

The true impact of shorter and longer copyright durations: From authors' earnings to cultural creativity and diversity

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Since its origin, one of the key concerns regarding copyright law was the duration of its protection. Over the last half-century, there has been a strong advocacy to prolong copyright duration. In this respect, it is important to rigorously examine if a longer copyright duration is helpful in guaranteeing the earnings of authors from their works as well as the promotion of cultural creativity and diversity. This paper addresses these issues by adopting a business and economic analysis. Unlike what is generally accepted, this paper shows that a longer duration does not improve the author's earnings, and that, furthermore, it impedes cultural creativity and diversity. The main reason lies in two factors often neglected, the weak bargaining power of the author and the principal agent-dilemma through private contracts under longer duration which result the structural under-performance of the publishers. As a solution, this paper proposes to shorten the copyright duration and shows that this is likely to increase the earnings of authors from their works and to enhance cultural diversity and creativity.

Keywords: Copyrights; copyright duration; authors' earnings; cultural creativity; cultural diversity; public domain

Introduction

Over the last twenty years, the debate within European policy circles on cultural industries has tended to favor a longer duration for copyright protection. It is commonly believed that this will not only strengthen the earnings of authors, but also enhance cultural creativity and diversity. The last two are particularly important goals for the European Union (EU). In 1993, an EU Directive standardized the copyright duration to 70 years after the death of the author (*post mortem auctoris* or pma) which is derived from German law (EEC Council Directive 1993, Giblin 2017), the longest of its kind in Europe. In 1998, the US Copyright Term Extension Act, the so-called "Sonny Bono" Act, matched the EU's new duration limit. Afterwards, the extension to 70 years pma has spread

to other countries, largely due to the preferential trade agreements negotiated with either the EU or the United States.

When the copyright duration was extended from 50 to 70 years for photographers in 2006 and for performers and sound recorders in 2011, this new legislation was considered to be a remarkable achievement for artists. However, it is important to note that eight of the EU's twenty-seven Member States were against the extension. Some of their reasons include: (i) it mainly benefits recording labels, not performing artists; (ii) it creates a negative impact on consumers' pockets and their accessibility to cultural materials; and (iii) it does not help with the development of future talent, but rather orientates the recording industry to capitalize on its past investments (Theofilos 2013; see Kretschmer 2008 for more details).

In order to understand better the impact of copyright duration on cultural works (hereafter "works"), it is important to consider the fundamental purpose of copyrights as reflected in the mandates of key international institutions. The World Intellectual Property Organization (WIPO) focuses on protecting (i) the economic rights which allow the owners to derive financial rewards from the use of his/her works by others and (ii) the moral rights which protect the non-economic interests of the author (WIPO 2017). The United Nations Educational, Scientific and Cultural Organization (UNESCO) is more interested in enhancing cultural creativity and diversity for society as a whole rather than individual economic interests, although it does mention about the economic "incentives" for creation (UNESCO 2017). Finally, national enforcing bodies such as the United States Copyright Office (2017) mainly deal with the usage of copyrighted works such as reproductions, derivatives, and distributions, thus it is concerned with business and economic factors.

These mandates demonstrate how copyrights seek to guarantee the earnings of authors – derived from the revenues generated by their works – as well as to promote cultural creativity and diversity. Although the importance of culture has been frequently highlighted in policy discussions, the notion of cultural creativity and diversity is in fact linked to economic factors. This is due to two main reasons. First, as recognized by UNESCO and the United States Copyright Office, authors need economic incentives through their earnings in order for them to create further works and therefore promote cultural creativity and diversity. Second, the WIPO has identified the fact that such a cultural development can be enhanced by producing many original works without imitation or copying. Yet even in this respect, Parc, Messerlin, and Moon (2016) and Parc (2018)

have provided evidence that imitation does not restrict greatly cultural creativity or diversity, but in fact can be a good source of enhancement.

Given this context, this paper adopts a business and economic analysis to understand the true impact of copyrights. Only through this approach can we accurately examine whether a longer copyright duration has either a positive or a negative impact on the earnings of authors. And more importantly, it can also demonstrate the effect it has on cultural creativity and diversity. Due to the wide range of copyright protections, this paper focuses on books, music, films, and paintings which are consumed by the public on a regular basis. For simplicity sake, it uses the terms “authors” (of books, music, etc.), “publishers” (book publishers, record labels, etc.), and “works” (book, music, films, etc.) in their generic sense.

This paper recognizes that the creative and cultural industries of today have become more complicated with digitization and the advent of Internet, specifically through streaming services, video-sharing websites, and other digital platforms. However, it should be stressed that most of these new providers operate under licenses from the traditional publishers for all copyright-protected works. As a result, in order to focus on the fundamental issue of copyrights and to understand the true impact of different durations, this paper places these technological advancements and their impact aside. This allows for them to be used for further studies based on the findings presented here.

The paper is organized as follows. The first section deals with the literature review on copyright duration and highlights the need for a new perspective which this paper undertakes. The second section sheds light on the true origin of copyright issues which is derived from the private contracts signed by authors and publishers. The third section shows that the current copyright duration is detrimental to the actual earnings of authors from works as well as hindering cultural creativity and diversity. The fourth section examines the impact of a shortened copyright duration on the earnings of authors as well as cultural creativity and diversity. Lastly, the concluding section summarizes the main findings and the implications to be drawn from these analyses.

Literature review

Copyright duration has often been extended since the birth of copyright law and there are still those who advocate for it to be longer. However, when analyzing the impact of copyright duration on the earnings of authors and more broadly upon the development of culture, there are two opposing

viewpoints: longer duration versus shorter duration.¹ Given that there are so many studies involved in this debate and they cannot all be covered in this paper, the focus will be on just those few that cover the broader aspects of either longer or shorter duration.

In supporting longer duration, Hatch (1998) summarizes four main reasons for embracing such an approach: (i) copyrighted work is like personal property and it needs to be protected with increased longevity because authors need earnings throughout their longer lives; (ii) piracy has been greatly facilitated by the advent of digital media and the global information infrastructure; (iii) the marketable lives of works have been enhanced in the era of digitization through the help of longer duration; and (iv) longer copyright duration does not impede creativity or the wider dissemination of works. However, these contentions lack solid theoretical and practical backgrounds.

Liebowitz (2007) goes further by arguing that the optimal copyright length can be infinite because copyrights impose trade-offs between the production of new works and consumption of old works. He bases this on several factors: (i) ownership of works provides values which can be reinvested in other works; (ii) unauthorized copying reduces appropriate revenues that are incentives to generate cultural creativity and diversity; and (iii) copyrights do not provide monopoly power to the copyright owners in the vast majority of instances.

These analyses, however, require two major counterpoints. First, the commercial life of works is very short regardless of the increased lifespan of the authors. This is even the case with the digital age despite the great transformations that have occurred in the cultural industries. Second, reputational earnings can eventually be rendered into monetary earnings. One of the best illustrations is the song “Gangnam Style” by Psy; most of his revenues are not from copyrights but from on-site performances and advertisements which he was able to earn due to the reputation he developed through a liberal diffusion of his music online (for details see Parc, Messerlin, and Moon 2016). The case of Psy points out an important yet often forgotten fact that it is the authors who should reap a significant share of the earnings, not publishers.

¹ In fact, there is a third “in-between” position. For instance, Chamberlain (2016) argues that a unified duration may not be an optimal solution because the various media outlets of culture (book, music, and film) do not possess the same commercial time horizon. Accordingly, he proposes tailoring duration by cultural medium. In the same vein, Landes and Posner (1989, 2002) propose to create an “indefinitely renewable” copyright regime which gives the authors the right to “renew.” At specific times, the private contracts they signed with their publishers, giving back by the same token to these authors some bargaining power vis-à-vis their publishers.

Alongside this, there are a number of studies that support a shorter copyright duration. For example, Reichman (1996) views longer duration as a form of an unjustifiable subsidy to publishers who then operate in a rent-seeking fashion. In fact, longer duration reduces significantly the bargaining power of authors with respect to their publishers (Cargill and Moran 1971). Once they have signed a “private contract” with their publishers, the authors have a very limited role and the longer duration only amplifies this limitation. As publishers have more monopolistic power to utilize these works, they become more expensive. However, price increases do not ensure greater earnings for authors (Kretschmer 2010) and consumers often have to pay higher prices to enjoy these works.

Akerlof et al. (2002), Lessig (2004), and Boldrin and Levine (2008) all point out that longer duration has no positive impact on the past works of authors. In extending a duration that will be applied only for future works, it cannot change the incentives that the authors have had when creating their works in the past. From the perspective of cultural creativity and diversity, all works are equally important regardless of their production year. In addition, the present value of the authors’ earnings does not increase by much through the additional earnings occurring in a far-away future (for example, between fifty to seventy years ahead). Therefore, longer duration is very unlikely to reflect positively upon the earnings of authors. Buccafusco and Heald (2013) take this a step further when arguing that the essential purpose of a limited copyright duration is not to increase the earnings during the copyright period, but rather to ensure the existence of a productive “public domain.”²

This brief literature review raises two crucial points. First, it is necessary that any copyright duration must ensure that authors reap a significant share of the benefits. More broadly, it must also help boost cultural creativity and diversity for society. Second, the low bargaining power of authors caused by the unbalanced relationship between them and their publishers and the principal-agent dilemma require changes in order to create a healthier environment. All of these factors should be taken into account when assessing the impact of copyright duration and this will be the main focus for this paper.

² Public domain is the period beginning after the expiration of the copyright where any firm or individual can disseminate formerly copyrighted works without paying copyright-based earnings to the authors.

The fundamental issues: “Copy”-rights and private contracts

In order to delve into the fundamental issues of copyrights, it is important to review the original goal as well as the evolution in its duration and to then analyze its significance based on these facts. The United Kingdom was the first country to introduce copyrights with the Statute of Anne or the Copyright Act of 1710. This law has two very important points: (1) it granted exclusive rights to the authors in order to prevent publishers to distribute, modify, or abuse the works without a private contract with the authors; (2) it imposed a copyright duration, which was fourteen years for books published after 1710 and twenty-one years for those published before that date. Thus emerged the concept that copyrights would protect authors as well help to enhance cultural creativity and diversity. However, the rhetoric behind this should be carefully analyzed in order to understand exactly how it was applied in the real world.

First, the exclusive rights granted to authors – previously, publishers secured the right to copy works and even alter them – would seem to offer them protection. However, the Copyright Act was actually designed to protect the rights of English publishers to copy works by limiting those of non-English publishers, particularly Scottish and Dutch ones, in the English book market (Johns 2009, Balázs 2011, Baldwin 2014). This is why the term “copy”-rights was used rather than “author”-rights. As a result, private contracts have been anchored and geared toward supporting this process.

Second, the copyright duration was initially introduced not to protect publishers or authors, but to put a time limit on the monopolistic power of publishers. This was intended to enhance the competition among them. In particular, during the eighteenth century, the Enlightenment was prevailing and the importance of education and knowledge diffusion was popularized. In this context, any measures that hindered this societal trend of diffusing and sharing knowledge and education was seen as an infringement of the Enlightenment (Lessig 2004). It is interesting that even three centuries ago, there were efforts to limit the copyright duration for the betterment of society.

It is important to stress that the copyright duration has only been extended because publishers sought to secure their rent-seeking business by reducing competition and achieving a longer copyright term or even to hold the rights permanently. In particular, from 1731 to 1775, they developed “coalitions” with authors under the guise that they were helping them (see the Battle of

the Booksellers).³ Under this condition, authors had to transfer through private contracts the effective use of their “sole and exclusive” copyrights to publishers chosen for printing and selling the works. In short, once the private contract has been signed, a “very unequal bargaining” situation prevails in most cases between the author and the publisher (Towse 2002). All of these changes have placed publishers in a superior position vis-à-vis authors.

Despite the significance of the above-mentioned publisher-centered operational and value creation system, this fact has often been overlooked (Schlesinger and Waelde 2012, Schlesinger 2017). The vast majority of existing studies within the current debate on copyrights follows the notion of a “coalition” by perceiving authors and publishers as one entity, then highlights the conflict between “authors-publishers” and “consumers” (AC and BC in Table 1). In actual fact, this is very different from what the Statute of Anne initially focused on (BB in Table 1).

Table 1. Comparison: Focus of copyright duration conflicts

	Authors (A)	Publishers (B)	Consumers (C)
Authors (A)	AA	AB	AC
Publishers (B)	AB	BB	BC
Consumers (C)	AC	BC	CC

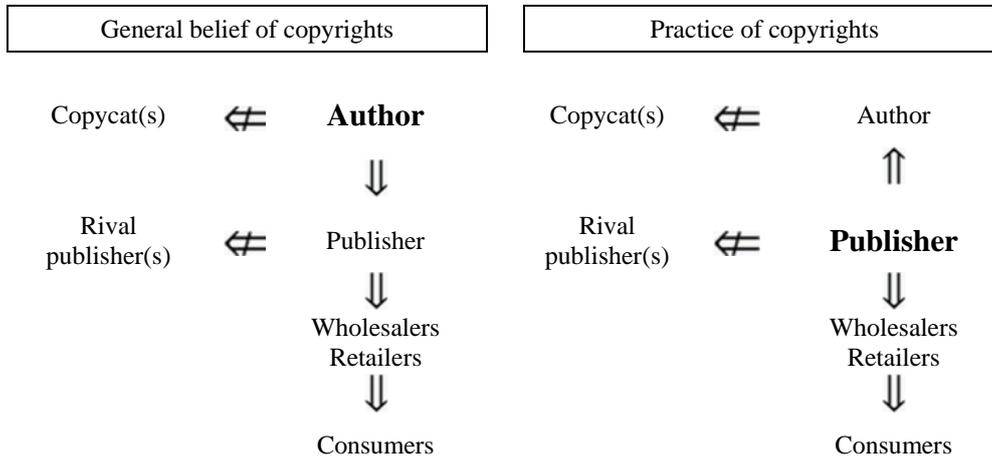
Notes: (1) The shadowed panels represent the main focus of current conflicts on copyright duration; (2) The hatched panels represent the focus of this study.

Today, the general belief is still that copyright law places the author at the epicenter of the industrial chain which then goes down to the consumer (see left in Figure 1). In doing so, the law would prohibit copy or imitation of the original work in order not to harm its revenues and to promote cultural creativity and diversity. However, in reality, once the private contract has been signed, the publisher becomes the epicenter of the industrial chain due to the exclusivity terms

³ The English publishers thought that their rights to publish books under exclusivity was common law and should be perpetual. The Battle of the Booksellers lasted thirty years, involving a series of legal cases pressing for their rights to prohibit other publishers from printing the works they were in charge of (Rose 1993).

included (see right in Figure 1). The author is *de facto* “integrated” into the publisher-led industrial chain, and it brings about two very critical problems.

Figure 1. Devolution of copyrights



Notes: (1) The direction of arrows shows the flow of the exerted rights; (2) The barred arrows show the constraints imposed by the general belief and the practice.

First, the publisher-centered industrial chain has a direct impact on the printing, distribution, and sales of works, hence on their revenues. From a business and economic perspective, private contracts limit the bargaining power of authors and make them the weakest actor in the chain, with only a few exceptions in regard to superstar authors. The author’s “monetary benefits” or earnings depend thus crucially on the business capacities of the publishers. At the same time, the contracted publishers are restrictive in the diffusion of the works due to the limitations imposed by the exclusive rights, hence the other possible “reputational benefits” earned through wide distribution will be very little. Eventually, all of these consequences reduce the authors’ earnings as well as the incentives for new creations – the opposite of the stated goal of copyright law.

Second, there is a principal-agent problem. In order to boost the earnings for the author, the overall revenues of the work should be maximized. Under private contracts and the publisher-centered industrial chain, the author has no means to monitor whether the contracted publisher is doing its best to maximize revenues from the work. This situation affects directly the earnings for the author regardless of the quality of their work. This is all the more the case when, as under the EU Member States’ laws, the re-negotiation possibility for the private contract has been reduced even if the author feels that his/her interests are not well served by the contracted publisher

(Hugenholtz et al. 2006). Last but not least, the principal-agent problem increases substantially when, as is the case nowadays, the author has only one publisher for a given work, whereas most publishers are in charge of many authors.

All of these concerns indicate that in order to analyze the impact of copyright duration, it is important to have a greater understanding on the real impact of copyrights with these two critical issues caused by the private contracts. This approach is where this paper differs from other existing studies. It recognizes that the weak bargaining power among authors and the principal-agent dilemma both have a negative effect on the relationship between authors and publishers (shown as AB in Table 1). This then requires a movement away from the assumption of “author-publisher” as one entity. In doing so, this paper reveals the “structural under-performance” of the publishers under the copyright regime. By the same token, it produces a fresh analysis on the consequences of the current long duration on the earnings of authors as well as on cultural creativity and diversity. It also considers the impact of shortening the duration. Both analyses deserve one important remark. They focus exclusively on the production side of cultural industries, leaving aside the question of the revenues allocation between authors and publishers.

Current copyright duration and its consequences

It has generally been believed that a longer copyright duration would be the best way to protect works, thus guarantee the earnings of authors. In recent years, this argument has been further supported by the increasing lifespan of authors (European Commission 2008) and more interest in culture as a form of soft power.⁴ However, this perception neglects the reality of a much shorter commercial life for works and the existence of private contracts which limits the bargaining power of authors under a longer copyright regime. This section shows the extent to which these two factors can be detrimental to the earnings of authors as well as cultural creativity and diversity.

The actual earnings of authors under the current duration

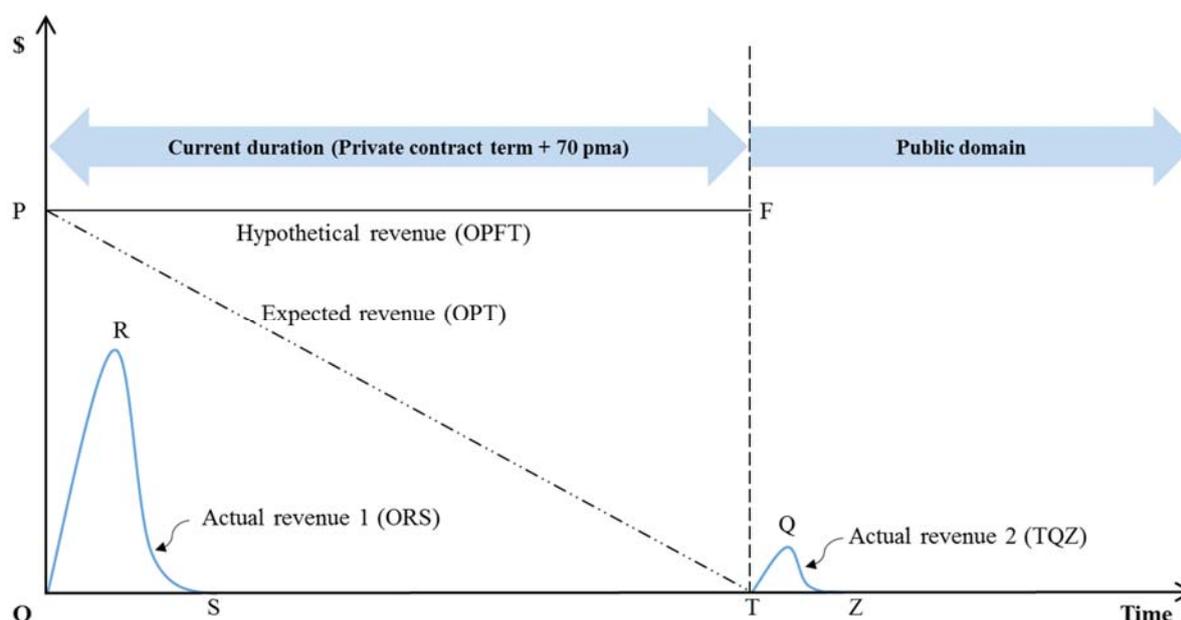
Unlike what authors and publishers wish, the actual commercial life of a work is short. According to the Australian Productivity Commission (2016), music works have two to five years of

⁴ The impact assessment study prepared by the EU Commission for the adoption of the 2010 Directive reads as follows: “*This impact assessment shows that many European musicians or singers start their career in the early 20’s. That means that when the [...] 50-year protection ends, they will be in their 70’s and likely to live well into their 80’s [...]. As a result, performers face an income gap at the end of their lifetimes*” (European Commission 2008).

commercial life on average. Within this short period, 70 percent of music generates no more revenues from the second year after release. The commercial life of books lasts between 1.4 and five years on average. Furthermore, 75 percent are unavailable after the first year and 90 percent of original publications are out of print within two years. The average commercial life of films is between 3.5 and six years and only very few films generate revenues after the sixth year. Lastly, most visual artistic works, such as spectacles and events, generate no revenues two years after their release. This context brings about a very different result on the earnings of authors from what the copyright regime originally aimed for.

As these facts are not well known, it is often assumed that, under the current duration of copyright protection or 70 years pma, a work will generate annual revenues OP during the whole protected period OT (see Figure 2); hence total revenues can be illustrated as $OPFT$. Yet, in the real world, popularity or demand for a work will eventually fade away over time. Thus, the expected revenues from a work should be more realistically assumed as OPT . However, the revenue derived from the actual commercial life is very different. The typical revenue from a work appears as a bell-shaped path ORS (Gowers 2006). At Time T , the copyright expires and the work enters the public domain. That allows the existing publisher, non-contracted publishers, and any other business operators to use and to diffuse the work without paying copyright fees to the author or the right holder, thus less legal constraints. Therefore, a new commercial life is given to the work and it generates new revenues TQZ . This means that under the current copyright regime defined on a post-mortem basis, authors have no chance to benefit from the TQZ revenues.

Figure 2. The actual revenues from a work under current copyright duration



Notes: (1) For the sake of clearer illustration, Figure 2 does not respect time proportions. The length OS should be very short since Period OS is only around six years at best (the Australian Productivity Commission 2016), whereas the length ST should be longer since it illustrates more than 70 years (70 years pma minus the span of commercial life); (2) A similar observation can be applied to Period TZ.

As a result, most of the authors' earnings currently depend upon the revenues ORS. The magnitude of this revenue principally depends on the quality of the work, but after its release in the market the revenue also relies crucially on the publisher's business activities, such as marketing, and sales to maximize ORS – to make it higher and/or longer. This then becomes the main source that affects the total revenue. Under these conditions, the weak bargaining power of the authors and the principal-agent dilemma hamper the ability of works to generate their optimal revenue. Instead they induce the structural under-performance of the publishers which does not help authors to enjoy “proper” earnings from their works. It is noteworthy that as time goes by the structural under-performance is likely to amplify. Hence, the incentives for authors to create more works are clearly deteriorated.

Cultural creativity and diversity under the current duration

Under the current copyright duration, works produced face a very long “hibernation” period (ST). Due to their short commercial lives, most of the works are not available in the market during the period ST which is roughly 94 percent of the current duration; assuming that the average author

survives thirty years after the creation of his/her work and that the commercial life lasts six years. When in hibernation, the cultural potential of most works cannot be fully enjoyed by society which impacts significantly upon cultural diversity. Moreover, the fact that most publishers are engaged in discovering new artists and distributing newly created works makes it even less interesting for them to promote existing copyright-protected works. At the same time, established authors and their works are being held hostage by longer duration and private contracts. Meanwhile, despite their interest in these “underutilized” works, non-contracted publishers cannot revitalize the works until they are in the public domain. As a result, the longer the copyright duration, the longer the hibernation period, and the higher the loss in terms of cultural diversity.

In general, it is believed that copying or imitating existing works discourages cultural creativity and diversity. At the same time, the larger number of hibernating works does not help cultural creativity either. This is because certain authors happen to produce similar works to the ones that are copyright-protected but are in hibernation; thus, not widely known. These authors can be “inhibited” to produce their works for fear of being accused of copying those hibernating works. Hence, the longer the copyright duration, the higher the level of inhibition, and the higher the loss in terms of cultural creativity.

In contrast to previous views, Parc, Messerlin, and Moon (2016) and Parc (2018) argue that copying or imitating existing works can promote cultural creativity and diversity. The cases of Vincent Van Gogh, Pablo Picasso, and other well-known painters show how they were inspired by works that are widely available regardless of the production years (The Telegraph 2009; Parc 2018). It is important to note here that during the copyright term imitating works without permission is illegal, however imitating other works that are in the public domain is not. This fact shows that illegality has ties with the copyright term, not the act of copying or imitation per se. Clearly this means that copyrights are a pecuniary issue, not one related to cultural creativity or diversity.

Shortened copyright duration and its consequence

The previous section demonstrates that the longer duration has neither a positive impact to increase the earnings of authors nor does it enhance cultural creativity and diversity. In order to make copyright protection more author- and culture-friendly, this section proposes to shorten the copyright duration as a remedy and examines the consequences. The main merit of this option is to increase the bargaining power of authors vis-à-vis publishers and to reduce the principal-agent

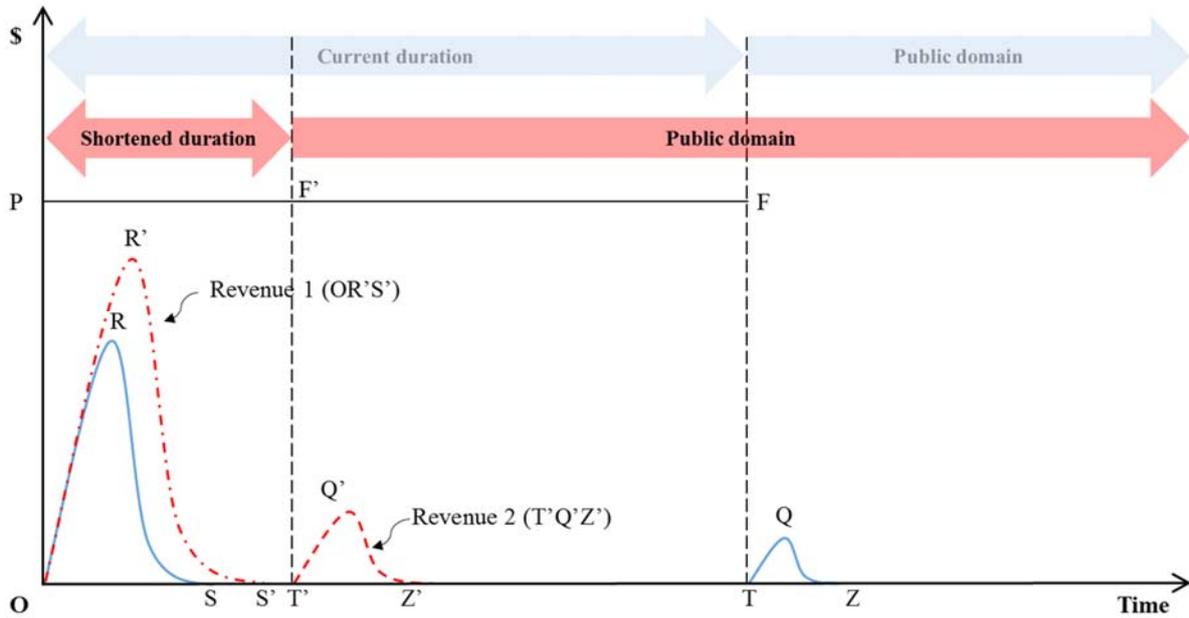
problem in the cultural industries, hence to reduce the structural under-performance of the publishers. As a result, the shortened copyright duration can contribute greatly to improve the earnings from works for authors and to enhance cultural creativity and diversity.

The expected earnings of authors under shortened duration

Authors often complain that they are paid less than they deserve. They generally believe that illegal downloads and free online access are the main culprits. However, as shown above, one of strong candidates for explaining this situation is the long copyright duration and the private contracts under this long duration. In this regard, how would a shortened copyright duration change the asymmetry of private contracts and impact consequently on the revenues from works, hence on the earnings of authors? The following section shows that such a shortened duration would increase earnings in the two periods, public domain and copyright term.

First, works will enter the public domain earlier. Such works can then be more easily and creatively utilized by any agent such as publishers or media operators. Compared to when they are under copyright protection, they can be more effectively diffused and provide authors with wider social recognition than before. Therefore, these works in the public domain will at least generate higher reputational earnings for the authors. If the copyright duration is shortened enough, these reputational earnings can be gained during the life time of the authors, which will motivate them to produce new works. Hence, as shown in Figure 3, the revenues of the work TQZ in the previous public domain period will appear earlier at Time T' as T'Q'Z' and it will be higher and/or longer than TQZ. As will be explained later, part or all of these revenues can go to authors. Thus, these changes could potentially create a more author-centered industrial chain.

Figure 3. The expected revenues from a work under shortened copyright duration



Second, a shortened duration is also likely to change the business behavior of contracted publishers during the copyright term. Compared with operating under the longer copyright duration, publishers need to seek out more effective business activities and to develop better strategies in order to maximize profits within a shortened period, leading to a greater utilization of the works they are in charge of. Such a propensity is very common in business as described by Narayanan (1985). In this context, publishers would offer greater earnings to authors in order to secure their newly released works. This is all the more the case because the reputational benefits of their previous works under the public domain can have a positive impact on the leverage of the authors when they negotiate the private contracts of their new works. Therefore, the private contracts can be more in favor of authors, thus significantly reducing the principal-agent problem. Figure 3 illustrates the consequence of these effects: the revenues generated by the works could shift from ORS to OR'S' – bringing more revenues over a longer period. This shortened duration tends to increase the overall performance of the cultural industries.

Cultural creativity and diversity under shortened duration

While contracted publishers have more motivation to develop effective business strategies and activities in order to maximize the utilization of copyrighted work, authors will also have greater

incentives to produce more works faster than before. The shorter hibernating period ST' ensures existing works enter the public domain earlier. At the same time, there are increasing reputational earnings through other media contents. The result is that cultural diversity increases under a shortened copyright duration.

In this environment, authors also have less fear of copyright infringement. As shown in Figure 3, authors face unintended infringement only during Period ST' at the longest or Period $S'T'$ at the shortest which are significantly shorter than Period ST (see Figure 3). Therefore, authors can concentrate on their creations with much less worry since many of the works are in the public domain and their existence is more widely known. As a result, more works will be created and available than before, thus unleashing further cultural creativity and diversity.

In particular, it is easier for authors to be aware of various existing works which are in the public domain and utilized more often by many other media operators. As many “inspired” works can be freely produced, authors become more creative in order to generate more appeal and differentiate their works more effectively. This enhanced productivity places authors in a more advantageous position when they sign a private contract. As a result, incremental improvements in the dissemination of works are likely to have a considerable aggregate economic value despite a short commercial life.

Conclusion

From its beginnings, the purpose of copyrights was to protect authors and their works. The situation today is that there is a widely held belief that a longer duration in copyrights ensures higher earnings. In emphasizing the critical role of authors, this paper argues that a longer duration with private contracts hinders an increase in the revenues from the works, hence the earnings of authors. This is because the very limited bargaining power of the authors and the principal-agent dilemma induce publishers to be structurally under-performing – that is, not effective enough at optimizing the full cultural potential of the works.

As a solution, this paper suggests that, if well designed, a shortened copyright duration will clearly bring benefits to the vast majority of authors as well as society. This shortened duration induces publishers to develop more effective business activities coupled with effective strategies in order to maximize the utilization of contracted works. Furthermore, authors can benefit from the reputational earnings of their works that enter the public domain earlier than under the current

system. More activities under the public domain period will allow authors to be more at the center of the industrial chain. They will also be able to concentrate on their creation without any fear of copyright infringement. Another benefit is that due to the earlier public domain period, many works that are not too outdated will become more readily available. Thus, this availability would inspire authors to produce better works. Through various measures such as Internet intermediaries and media cultural contents, they can be diffused faster and wider than before (Dennis 2007). As such it can contribute toward enhancing cultural creativity and diversity.

Evidently, the impact of digitization on copyrights is hard to avoid and rigorous analysis and insights are needed on this subject. In this regard, we should not overlook the surprising emergence of Korean pop or K-pop which has developed under a copyrights regime that is not as strictly enforced as in other OECD member countries (Parc, Messerlin, and Moon 2016). K-pop has embraced digitization and its contents have been widely diffused through Internet intermediaries. In addition, its business model is in fact different from the traditional model; earnings are not from the sale of works, but rather derivatives such as on-site performances and commercialized goods based on reputation gained from its widespread availability online. All of these recent phenomena can be further analyzed based on the findings of this paper in order to draw important implications.

There is no doubt that culture and its diversity should be preserved. Culture consists of tradition and modernity in terms of the period in which it was developed. In other words, they can be described as accumulated and “accumulatable” heritages. Surely, these accumulated heritages were once accumulatable ones which were at a time very prosperous and have survived over time. In our time, the value of the past shines on the presence of accumulated heritage. If we are thinking about the future as well as the present, the value of accumulatable heritages should not be neglected. In this regard, the role of copyrights is very critical. Copyrights should promote prosperity and the availability of accumulatable cultural contents which will be part of accumulated culture later.

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