

## Abstract

### How to design a fair model for remunerating authors

Due to the emergence of digital technologies, the ways cultural and creative goods are created, exploited and consumed have radically changed. In this new environment, traditional value chains are increasingly displaced by new business models, which are affecting the ways authors and the copyright-industry are generating revenues. However, despite the growing number of services which are offering content on a lawful basis, many creators are complaining that they are not earning fair financial returns on their efforts.

Consequently, providing effective mechanisms which are guaranteeing an adequate remuneration for authors and performers is one of the main focuses of the current review of the EU copyright acquis.<sup>1</sup> There is, however, disagreement on whether this aim can best be achieved by further strengthening exclusive rights, or by expanding limitations and providing authors with statutory remuneration rights in exchange. It is widely argued, that – due to the fact that exclusive rights are regularly licensed to intermediaries – authors might benefit more from the latter.

However, an eventual extension of the principle of collective remuneration is posing several questions. As national copyright laws are providing a variety of entitlements to remuneration to authors, performers and holders of neighbouring rights, which are managed by multiple CMOs, the question arises whether this complex structure is still guaranteeing that the royalty revenue is collected and distributed in an effective and transparent way; furthermore, from a consumer's perspective, as individual licensing and collective remuneration are coexisting, the risk of double payments cannot be ruled out. Recently it has also been disputed whether the allocation of revenues to intermediaries (e.g. producers, publishers) is appropriate.

It is therefore the aim of this paper to discuss the scope of the current system of statutory remuneration rights and to identify the most prevailing legal issues concerning the collective management and distribution of the revenues. Thus, it shall provide the foundation for designing a model for achieving a fair remuneration of authors.

MMag. Philipp Homar  
Abteilung für Informations- und Immaterialgüterrecht,  
WU Wien

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<sup>1</sup> European Parliament resolution of 9 July 2015 on the implementation of Directive 2001/29/EC of the European Parliament and of the Council of 22 May 2001 on the harmonisation of certain aspects of copyright and related rights in the information society (2014/2256(INI)).