



Digital Copyright Payments

Why in News

Recently, **Google** has signed a deal with a group of **French publishers** to make **digital copyright payments** for online news content.

- **A similar tussle is ongoing between the Australian government and global tech platforms** (google and facebook) **over the sharing of royalties with news publishers.**

Key Points

▪ About the Google-French Deal:

- **France became the first country** to enshrine the **European Union** copyright rules into national law. This brought into effect '**neighbouring rights**' law.
 - **Neighbouring Rights:** According to the **World Intellectual Property Organization (WIPO)**, neighboring rights protect the legal interests of **certain persons and legal entities** that contribute to **making works available to the public** or that produce subject matter which, while not qualifying as works under the copyright systems of all countries, contains sufficient creativity or technical and organizational skill to justify recognition of a copyright-like property right.
- The newly adopted EU directive **ensures that media are paid for original content**, typically news, offered online by tech giants such as Google and Facebook.
- Under the new law, **Google was forced to negotiate to pay** the publishers and news agencies for reusing their material online.

▪ European Union Copyright Rules:

- It **wants to create a comprehensive framework** where copyrighted material, copyright holders, publishers, providers and users can all benefit from clearer rules, **adapted to the digital era**. The focus is on **three main objectives**:
 - **Wider opportunities** to use copyrighted material for education, research and preservation of cultural heritage.
 - **More cross-border and online access** for citizens to copyright-protected content.
 - **Fairer rules** for a better-functioning of copyright marketplace which stimulate creation of high-quality content.

▪ Issues in Australia:

- Google has **threatened to remove its search engine** from the country, and Facebook has said it could **block Australian users** from posting or sharing news links **if proposed norms on royalty payments are rolled out**.
 - **Royalty payment:** A royalty is a **legally-binding payment** made to an individual, for the ongoing use of his or her originally-created assets, including copyrighted works, franchises, and natural resources.

- The **argument made by the global tech companies** is that:
 - The Australian media industry is already benefiting from traffic being routed to them by each of the digital platforms.
 - The new rules proposed by the Australian authorities would expose them to unmanageable levels of financial and operational risk.
 - Hefty fines proposed by authorities are being seen as an added disincentive.
- The **fundamental difference** in the approach taken by the French and Australian authorities on the issue is that **France specifically linked payments to copyright, without putting a forcing device into the agreements like in Australia.**

▪ **Significance for India:**

- Digital technologies have transformed the way creative content is produced, distributed and accessed.
- The new EU Directive and ongoing Copyright royalty tussle in Australia brings to light the **need for updating the copyright rules across the world including India** to sync [policies and laws](#) to enable Digital copyright payments for its content creators too.
- According to a FICCI-EY report, in India's media and entertainment sector for 2020, there are **300 million users of online news sites**, portals and aggregators in the country.

- With **282 million unique visitors**, India is the **world's second largest** online news consuming nation after China.

- **Draft Copyright (Amendment Rules), 2019** is a positive step in securing interests of Indian content creators and users.

• **Existing Copyright Laws in India:**

- The copyright regime in India is governed by the **Copyright Act, 1957** and the Copyright Rules, 2013.
- **The Copyright Rules, 2013** were last amended in 2016 through the **Copyright Amendment Rules, 2016.**

Draft Copyright (Amendment Rules), 2019

- **Agency involved:** It was released by the [Department for Promotion of Industry and Internal Trade \(DPIIT\)](#).
- **Objective:** The amendments are being brought in to **bring the Copyright Act on par with other relevant legislations** and to ensure it is in sync with the technological advancements in the current digital era.
- **Proposals in Draft Rules:**
 - **Setting up an Appellate Board:**
 - Setting up an **Appellate Board** to replace the Copyright Board.
 - The Chairman and other members of the Board will be appointed as per the provisions of the **Trade Marks Act, 1999.**
 - **Fixing Tariff Schemes:**
 - It also proposes to amend the manner in which **copyright societies** fix their tariff schemes.
- **Copyright Society:** It is a legal body which protects or safeguards the interest of owners of the work by giving assurance to the creative authors of the commercial management of their works.
 - These societies issue licences and collect royalties in accordance with a tariff scheme.
- DPIIT has proposed in the amendments that when fixing its tariff the copyright society may consider, **“cross-sectional tariff comparisons, economic research, the nature and scope of the use of the work, the commercial value of the rights in use and the benefits to licensees”**.
- The amendments propose to make it mandatory for copyright societies to publish “the annual

transparency” report for each financial year on its Website.

Way Forward

- **Balancing interests of all stakeholders:** This development provides India an opportunity to balance its priorities for creation and distribution of creative content online, under a **durable legal framework**.
- **Keeping in pace with changes:** India should recognise that copyright laws need to be dynamic to sync with the changes in the use of the internet, and to keep pace with evolving digitalisation and **globalisation** of the content market.

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