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EU Rule Change Facilitates Copyright Holders Compensation for Online Use of Their Work

(March 27, 2019) The European Union has modified its Digital Single Market directive on copyrights to make it easier for copyright holders to receive compensation when their works are used online in the member countries.

The changes are in two areas: authors and performers whose work is posted online and press publishers.

As to authors and performers, the EU wants to ensure that they receive a “fair share” of the value of their copyrighted works. To help authors and performers determine the true value of their works, licensees must provide them with timely, adequate, and sufficient information of the amount of revenue generated.

The revised directive recognizes that authors and performers may not be able to negotiate a fair license initially. If the works are successful and the initial license is “disproportionately low compared to the subsequent relevant revenues”, then the directive gives them the right to “request additional, appropriate remuneration” from the license holders.

For daily newspapers, weekly and monthly magazines, the revised directive noted they “are facing difficulties in licensing their publications online and obtaining a fair share of the value they generate.” To “ensure the sustainability of the press publications sector,” the revised directive requires online services to obtain a license from press publishers when their material is copied directly or when the third party service provides snippets or links to news stories.

The directive must be approved by the European Union’s 28 national governments and be effective in about two years.

While the EU rule does not directly apply in the United States, organizations such as Google, Facebook, and YouTube would be affected. As observed with the EU’s standards regarding privacy, the EU’s directive eventually could be adopted in part in the United States.

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