

Indonesia: Secondary use license for copyright of books and written works is now regulated

In brief

The Ministry of Law and Human Rights (MOLHR) recently issued Regulation 15 of 2024 on Royalty Management for Secondary Use Licenses for Copyright of Books and/or other Written Works ("**Regulation 15**"). This regulation came into effect on 12 June 2024, by taking into consideration Law No. 28 of 2014 on Copyright, Law No. 3 of 2017 on Bookkeeping System, and Government Regulation No. 36 of 2018 on Recordal of Intellectual Property License Agreement.

Regulation 15 stipulates the mechanisms by which authors or copyright owners can obtain royalties for the reproduction of books and other written works, either in digital or nondigital format. In particular, they can do so by requiring secondary users to make royalty payments for the secondary use of books or other written works through a Collective Management Organization (CMO) that is specifically for collecting and managing royalties of books and written works.

Secondary use of copyright

Under this regulation, the secondary use of copyright covers printing, photocopying, scanning, taking screenshots, downloading from the internet, emailing, posting/uploading, storing, sharing, reading aloud in video and/or audio format, doing live performances, as well as web scraping. Secondary use is also defined as a form of reproduction and/or distribution that (i) does not exceed 10% of the books' contents; or (ii) does not harm the interests of the authors or copyright owners. According to Regulation 15, secondary uses can be performed without asking for prior consent from the authors or copyright owners, as long as compensation is paid by the users through the CMO.

Regulation 15 also stipulates the parties that are required to pay royalties to the CMO. These include educational and research institutions (including universities), ministries and government institutions, photocopy service providers, electronic system providers, broadcasting institutions, private entities that carry out duplication of documents and artificial intelligence developers.

Collective Management Organization for books

In addition to regulating the secondary use of copyright relating to books and written works, Regulation 15 also outlines mechanisms for CMOs in getting operational permits, and how they should collect and distribute royalties, as well as comply with audit requirements.

Regulation 15 also allows each CMO to set a different royalty rate from the others. So far, there is only one CMO in the book sector. As of January 2018, the CMO in the book sector had more than 1,000 publishers from all over Indonesia as its members.

Regulation 15 gives a leniency with regard to the royalty rates for education institutions (such as universities) and small-and-medium enterprises. Those organizations can apply to the CMO for adjusted rates. Other secondary users do not have that option.

Regulation 15 also stipulates that the guidelines for determining the royalty amount would be issued by the CMO and validated by the MOLHR. This guidelines will be issued within six months from after the enactment of Regulation 15. Another client alert will follow upon the issuance of the guidelines.

Contact us



Daru Lukiantono
Senior Partner
daru.lukiantono@hhplawfirm.com



Wiku Anindito
Associate Partner
wiku.anindito@hhplawfirm.com



Rayindra Akbar
Associate
rayindra.akbar@hhplawfirm.com

© 2024 This client alert was issued by HHP Law Firm (Hadiputranto, Hadinoto & Partners). In accordance with the common terminology used in professional service organizations, reference to a "partner" means a person who is a partner or equivalent in such a law firm. Similarly, reference to an "office" means an office of any such law firm. This may qualify as "Attorney Advertising" requiring notice in some jurisdictions. Prior results do not guarantee a similar outcome.

