

A Comparison of the Regulation of Collective Management Organisations

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1. Aims

This project focuses on the role of Collective Management Organisations (CMOs) in licensing copyright works. It seeks to identify how CMOs are regulated and what explains the chosen approaches. There are two major areas of investigation: 1) the importance of EU efforts and its impact on national regulation and 2) the comparison of regulation across EU member states.

2. GEMA (Germany) v PRS (UK): an Illustration of Regulatory Differences and their Possible Explanations

		GEMA	PRS
Radio:PSB	Administration Charge	25%	12.50%
	charge	7.75% of revenue	Annual Fee
	data type	Census	Census
	payout	1	4
Radio: Commercial	Administration Charge	25%	15%
	charge	7.75% of revenue	fixed percentage of revenue
	data type	Census	Census
	payout	1	4
iTunes	Administration Charge	25%	10%
	charge	10.25% of revenue	8% of revenue
	data type	Census	Census
	payout	2	4
YouTube	Administration Charge	25%	10%
	charge	10.25% of revenue	Annual Fee
	data type	Census	Census
	payout	2	4



Key Differences

- GEMA charges higher administration fees.
- GEMA charges are in proportion to revenue while PRS prefers annual fee
- Census is the standard sampling method
- PRS distributes income more regularly than GEMA

3. Possible Explanations and Implications for Future Research

- Cultural Differences: PRS pays out the collected revenues more regularly than GEMA. Similarly, the GEMA includes a 10% contribution in addition to its 15% administration charge. This could be indicative of its civil law based understanding of copyright, favouring the authors' welfare over economic exploitation. To gain a clearer image, more civil law countries will be added to the sample.
- GEMA charges are in proportion to revenue while PRS prefers annual fee. GEMA's overall income levels are significantly higher than that of PRS, despite having fewer members. One reason for this could be that the GEMA model makes charges overall higher for the user. It would also be interesting to see if the amount companies pay the CMO influences their market penetration, their charges to the end user and the incidence of piracy.
- Both GEMA and PRS rely on census data to determine which music was played. This method favours successful artists because their music is played more often and as a result, their reimbursement is more accurate. Future research should aim at identifying when census data first become dominant and which parties specifically pushed its extensive use. A closer look at which specific technology is used, such as Digital Rights Management, can support this analysis.