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Editorial – The Future of Copyright

Dear Readers,

Welcome to the next issue of JMM – The International Journal on Media Management. This time our interests turn to the problem of copyright, namely its future.

Invited two guest editors cooperated with us in preparing this issue: Prof. Herbert Burkert and Dr. Hans-Dieter Zimmermann from University of St. Gallen, Switzerland.

Prof. Burkert specializes in German and European information and communication law, information policies and privacy as well as ethics of information handling. Dr. Zimmermann's expertise lies in new management concepts coping with the challenges of Digital Economy. Both guest editors have greatly contributed to this issue. Thank you.

While preparing this issue the editorial team of the JMM has welcomed new Co-Editor. Prof. Andreas Herrmann joined us to replace Prof. Peter Gomez, founding Co-Editor. Prof. Gomez, rector of University of St. Gallen, has been very supportive during four years of journal's existence. Prof. Andreas Herrmann holds a chair in Media and Communications Management Institute at the University of St. Gallen, Switzerland. His research focus is in the area of product design with a special interest in design of media. Additionally he widely published in the fields of brand building and management, pricing and market research. Welcome to JMM team!

We hope you enjoy this issue, and would like to express again our gratitude to Herbert Burkert and Hans-Dieter Zimmermann for all their help and support.

Best regards,

Beat F. Schmid

Peter Glotz

Bozena I. Mierzejewska

"If we pursue developments to their logical conclusion, it is not surprising that some people have predicted the demise of copyright, at least in cyberspace, within our own lifetime." – This statement by – yes – the Assistant Director General in charge of Copyright, at the World Intellectual Property Organization, made at a conference this summer¹ describes the current dilemma.

The dilemma is not posed, as it seems, by the gap between technological development, its opportunities and possibilities on the one side and an adequate legal environment on the other side. We have in fact seen changes of law at an unprecedented speed in the area of intellectual property law (of which copyright is a part) in recent years, both nationally and internationally. The European Union alone has turned out six directives during recent years dealing with such issues, not to count the numerous subsequent national transformations in its member states.

The problem seems to be deeper, and it is not mainly a problem of bad public relations for such rights (as Geoffrey Yu seems to suggest in his speech quoted above). As recent more aggressive policies seem to suggest a stronger emphasis on enforcement may help. But this already would be bad enough for sound market developments. Technical solutions too – even if they in turn now receive legal protection (the legal protection of the technical protection of the legal protection of copyright – just to add another layer of complexity) rather

provoke technical countermeasures, than addressing the value system of the Information Society and the legitimacy issue.

Against such a background economic activities can even less rely on a stable and predictable legal environment, and while the copyright (and intellectual property rights) debate has – at seems from very recent contributions like a “Digital Choice and Freedom Act” introduced into US Congress² – really just started – and whereas certainly such debates deserve our attention, this issue in the meanwhile wants to gently shift the attention to business practices and models which may find and keep customers rather by the attractiveness of the product than by emphasizing legal consequences of transactions.

The first paper in this issue, ‘Copyright Piracy on the University Campus: Trends and Lessons from the Software and Music Industries’ by Eric Chiang and Djeto Assane, studies the characteristics of the software and music industry along with recent technological advances affecting them. The authors analyze how economic incentives to reduce piracy on the university campus have been successful for the software industry, and how the lack of such incentives in the music industry has caused a larger piracy issue today. Based on these findings, they discuss possible solutions to reducing music piracy on the university campus.

Eyun-Jung Ki and Byenghee Chang in their paper ‘How Does Intellectual Property Law Affect the Value Creation Process and Strategies of Database Companies?’ adopt the position that changes in intellectual property law have effects on the value-creation process of information as a commodity, and that in turn determines the corresponding strategies that are used in the database industry. The paper examines how the database-related doctrines and cases influence the value-creation process and strategies of databases. The authors

explore the implications the database protection bills that have been proposed in the U.S. Congress .

The third paper by Ville Oksanen and Mikko Välimäki, ‘Transnational Advocacy Networks Opposing DRM – A Technical And Legal Challenge to Media Companies’, analyses transnational advocacy networks that oppose digital rights management (DRM) systems and related regulations. It suggests the potential impact of this activity to the consumption of content products. The authors argue that because of the economics of copying on the Internet it is not a sound strategy to use legal actions to remove any circumventing information from the Internet. Any circumvention information published on the Internet will be mirrored out of the reach of legal enforcement mechanisms.

The following two papers focus on Digital Rights Management. Marc Fetscherin in his paper ‘Present state and potential of Digital Rights Management Systems’ focuses on technological solutions, such as Digital Rights Management Systems (‘Present State and Scenarios of Digital Rights Management’), which enable on one hand rights protection of intellectual property digital content, and on the other hand it should increase security and privacy of confidential and personal information exchange over semi open or open networks such as the Internet. After providing an overview of the key components of DRMS it will discuss the advantages and drawbacks of current DRMS and applies four key factors for the emergence of DRMS to define two contrasting and polar emergence scenarios, the ‘weak DRMS’ and ‘strong DRMS’ scenario. With a framework established, this paper goes on to argue that the ‘weak DRMS’ scenario will remain the status quo in the short term.

The fifth paper by Willms Buhse, ‘The Role of Digital Rights Management as a Solution for Market Uncertainties for Mobile Music’, examines and categorize

potential business model scenarios for mobile music. Differentiating direct and indirect revenue sources on the one side and music as a public or private good on the other side the author comes up with business models categorized in four scenarios. The paper concludes with an analysis about the potential players in mobile music.

The final paper ‘Free Daily Newspapers – Business Models and Strategies’ by Piet Bakker focuses on business models as well, but looking now at firms publishing free daily newspapers. The paper proves that it is possible to make a profit and even to publish more than one newspaper in a metropolitan area and that there is a future for ‘free dailies’.

*Herbert Burkert, Hans-Dieter Zimmermann,
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¹ GEOFFREY YU: “Public Awareness of Copyright” – “European Copyright Revisited” Santiago de Compostela, 16 - 18 June, 2002 [http://europa.eu.int/comm/internal_market/en/intprop/news/2002-06-conference-speech-yu_en.htm – verified 4 October 2002].

² [http://www.house.gov/lofgren/press/107press/021002_act.htm- verified 6 October 2002]