

RETHINKING
MUSIC COPYRIGHT MANAGEMENT
IN THE AGE OF
DIGITAL DISTRIBUTION:

Business Models. Licensing practices and Copyright Institutions in India

Maggie Huang & Amba Uttara Kak

THE ENQUIRY

- *How have evolving technologies impacted business models and licensing practises?*
- *What challenges have emerged?*
- *How can copyright institutions provide for more effective management?*

BUSINESS MODELS

- **Telecom music products** (ringtones, caller tunes, mobile radio)
 - New intermediaries: Telecom operators
 - Rise in revenues for PPL

- **Online streaming**
 - Viability of the freemium model?

CONTEXT: THE 2012 AMENDMENT

- Inalienable right to royalty for authors of underlying musical works
- Obligatory collective management for the “business of licensing” underlying works (?)
- Stricter transparency regulation copyright societies
- Recognition of registered copyright society for singers (ISRA)

CONTEXT: ...AND ITS DISCONTENTS

Challenge no.2:

Vaccum

- De-registration of PPL and IPRSL
- Legal status of licensing agencies like Novex Ltd.
- Copyright Board has *still* not been constituted

Vagueness

- Meaning of “equal share”?
- Penalties for non compliance of obligatory collective management?
- Retroactive?
- Performers Rights: industry pushback!

LICENSING CHALLENGES

Why direct licensing?

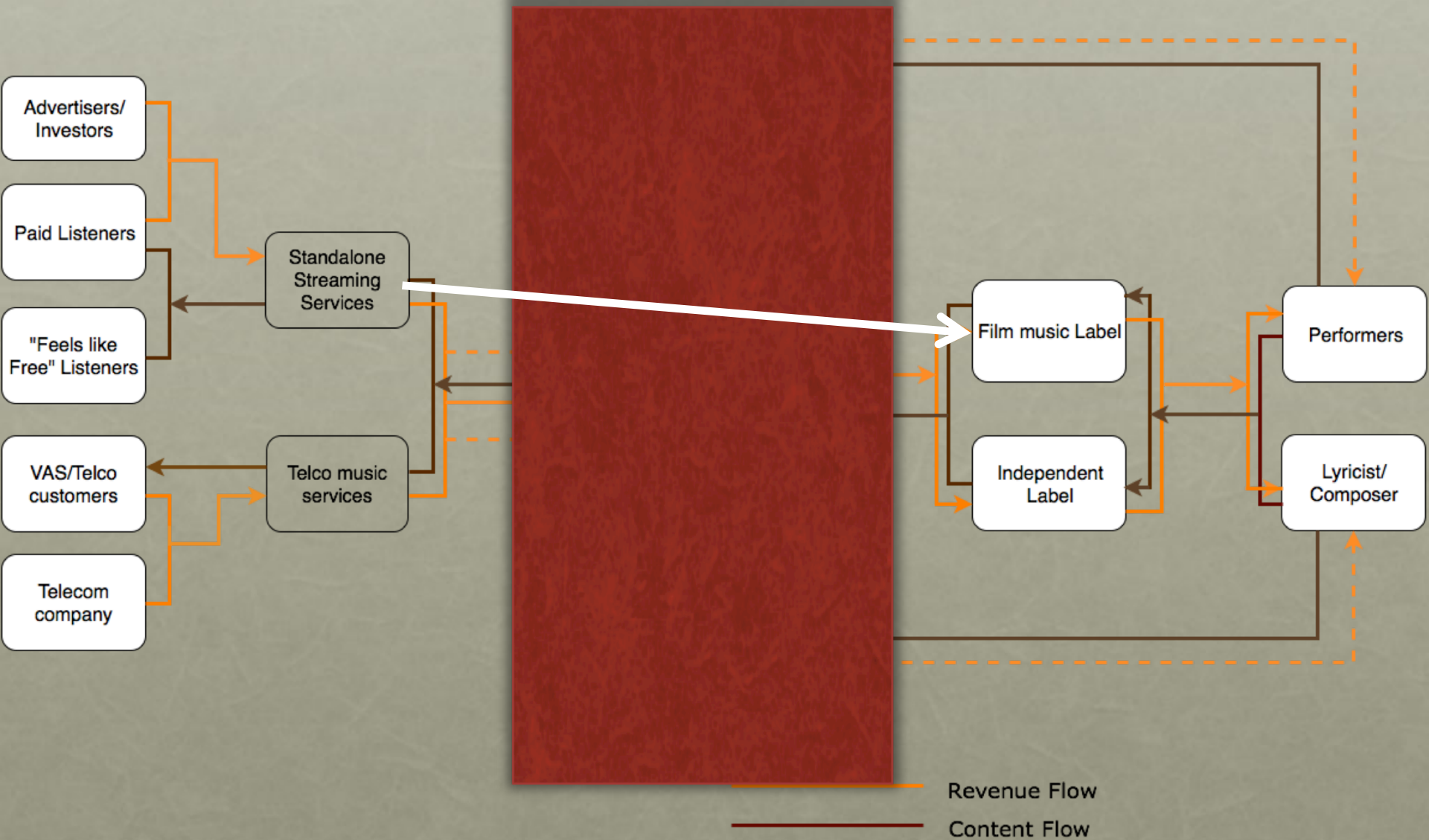
What was the impact on cost of acquiring content?

LICENSING PRACTICES

Consumption

Distribution

Production



MINIMUM GUARANTEES & THE TRUST DEFICIT

- **Challenge no.1**
- The burden of “Minimum Guarantees”
- The trust deficit
- **What hangs in the balance:**

The viability of nascent business models

Non-transparent ad-hoc distribution of royalties

Evading the inalienable right to royalty for authors

RE-IMAGINING COPYRIGHT MANAGEMENT

The technical fix to the trust deficit:

Mime360 and why it failed

Can/should Copyright Societies play this role:

- Distribute royalties *in accordance with actual use or reliable statistical data* (2013 **Copyright Rules**)
- Need to build technical competency and provide the crucial service of tracking music play data and issuing royalties.
- Standardizing technical identification codes (ISRC)
- Standardizing rates

Would a private, competitive collective management system enable this better?

TO CONCLUDE

(1) Vacuum & Institutional illegitimacy

(2) Vagueness in Law

(3) Anti-competitive behaviour of dominant content companies

(3) Non-transparency

Is significantly *hindering innovation, access to music, and potential revenue returns for rights holders*

Also: role of competition regulator?