

Music Copyrights and the New Institutional Economics ('NIE')



Susanna Leong

From the early days of distributing music through music sheets to the present day of digital downloads over the Internet, the music industry has undergone a sea-change in the manner in which music is sold, distributed and consumed. Music copyrights which lies at the heart of the music industry is a creature of statute in modern times and it has expanded rapidly in scope and duration of protection over the last century. Internet technology has been catalytic in the creation of new and stronger music copyrights, culminating in the Digital Millennium Copyright Act in the US in 1998. Ironically, it is also technology that has resulted in the voluntary abandonment by major players in the industry of digital rights management (DRMs) in relation to recorded music more recently as they begin to explore and embrace new business models. The music industry appears to have moved initially towards a greater level of private ownership in the early days of rights creation but now it is seemingly moving in the reverse, towards the reopening of access to property, albeit in a limited manner. Against this background, it is interesting to study the possible economic theories underlying this change. This research project proposes to study the applicability of NIE in the field of music copyrights whilst tracing its history from the days of music sheet to digital downloads in the modern times. It is hoped that this study sheds light on how property rights evolve and adds to our understanding of how institutions and organizations either conflate or conflict in shaping and designing property rights.