Croatian writers claim that former DZIV Director Željko Topić cheated them out of millions of Kuna

"For the common good and in order to provide complete information to both the Croatian and international public, we have decided to speak out on the subject of the threatened existence of Croatian writers, and also journalists, publishers, illustrators and other related professions. Starting in 2007, writers were supposed to receive financial compensation from the state for the lending of their books in public libraries based on the so-called Public Lending Right, but to date they have not received a single cent”.

This appeal has been issued by anonymous sources from the Croatian Writers' Association* [Društvo hrvatskih književnika / DHK] who have contacted the news portal Dnevno. After remaining silent for a number of years, the writers have finally decided to speak out about the alleged injustice done to them, and for which they blame the former long-time director of the State Intellectual Property Office (DZIV), Željko Topić, who now holds the position of Vice-President of the European Patent Office (EPO) in Munich. The writers ask the following question: Why didn't the Copyright Act in Croatia become operational for writers and other artists in the same way as it did for musicians (within the framework of the Protection of Music Copyrights - ZAMP)?
Instead of including writers, only members of ZAMP were protected

They claim that the DZIV was appointed to act on behalf of the State as the coordinating body for the implementation of the above-mentioned Public Lending Right (PLR) based on the National Strategy for the Development of the Intellectual Ownership System in the period from 2005 to 2010. This Strategy was developed by DZIV itself, and the year 2007 was established as the deadline for PLR implementation. At the 4th European Public Lending Right Conference held in Budapest in April 2007, a proposal was made to hold the next European Conference in Croatia in order to provide writers in our country with support in relation to the implementation of the new right, which had already been introduced into Croatian legislation in 2003 by means of the Copyright and Related Rights Act which was based on the EU Directive 92/100/EEC.

The writers explain how Željko Topić continued to ignore all of the initiatives associated with the organisation of the European Public Lending Right Conference in Croatia for over a year, before finally turning down the request of the Conference organisers on 2 April 2008. His argument was that the Croatian state agency responsible for the matter, i.e. the DZIV, lacked the financial means to bear its share of the Conference costs - a ridiculously small sum of 100,000 HRK, or approximately 15,000 EUR. The balance was to be provided by the Conference organisers. However, the story of the DZIV’s empty coffers, which Topić used as a convenient excuse, is contradicted by the official remuneration disbursement schedule for the year 2007, which clearly shows that the DZIV had ample funds at its disposal. As evidence of this claim, we publish the 2007 disbursement schedule as an annex.

According to the schedule, additional remuneration was paid out to certain permanent employees of DZIV on top of their regular salary. It is interesting to note that this additional “contract work” appears to have been carried out by those employees during their normal working hours using the resources of the DZIV thereby effectively amounting to a form of illegal income. In any case, the former Director of the DZIV rejected the request of the Conference organisers because of an alleged lack of funds, while at the same time paying out generous additional remuneration to selected staff inside the DZIV. At this point it is necessary to emphasise that the aforementioned schedule does not include payments to external collaborators, travel expenses or other financial gems of the notorious crew resident at Vukovarska 78 in Zagreb [i.e. the DZIV]. Moreover, our sources from the Croatian Writers' Association claim that in parallel to the DZIV’s obstruction in the case of the Public Lending Right for authors, the development and monitoring of rights protection for certain other forms of copyright, in particular those relating to ZAMP [i.e. musical royalties], were receiving a completely different and privileged level of support from this state agency.
The DZIV Vehicle Fleet

Apart from generous additional remuneration for himself and certain favoured employees of the DZIV, the information available to us indicates that Željko Topić was also capable of financing the cost of six official DZIV vehicles: three older ones – an Audi 6, an Audi 4 and a Skoda – as well as three completely new ones – a Mercedes, an Audi 6 and a Skoda. The new Audi 6 was for the then Minister of Science Dragan Primorac, who was responsible for the DZIV at the time; the new Mercedes, i.e. "Merc" and the older Audi 6 for Topić himself, the older Audi A4 for his deputy Romana Matanovac, and the new Skoda for the assistant Director Ljiljana Kuterovac. All of this was in addition to the documented amount of 1,033,182.28 HRK, clearly visible in the schedule annexed to this article, which was paid out as additional remuneration for the year 2007 (on top of the regular salary) to around half of the DZIV employees, with the "duo" consisting of Željko Topić and Romana Matanovac topping the list of beneficiaries. In a Budgetary Audit Report relating to the DZIV dated 15 January 2008 and carried out by the Ministry of Finance, this amount is listed as improper expenditure in contravention of the Labour Act, the Collective Agreement for Civil Servants and Employees and the Budget Act. The aforementioned Report notes that Topić’s actions in this respect constitute an offence subject to sanction by a fine in the amount up to 100,000 HRK pursuant to the Budget Act. Notwithstanding a legal obligation to do so, for reasons known only to themselves neither the inspectors from the Ministry of Finance nor the Minister with responsibility for the DZIV at that time, Dragan Primorac, saw fit to initiate civil or criminal proceedings against Topić.

Are Croatian writers finally about to take action against the former DZIV director Željko Topić by way of a collective lawsuit or by alternative legal means, in an effort to call him to account for causing them significant financial damage by abusing his position and authority and neglecting his official duty to facilitate the implementation of the new Public Lending Right? Thanks to him they have still not received a single cent of financial compensation which is of existential importance for writers and for other related professions as mentioned above. To what extent Mr Topić and the so-called “clique of intellectuals” at the DZIV have forearmed themselves against the eventuality of legal action on the part of Croatian writers has yet to be ascertained.
We would also like to remind our readers that Željko Topić made use of the official DZIV website last year to settle accounts with persons who had pressed criminal charges against him as well as with the media outlets that had drawn the attention of the public to his violations of the law. Although he had moved to Munich in the meantime after voluntarily handing in his notice at the DZIV to take up the position of Vice-President of the EPO in the Bavarian capital, in April 2012 he suddenly returned to Zagreb on the last day of the month. As the working day was drawing to a close he ordered a surprised employee of the DZIV IT department to publish a controversial exculpatory “press release” on the official DZIV website *. In other words, having no possibility to obtain publication of such a self-serving statement in the press or on the Internet portals that had reported piquant details about him, he abused his position and influence inasmuch as he effectively requisitioned the website of a state agency for a private purpose, i.e. to publish a rejoinder in his own defence.

In addition to that, as part of his efforts to discredit the published articles disclosing the illegal actions carried out during his time at the DZIV, Topić filed a complaint with the Croatian Journalists' Association, accusing the journalists who had written the articles of violating the journalistic code of honour by publishing unverified and defamatory information about him. The Press Council of the Croatian Journalists' Association rejected Topić’s accusations and published its reasoned findings on its official website **.

Whether by coincidence or not, the Croatian law firms that represent Željko Topić in the criminal proceedings pending against him were at the same time also representing those who had indicted him – at least until such time as this was inadvertently revealed. In this way, they had access to privileged information concerning the other party. The lawyers who represent Mr Topić in criminal legal matters in Croatian courts are the law firm Silvije Hraste and the law firm Gajski-Prka-Saucha and Partners d.o.o. Affidavits bearing stamps of these law firms have been deposited in all criminal cases concerning Željko Topić. Our editors are in possession of copies of these documents.

Finally, it should be pointed out that the aforementioned law firms are at the same time officially registered as the legal representatives of the DZIV in Zagreb. In this way the circle is closed.
Contentious appointment and DZIV audit

In the course of conducting an audit of the DZIV and its then Director Željko Topić in 2012, the Ministry of Science under the control of Minister Željko Jovanović omitted to analyse a key document of the Croatian Government from which it plainly follows that Romana Matanovac, who was at the time employed by the state agency DZIV, was ineligible to be appointed as a member of the Board of Experts for Copyright and Related Rights [due to a conflict of interest].

Matanovac’s transgressions include approving the payment of some 300,000 HRK by the DZIV in 2008 for the ALAI Congress [held in Dubrovnik], under the stewardship of Professor Igor Gliha otherwise known as a close friend of Ivo Josipović, the Croatian President, instead of providing funds for the Public Lending Right Conference, despite the fact that the DZIV had a whole year to prepare for the latter event and was under an official obligation to organise it. Out of approximately 110 permanent employees of the DZIV, the only ones who appear to have benefitted from the exclusive privilege of receiving multiple additional perks were Romana Matanovac and Ljiljana Kuterovac both of whom evidently enjoyed the special confidence of the former Director Topić.

In conclusion we note that Croatian writers are still searching for answers to a number of unsolved riddles. For example, why did Ms. Romana Matanovac not adopt the same professional approach to the implementation of the Personal Lending Right as she did in the case of Josipović’s ZAMP [i.e. music royalties]? And what exactly is it that makes Croatian musicians worth more than writers?

* The press release referred to is available on the DZIV website (in Croatian only):
  [http://www.dziv.hr/files/File/novosti/Priopcenje_za_javnost_30042012.pdf](http://www.dziv.hr/files/File/novosti/Priopcenje_za_javnost_30042012.pdf)

** The findings of the Croatian Press Council in the case of Željko Topić vs. Slavica Lukić may be accessed here (in Croatian only):
  [http://www.hnd.hr/hr/Zakljucci7sjeudnice2012/show/66192/](http://www.hnd.hr/hr/Zakljucci7sjeudnice2012/show/66192/)
The writers explain how Topić continued to ignore all of the initiatives associated with the organisation of the European Public Lending Right Conference in Croatia for over a year, before finally turning down the request of the Conference organisers on 2 April 2008. His excuse was that the DZIV lacked the financial means to bear its share of the Conference costs. However, at the same time Topić was paying himself and certain favoured DZIV employees generous amounts of “additional remuneration” as evidenced by the official disbursement schedule.