Copyright law and blockchain content supply chains

Background

Blockchain, the open source technology behind Bitcoin, is argued as disruptive in many industries, including IP. In copyright, proponents advance blockchain technology as a new paradigm in the digital distribution and discovery of copyright protected works. Blockchain is hoped to democratise the distribution of protected works by removing dependence on monopolistic intermediaries as the meeting between parties is enabled directly and securely by the blockchain network itself. This process of 'dis-intermediation' is assumed to bring not only efficiency gains but also increased user comfort in terms of privacy and content discovery. Artists who choose to participate are incentivised by the promise of fairer royalty payments and engagement in rule setting. Already we see various flavours of blockchain copyright distribution services, some enable the distribution of content via 'smart contracts', others enable exchanges between the connected computers via platforms built on top of a blockchain network, while others offer an app service. Although in the early stages, and largely pioneered by start-ups, these services may provide new and innovative content supply channels.

This paper explores the interaction between blockchain content distribution and the copyright framework. Indeed, whilst such blockchain services encourage artists to take part, few artists do. Then the bulk of copyright material available may be distributed without consent. Seen like this, blockchain content distribution services and their users are overwhelmingly exposed to extensive potential for copyright infringement. Under enforcement pressures, many services will close. The broader inference is that once again the copyright framework works as a barrier to independent technological innovation in content dissemination.

Research question

What is the role of copyright rules in the development of blockchain content distribution services?

Research objectives

To verify the compliance with copyright rules by blockchain content distribution services and to assess the type of liability applicable (if any). The conclusions are extrapolated to draw broader inferences regarding the interplay between copyright law and technology.

Methodology

The methodology is desk based research. It involves the application of existing European Union legislation and case law to the specific case of blockchain content distribution services.