reproduction);
  - b) distribution of the original or copies of the work by sale or other forms of transfer of ownership (the right to distribute);
  - c) import of copies of the work for the purpose of sale or rental, or other forms of transfer of ownership or possession, including copies made with the consent of the author or another copyright holder (the right to import);
  - d) public display of the work (the right of public display); this right shall not be applicable if the public display is the result of legal purchase of the work put into civil circulation;
  - e) public performance of the work (the right of public performance);
  - f) public transmission of the work, including transmission and/or re-transmission; as well as transmission by wire or wireless communication in such a way that it is accessible to any person at a time and from a place of his/her choice (the right of public transmission);
  - g) translation of the work (the right of translation);
  - h) adaptation of the work (the right of adaptation);
  - i) rent and/or another form of transfer of ownership of the original or a copy of the work;
  - j) other use of the work.



3. An author or another exclusive copyright owner shall have the right to receive royalties for the use of his/her work in any form (the right to royalty).
  4. The first sale of a copy of a work by its author or with his/her consent in Georgia shall exhaust the author's right to its further distribution in Georgia.
  5. Authors or another copyright holders of musical works expressed in notes, audiovisual works, computer programs, databases, works recorded on phonograms or videograms shall have the exclusive right to rent and otherwise transfer the ownership of the original or copies of the above works, irrespective of the property right on the original or copies of such works.
  6. The exclusive right to use architectural, urban planning and landscape design projects shall include the right to implement such projects.
  7. The amount of the royalties, the procedure for its calculation and payment for use of a work in any form shall be established under an agreement concluded between the author, another copyright owner or organisations managing property rights on a collective basis on the one hand, and the user, on the other hand. If the organisation managing property rights on a collective basis and the user fail to reach agreement, the amount of the royalty, its calculation and payment method shall be determined by the commission created by the order of the chairperson of Sakpatenti based on the appeal of one of the parties; the composition of the commission and the manner of its activity shall be determined by the rules established by paragraphs 5, 6 and 8-10 of Article 65 of this Law. All users are obliged to pay royalties to the organisation managing property rights on a collective basis in accordance with the tariff established by the mentioned commission. The decision of the commission can be appealed to the court within 2 months from its adoption. A court appeal against a decision of the commission to establish an appropriate tariff shall not suspend the validity of that decision.
  - 7<sup>1</sup>. In case of appeal against the tariff established by the commission specified in paragraph 7 of this article, before the court decision enters into legal force, all users are obliged to pay royalties to the organisation managing property rights on a collective basis in accordance with the tariff established by the said commission, and after the court decision enters into legal force – in accordance with the tariff determined by the said decision.
  8. A person who, after the expiration of the copyright term makes a work, which has not been previously published or communicated to the public, available to the public for the first time by way of publication or communication to the public, shall enjoy property rights in this work provided for in the paragraph 2 of this article.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*  
*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

#### **Article 19 – Property rights in computer programs and databases**

1. The author of a computer program shall enjoy, along with the rights defined in Article 18 of this Law, the exclusive right to perform, permit or prohibit:
  - a) reproduction of a computer program by any means and in any form, in whole or in part; if such reproduction is required for downloading, displaying, running, transmitting or storing a computer program, an author's consent shall be necessary;
  - b) transfer of a computer program from one program language to another, its adaptation, systematisation or any other alteration, and reproduction of the findings through protecting the rights of the person altering the computer program;
  - c) (Deleted)
2. The author of a database shall enjoy, along with the rights defined in Article 18 of this Law, the exclusive right to perform, permit or prohibit:
  - a) temporary or permanent reproduction of a database by any means and in any form, in whole or in part;
  - b) translation, adaptation, systematisation and any other alteration of a database, and reproduction, distribution, communication to the public, display or performance of the results obtained;
  - c) (Deleted).
  - d) any communication, display or performance to the public, including dialogical, live transmission.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 20 – Copyrights in works of fine art**

1. The author of a work of fine art shall have the right to request that the owner of the work give him/her the opportunity to perform the reproduction of his/her work (the right of access). At the same time, the owner shall not be required to deliver the work to the author.
2. After the first alienation of an original work of fine art or an original photographic work, in the case of each subsequent sale, including through professional intermediaries (art salon, art gallery, etc.), the author or his/her heirs shall be entitled to receive royalties from the seller in the following amounts:
  - a) if the sale price is from GEL 500 up to GEL 100 000 – 4%;
  - b) if the sale price is from GEL 100 000.01 up to GEL 400 000 – GEL4000 + above GEL 100000.01 – 3% of the sum;
  - c) if the sale price is from GEL 400 000.01 up to GEL 700 000 – GEL 13000 + above GEL400000.01 – 1% of the sum;
  - d) if the sale price is from GEL 700 000.01 up to GEL 1 000 000 – GEL 16000 + above GEL700000.01 – 0.5 % of the sum;



e) if the sale price is more than GEL 1 000 000 – GEL 17 500 + above GEL 1 000 000 – 0.25 % of the sum.

3. Royalties set forth under paragraph 2 of this article may be collected through organisations managing property rights on a collective basis, at whose request a seller of a work of fine art or a photographic work shall be obliged to submit sales information to the organisation. Royalties set forth under paragraph 2 of this article (without taxes) shall not exceed GEL 25 000.

4. For the purposes of this article, a limited number of copies of an original work of fine art and of a photographic work made by its author or with his/her consent shall be equated to original work of fine art and original photographic work provided for in paragraph 2 of this article.

5. Alienation of the right provided in paragraph 2 of this article shall be prohibited, which is transferred only to the author's heir by law or will by testamentary succession for the term of the copyright.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### Chapter III – Restrictions on Property Rights

#### Article 21 – Reproduction of works by natural persons for personal use

1. A natural person may reproduce a work available to the public by lawful publication or communication to the public only for personal use without the consent of the author or another copyright holder and without paying him/her royalties, with the exception of cases provided for by paragraphs 2 and 3 of this article.

2. Paragraph 1 of this article shall not apply to:

- a) reproduction of architectural works in the form of buildings and structures;
- b) reproduction of electronic databases, except for cases provided for by Articles 28 and 30 of this Law;
- c) reproduction of computer programmes, except for cases provided for by Articles 28 and 29 of this Law;
- d) reprographic reproduction of books (in full), sheet music and works of fine art;
- e) reproduction of audiovisual works, works recorded on phonograms or videograms.

3. When an audiovisual work or a work recorded on a phonogram is being reproduced by a natural person for personal use, an author or another copyright holder shall, in contrast to the procedure provided for by paragraph 1 of this article, have the right to receive respective royalties.

4. Royalties provided for by paragraph 3 of this article shall be paid by producers and importers of equipment and material carriers used for reproducing works for personal use. The collection and distribution of the royalties shall be carried out only by the organisation managing property rights on a collective basis, which has been granted accreditation for the collective management of rights specified in the same article.

5. The type of equipment and material carriers used for reproducing works for personal use as provided for by paragraph 3 of this article, the amount of royalties and the procedure for payment shall be determined in agreement with the producers and /or importers on the one hand, and an organisation managing the property rights on the collective basis, on the other hand. If the parties fail to reach an agreement, the amount of the relevant royalties, the method of its calculation and the payment, based on the request of a party or the parties, shall be determined by the commission established by the order of the chairperson of Sakpatenti in accordance with the procedure provided for by Article 18(7) of this Law, and the relevant royalties shall be paid in accordance with paragraphs 7 and 7<sup>1</sup> of the same article.

6. The royalties stipulated by paragraph 3 of this article shall be distributed among the members/authors of the organisation managing property rights on the collective basis in proportion to the royalties paid to them by this organisation during the year. When calculating the proportion, the royalties payable on the basis of paragraph 3 of the same article shall not be taken into account.

7. If Sakpatenti granted accreditation to an organisation that manages more than one property right on a collective basis with respect to a different right, category of rights or groups of categories of rights, the organisation that manages property rights on a collective basis, which was granted accreditation for the collective management of rights provided for in this article, is obliged to share the royalties determined by paragraph 3 of the article with the organisation that manages the relevant property rights on a collective basis, taking into account the rules established by paragraph 6 of the same article.

8. The organisation that manages property rights on a collective basis, which has collected the royalties specified in paragraph 3 of this article, shall have the right to request information on the production and import of equipment and material carriers, provided for by paragraph 4 of this article, from manufacturers, importers and relevant state organisations and institutions, in compliance with the terms of confidentiality, which is necessary to determine the amount of royalties payable. The said information shall include:

- a) only information on the manufacturer, the type, quantity and cost of manufactured equipment and material carriers – in the case of the production of equipment and material carriers;
- b) only information on importers, the type, quantity and customs value of equipment and material carriers – in the case of imported equipment and material carriers.

9. Manufacturers and importers of appropriate equipment and material carriers, as well as relevant state organisations and institutions are obliged to provide the information provided for by paragraph 8 of this article to the organisation managing property rights on a collective basis which is responsible to collect the royalties determined by this article, in





compliance with the terms of confidentiality.

10. The Government of Georgia shall establish the procedure for storing and processing the information provided for by paragraph 9 of this article and shall determine the relevant state organisations and institutions provided for by the same paragraph.

11. In the case of violation of the rules provided for by paragraph 10 of the same article by the organisation managing the property rights on a collective basis and collecting the royalties defined by paragraph 3 of this article, the said organisation shall be responsible for the damages caused to the relevant entities.

12. Royalties shall not be paid for the equipment and material carriers provided for by paragraph 4 of this article that are:

- a) subject of export;
- b) professional equipment, not intended for domestic use.

13. Royalties shall not be paid in the case of import of equipment and material carriers provided for by paragraph 4 of this article by a natural person for personal use.

14. The right of reproduction of copyrighted works provided for by this Law shall not apply to a temporary copy.

*Law of Georgia No 651 of 5 December 2000 – LHG I, No 47, 14.12.2000, Art. 135*

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Decision of the Constitutional Court of Georgia No 2/1/877 of 25 December 2020 – website, 30.12.2020*

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

## **Article 22 – Reprographic reproduction of works by libraries, archives and educational institutions**

Reprographic reproduction without receiving direct or indirect profit shall be permitted without the author's or another copyright holder's and without paying him/her royalties, but with compulsory acknowledgement of the author and the source, and in certain cases – to the specified extent.

Such reprographic reproduction shall be permitted:

- a) in a single copy to replace destroyed, lost or unusable copies of lawfully published works, by libraries and archives; to replace lost, destroyed, or unusable copies from other libraries' funds for the purpose of transferring them to the above libraries, if such copies cannot be obtained in any other way under ordinary conditions;
- b) in a single copy of lawfully published individual articles and other small works or small excerpts from written works (other than computer programs), by libraries and archives, at the request of natural persons, for educational, scientific or personal purposes;
- c) for lawfully published individual articles and other small works or excerpts from written works (other than computer programs), by educational institutions for teaching purposes.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

## **Article 23 – Use of works without the author's consent and without paying him/her royalties**

The following shall be permitted without the consent of the author or another copyright holder and without paying him/her royalties, but with compulsory acknowledgement of the author and the source:

- a) quoting works available to the public by way of lawful publication or communication to the public for scientific, research, polemic, critical or information purposes, only to the extent justified by the quotation purpose, including reproduction of excerpts from newspapers and magazines for a printed survey;
- b) using excerpts from works available to the public by way of lawful publication or communication to the public in the form of illustrations, in publications, in radio and TV programmes, in instructional phono- and video recordings, only to the extent determined by the set purpose;
- c) reproducing articles or publicly transmitted works of similar content available to the public by way of lawful publication or communication to the public on current economic, political, social and religious issues through periodicals or public transmission only where such reproduction or communication to the public has not been specially prohibited by the author or another copyright holder; In addition, the author shall retain the right to publish such work in a collection;
- d) reproducing or making available to the public works seen or heard in the process of reviewing current events by way of taking photos, broadcasting over the air or by cable only to the extent justified by the information purpose;
- e) reproducing publicly delivered political speeches, reports, lectures, addresses, sermons and other similar works, including speeches made at trials, by means of newspapers, magazines and other periodicals or communication to the public, only to the extent justified by the information purpose; at the same time, the author shall retain the exclusive right to publish such works as a separate collection or a book;
- f) reproducing lawfully published works, created using relief raised dots printing, or other special means for the blind, for non-profit purposes, except for works specially created for such means of use.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

## **Article 23<sup>1</sup> – Permitted use of a printed work protected by copyright and related rights for the benefit of a person with print disability**

1. The rule specified in this article applies to the printed work available to the public through legitimate publication or public introduction, which is legally accessible to the beneficiary and the authorised person. For the purposes of this



article, a printed work is a work available in text (digital and physical form) or audio format, and a symbol and related illustrations protected by copyright and related rights.

2. The rule specified in this article shall not apply to the accessible format of the printed work, which is commercially included in the local civil circulation. This restriction shall not apply to any other accessible format of said printed work. In the case of dispute, the author or other copyright holder is obliged to prove the fact of commercial inclusion of the accessible format of the printed work in the local civil circulation. The permitted use of the printed work provided for in this article shall be carried out in compliance with the legal interests and rights of entities with commercial interests.

3. The beneficiary shall have the right, without the prior consent of the author or other owner of the copyright and without payment of royalties, to obtain (receive) a copy of the printed work in an accessible format from the local authorised person and the authorised person recognised in the relevant state that is a party to the international treaty of Georgia. In addition, the beneficiary and/or his/her legal representative, personal assistant, supporter, caregiver shall have the right to reproduce the printed work in an accessible format for the personal use of this work by the beneficiary. In the process of reproduction defined by this paragraph, it shall be allowed to provide assistance by the beneficiary's legal representative, caregiver, and personal assistant.

4. The authorised person shall be entitled to reproduce the work in an accessible format without the prior consent of the author or other copyright holder and without payment of royalties, but with the necessary reference to the author of the used work and the source of the lending, to obtain (receive) a copy of the format from another local authorised person and an authorised person recognised in the relevant state that is a party to the international treaty of Georgia, to ensure the availability (transmission, exchange, distribution) of the printed work preserved in its system, reproduced in an accessible format, by any means for local beneficiaries and beneficiaries in the relevant state that is party to the international treaty of Georgia, as well as for other locally authorised persons and those authorised persons recognised in the relevant state that is a party to the international treaty of Georgia. All actions specified in this paragraph shall be carried out for non-commercial purposes and exclusively for the use by the beneficiaries.

5. The authorised person shall be entitled to receive compensation from another local authorised person in exchange for the provision of services to cover the costs necessary for the implementation of the activities specified in this article, unless it contravenes the legislation of Georgia. The income received by the authorised person in accordance with this paragraph shall be used for the implementation of the activities specified in this article.

6. The holder of copyright or related rights shall have the right to claim damages if he/she has been harmed by violating the rules established by this article. Irrelevant damage shall not be taken into account.

7. The authorised person shall take appropriate measures to ensure:

a) availability of the printed work preserved in its system, reproduced in an accessible format, only to the beneficiary and the authorised person;

b) prevention of illegal reproduction of printed works, illegal availability (transfer, exchange, distribution) and acquisition (receiving) of printed works reproduced in an accessible format;

c) public availability of the number of beneficiaries, contact information of partner authorised persons (authorised persons who exchange printed works reproduced in an accessible format), as well as information on the work preserved in its system, reproduced in an accessible format.

8. The authorised person shall provide the information provided for by paragraph 7 (c) of this article, by ensuring the protection of the personal data of the beneficiaries, to Sakpatenti, which collects the information provided to it and publishes it on its official website. In the case of updating the information, the authorised person is obliged to provide the updated information to Sakpatenti within 5 working days from the occurrence of the new circumstances. The authorised person shall be responsible for the authenticity of the information provided to Sakpatenti. The procedure for providing information to Sakpatenti by an authorised person shall be determined by the order of the chairperson of Sakpatenti.

9. Sakpatenti is obliged to ensure the public availability on its official website the list of local authorised persons and their contact information, as well as the list of authorised persons recognised in the states that are part to the international treaties of Georgia, and their contact information in an accessible and consolidated form.

10. The authorised person is obliged to provide, at the request of the beneficiary, another authorised person or the holder of copyright or related rights, the following information on:

a) printed works preserved in its system and reproduced in an accessible format;

b) the names and contact information of the partner authorised persons.

11. Reproduction of a printed work in an accessible format shall be carried out in compliance with the inviolability of such work. In addition, it is permitted to make such changes as are necessary to create a work reproduced in an accessible format.

12. Contractual provisions contrary to the rules defined by paragraphs 3 and 4 of this article shall be invalid.

13. In the implementation of the provisions of this article, the personal data of the beneficiaries shall be processed in accordance with the Law of Georgia On Personal Data Protection. The authorised person shall be authorised, for the purposes of this article and Article 23<sup>2</sup> of this Law, to process the personal data of the person interested in obtaining the beneficiary status, including the relevant expert opinion, the health certificate and certificate on disability (including the grounds for issuing the certificate/granting the status of disability).

*Law of Georgia No 3966 of 15 December 2023 – website. 25.12.2023*



## **Article 23<sup>2</sup> – Procedures for granting the status of beneficiary and the status of the authorised person**

1. A person interested in obtaining the status of beneficiary shall apply to the authorised person and submit an application for the status of beneficiary. The authorised person shall make a decision on granting the beneficiary status to a person within 2 weeks after being applied.
2. The person interested in obtaining the beneficiary status (his/her legal representative, proxy) shall submit the following documents to the authorised person:
  - a) application of the interested person on granting the beneficiary status;
  - b) a document confirming the identity of the interested person, and in the case of submission of the application for granting beneficiary status by his/her legal representative or authorised person – also a document confirming the legal representation or a notarised power of attorney;
  - c) the relevant expert examination, the health certificate and/or the certificate on the limitation of capacities and the attached documents, which confirm the existence of the circumstances specified in sub-paragraph (y) of Article 4 of this Law.
4. The beneficiary status is effective until the beneficiary's application for termination of the status, until his/her death or until the elimination of the circumstances that, in accordance with Article 4 (y) of this Law, are the basis for granting the beneficiary status to the person. The beneficiary must inform the authorised person on the elimination of the basis for granting the beneficiary status, and the beneficiary's heir – about the death of the beneficiary within a reasonable period of time.
5. Sakpatenti shall make a decision to grant the status of an authorised person to the institution and the decision to revoke such status. The procedures for granting the status of an authorised person to the institution and for revoking such status shall be determined by the order of the chairperson of Sakpatenti. The order shall meet the requirements established by this article.
6. An institution interested in obtaining the status of an authorised person shall apply to Sakpatenti and submit to it an application for granting the status of an authorised person, proof of joining the library network of municipalities (in the case of a mass (public) library joined to the library network of municipalities), the charter of a non-entrepreneurial (non-commercial) legal entity (in the case of a non-entrepreneurial (non-commercial) legal entity) and/or information confirming the compliance of the activities of the institution interested in obtaining the status of an authorised person with the requirements of Article 4 (z) of this Law. Sakpatenti is entitled, if necessary, to request the institution interested in obtaining the status of an authorised person to submit additional documentation/information in order to fully consider the application for granting the status of an authorised person.
7. There are grounds for revoking the status of an authorised person:
  - a) request of an authorised person to cancel the status;
  - b) cancellation of the registration of organisation;
  - c) changing the type of activity of the institution;
  - d) non-fulfillment of the requirements established by this Law by the authorised person.
8. Failure of the authorised person to comply with the requirements established by this Law shall not automatically lead to the revocation of the status of the authorised person. The revocation of the status of the authorised person on this basis shall be permissible if the authorised person has committed a serious violation and the revocation of the said status is the only way to protect the legal interests of the holders or beneficiaries of copyright or related rights.
9. The decision of Sakpatenti to refuse to grant the status of an authorised person to an institution or to revoke the status shall be an individual administrative-legal act. It shall be appealed in accordance with the procedure established by the Administrative Procedure Code of Georgia.
10. After the revocation of the status of the authorised person, the authorised person is obliged to transfer the printed works preserved in its system, reproduced in an accessible format, to another authorised person selected by it.

*Law of Georgia No 3966 of 15 December 2023 – website. 25.12.2023*

## **Article 24 – Use of works permanently located in areas open for free attendance**

Reproduction or communication to the public of architectural, photographic works and works of fine art permanently located in areas open for free attendance shall be permitted without the consent of the author or another copyright owner and without paying him/her royalties, except where the image of such work is the main object of such reproduction or public transmission, or is used for profit-making purposes.

## **Article 25 – Public performance of musical works during ceremonies**

Public performance of musical works available to the public by way of lawful publication or communication to the public during official, mourning and religious ceremonies without author's or another copyright holder's consent and without paying him/her royalties, only to the extent justified by the nature of such a ceremony.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*



#### **Article 26 – Reproduction of works for court proceedings**

Reproduction of works without author's or another copyright holder's consent and without paying him/her royalties shall be permitted for court proceedings, only to the extent specified by the purpose.

#### **Article 27 – Short-term recording of a work by a broadcasting organisation**

A broadcasting organisation shall be entitled to fixate, without author's or another copyright holder's consent and without paying him/her additional royalties, for short-term use a work, for which this organisation has obtained the right to broadcast, provided that the following conditions are met:

- a) producing fixations on its own equipment for its own programme;
- b) destroying fixations within six months after their production, unless a longer period has been agreed with the author of the fixated work; only fixations of a documentary character may be stored in the official archives without the author's consent.

#### **Article 28 – Limitations to the rights of computer program and database owners**

1. A person who lawfully possesses a copy of a computer program or a database shall be entitled, without the authors or another copyright holder's consent and without paying him/her royalties, to:

- a) enter changes into the computer program or database that are necessary for functioning of the technical facilities of a user, as well as implement any action connected with functioning of a computer program or a database, including fixating and storing in a computer memory (for one computer or one network user), correction of obvious errors, unless otherwise provided in the copyright agreement;
- b) make a backup copy of a computer program or a database, provided that it is intended for archival purposes only and for replacing a lost, destroyed or useless copy of a lawful owner.

2. A back-up copy of a computer program or a database may not be used for purposes other than those stipulated in the rules under paragraph 1 of this article, and must be destroyed upon the termination of the ownership right in a computer program or a database.

#### **Article 29 – Free use of a computer program (decompilation)**

A person lawfully possessing a copy of a computer program, shall be entitled, to perform, without the author's or another copyright holder's consent and without paying him/her royalties, the computer program decompilation (reproduce and transform the objective code in the source text), as well as to entrust decompilation to other persons in the case where it is necessary to achieve interoperability between (among) a computer program, independently created by him/her and other computer programmes, provided that the following conditions are met:

- a) These actions are performed by a person who has the right to use a copy of the program, or another person holding an appropriate permit on his/her behalf.
- b) The information from other sources, necessary to achieve interoperability of computer programs, had not previously been available to him/her.
- c) These actions shall regard the parts of a decompiled computer program, which are necessary to achieve computer programs interoperability.
- d) Information obtained as a result of decompilation shall be used only to achieve interoperability between (among) an independently created computer program and other computer programmes. This information may not be transferred to other persons or be used for designing a new computer program, which is substantially similar to the decompiled program, or for any other action which infringes copyright.

#### **Article 30 – Free use of a database**

A lawful user of a copy or the original of a database may, without the author's or another copyright holder's consent, implement actions defined in Article 19 of this Law, where it is necessary for the access and normal use of the database. Where the lawful user is authorised to use a part of a database, the above right shall apply only to that part.

### **Chapter IV – Copyright Term**

#### **Article 31 – Arising and duration of copyright**

1. Copyright shall arise upon the creation of a work and shall be effective during the author's lifetime and within 70 years after his/her death, except for cases provided in Article 32 of this Law.
2. Copyright terms provided in this article and Article 32 of this Law shall be counted starting from 1 January of the year following the year when the legal fact that was the basis for starting counting the mentioned term occurred.

#### **Article 32 – Copyright terms**

1. Copyright in a work that has been published or communicated to the public pseudonymously or anonymously, shall be valid for 70 years from the date of legitimate occurrence of this fact. If the author discloses his/her identity or his/her identity does not give rise to doubts during this term, Article 31 of this Law shall apply.



2. Copyright in a co-authored work shall be valid during the lifetime of each co-author and for 70 years after the death of the last surviving author.
  3. If a work is published or communicated to the public by volumes, parts, issues or episodes, and the copyright term is calculated from the date of the lawful occurrence of the fact, the term shall be calculated individually for each such work.
  4. Copyright in works under Articles 12 and 13 of this Law shall be valid for 70 years from the date when they were lawfully published or communicated to the public, and if the work has not been published or communicated to the public – from the date of its making.
  5. Copyright in an audiovisual work shall be valid for 70 years from the death of the last surviving author (co-author) of those mentioned in Article 15(1) of this Law.
  - 5<sup>1</sup>. Copyright in a co-authored musical work shall be valid during the lifetime of each co-author and for 70 years after the death of the last surviving author, regardless of whether the authors of the text and the musical work are designated as co-authors by whose intellectual-creative work the musical work was created.
  6. Property copyright of a person who lawfully published or communicated to the public a work that has not been previously published or communicated to the public (in accordance with Article 18(8) of this Law), shall be valid for 25 years from the date of occurrence of such a fact.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*  
*Law of Georgia No 1917 of 23 December 2017 – website, 11.1.2018*

### **Article 33 – Perpetual author’s rights**

1. Work-related right of authorship, right of attribution, right to the integrity of the work, and right to honour and reputation shall be protected in perpetuity.
  2. After the expiry of copyright term, it shall be inadmissible to use the title of a work by another author in the same genre, if such use may lead to confusion of authors that may mislead the public.
  3. It shall be prohibited to publish or communicate to the public a work under such a pseudonym that may lead to identification with the author of a work that had been previously made available to the public through its publication or communication to the public, and may mislead the public.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 34 – Use of expired copyrights**

1. A work whose copyright term has expired may be used by any person without paying royalties. At the same time, right of authorship, right of attribution, right to the integrity of the work, and right to honour and reputation shall be protected. This rule shall also apply to works that have not been protected in Georgia.
  2. Special fees may be established by the legislation of Georgia for the use of a work in the territory of Georgia, whose copyright term has expired. Income from such fees shall be provided to an organisation managing the property rights on a collective basis. The amount of fees shall not exceed three percent of the income received as a result of using the work.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*  
*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

## **Chapter V – Copyright Transfer**

### **Article 35 – Grounds for copyright transfer**

1. Copyright shall be transferrable by law or testamentary succession, or under a contract.
  2. Exclusive rights to use a work, defined in Article 18 of this Law, shall be transferred to legal successors during the copyright term, unless otherwise provided in a testamentary document.
  3. Right of authorship, right of attribution, and right to the integrity of the work shall not be inherited. Heirs shall be entitled to protect the above personal rights. Their entitlement to do so shall not be limited by time.
  4. Unless otherwise defined by the author during his/her lifetime, the personal right to permit other persons to attach other authors’ works (illustration, forewords, afterword, commentaries, definitions etc.) to the work shall be inherited. The above right shall be inherited by heirs for the duration of the copyright term.
  5. An author shall have the right to designate a person who he/she assigns to protect the rights referred to in paragraph 3 of this article. This person shall perform his/her duties until the author's death.
  6. If there are no heirs, or the heirs do not properly exercise the rights under paragraph 3 of this Article, the National Intellectual Property Centre (Sakpatenti) shall protect the rights.
- Law of Georgia No 651 of 5 December 2000 – LHG I, No 47, 14.12.2000, Art. 135*  
*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 36 – Transfer of author's property rights**

- An author or another copyright holder may transfer all or part of the property rights to a successor.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*



### **Article 37 – Exclusive licence**

1. Under an exclusive licence agreement, an author or another copyright holder shall grant only to a licensee the exclusive right to use the work in the form and to the extent determined in the contract, and shall empower him/her to prohibit such use of the work by other persons (including the author).

2. The right to prohibit the use of a work by other persons may be exercised by the author if the licensee fails to protect this right.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 38 – Conventional licence**

1. Under a conventional licence agreement, an author or another copyright holder shall grant to a licensee the right to use the work on an equal basis with persons who have received the right to use this work in a similar manner.

2. A right transferred under a copyright agreement shall be deemed to be a conventional right, unless otherwise provided in the agreement.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 39 – Using a work after having granted an exclusive licence**

Even in the case of having granted an exclusive licence the author shall retain the right to use the work only when publishing a full collection of his/her works, if five years have passed from the date when, as a result of granting an exclusive licence, the work was made available to the public by way of publishing or communication to the public. At the same time, the author shall not have the right to use such work independently from the full collection.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 40 – Licence agreement**

1. A license agreement must provide for: an exact description of the work to be used (title, size, genre), the specific form of the use of the work, the validity of the term and the territory covered by the agreement, the procedure for determining the amount of royalties or the amount of royalties for each form of use of the work, the procedure and time of payment of royalties, as well as other conditions deemed essential by the parties.

2. The right to use the work in any form not expressly set forth in a licence agreement shall belong to the author or another copyright holder.

3. If a licence agreement does not provide for the use of a specific form of a work, the contract shall be deemed to have been concluded on such use of the work as may be considered necessary for accomplishment of the purpose of the parties for which they concluded the agreement.

4. If a licence agreement does not provide for the term of the agreement, the author or another copyright owner may cancel it in three years after it has been concluded. A licensee shall be notified about this in writing six months before cancelling the agreement.

5. If a licence agreement does not provide for the territory covered by the agreement, it shall be valid only in the territory of Georgia.

6. The rights granted under a licence agreement may be fully or partially transferred to other persons, if it is expressly provided in the agreement.

7. If the royalties for the reproduction of a work are determined by a fixed amount under a licence agreement, the licence agreement must determine the maximum circulation of the work.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 41 – (Deleted)**

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 42 – Form of agreement**

A copyright transfer agreement, an agreement on the creation of a work and a licence agreement shall be concluded in writing. A licence agreement for the use of a work in a periodical publication may be concluded verbally as well.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 43 – An agreement for the creation of a work**

1. According to an agreement for the creation of a work, an author shall undertake to create the work in accordance with the terms of the agreement and deliver it to the client, while the client shall undertake to receive the work and pay royalties to the author.

2. An author shall be obliged to create a work in person, unless otherwise provided in the agreement. Involvement of other person(s) in the creation of a work may be permitted only with the consent of the client.

3. A client shall be obliged to review a work by the date provided in the agreement and notify the author in writing of approval of the work, or of the rejection of or the necessity of making necessary corrections to the work, based on the conditions contained in the agreement.



4. If the author has not been notified in writing within the period determined by the agreement, the work shall be deemed approved by the client.
5. The procedure for advance payment, and terms and amount of royalties for an author shall be determined by an agreement.
6. A provision of an agreement that limits the right of the author to create a work on a certain topic or in a certain field shall be void.
7. Transfer of the right in a work that can be created by the author in the future may not be a subject-matter of an agreement.
8. Copyright in a commissioned work shall belong to a client, unless otherwise provided in the agreement.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 3032 of 4 May 2010 – LHG I, No 27, 24.5.2010, Art. 184*

#### **Article 44 – Liability for reimbursement of damages**

A party, which has not performed or improperly performed the obligations to transfer property rights to an author, to create a work or an obligation under a licence agreement, must reimburse the other party for inflicted damages, including lost income.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Chapter VI – Related Rights**

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 45 – Related rights**

1. Protection of copyright related rights under this chapter shall not prejudice the protection of copyright.
2. Related rights shall be exercised by way of respecting the copyright. None of the provisions of this chapter shall be interpreted as infringing copyright protection.

#### **Article 46 – Subjects of related rights**

1. Subjects of related rights shall be: performers, producers of phonograms and videograms, and broadcasting organisations.
2. Producers of phonograms or videograms and broadcasting organisations shall exercise the rights provided in this chapter within the authority assigned under an agreement concluded with authors of works, fixated in phonograms or videograms, or broadcasted over the air or by cable, and performers.
3. A performer shall exercise the rights under this chapter under the condition of protection of the rights of the author of the performed work.
4. Commencement and exercising of related rights shall not be subject to observance of any formality. To claim his/her right, a phonogram producer or performer may affix to each copy of a phonogram and/or its case a sign of related rights protection, which consists of three elements:
  - a) the Latin letter P in a circle ;
  - b) the name (title) of the holder of an exclusive related right;
  - c) the year of the first publication of the phonogram.

#### **Article 47 – Performer's rights**

1. A performer shall have the following personal and property rights in his/her performance:
  - a) the right to a name;
  - b) the right to protect the performance from any distortion or violation in any other way, which may be prejudicial to the performer's honour, dignity or business reputation (the right to honour and reputation);
  - c) the right to use the performance in any way, including the right to receive royalties for each form of use of the performance.
2. An exclusive right to use the performance shall imply the right to permit or prohibit:
  - a) fixation of a performance that has not been fixated before;
  - b) direct or indirect reproduction of the performance fixated in a phonogram;
  - c) broadcast over the air or by cable, except for the cases where a previously recorded or broadcast performance is broadcast with the performer's consent;
  - d) broadcast of a performance record over the air or by cable, if the performance was not initially recorded for commercial purposes;
  - e) rent or another form of transfer of ownership of the original or copies of a performance fixated in phonograms;
  - f) distribution of the original or copies of a performance fixated in phonograms by way of sale or another form of transfer of ownership;
  - g) broadcast of a performance fixated in phonograms by wire or wireless means in such a way that it may be accessible to any person at a time and from a place of his/her choice.



3. A permit under paragraph 2 of this article shall be issued by the performer, and the permission for a group performance of performers – by the leader of such group on the basis of a written agreement concluded with the user.
  4. Concluding an agreement between a performer and a broadcasting organisation concerning the broadcast over the air or by cable of a performance leads to transfer of the right to record the performance, transmit it further and reproduce the recording by the performer only in the case where it is expressly provided in the contract. In the case of such use, the amount of the royalties payable shall be determined under such agreement.
  5. Concluding an agreement between a performer and a producer of an audiovisual work concerning the creation of an audiovisual work leads to the transfer of the rights provided in paragraph 2 of this article by the performer, unless otherwise provided by the agreement. Transfer of such rights by a performer shall be limited to the use of audiovisual works, and if not otherwise provided in the agreement, does not imply the right to separately use sounds and images fixated in audiovisual works.
  6. The first sale of copies of phonograms by a performer or sale with his/her consent in Georgia shall exhaust the performer's right to its further distribution in Georgia.
  7. A performer shall have the right of attribution in a performance that has been created by him/her in the course of employment or as assigned by the employer (work for hire). A person who is in labour relations with the performer shall have an exclusive right to use such performance, unless otherwise provided in the agreement concluded between them.
  8. A performer's exclusive rights, provided in paragraph 2 of this article, may be transferred to another person under the agreement.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*  
*Law of Georgia No 3032 of 4 May 2010 – LHG I, No 27, 24.5.2010, Art. 184*

#### **Article 48 – Exclusive rights of a phonogram producer**

1. A phonogram producer shall have an exclusive right to use a phonogram in any form, including the right to receive royalties for each form of use of the phonogram.
  2. An exclusive right to use a phonogram shall imply the right to carry out, permit or prohibit:
    - a) direct or indirect reproduction of a phonogram;
    - b) (Deleted).
    - c) rent or other forms of transfer of ownership of the original or copies of a phonogram;
    - d) public distribution of the original or copies of a phonogram by way of sale or another form of transfer of ownership;
    - e) import of copies of a phonogram by sale or rent or another form of transfer of possession or ownership, including the copies that have been produced with the consent of the phonogram producer;
    - f) transmission of a phonogram by wire or wireless means in such a way that it may be accessible to any person at a time and from the place of his/her choice.
  3. A phonogram producer's exclusive rights provided in paragraph 2 of this article may be transferred to another person under an agreement.
  4. The first sale of copies of a phonogram by its producer or sale with his/her consent in Georgia shall exhaust the phonogram producer's right to its further distribution in Georgia.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 49 – Exclusive rights of a videogram producer**

1. A videogram producer shall have an exclusive right to use a videogram in any form, including the right to receive royalties for each form of use of the videogram.
  2. An exclusive right to use a videogram shall imply the right to permit or prohibit:
    - a) direct or indirect reproduction of a videogram;
    - b) (Deleted).
    - c) rent or another form of transfer of ownership of the original or copies of a videogram;
    - d) public distribution of the original or copies of a videogram by way of sale or another form of transfer of ownership;
    - e) import of copies of a videogram for the purpose of sale or rent or another form of transfer of possession or ownership, including copies that have been produced with the consent of the videogram producer;
    - f) transmission of a videogram by wire or wireless means in such a way that it may be accessible to any person at a time and from the place of his/her choice.
  3. A videogram producer's exclusive rights provided in paragraph 2 of this article may be transferred to another person under an agreement.
  4. The first sale of copies of a videogram by its producer or sale with his/her consent in Georgia shall exhaust the videogram producer's right to its further distribution in Georgia.
- Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 50 – Exclusive rights of broadcasting organisations**

1. A broadcasting organisation shall have an exclusive right to use its broadcast in any form, including the right to receive compensation for each form of use of the broadcast.





2. An exclusive right to use a broadcast shall imply the right to permit or prohibit:

- a) fixation of a broadcast;
- b) reproduction of the fixation of a broadcast, except for the case where the broadcast has been fixated with the consent of the broadcasting organisation and the reproduction is made for the same purpose for which it was fixated;
- c) simultaneous broadcasting over the air and retransmission by cable of a broadcast by an on-air broadcasting organisation and another cable broadcasting organisation respectively;
- d) broadcasting of a broadcast over the air or by cable;
- e) public transmission of a broadcast in places where an entry fee is charged.
- d) public distribution of a fixation of a broadcast by way of sale or another form of transfer of ownership;
- g) rent or another form of transfer of ownership of a fixation of a broadcast;
- f) transmission of a fixation of a broadcast by wire or wireless means in such a way that it may be accessible to any person at a time and from a place of his/her choice.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 51 – Free use of subject-matters of related rights**

1. The limitations on related rights under this Law shall not conflict with a normal exploitation of a performance, a phonogram, a videogram, a broadcast of a broadcasting organisation, and shall not unreasonably prejudice the legitimate interests of performers, phonogram and videogram producers, and broadcasting organisations.

2. The use of a performance, a phonogram, a videogram, a broadcast of a broadcasting organisation and their fixations without the consent of the performer, phonogram and videogram producer, and the broadcasting organisation and without paying them royalties shall be admissible in the following cases:

- a) while quoting from a performance, a phonogram, a videogram, a broadcast of a broadcasting organisation for scientific, research, polemic, critical and information purposes – only to the extent justified by the quotation purpose;
- b) while using of excerpts from a performance, a phonogram, a videogram, a broadcast of a broadcasting organisation in the form of illustration for teaching or scientific research – only to the extent determined by the set purpose;
- c) while using excerpts from a performance, a phonogram, a videogram, a broadcast of a broadcasting organisation in reviewing current events.

3. It shall be permissible for natural persons to use a performance, a broadcast of a broadcasting organisation and their fixations, as well as to reproduce a phonogram and a videogram for personal use, without the consent of the performer, the broadcasting organisation, the phonogram and videogram producer. Such reproduction shall be carried out in accordance with the procedure provided in Article 21 of this Law under the condition of paying royalties.

4. The right of reproduction provided in this Law shall not apply to a temporary copy of the subject matter protected by related rights.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 52 – Use of a phonogram published for the purposes of profit-making**

1. The following shall be permissible without the consent of a producer of a phonogram published for the purposes of profit-making and of a performer of a work fixated in such a phonogram, but by paying the royalties:

- a) public performance of a phonogram;
- b) public transmission of a phonogram.

2. Royalties provided in paragraph 1 of this article shall be collected and distributed by one of the organisations that collectively manage the rights of performers and phonogram producers, in accordance with an agreement between (among) the organisations.

3. The amount of royalties and the procedure for payment shall be determined by an agreement between the phonogram users on the one hand, and one of those organisations that manage the rights of phonogram producers and performers on the collective basis, on the other hand. If the parties fail to reach an agreement, the amount of royalties and the procedure for its calculation and payment shall be determined by the commission established by the order of the chairperson of Sakpatenti in accordance with the procedure provided for by Article 18(7) of this Law, and the relevant royalties shall be paid in accordance with paragraphs 7 and 7<sup>1</sup> of the same article.

4. Users of a phonograms shall submit to the organisations mentioned in paragraph 2 of this article the programmes (plans), containing precise information on the number of phonogram uses, as well as other information and documents necessary for the collection and distribution of royalties.

5. For the purposes of this article, a phonogram that became available for any person by wire or by wireless means of communication at a time and from a place of his/her choice shall be deemed as published for the purposes of profit making.

*Law of Georgia No 651 of 5 December 2000 – LHG I, No 47, 14.12.2000, Art. 135*

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198.*

*Law of Georgia No 1917 of 23 December 2017 – website, 11.1.2018*

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*



### **Article 53 – Fixating a performance or a broadcast by an on-air broadcasting organisation for a short-term use**

An on-air broadcasting organisation shall have the right, without the consent of the performer, the phonogram or videogram producer and the broadcasting organisation, to record a performance or a broadcast for a short-term use, and to reproduce such recording, under the following conditions:

- a) obtaining a prior consent to transmission of such a performance or a broadcast;
- b) making a short-term fixation and its reproduction with its own equipment for its own broadcast;
- c) destructing a short-term fixation under the condition envisaged for short-term fixations of scientific, literary and artistic works.

## **Chapter VII – Rights of a Database Producer**

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 54 – A database producer**

1. A database (which is not a work) producer, who confirms that he/she carried out a substantial investment in purchasing, obtaining, specifying or presenting the contents of a database from the qualitative and quantitative point of view, shall enjoy an exclusive right to prevent an extraction and/or re-use of its total content or of its significant part, which has been evaluated qualitatively and/or quantitatively.

2. For the purposes of this chapter, an extraction shall mean a permanent or temporary transfer of all the contents of a database or its important part to another material carrier in any way or in any form, while re-use shall mean a public distribution of the above carrier or its copies by rent or another form transfer of ownership, or communication to the public of the whole contents of a database or of its significant part. The first sale of copies of a database by its producer or sale with his/her consent in Georgia shall exhaust the right to control their further distribution in Georgia.

3. Repeated or systematic extraction and/or re-use of insignificant parts from a database content shall be inadmissible, if such action conflicts with its normal exploitation and unreasonably prejudices the legitimate interests of the database producer.

4. A database producer's rights provided in paragraph 1 of this article may be transferred to another person under an agreement.

5. The rights specified in paragraph 1 of this article shall be valid regardless of whether works, subject matters of related rights and other data, included in the data base, are protected, irrespective of their content. Database protection according to the rights under paragraph 1 of this article may not prejudice copyright or other rights related to constituent parts of the database.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 54<sup>1</sup> – Database depositing**

1. A database producer shall have the right to deposit the original or a copy of a database in the National Intellectual Property Centre (Sakpatenti). A certificate issued by the National Intellectual Property Centre (Sakpatenti) as a result of depositing shall confirm the fact of database depositing only.

1. An author or another copyright holder shall have the right to deposit the original or a copy of a work with the National Intellectual Property Centre (Sakpatenti). Unless proved otherwise, a person referred to in a deposit certificate shall be deemed as the author/copyright holder of the work.

2. When depositing the original or a copy of a database with the National Intellectual Property Centre (Sakpatenti), an applicant must protect the copyright and other rights related to a database.

3. An applicant shall be responsible for the accuracy and reliability of documents submitted to the National Intellectual Property Centre (Sakpatenti).

4. If a producer's heir, successor or another person who owns the rights of the producer submits an application for depositing a database to the National Intellectual Property Centre (Sakpatenti), it must be accompanied by a document proving the ownership of the rights of inheritance, succession, or the rights of the producer.

5. Whene depositing a work with the National Intellectual Property Centre (Sakpatenti) through a representative, an application shall be also accompanied by a document certifying the representation.

6. The information related to a deposited database may be made public by the National Intellectual Property Centre (Sakpatenti) at the database producer's request.

7. A fee for depositing a database, determined by an ordinance of the Government of Georgia, shall have to be paid.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 3032 of 4 May 2010 – LHG I, No 27, 24.5.2010, Art. 184*

### **Article 55 – Rights and obligations of a legitimate database user**

1. If a database has been made available to the public by way of publication or communication to the public, its producer may not prevent a legitimate user of the database from extracting insignificant parts, evaluated qualitatively and/or quantitatively, of the database contents and/or re-using them for any purpose. Where a legitimate user has the right to extract and/or re-use a database in part, this paragraph shall apply only to that part.



2. An action by a legitimate user of a database that has been made available to the public by way of publication or communication to the public must not prejudice the legitimate interests of the producer of the database.
3. A legitimate user of a database that has been made available to the public by way of publication or communication to the public may not violate the rights of holders of copyright and related rights with respect to works included in the database or to the subject-matter of related rights.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 56 – Limitations to the rights of a database producer**

A legitimate database user shall, without the permission of its producer, be entitled to:

- a) extract a significant part of a non-electronic database contents for personal use;
- b) extract a significant part of a database contents for illustrating study and research materials, acknowledging the source, and in a size determined by a specified non-commercial purpose;
- c) extract and re-use a significant part of the contents of a database for the purposes of protecting public safety and administrative or court proceedings.

### **Chapter VIII – Validity Term of Related Rights and the Rights of a Database Producer**

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 57 – Validity term of related rights**

1. A performer's right provided for by Article 47 of this Law shall be valid for 50 years after the first performance. If, within this period fixation of the performance was made lawfully available to the public by way of publication or communication to the public, the term shall be extended for 50 years from the first occurrence of such a fact, but where the performance recorded as a phonogram was made lawfully available to the public by way of publication or communication to the public, such right shall be valid for 70 years from the first occurrence of one of such facts .

2. A performer's right of attribution and right to honour and reputation shall be protected in perpetuity. These rights shall not be inherited. A performer's moral rights shall be protected after his/her death, according to the procedure provided for the protection of personal non-property rights of authors of scientific, literary and artistic works.

3. A phonogram or videogram producer's right provided for by Articles 48 and 49 of this Law shall be valid for 50 years from the first fixation of a phonogram or a videogram. If, during this period, the phonogram or the videogram was made lawfully available to the public by way of publication or communication to the public, such right shall be valid for 70 years from the first occurrence of one of such facts.

3<sup>1</sup>) If the producer of a phonogram fails to sell a sufficient number of copies of the phonogram or after 50 years after the lawful publication or public communication or to make it available to the public, the performer shall have the right to terminate the contract based on which the rights to the performance record were transferred to the producer of the phonogram.

4. A broadcasting organisation's special right provided for by Article 50 of this Law shall be valid for 50 years after the first transmission of such organisation's broadcast through the wired or wireless communication means (including the cable and satellite communication).

5. A database producer's right provided in Article 54 of this Law shall be valid for 15 years from the making of the database. If, within this term the database was made lawfully available to the public by way of lawful publication or communication to the public, 15 years shall be counted from the first occurrence of such a fact.

6. Any qualitatively and/or quantitatively evaluated change to the contents of a database described in Article 54 of this Law, particularly, any significant change due to deletions or adjustment, which allows a determination that a substantial investment from a qualitative or quantitative point of view has been made, shall make it possible for a database that has been changed as a result of such investment to be attributed its own term of protection.

7. The times provided in this article shall be counted starting from 1 January of the year following the year when the legal fact that was the basis for starting counting the mentioned term, occurred.

8. The rights specified in this chapter shall, during the validity of the terms provided in paragraphs 1 and 2-5 of this article, be transferred to the heirs of a performer, a phonogram or a videogram producer, a broadcasting organisation, and a database producer, while in the case of a legal person – to its legal successor.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 1917 of 23 December 2017 – website, 11.1.2018*

### **Chapter IX – Protection of Copyright, Related Rights and the Rights of a Database Producer**

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 58 – Infringement of copyright, related rights and the rights of a database producer**

1. Infringement of copyright, related rights and the rights of a database producer under this Law shall lead to civil, administrative and criminal liability.

2. A natural or legal person, who does not observe the requirements of this Law, shall be considered to be an offender of



copyright, related rights and the rights of a database producer.

3. The following shall also be considered to be infringement of copyright, related rights and the rights of a database producer:

- a) unlawful use of a work, a performance, a phonogram, a videogram, a broadcasting organisation broadcast and a database;
- b) altering or deleting of rights management information without the consent of the right holder;
- c) if a work, a subject-matter of a related right or a database was made available to the public (by way of communication to the public, distribution, or rent of or another form of transfer of ownership to the copies of fixation), by a person who knew, or had reasonable grounds to know, that the rights management information had been altered or deleted without the permission of the right holder;
- d) circumvention of technological means;
- e) manufacturing, import, distribution, sale, rent, or advertising of such a technology, device or its component which:
  - e.a) is put into civil circulation for the purpose of circumvention of technological means;
  - e.b) has a limited commercial significance and may be used for purposes other than circumvention of technological means;
  - e.c) was originally made, intended, produced or re-made for the purpose of enabling or facilitating the circumvention of any technological means;
- f) offering and rendering services aimed at neutralising technological means by using a technology, device or its components.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

### **Article 59 – Protection of copyright, related rights and the rights of a database producer**

1. Holders of copyright and related rights and database producers shall have the right to require that the offender:

- a) recognise their rights;
- b) restore the status existing before the infringement of rights and preclude acts that infringe their rights or pose a threat of infringing the rights;
- c) seize counterfeit copies of a work, phonogram, videogram or database in accordance with Article 60 of this Law, as well as the material, device or device component required for their reproduction or for avoiding the use of technical means. Counterfeit copies of a work, phonogram, videogram or database may be transferred to the holder of the right upon request;
- d) compensate for losses (including unearned profits), if the infringer knew or should have known of breach of copyright, related rights, or breach of the database producer's rights;
- e) instead of compensating for losses, be subjected to confiscation of the income gained as a result of infringing copyright, related rights or data producer's rights ;
- f) pay a one-time monetary compensation instead of compensation for damages and loss of income in accordance with the procedure established by paragraph 8 of this article;
- g) take other measures related to the protection of their rights, provided in the legislation of Georgia.

2. The measures provided for by paragraph 1(c-f) of this article shall be applied at the discretion of the right holder.

3. Counterfeit copies of works, phonograms, videograms or the database referred to in paragraph 1 (c) of this article, which have been requested by the right holder, as well as material for their reproduction or for avoiding technological means, equipment or device components shall be destroyed by a court decision.

4. In the case provided for by paragraph 1 (c) of this article, any counterfeit copies of a work, phonogram, videogram or database legally acquired by a third party shall not be confiscated unless the counterfeit copies have been acquired for commercial use.

5. If based on the court decision it was determined that the copies of a work, phonogram or database are counterfeit, the actions under paragraph 1 (b) of this article may also be carried out against the person who knew or might have known that its services are or was used for the violation of commercial rights.

6. While determining the amount of damages, the nature of the infringement, the income obtained as a result of the infringement of rights, property and non-property damage inflicted to a right holder, as well as the expected income that the right holder could have gained as a result of legitimate use of the work, the subject-matter of related rights or the database shall be taken into account.

7. When determining the amount of monetary compensation the gravity of the infringement, the number of counterfeit copies, the intention of the infringer and / or any other circumstances shall be taken into account that may be taken into account when determining the amount of compensation.

8. Before the start of the dispute, the right holder must apply to the infringer with a request for payment of one-time monetary compensation, and the infringer shall have the right to pay him/her the one-time monetary compensation within 2 weeks from the request for payment of one-time monetary compensation by the right holder in the amount of more than 10 percent of the monetary compensation acceptable by the right holder in the case of the lawful use of the right infringed. If the infringer fails pay the right holder a one-time monetary compensation in the mentioned amount within 2 weeks from the request for payment, the right holder shall be entitled to initiate a dispute in accordance with



the procedure established by the legislation of Georgia and demand the payment of the one-time monetary compensation, which should not be more than ten times the monetary compensation acceptable to the right holder in the case of lawful use of the infringed right.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 1917 of 23 December 2017 – website, 11.1.2018*

*Law of Georgia No 2442 of 16 December 2022 – website, 27.12.2022*

#### **Article 60 – Pirated copies**

1. Copies of a work, a phonogram, a videogram or a database, whose production, distribution, rent or other use results in infringement of the copyright, related rights or the rights of a database producer, shall be deemed pirated copies.

2. Copies of a work, a phonogram, a videogram or a database, protected in Georgia under this Law, that were imported into Georgia without the consent of the right holder from a state where they have never been protected or where their protection has been terminated, shall also be deemed pirated copies.

3. (Deleted – 23.12.2017, No1917).

4. (Deleted – 23.12.2017, No1917).

5. (Deleted – 23.12.2017, No1917).

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 1917 of 23 December 2017 – website, 11.1.2018*

#### **Article 61 – (Deleted)**

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 1917 of 23 December 2017 – website, 11.1.2018*

#### **Article 62 – State policy in the field of copyright and related rights**

1. The National Intellectual Property Centre (Sakpatenti) shall ensure pursuing the state policy and performing other functions granted by law in the field of copyright and related rights. Its status and powers shall be determined based on the legislation of Georgia and the respective regulations.

2. The National Intellectual Property Centre (Sakpatenti) shall be authorised to:

a) ensure implementation of the State policy in the sphere regulated by the legislation on copyright and related rights, and submit proposals on its development to the Prime Minister of Georgia;

b) represent Georgia at international organisations working in the field of protection of intellectual property;

c) deposit works and databases, according to the procedure provided in this Law;

c<sup>1</sup>) determine the procedure for depositing the work and the database;

d) request information related to management of property rights from organisations managing property rights on a collective basis;

e) participate, through its representative, with the right of advisory vote, in general meetings of an organisation and in the meetings of its supervisory bodies, and if the organisation violates the requirements of the legislation of Georgia and its charter, fails to ensure the effective management and exercising of property rights of local and foreign copyright holders, as well as violates the legitimate interests of users in the course of exercising the aboverights, raise respective issues at a general meeting of the members of the organisation.

*Law of Georgia No 651 of 5 December 2000 – LHG I, No 47, 14.12.2000, Art. 135*

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 1328 of 25 September 2013 – website, 8.10.2013*

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

### **Chapter X – Management of Property Rights on a Collective Basis**

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

#### **Article 63 – Establishing an organisation managing property rights on a collective basis**

1. Authors, performers of works of science, literature and art, phonogram and videogram producers, as well as other holders of copyright and related rights (the holder of the right) shall have the right to establish an organisation managing property rights on a collective basis in order to manage their property rights on a collective basis.

2. Organisations managing property rights on a collective basis shall be non-entrepreneurial (non-commercial) legal entities as provided for by the Civil Code of Georgia., to which Sakpatenti shall grant accreditation for the collective management of the property rights of authors, other owners of copyrights and subjects of related rights in accordance with the procedure established by this Law.

3. Management of property rights in relation to one right or category of rights shall be carried out by only one organisation managing property rights on a collective basis.

4. An organisation managing property rights on a collective basis shall act in accordance with this Law and other legislative and subordinate normative acts of Georgia, on the basis of its own charter and within the scope of the powers



granted to it by the right holder (except for the cases provided for by this Law).

5. The right holder, who, on the basis of the contract, transfers his/her property rights for collective management to an organisation managing property rights on a collective basis, shall transfer to the same organisation the rights in all the works that he /she has already created and/or that he /she will create during the term of the said contract, unless otherwise stipulated by the contract.

6. It shall not be allowed to use the words: 'organisation managing property rights on a collective basis' or other wording using these words in the brand name of a legal entity, except for the organisation that manages property rights on a collective basis accredited in accordance with this Law.

7. The procedure for maintaining the register of organisations managing property rights on a collective basis shall be approved by the order of the chairperson of Sakpatenti.

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

#### **Article 64 – Accreditation**

1. An organisation, for managing property rights on a collective basis and for ensuring the granting of an accreditation shall submit to Sakpatenti an application for accreditation, which shall verify that:

a) the organisation is a representative of the right holders, and at the same time any right holder can join it in accordance with the organisation's charter. In order to confirm the same, the organisation must submit written agreements with rights holders along with a list of rights holders, which shall include a repertoire of objects protected by copyright and related rights in electronic or printed form;

b) the organisation can manage property rights on a collective basis, and, also, it has appropriate personnel and logistics necessary for the collection of royalties and effective mechanisms for collection, distribution and payment of royalties (including appropriate software);

c) the organisation's charter, internal regulations and rules and principles of tariff distribution guarantee equal and non-discriminatory treatment of both right holders and users.

d) the organisation has paid the fee for the review of the application for accreditation;

e) the organisation is not registered with the register of debtors and it is not seized;

f) the organisation's charter and other regulations comply with this Law and other legislative and subordinate normative acts of Georgia.

2. The application for accreditation submitted in accordance with the paragraph one of this article shall be accompanied by mutual representation agreements concluded with most of the similar organisations of foreign countries, whose repertoire essentially covers a significant part of works used in Georgia and/or other objects protected by this Law, also mutual representation agreements concluded with most of the similar organisations of foreign countries, whose repertoire essentially covers a significant part of Georgian works used in foreign countries and/or other objects protected by this Law. These mutual representation agreements shall include a repertoire of materials in the printed or electronic form protected under copyright and related rights.

3. When submitting the application provided for in paragraph one of this article it is not possible to completely submit the mutual representation agreements provided for in paragraph two of the same article, in the case of reasonable request of the applicant, on the basis of Article 65 of this Law, the Accreditation Commission of the organisation managing property rights on a collective basis established by the order of the chairperson of Sakpatenti (the Accreditation Commission) shall be authorised to make a decision on the extension of the deadline for the submission of the mentioned mutual representation agreements.

4. In the case provided for by paragraph 3 of this article, the Accreditation Commission shall grant accreditation and the organisation managing property rights on a collective basis shall be given a 1-year period to fully submit the mutual representation agreements specified in paragraph 2 of the same article, which can be extended for the same period by the reasonable decision of the Accreditation Commission. In the case of non-fulfilment of the mentioned condition, the decision on granting accreditation shall be declared void and Sakpatenti shall make a decision to announce a new competition.

5. In the event that more than one organisation submits an application for accreditation to Sakpatenti for the same right, category of rights or groups of categories of rights, the decision shall be made in favor of the applicant who meets the accreditation terms the most. In the case of the participation of an organisation that has been carrying out activities in the relevant field in the past, the Accreditation Commission shall take into account its past activities and experience.

6. The procedure for the creation and activity of the Accreditation Commission, the procedure for conducting the accreditation competition, the fee for reviewing the application for accreditation, as well as the procedure for the activity of the commission provided for by Article 18(7) of this Law shall be determined by the ordinance of the Government of Georgia.

7. In the application for accreditation provided for by paragraph 1 of this article, the applicant shall indicate the list of the right, category of rights or groups of categories of rights that he/she desires to manage on a collective basis. If, after reviewing the documents, the Accreditation Commission concludes that the applicant meets the accreditation conditions for the right, category of rights or part of groups of categories of right specified in the application for accreditation, the Accreditation Commission may, with the consent of the applicant, make a decision to grant accreditation to the



organisation for the relevant right, category of rights or groups of categories of the right.

8. The authority to collect and distribute royalties provided for by Article 21 (3) and Article 51(3) of this Law may be requested from Sakpatenti only when submitting an application for granting accreditation in relation to a right, category of rights or groups of categories of rights. If more than one applicant has requested the authority to collect and distribute the royalties provided for by this paragraph, the decision shall be made in favor of the applicant who meets the accreditation terms the most, also, his/her past activities and experience shall be taken into account.

9. The decision on the granting of accreditation shall be published in the official bulletin of Sakpatenti.

10. The applicant shall be refused accreditation if he/she fails to meet the requirements determined by this Law. The decision on accreditation can be appealed to the court within 1 month from the official notification according to the procedure established by the legislation of Georgia. Appealing the decision on accreditation shall not suspend its validity.

11. The organisation, in respect of which the decision on granting accreditation is issued, is obliged to apply to the legal entity under public law operating under the governance of the Ministry of Justice of Georgia – the National Agency of Public Registry (the National Agency of Public Registry) within 14 days after the official notification of this decision in the manner established by the legislation of Georgia, and to ensure the compliance of its own brand name with the requirements established by Article 63(6) of this Law.

12. In the case of non-fulfilment by the organisation of the obligation provided for by paragraph 11 of this article, Sakpatenti shall have the right to apply on its own initiative to the National Agency of Public Registry with a request to change the brand name of the organisation.

13. Sakpatenti shall be authorised to request, at any time, a report on the fulfillment of the obligations stipulated by this Law from the organisation managing property rights on a collective basis.

14. In the case of termination of the accreditation of the organisation managing property rights on a collective basis, Sakpatenti shall announce a competition for the granting of a new accreditation for the same right, category of rights or groups of categories of rights no later than 1 month after the termination of accreditation.

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

#### **Article 65 – Accreditation Commission**

1. Sakpatenti shall hold a competition in the case of submission of an application for granting accreditation to Sakpatenti for the right, category of rights or groups of categories of rights. The winner of the competition must at least meet the mandatory criteria established by the legislation of Georgia for the organisation managing property rights on a collective basis.

2. Accreditation shall be granted by the Accreditation Commission in accordance with the procedure established by this Law to the organisation managing property rights on the collective basis in relation to the relevant right, category of rights or groups of categories of rights.

3. With regard to the right, category of rights or groups of categories of rights, for the management of which on a collective basis accreditation has not been granted, based on the written application of the authors and/or other right holders, Sakpatenti is obliged to announce the accreditation competition within 2 months from the submission of such application.

4. The Accreditation Commission shall be established by the order of the chairperson of Sakpatenti no later than 15 days after the submission of the first application from the announcement of the accreditation competition.

5. The Accreditation Commission shall compose the chairperson of Sakpatenti (chairperson of the Accreditation Commission), 2 members of the Parliament of Georgia selected in accordance with the rules of procedure of the Parliament of Georgia, a representative of the Ministry of Economy and Sustainable Development of Georgia, a representative of the Ministry of Education, Science and Youth of Georgia, a representative of the Ministry of Culture and Sports Georgia and the Head of the Administration of the Government of Georgia

6. The Accreditation Commission shall be authorised to invite an independent expert with or without the right to vote at any stage of the review to decide the case on its own initiative or on the basis of a reasonable request of the parties.

7. Within 1 month after receiving the application for participation in the accreditation competition, the Accreditation Commission shall verify the candidate's compliance with the accreditation requirements established by Article 64 of this Law. The Accreditation Commission shall be authorised, on the basis of a reasonable decision, to additionally request the submission of such documents or information as are necessary to assess the extent to which the candidate meets the accreditation requirements established by this Law.

8. After the expiry of the period provided for by paragraph 7 of this article, the Accreditation Commission shall make a decision on granting accreditation or refusing to grant accreditation by a majority of votes.

9. The Accreditation Commission shall have a Secretariat, the composition of which shall be determined by the chairperson of Sakpatenti from the employees of Sakpatenti.

10. The organisational and technical support of the activities of the Accreditation Commission shall be carried out by the Secretariat of the Accreditation Commission.

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

*Law of Georgia No 3878 of 30 November 2023 – website, 15.12.2023*



## **Article 66 – Functions, rights and obligations of an organisation managing property rights on a collective basis**

1. The organisation managing property rights on a collective basis on behalf of the right holders and on the basis of the authority granted by them or on the basis of this Law, shall:

- a) conduct negotiations with the users about the amount of the royalties and the terms of use of the work and/or other object protected by this Law;
- b) issue licenses to the users for the use of the work and/or other object protected by this Law within the scope of its mandate of rights management;
- c) collect royalties based on the use of licenses granted pursuant to subparagraph (b) of this paragraph or rights administered by it;
- d) timely distribute and pay the collected royalties to the right holders, taking into account the principle of equality, as well as in proportion to the actual use of the corresponding work and/or other objects protected by this Law;
- e) represent in the courts and administrative bodies the interests of the right holders whose rights it manages, as well as perform all the legal actions necessary to protect and enforce the rights of the right holders;
- f) in accordance with the authority granted to it by the right holders, carry out any other activity permitted by the charter of the organisation managing property rights on a collective basis and by the legislation of Georgia;
- g) represent right holders who are not members of the organisation managing property rights on a collective basis and collect their belonging royalties (including in the case of reproduction, public performance and/or public transmission of a musical work with or without text) in accordance with the procedure established by this Law.

2. The organisation managing property rights on the collective basis shall have the right to demand from the users, and the users are obliged to provide the programme, information, document or source that provides accurate information about the use of the work and/or other object protected by this Law and is necessary for the calculation, collection and distribution of royalties. Such organisation, in turn, is obliged to protect the confidentiality of the information provided to it.

3. The organisation managing property rights on the collective basis shall be authorised to offer the user free of charge the relevant software necessary for calculating, collecting and distributing royalties. In this case, the user is obliged to use such software, and the organisation managing property rights on the collective basis is obliged to create the necessary conditions for the proper functioning of the software free of charge.

4. The organisation managing property rights on the collective basis shall carry out its activities in accordance with the interests of the right holders it represents.

5. All works and/or other objects protected by this law, which are publicly performed, broadcast on air, cable or otherwise made available to the public, as well as included in a programme, phonogram and videogram, shall be included in the repertoire of the organisation managing the relevant property rights on a collective basis. In this case, the burden of proof shall rest with the user. The provisions of this paragraph shall not apply to cinematographic works and other works expressed by means analogous to cinematography.

6. In order to ensure the legal protection of works presented by the organisation managing property rights on a collective basis and other objects protected by this Law, as well as of rights holders, in relation to the non-permitted use thereof or non-payment of royalties, it shall suffice to identify a small part of the work and it shall not be necessary to use a detailed list.

7. If the work and/or other object protected by this Law is performed publicly, responsibility for the lawful use of the work and/or other object protected by this Law shall be determined by a written agreement concluded between the user, the organiser of the public performance, and the person who owns the place or building with the right of ownership or use (square, stage, hall, etc.), where public performance is performed. In the absence of such an agreement, the persons specified in this paragraph shall be jointly and severally liable.

8. The organisation managing property rights on a collective basis, within the scope of the powers granted by the right holders (except for the cases specified by Chapter III of this Law) shall have the right to issue an ordinary license to reproduce, distribute, publicly perform and transmit the work belonging to its repertoire designated for non-commercial use and/or to reproduce, distribute, publicly perform and transmit other objects protected by this Law, and to grant the license for public access to such objects to cultural heritage management institutions (libraries, educational institutions, museums, archives and/or publicly available institutions in the field of cinematographic and audio heritage, as well as similar institutions carrying public interest), if:

- a) the organisation managing property rights on a collective basis, based on the authority granted to it, properly represents the right holders in relation to the relevant work and/or other objects protected by this Law and other objects provided for by the license;
- b) there will be an equal treatment of rights holders, which is related to the terms of the license.

9. All right holders shall have the right, at any time, to exclude their work and/or other objects protected by this Law from the licensing mechanism as provided for by paragraph 8 of this article and/or from the application for exception and limitation, which is related to the non-commercial use by cultural heritage institutions of the work in the repertoire of the organisation managing property rights on a collective basis and/or other objects protected by this Law designated for non-commercial use. Such right shall apply to complete exclusion from the licensing mechanism and/or application for exceptions and limitations, as well as in each individual case, including after signing the license or starting to use the





work and/or other objects protected by this Law.

10. The organisation managing property rights on a collective basis shall ensure the promotion of the development of the field of copyright and related rights and the raising of public awareness in matters falling within its field of activity.

11. The organisation managing property rights on a collective basis is obliged to ensure the submission to Sakpatenti the mutual representation agreements provided for by Article 64(2) of this Law.

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

### **Article 66<sup>1</sup> – Targeted deductions**

1. The maximum amount of the rights management fee shall not exceed 20 percent of the royalties collected by the organisation managing property rights on a collective basis. The organisation managing property rights on a collective basis is obliged to distribute any amount beyond the justified and confirmed expenses incurred for the management of the rights, except for the amount provided for by paragraph 2 of this article, to the right holders even if the expenses incurred for the management of the rights are less than 20 percent of the collected royalties.

2. Part of the royalties collected by the organisation managing property rights on a collective basis can also be used for the activities of the funds of the organisation, the purpose of which is to provide support for the creative and social needs of the holders of copyright and related rights, in whose interests this organisation operates. Targeted deductions specified in this article shall be applied in accordance with the procedure provided for by the charter of the organisation managing property rights on a collective basis.

3. The organisation managing property rights on a collective basis is obliged to provide the right holder with information on the fees for the management of rights and other targeted deductions from the royalties collected before obtaining the permit for the management of rights.

4. Rights management fees and other targeted deductions shall correspond to the services provided by the organisation managing property rights on a collective basis to the right holders, including, where possible, the services specified in paragraph 5 of this article, based on objective criteria.

5. Targeted deduction for social, cultural or educational activities by the organisation managing property rights on a collective basis shall be used in the manner provided for by the charter of the relevant organisation.

*Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

### **Article 66<sup>2</sup> – Rules for collection and distribution of royalties**

1. The organisation managing property rights on a collective basis shall, regularly, diligently and with maximum accuracy distribute the total income received from its activities to those right holders whose rights it manages.

2. The organisation managing property rights on a collective basis is obliged to have separate accounts for:

a) royalties related to managing the rights;

b) income arising from the management of own property or other activities permitted by law;

c) royalties that could not be distributed to rights holders due to their inability of being identified and/or traced.

3. The main principles and rules of the distribution of royalties shall be determined by the charter of the organisation managing property rights on a collective basis in such a way as to ensure a proportional, non-discriminatory, appropriate and fair distribution of the royalties, as well as to prevent the possibility of exercising the said right contrary to the established rules.

4. The organisation managing the property rights on a collective basis is obliged to pay the collected royalties to the right holders no later than 9 months after the end of the financial year, in which the royalties were collected, except for the cases when there is an objective reason specifically related to the reporting by users, the identification of rights, right holders, it is necessary for the organisation managing property rights on a collective basis to clarify with the right holders the information on the work and/or other object protected by this Law, or there is another objective circumstance due to which the established deadline cannot be met.

5. If, due to the impossibility of identifying or tracing the right holders, it is not possible to pay the royalties to the right holders within the term established by paragraph 4 of this article, no exception to this term shall be applied, and the collected funds shall be kept in a separate account of the organisation managing property rights on a collective basis.

6. The organisation managing property rights on a collective basis shall take all necessary measures to identify and trace the right holders. In particular, no later than 3 months after the expiry of the term established by paragraph 4 of this article, the organisation shall make available through its website the information on the work and/or other objects protected by this Law, one or more right holders of which have not been identified.

7. The information specified in paragraph 6 of this article, where possible, shall contain the following:

a) the name (title) of the work and/or other object protected by this Law;

b) the name or title of the right holder;

c) the name of the relevant producer or manufacturer;

d) the category of users, in particular, in which category the work and/or other object protected by Law was used;

e) any other information that may help identify or trace the right holder.

8. Along with the implementation of the actions specified in paragraph 6 of this article, an organisation managing property rights on a collective basis shall also check other available records provided for by Article 66(2) of this Law.



9. Royalties that have not been distributed within 3 years of the end of the financial year in which they were collected shall be assigned the status of undistributed royalties.

10. An organisation managing property rights on a collective basis shall fully distribute the income received from the management of rights to the right holders, except for the exceptional cases established by this Law.

11. The head of the organisation managing property rights on a collective basis is obliged to inform the members about the undistributed royalty, including its amount and origin, at the general meeting of the members of the organisation managing property rights on a collective basis. The general meeting of members of the organisation managing property rights on a collective basis shall, in accordance with Article 66<sup>13</sup> (4)(b) of this Law, make a decision on the use of undistributed royalties, without prejudice to the right holders' right to request reimbursement of such amounts. An organisation managing property rights on a collective basis shall be authorised to make a decision on the use of undistributed royalties in each specific case, based on the needs of this organisation, and by the decision of the general meeting of members of the same organisation it is possible to establish a general rule for disposing of such undistributed royalties.

12. An organisation managing property rights on a collective basis shall be authorised, based on the decision made by the majority of the members present at the general meeting of the members of the same organisation, to transfer the funds from the undistributed royalties to the funds created by the same organisation for a specific purpose. Information about the funds transferred to these funds shall be transparent and shall be published annually on the website of the organisation managing property rights on a collective basis.

13. An organisation managing property rights on a collective basis is obliged to distribute and pay the royalties after deducting the amounts provided for by paragraph 10 of this article, in proportion to the actual use of the work and/or other object protected by this Law.

14. An organisation managing property rights on a collective basis is obliged to submit reports to the right holders along with the payment of royalties, which must contain information on the use of their rights.

15. An organisation managing property rights on a collective basis is authorised to dispose of the royalties that have not been distributed/claimed within 3 years. This term shall be counted from the end of the financial year in which the royalties were collected. The said royalties may be added to the amount of the royalties to be distributed to the right holders or used in such a way as to bring benefits to the right holders, including being transferred to the funds defined by paragraph 12 of this article. The decision on the selection of the appropriate form of disposal of royalties shall be made by the general meeting of the members of the organisation managing property rights on a collective basis with the majority of the members present on the general meeting.

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### **Article 66<sup>3</sup> – Payments based on mutual representation agreement**

The organisation managing property rights on a collective basis shall distribute and pay royalties to similar foreign organizations no later than 9 months after the end of the financial year in which the royalties were collected, except for the cases when there is an objective reason related to the reporting by users, the identification of rights, right holders, it is necessary for the organisation managing property rights on a collective basis to clarify the information about the work and/or other object protected by this Law with the right holders, or there is another objective circumstance, due to which the established term cannot be observed.

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### **Article 66<sup>4</sup> – Guarantees of the right holder in relation to the organisation managing property rights on a collective basis**

1. A right holder shall be entitled to transfer his/her own right, a specific category of rights to the organisation managing property rights on a collective basis. The said organisation, in turn, is obliged to manage the right transferred to it, a specific category of rights or a type of work and/or other object protected by this Law, if it/they are consistent with the scope of its activity, unless this organisation refuses from the management of such right based on an objectively justified reason. The grounds for refusal to manage rights in accordance with this article by the organization managing property rights on a collective basis shall be determined by the charter of the same organisation.

2. An organisation managing property rights on a collective basis shall be authorised to issue a license for non-commercial use of any right, specific category of rights, desired work and/or type of other object protected by this Law, in case of prior consent of the holder of the corresponding right.

3. A right holder shall be entitled to terminate the contract concluded in connection with the transfer of rights for management, in full or within the limits intended by him/her, also, the right holder (including the right holder who is not a member of the organisation managing property rights on a collective basis) shall be entitled to demand from the organisation managing property rights on a collective basis any rights, a specific category or groups of categories of rights related to the type of desired work and/or other object protected by this Law (except for rights determined by Article 15(2), Article 18(7) (in the case of retransmission of the work by cable), Article 20(3), Article 21(3), Article 34(2), Article 51(3) and Article 52(2) of the Law), within at least 6 months after sending a written notice to the organisation managing



property rights on a collective basis. The organisation managing property rights on a collective basis shall be authorised to establish that the termination of the agreement or withdrawal from the agreement provided for by this paragraph or the revocation of any right, specific category of rights or groups of categories rights shall enter into force after the end of the current calendar year. The request for termination of management of the authority transferred by the right holder in accordance with paragraph one of this article shall be submitted to the said organisation 6 months before the beginning of the following calendar year.

4. The right holder shall retain the right to claim the royalties collected on his/her behalf by the organisation managing property rights on a collective basis before the termination of the issued permit or license or before such such claim was made.

5. When the right holder exercises the powers stipulated in paragraphs 3 and 4 of this article, the organisation managing property rights on a collective basis shall not have the right to restrict the right holder's right to transfer for management the property rights to a similar organisation of a foreign country.

6. The organisation managing property rights on a collective basis is obliged to provide information about its rights, including the rights provided for by paragraphs 1-5 of this article, before obtaining permission to manage property rights from the right holder.

7. It shall not be allowed for the organisation managing property rights on a collective basis to refuse from managing property rights, except for the cases stipulated by this Law.

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### **Article 66<sup>5</sup> – Rights and obligations of the user, licensing**

1. An organisation managing property rights on a collective basis and the user are obliged to conduct negotiations in good faith during the process of granting a license for property rights. They are obliged to provide each other with all the information necessary to conclude a license agreement.

2. The terms for licensing shall be based on objective and non-discriminatory criteria. In the process of licensing, the organisation managing property rights on a collective basis shall not be required to submit, as a precedent, the terms of the license to the property rights agreed with another user.

3. The organisation managing property rights on a collective basis is obliged to consider the user's application for obtaining a license for property rights within a reasonable time and for this purpose to request all information necessary for licensing. After receiving such information, the user shall be sent a written notification of consent or refusal to grant a license to property rights. The notice of refusal to grant a license to property rights must contain a reasonable explanation indicating the relevant grounds.

4. The organisation managing property rights on a collective basis is obliged to give the user the opportunity to communicate by electronic means, including when submitting the licensing report.

5. The user is obliged to produce documentation that reflects information about the use of the work and/or other object protected by this Law, except in the case when, in accordance with the agreement with the organisation managing property rights on a collective basis, this is not necessary for the calculation and distribution of royalties.

6. The user is obliged to provide the organisation managing property rights on a collective basis in the agreed or predetermined time and format with information on the use of the rights under the management of the said organisation, which is necessary for the collection and distribution of royalties. The organisation managing property rights on a collective basis, in turn, is obliged not to disclose the confidential information provided to it. When deciding on the format of providing such information, the organisation managing property rights on a collective basis and the user shall take into consideration the standards applicable in the relevant field.

7. There shall be equal licensing conditions for the same category of users. The organisation managing property rights on a collective basis shall have no right to refuse from issuing a license for property rights without sufficient grounds.

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### **Article 66<sup>6</sup> – Tariff setting**

1. When using the rights defined by this Law, a right holder shall receive the corresponding royalties for the use of his/her work and/or other object protected by this Law.

2. An organisation managing property rights on a collective basis shall collect royalties in the amount agreed with the persons specified in Article 21(4) of this Law without issuing a license in the cases provided for in the same paragraph and Article 51(3) of the same Law.

3. An organisation managing property rights on a collective basis is obliged to provide an user with complete information about the criteria for setting tariffs. The tariffs shall correspond to the economic value of the rights in civil circulation.

4. An organisation managing property rights on the collective basis is obliged to publish the tariff plans through its website and request Sakpatenti to publish them on its website. In the case of publication of the tariff plans on the website of the organisation managing property rights on a collective basis, Sakpatenti shall publish a notice on the availability of the tariffs on its website.

5. If an organisation managing property rights on the collective basis and a user fail to agree, the amount, the method of calculation and payment of royalties shall be determined by the commission established by the order of the chairperson of



Sakpatenti in accordance with the procedure established by Article 18(7) of this Law, based on the application of a party or parties, and the corresponding royalty shall be paid in accordance with the procedure defined by paragraphs 7 and 7<sup>1</sup> of the same article. The tariff established by the said commission shall be appropriate to the economic value of the rights in civil circulation.

6. The organisation managing property rights on a collective basis is obliged to submit the tariffs established in accordance with this article to Sakpatenti for publication in the official bulletin immediately after the approval.

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#### **Article 66<sup>7</sup> – Information provided to rights holders on the management of their rights**

The organisation managing property rights on a collective basis is obliged to make the following information available at least once a year to each right holder to whom it has paid proceeds from the management of rights or to whom it has made payments during the period to which the information relates :

- a) any contact information to which it has obtained access that may be used to identify and locate the right holder;
- b) the amount of royalties to be received by the right holders;
- c) the amount of money paid to the right holders according to the category of rights and type of use;
- d) the period during which the work and/or other object protected by this Law was used, for which the organisation managing property rights on a collective basis collected funds and paid them to the right holders, unless the non-fulfillment of obligations related to accounts by the users prevents it from providing the right holders with such information;
- e) on deductions made as rights management fees;
- f) regarding deductions made for any purpose, subject to the provision of social, cultural or educational services in accordance with the legislation of Georgia, except for rights management fees;
- g) any revenue received from the management of the rights attributable to the right holders and, regardless of the period of collection, is unpaid.

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#### **Article 66<sup>8</sup> – Information provided to the organisation managing other property rights on a collective basis regarding the management of rights stipulated by mutual representation agreements**

The organisation managing property rights on a collective basis is obliged to make available to the organisations managing on a collective basis individual rights and categories of rights under its management through the mutual representation agreement via electronic means, at least once a year, and related to the relevant period:

- a) precise information on royalties paid by the organisation managing property rights on a collective basis, as well as royalties paid by type of rights and rights used, and information on any undistributed revenue according to the collection period;
- b) information on deductions made in the form of rights management fees;
- c) information on the issued licenses, as well as information about the users who were refused the issuance of the license;
- d) information on the resolutions related to the management of the right stipulated by the representative agreements by the general meeting of the members of the organisation managing property rights on a collective basis.

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#### **Article 66<sup>9</sup> – Provision of information in accordance with the request of the party to the mutual representation agreement, the right holder or the beneficiary**

Based on the duly justified request of the party to the mutual representation agreement, the right holder or the user, the organisation managing property rights on a collective basis shall immediately provide, by means of electronic communication, at least:

- a) information on the work transferred for management directly or through mutual representation agreements and/or other objects protected by this Law, as well as on the rights within the coverage area;
- b) depending on the area of activity of the organisation managing property rights on a collective basis, in the event of the impossibility of identifying such a work and/or other object protected by this Law, information about the right managed by it, within the scope of the coverage area;

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#### **Article 66<sup>10</sup> – Publicity of information**

1. The organisation managing property rights on a collective basis is obliged to make publicly available on its website at least the following information:

- a) charter of the organisation;
- b) rules governing the membership of the organisation and the termination of the permission issued for the right to manage, unless it is provided for by the organisation's charter;
- c) license agreement standards and applicable tariffs (including benefits);



- d) list of heads of organisations managing property rights established by this Law on a collective basis;
- e) general rules for distribution of royalties to right holders;
- f) on the rights management fees;
- g) policy on making other deductions, other than management fees, including royalties collected, as well as deductions for the purpose of social, cultural and educational services;
- h) information about the mutual representation agreements concluded and the name of the organisations with which the said agreements were concluded, and information on such organisations;
- i) general policy on the use of undistributed royalties;
- j) grievance and dispute resolution procedures set forth in Article 66<sup>14</sup> of this Law.

2. The organisation managing property rights on a collective basis is obliged to ensure constant updating of the information provided for in paragraph 1 of this article on its website. In case of changes in this information, to immediately provide access to the updated information to the public.

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### **Article 66<sup>11</sup> – Annual transparency report**

1. The organisation managing property rights on a collective basis is obliged after the end of each financial year, but no later than within 8 months after the end of the financial year, to prepare and make publicly available on its website an annual transparency report. The report must be available to any person concerned within 5 years of its publication.

2. The annual transparency report shall contain at least the following information:

- a) financial statements, which include a balance sheet or statement of assets and liabilities, an annual statement of income and expenditure during the financial year and a statement of cash flows;
- b) on active licenses (including on new licenses that were issued during the reporting calendar year, divided by rights or categories of rights) and on the refusal to grant a license;
- c) description of the legal structure and governance structure of the organisation managing property rights on a collective basis;
- d) on any legal entity that is directly or indirectly owned or controlled, in whole or in part, by an organisation managing property rights on a collective basis;
- e) on the total amount of remuneration paid to the chairperson of the organisation, the board, the council of authors and performers and other commissions and councils including other benefits granted to them;
- f) financial information on royalties collected, by category of rights under management and type of use (for example, broadcasting, online performance, public performance), including information on the income received from the investment of royalties and the intended use of such income (whether or not it has been distributed among rights holders, were transferred to the organisation managing other property rights on a collective basis or were used for other purposes);
- g) financial information about rights management fees and other services provided to rights holders by the organisation managing property rights on a collective basis. The information shall detail at least the following matters:
  - g.a) all administrative and financial costs, which must be given according to the rights and categories of rights under management. Any indirect costs that do not fall under one or more categories of rights must include a description of the method of distribution of such costs;
  - g.b) any financial expenses, including expenses for social, cultural and educational services;
  - h) information on the royalties collected (with reference to their detailed description), which should include at least the following matters:
    - h.a) the total amount collected for right holders, depending on the category of the right and the type of use;
    - h.b) the total royalties paid to right holders, depending on the category of the right and the type of use;
    - h.c) the frequency of payments, depending on the category of the right and the type of use;
    - h.d) information on the total amount collected that has not yet been distributed to right holders, depending on the category of the right and the type of use, and an indication of the financial year in which these amounts were collected;
    - h.e) information on the total amount collected that has not yet been distributed to identified right holders depending on the category of the right and the type of use, and an indication of the financial year in which these amounts were collected;
    - h.f) in the case of non-implementation of distribution and payments by the organisation managing property rights on a collective basis during the last 2 years – the reasons for its delay;
    - h.g) information on the total undistributed funds and in the case of the use of these funds – an explanation of the purpose for which these funds were used;
    - h.k) in the case of delay in the payment of funds by the organisation managing property rights on a collective basis – information on the interest accrued on the funds in special accounts and the distribution of these interest;
- i) information on relationships with other similar organisations, which should include at least the following information:
  - i.a) funds received from and paid to other similar organisations, depending on the category of right, type of use and the organisation;
  - i.b) the rights management fees from royalties collected for other similar organisations, depending on the category of right, type of use and the organisation;



- i.c) rights management fees collected and transferred by the organisation managing other property rights on a collective basis, depending on the category of right, type of use and the organisation (if any);
- j) detailed information on the use of funds deducted for the purposes of social, cultural and educational services, which should include information on the amount of funds deducted for the purposes of social, cultural and educational services during the financial year and the type of purpose of each.
3. The information included in the annual transparency report must be checked once every 2 years by one of the audit firms that have been granted the authority to audit the entity of public interest. The audit report, including any assessment, should be fully reflected in the annual transparency report.
4. The transparency criteria provided for by this article shall apply to funds created for a specific purpose by the organisation managing property rights on a collective basis.
- Law of Georgia No 3450 of 3 July 2023 – website, 25.7.2023*

#### **Article 66<sup>12</sup>– Rules of membership of the organisation managing property rights on a collective basis**

1. The organisation managing property rights on a collective basis is obliged to accept the right holder (including a legal entity) as a member, if he/she meets the membership requirements defined by the charter of this organisation. In case of refusal to accept the right holder as a member of the mentioned organisation, the organisation is obliged to justify the reason for the refusal in writing.
2. The organisation managing property rights on a collective basis is obliged to consider the right holder's application for membership of this organisation within 1 month from its receipt.
3. The membership rules of the organisation managing property rights on a collective basis must be based on objective, transparent and non-discriminatory criteria. The membership criteria of this organisation can be regulated by the charter of the same organisation, and it is also possible to establish special rules for admission to membership of the organisation, which, in turn, must be available to the public.
4. The charter of the organisation managing property rights on a collective basis shall provide for effective and efficient mechanisms to ensure equal participation of the members of this organisation in the decision-making process related to the organisation's activities. In the decision-making process related to the activity of the mentioned organisation, the involvement of representatives of members of different categories of rights should be fair and balanced.
5. The organisation managing property rights on the collective basis is obliged to give the members of the organisation the right and the opportunity to communicate with it electronically, including the submission of the application for membership in both material and electronic form, as well as the exercise of other powers of the member.
6. The organisation managing property rights on a collective basis is obliged to maintain and regularly update the register of its members.
7. In the case of the departure of a member from the organisation managing property rights on a collective basis, the organisation managing property rights on a collective basis is obliged to make a final settlement with the member who left the organisation no later than 3 months after his/her departure from the organisation. The said organisation is entitled to determine that the withdrawal from the agreement will take effect after the end of the financial year.

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#### **Article 66<sup>13</sup>– General meeting of members of the organisation managing property rights on a collective basis**

1. The general meeting of the members of the organisation managing property rights on a collective basis (the general meeting) shall be convened at least once a year.
2. The general meeting makes a decision on the introduction of changes and additions to the charter of the organisation managing property rights on a collective basis (including those related to the main principles and rules of distribution of royalties), as well as on the rules related to the membership of the organisation managing property rights on a collective basis.
3. The general meeting shall make a decision on the appointment and dismissal of the members of the board and the supervisory board of the organisation managing property rights on a collective basis, review the report on their activities, approve the rules related to their remuneration and incentives, such as the provision of monetary and non-monetary benefits and pension funds, as well as other rules related to remuneration.
4. The general meeting shall make decisions on the following matters:
- a) general rules and policies for distribution of collected royalties;
  - b) general rules and policies for disposal of undistributed royalties;
  - c) use of undistributed royalties;
  - d) making targeted deductions from the collected royalties;
  - e) risk management policy;
  - f) purchase, alienation or encumbrance of real estate;
  - g) issues related to reorganisation and liquidation, establishment of a legal entity and acquisition of shares and/or shares of another legal entity;
  - h) borrowing, lending, guarantee or use of loan security measures.



5. The general meeting shall control the activities of the organisation managing property rights on a collective basis, at least by appointing and dismissing the auditor, as well as approving the annual transparency report of such organisation.
6. At least 10 percent of the total number of members of the organisation managing property rights on a collective basis can invite a specialist in the field to prepare a qualified opinion on any issue related to the management of the organisation.
7. All members of the organisation managing property rights on a collective basis shall have the right to participate in the general meeting and enjoy the right to vote. The mentioned organisation is obliged to ensure that the member of the organisation can participate in the general meeting remotely, which should be determined by the charter of the organization.
8. A member of an organisation managing property rights on a collective basis can exercise the right to participate in the general meeting and vote both personally and through a representative. The representative can be any natural person or legal entity, provided that such representation does not cause a conflict of interest. A conflict of interest also exists if the right holder and the representative in the said organisation have the status of the right holder of different categories of rights.
9. The representative power is granted only for the purpose of participation in a specific general meeting. The representative participating in the general meeting enjoys similar rights and obligations of the right holder.

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#### **Article 66<sup>14</sup> – General meeting of members of the organisation managing property rights on a collective basis**

1. In order to control the implementation of rights by the organisation managing property rights on a collective basis within the powers provided by this Law and the charter of this organisation, a supervisory board shall be established.
2. Members of the organisation holding different categories of rights shall be fairly represented in the supervisory board.
3. The members of the supervisory board shall be elected by the general meeting for a term of 5 years. Individuals whose professional experience enables them to perform effective supervisory functions may be elected to the supervisory board, regardless of whether they are members of an organisation managing property rights on a collective basis.
4. The supervisory board is accountable to the general meeting. The supervisory board shall submit a report on its activities to the general meeting at least once a year. The members of the supervisory board are obliged to present to the general meeting information about the existing or possible conflicts of interest, which in the future may hinder the exercise of their powers by the members of the supervisory board.
5. The members of the organisation managing property rights on a collective basis, as well as the organisation managing property rights on a collective basis, whose rights are managed by the said organisation on the basis of a mutual representation agreement, have the right to apply to the supervisory board for the purpose of its involvement, assistance and/or dispute resolution in relation to such matters as accreditation of the organisation managing property rights on a collective basis, the termination of the contract or revocation of rights, terms of membership, as well as the collection, distribution and/or targeted deductions of royalties.
6. Individuals who are not members of the organisation managing property rights on a collective basis, whose rights or categories of rights are managed by the said organisation, can enjoy the right provided for in paragraph 5 of this article, when the issue under consideration concerns the collection, distribution and/or targeted deduction of royalties.
7. The organisation managing property rights on a collective basis is obliged to respond in writing to all complaints or requests submitted on the basis of paragraphs 5 and 6 of this article. The refusal of the organisation to meet the request must be justified.
8. The supervisory board shall consider the appeal submitted on the basis of paragraph 5 of this article immediately.
9. The supervisory board is obliged to resolve the dispute provided for in paragraph 5 of this article, taking into account the best interests of the parties and to act fairly and impartially. Each party participating in the dispute resolution process is obliged to act in good faith.
10. In the process of resolving the dispute, the supervisory board shall have the right to demand explanations from the members of the board and any employee. The supervisory board is obliged to study the annual report and accounting documents before making a decision.
11. The dispute arising in accordance with paragraph 5 of this article shall be terminated if:
  - a) The parties signed a conciliation agreement;
  - b) Any party shall notify the supervisory board at any time after it receives notice from the supervisory board in accordance with paragraph 7 of this Article that the party no longer wishes to continue the dispute.
  - c) according to the assessment of the supervisory board, the matter cannot be resolved within the framework of the dispute arising on the basis of paragraph 5 of this article, for which a reasonable written notification shall be sent to the parties;
  - d) the initial and additional deadlines set for the proceedings have expired, about which the parties shall be sent a written notification.
12. The consideration of the dispute in accordance with paragraph 5 of this article does not deprive the party of the right to apply to the court.

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## **Article 66<sup>15</sup> – Obligations of the heads of the organisation managing property rights on a collective basis**

1. Heads of an organisation managing property rights on a collective basis are obliged to lead the organisation fairly and with good faith, in a proper manner, to act in the true interests of the organisation, using transparent administrative, financial procedures and internal control mechanisms.
2. The organisation managing property rights on a collective basis shall have appropriate mechanisms to exclude the existing or potential conflict of interest of the heads of the organisation managing property rights on a collective basis. In the event of a conflict of interest, the organisation managing property rights on a collective basis is obliged to ensure its identification, management, control and elimination in such a way as to prevent its negative impact on the interests of the members of the organisation.
3. Heads of the organisation managing property rights on a collective basis are obliged to submit individual reports to the general meeting at least once a year, which shall contain the following information on:
  - a) any interest in the organisation managing property rights on a collective basis;
  - b) any remuneration received from the organisation managing property rights on a collective basis during the previous financial year, including pension funds, as well as any direct or indirect benefits received;
  - c) the royalties received by them as right holders from the organisation managing property rights on a collective basis during the previous financial year;
  - d) any existing or possible conflict of interest between the interests of the head of the organisation managing property rights on a collective basis and the interests of the organisation managing property rights on a collective basis, or between the obligations to the organisation managing property rights on a collective basis and the obligations to any other natural person or legal entity.
4. The general meeting shall elect the chairperson of the organisation managing property rights for a term of 5 years on the collective basis. The same person can be elected as the chairperson of the organisation managing property rights on the collective basis.
5. The charter of the organisation managing property rights on a collective basis shall contain information on the person performing the duties of the chairperson in the case of the absence of the chairperson of the organisation managing property rights on a collective basis or if he/she otherwise fails to fulfill his/her rights and duties.

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## **Article 66<sup>16</sup> – Control of activities of the organisation managing property rights on a collective basis**

1. Sakpatenti shall control the activities carried out by the organisation managing property rights on a collective basis in the field of collective management of the property rights of the right holders, as well as the fulfillment of the requirements and obligations established by the legislation of Georgia, including this Law, and the decisions made by Sakpatenti in the field of copyright and related rights.
2. Sakpatenti is authorised to request a report on its activities from the said organisation at any time in order to check the compliance of the activity of the organisation managing the property rights on a collective basis with the requirements established by this Law, which may contain any information related to the management of property rights, including the amount and distribution principle of royalties distributed by this organisation, the amount of money held for the management of rights, and the general financial condition of the organisation.
3. Sakpatenti is authorised to conduct an investigation both on its own initiative and on the basis of an appeal by an interested person in order to verify the compliance with this Law of the activity of the organisation managing property rights on a collective basis.
4. As a result of the investigation provided for in paragraph 3 of this article, a report shall be drawn up. In the event that Sakpatenti identifies non-compliance of the activities of the organisation managing property rights on a collective basis with the requirements established by this Law, depending on its severity, Sakpatenti shall be authorised to develop a recommendation and determine a reasonable period for eliminating the non-compliance, but not more than 3 months. The decision of Sakpatenti shall be sent within 7 days to the organisation managing property rights on a collective basis and shall be published on the website of the organisation and on the website of Sakpatenti.
5. If signs of crime are discovered during the investigation by Sakpatenti, the relevant materials shall be immediately sent to the law enforcement authorities.
6. Sakpatenti is authorised to invite the heads of the organisation managing property rights on a collective basis to an oral hearing based on the results of the investigation.
7. If, during the investigation by Sakpatenti, the fact of violation of the obligations stipulated by Article 66<sup>15</sup> of this Law by the heads of the organisation managing property rights on a collective basis is revealed, Sakpatenti is authorised to request the organisation managing property rights on the collective basis to convene a general meeting within 1 month, at which the issue of the responsibility of the heads of this organisation will be discussed.
8. Sakpatenti is authorised to make a decision on suspension or termination of authority of the organisation managing property rights on a collective basis in the event of violations of the obligations stipulated by Article 66<sup>15</sup> of this Law by these managing persons.





**Article 66<sup>17</sup> – Conducting an investigation by an independent auditor, the results of the review of the investigation opinion**

1. Sakpatenti shall be entitled to instruct one of the audit firms, which has been granted the authority to audit a person of public interest, to conduct the investigation provided for by Article 66<sup>16</sup> (2) of this Law, based on a reasonable decision. In the event of a violation being identified, the organisation managing property rights on a collective basis shall bear the total cost of the audit, which shall be paid from the costs incurred for its management.
2. The organisation managing property rights on a collective basis is obliged to cooperate with the auditor during the investigation, without delay, to immediately provide any information that the auditor considers necessary. If this organisation refuses to cooperate or creates an obstacle, the auditor is obliged to immediately inform Sakpatenti about it, which may become the basis for termination of accreditation for the organisation managing property rights on a collective basis, in accordance with the procedure established by this Law.
3. The opinion of the audit conducted by the auditor shall be sent to Sakpatenti.
4. Based on the audit report of the auditor, Sakpatenti shall apply the measures defined in Article 66<sup>16</sup> of this Law.

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**Article 66<sup>18</sup> – Termination of accreditation**

1. Despite taking the measures provided for by Article 66<sup>17</sup> of this Law, if the organisation managing property rights on a collective basis does not ensure proper fulfillment of the assigned obligations, Sakpatenti shall make a decision to terminate accreditation.
2. Sakpatenti is obliged to justify the necessity of making such decision in the decision on termination of accreditation.
3. Termination of accreditation means invalidation of the decision on granting accreditation in accordance with the General Administrative Code of Georgia.
4. If, in the case defined by the paragraph 1 of this article, Sakpatenti considers that the termination of accreditation can cause more harm to the right holders than the continuation of accreditation, it makes a justified decision on granting the right to the organisation managing property rights on a collective basis to continue the activities under the conditions established by it. In such a case, the said organisation is obliged to continue fulfilling the obligations assigned to it by this Law until the new accreditation is granted by Sakpatenti.
5. Accreditation of the organisation managing property rights on a collective basis shall be prematurely terminated also in the case of non-submission of mutual representation agreements or incomplete submission of these agreements within the period specified by Article 64 (4) of this Law.
6. In the event of the existence of the grounds stipulated by this Law, Sakpatenti shall be entitled to terminate the accreditation of a specific right, category of rights or groups of categories of rights to the organisation managing property rights on a collective basis.
7. The decision to terminate the accreditation of the organisation managing property rights on a collective basis shall be published in the official bulletin of Sakpatenti.
8. The decision to terminate the accreditation of the organisation managing property rights on a collective basis shall enter into force 1 month after its publication in the official bulletin of Sakpatenti.
9. The organisation managing property rights on a collective basis, whose authority has been terminated in accordance with this article, shall continue to exercise authority in the manner established by paragraph 4 of the same article until the decision on granting new accreditation in the same category of rights enters into force.
10. After the termination of the accreditation of the organisation managing property rights on a collective basis, it shall not be allowed to carry out any actions defined by this law on behalf of the said organisation.
11. The organisation whose accreditation has been terminated in accordance with the procedure established by this Law is obliged to apply to the National Agency of Public Registry within 14 days after the official notification of the decision on the termination of accreditation and to ensure the compliance of the organisation's company name with the requirements established by Article 63(6) of this Law.
12. In case of non-fulfilment by the organisation of the obligations provided for by paragraph 11 of this article, Sakpatenti shall have the right to apply on its own initiative to the National Agency of the Public Registry with a request to change the company name of the organisation.

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**Chapter XI – Transitional Provisions**

**Article 67 – Applying provisions of this Law to relations that originated earlier**

1. This Law shall apply to the relations connected with the creation and use of the subject-matters of copyright and related rights that originated after entry into force of this Law.



2. With respect to a work, a 70-year term of copyright protection of which has not expired by the time this Law enters into force, the copyright terms, provided by Articles 31 and 32 of this Law, shall apply.

3. With respect to a performance, a 50-year term after its first performance of which has not expired by the time this Law enters into force, the term of protection of the rights of performers provided by Article 57(1), shall apply.

4. With respect to a phonogram and videogram, a 70-year term after creation, first publication, or communication to the public of which has not expired by the time this Law enters into force, if they were not made available to the public by way of publication or communication to the public during the above term, the validity term of related rights, provided by Article 57(3) of this Law shall apply.

5. With respect to broadcasts of broadcasting organisations, a 70-year term after creation, first publication, or communication to the public of which has not expired by the time this Law enters into force, if they were not made available to the public by way of publication or communication to the public during the above term, the validity term of related rights, provided by Article 57(4) of this Law shall apply.

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

#### **Article 67<sup>1</sup> – (Deleted)**

*Law of Georgia No 1585 of 3 June 2005 – LHG I, No 31, 27.6.2005, Art. 198*

*Law of Georgia No 5423 of 26 October 2007 – LHG I, No 38, 14.11.2007, Art. 365*

### **Chapter XII – Final Provisions**

#### **Article 68 – Invalidated subordinate normative acts**

Upon entry into force of this Law, all subordinate normative acts conflicting with this Law shall be deemed null and void.

#### **Article 69 – Entry into force of this Law**

This Law shall enter into force upon promulgation.

**President of Georgia**

**Tbilisi**

**22 June 1999**

**No 2112-II ႁ**

**Eduard Shevadnadze**

