

## Research Article

### Current Situation, Problems and Countermeasures of Chinese Copyright Trade

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**Abstract:** This study aims to provide some reference to carry out copyright trade actively, improve the strength of related copyright industries and international competitiveness of China. Copyright trade is an economic behavior that the owners of the copyright authorize partial or all of his economic rights to the users through license or transfer. It is a kind of intangible property trade. We mainly adopted statistical research method, quantitative research method and empirical research methods in this study. We analyze the current situation, problems of Chinese copyright trade and propose some countermeasures for the development of Chinese copyright trade.

**Keywords:** Copyright trade, countermeasure, current situation, problem

#### INTRODUCTION

Copyright trade is an economic behavior that the owners of the copyright authorize partial or all of his economic rights to the users through license or transfer. It is a kind of intangible property trade. In short, copyright trade is a trade that the owners can benefit from the works through copyright license or transfer. Comparing with tangible trade, which gains profit through purchase and sale of goods, the object of copyright trade is intangible copyright. There copyright trade refers to trade of copyright among copyright owners, operators and users.

Scholars in this field did some researches on China's copyright trade. After nearly 30 years development, the unfavorable balance of Chinese copyright trade is self-evident, which means the severe maladjustment between the import and export of copyright. This imbalance of copyright trade not only restricts the development of China's copyright industry, but also affects China's strength and core competition as well as communication and transmission of the Chinese advanced culture., so how to solve this problem effectively becomes an urgent mission of developing Chinese copyright trade make them "going out" (Marvasti,1994; Chen and Huang, 2010). Some foreign scholars focus their research on developed countries like America and UK for its ripe copyright trade, but there is deficient study on Chinese copyright trade (Ploman and Hamilton, 1980).

Based on the current situation of Chinese copyright trade, this study finds out problems hindering Chinese copyright trade in following four aspects: Chinese copyright legal protection system is not sound and it is hard to enforce the law; the amounts of Chinese copyright export are very small and the quality is low;

the form of copyright trade is single and China lacks professional copyright agencies and China is lacking of copyright trade talents (Ronan *et al.*, 2010; Wang, 2010; Yu, 2010). The paper put forward some suggestion from the angle of government, information channels and talents cultivations and aims to improve the strength of related copyright industries and international competitiveness of China.

#### MATERIALS AND METHODS

**Current situation of Chinese copyright trade:**

**Most of copyright trade is book copyright trade and China has always been in trade deficit status:** In 2010 China totally introduced 16,602 kinds of publications of electronic publications, 1,561 kinds of television programs and the others are 19. "Analysis Report of News and Publication Industry" released by Office of General State Public Press at the end of July, 2011 shows that the proportion of export and import categories of copyright trade were reduced from 1:3.3 in 2009 to 1: 2.9 in 2010. Although scales of Chinese import and export are enlarging, Chinese copyright, among which there are 13,724 kinds of books, 439 kinds of phonograms, 356 kinds of video products, 49 kinds of electronic publications, 304 kinds of software, 284kinds of movies and 1,446 kinds of television programs. In 2010 China totally exported 5,691 kinds of publications copyright, among which are 3880 kinds of books, 36 kinds of audio products, 8 kinds of video products, 187 kinds has been in trade deficit.

**The regional distribution of copyright trade is unbalanced:** The distribution of Copyright trade area is unbalanced. Copyright trade volumes of Beijing, Shanghai and coastal areas occupy more than half of

national copyright trade volumes. In 2010, Beijing accounted for 57% and Shanghai accounted for 10% of the total Chinese copyright import while Beijing accounted for 41% and Shanghai accounted for 32% of the total copyright export. Copyright trade in inland areas is still in its starting stage. According to the statistics of State Copyright Bureau, the five largest areas of introducing copyright are Beijing, Shanghai, Hunan, Hubei and Jiangsu while five largest areas of exporting copyright are Beijing, Shanghai, Jilin, Jiangsu and Liaoning. Generally speaking, Northeast China, North China and Southeast coastal areas are relatively developed and have abundant cultural resources, so their foreign copyright trade more active. However, the amount of copyright trade of central and western areas of China are relatively small.

**Export of physical publications grows significantly:**

In 2010, national import and export publication companies totally exported \$36,905,000 books, newspapers, periodicals, audiovisual products and electronic publications, which has come to more than 190 countries and regions of the world. And comparing to end of the "the 10<sup>th</sup> Five-year Plan", export volume grows nearly 30%, the amount of values grows 7%. Up to now, "Wolf's Totem" has exported copyright of 25 languages to the world with a global sales of 150,000 copies. "Yudan's Experience on "Analects of Confucius" has published 19 languages, 26 editions, amounting to 340,000 volumes of overseas sales worldwide. It has been on French translation bestseller list successively for 25 weeks.

**There is a strong export momentum of digital publications:**

After several years' development, China's digital publishing industry has a considerable scale. During "the 11<sup>th</sup> Five-year Plan" period, hundreds of Chinese network games researched and developed by their own came into overseas markets with USD 200,000,000 export volumes in 2010. The overseas download income of journal database were nearly 10 million dollars. E-book sales income exceeded RMB 50,000,000. For example, Perfect World Company developed 10 games with users over 60 countries and regions across four continents. There are 637 Overseas users of Tongfang CNKI, Tsinghua Tongfang Chinese Journal Database, widely distributed in more than 30 countries and regions.

**CHINA'S PROBLEMS OF DEVELOPING COPYRIGHT TRADE**

**Chinese copyright legal protection system is not sound and it is hard to enforce the law:** After thirty years since we have founded New China, Chinese laws in protecting copyright are almost a blank due to some historical reasons. Since 1990s, China's legislation of

foreign copyright protection developed rapidly. In 1982, we enacted "trademark law", which is the first Chinese intellectual property law and then are "patent law" in 1984 and "copyright law" in 1990. In 1991, the State Council promulgated "Regulations for Implementation of Copyright of People's Republic of China" and "Regulations for protection of Computer Software" successively. In July of 1994, the eighth meeting of the eighth sessions of National People's Congress Standing Committee approved of "Decision on the Punishment of Infringing Copyright Crimes". In July of 1997, the fifth meeting of the eighth sessions of National People's Congress approved of the newly revised "Criminal Law of the Peoples Republic of China" adding the crime of infringing copyright. The enacting and implementing of these laws and administrative regulations, not only built the foundation of Chinese copyright law system, but also marks the completeness of Chinese modern copyright law system construction.

But Chinese legal system is not perfect, the deficiencies are: the law is too general to enforce in practice, the power of fighting copyright crime is not strong enough and it lags behind the development of modern science and technology. Piracy is still rampant, influencing the social order seriously. Judicial and administrative protection against piracy and infringement is insufficient, affecting the initiative of rights owners safeguard their own rights and interests. Piracy of copyright trade in China is very serious, not only making great loss to domestic copyright industry, but also damaging the international image of China. IIPA also accused China's overall piracy rate reached 90% in their report many times, the United States also make China under surveillance of their foreign trade law "306 clause", announcing to take trade retaliation to threaten China and requiring China to strengthen the administrative enforcement of law. It shows that there are many loopholes and problems in copyright judicial and administrative management of China.

**The amounts of Chinese copyright export are very small and the quality is low:**

The amounts of Chinese copyright export are very small. At present the amounts of Chinese copyright trade is out of proportion of such a cultural power with a history of more than 5000 years. Some countries with only a few million population, such as New Zealand, whose cultural products and thoughts are spreading worldwide, win world reputation and have a great influence on the world. However, China, an ancient civilization with more than a billion of population, is not very influential in international culture. This is closely related to China's low copyright trade development level and low copyright output quality. The UN Report on Cultural Development will publish 100 people and 100 books influencing the history of the world every year. In early years we had

"Analects of Confucius" and "Sunzi's Art of War", but recently there aren't representative works that can influence the world. China has mainly exported classic works introducing Chinese history like "Analects of Confucius", "Art of War", as well as works introducing Chinese traditional culture including Chinese medicine and language, but there are few works about high-tech and that can reflect the style and features of China.

The Form of Copyright Trade Is Single and China Lacks Professional Copyright Agencies

At present, China's copyright trade is mainly in the form of book fair, exhibition and other activities. Market, capital, talents, system still remains to be perfect, not forming trade stabilization. In recent years, we signed more than 90% copyright trade contract at Beijing International Book Fair, Shanghai Copyright Trade Conference, London Book Fair, Frankfurt Book Fair and other exhibitions. However, the time is limited at book fair and is held on a regular basis. It only provides a chance for publisher to communicate, not the main channel of copyright output. Powerful publishing houses are eye-catching because of its big exhibition hall and publishing project, while ordinary presses are not attractive even they have good projects. Therefore, lacking of copyright trade platform becomes an obstacle of developing Chinese copy right trade.

Copyright agency is an important link to begin international copyright trade. Since the first agent company, Chinese copyright agency corporation established in 1988, there is some development of copyright agency industry. But compared with the foreign copyright agencies, China's copyright trade are mostly organized by publishing house themselves and energy and funds are limited. It is difficult to form their brand and influence power, affecting the success of copyright trade greatly. China's copyright agencies are not marketalized, their business scope is very narrow and the types they participate in international copyright trade are relatively single. Most agencies are in a deficit position. Weak copyright agencies, apparently are unable to play a good role for nearly 600 publishing houses and 200,000 kinds of copyright products and cannot meet the need of China's copyright export. As one of the most important channels of copyright output, immature and unsound copyright agencies has seriously restricted copyright export of China.

**China is lacking of copyright trade talents:** Most of our presses don't have copyright trade institutions and copyright trade personnel is also seriously insufficient. At present, many domestic presses have little knowledge about copyright trade talents. They think knowing a foreign language and law can do copyright trade. In fact, although language is the prerequisite of doing copyright trade, a competent talent of copyright trade should not only familiar with our copyright laws, regulations and policies, understand the relevant

international convention of member countries, make contract strictly and reasonable and ensure not to infringe copyright of other countries and can protect our own rights; but also we should have no language barriers in foreign trade negotiations, familiar with the trend of publishing market and other copyright industries and judge quickly. We are able to make them the best-sellers by means of publicity after successfully importing or exporting copyright works. Only by doing this, can we have our own channels in fierce copyright trade competition, own relatively stable partners, broaden the scope of trade and occupy the market. This kind of high-quality talents are few in China.

### COUNTERMEASURES OF DEVELOPING CHINESE COPYRIGHT TRADE

**Further improve the copyright legislative, judicial and law enforcement system:** China must accelerate the perfection of related copyright trade legislation, especially improve voluntary registration of works and contract records-keeping systems, providing more comprehensive legal basis and institutional guarantee for copyright trade. For example, after several modifications, Chinese "copyright law" has almost been in line with international standards, but there is still certain distance with the requirements of TRIPS. Therefore, government should closely pay attention to the copyright provisions of national organizations and enhance international consciousness. Firstly, China should further amend our "Copyright Law". Secondly, China should form copyright law enforcement system with the cooperation with administrative department, public security and courts, integrating administrative resources and managing comprehensively. Thirdly, China should enforce the law strictly, fighting against piracy severely. In case of serious infringement, they should give adequate compensation for owners of right and give criminal penalty to infringers; they should protect the interests of copyright owners and purify market environment, creating fair competition environment for copyright industry.

**Government should make policies to strongly support copyright trade:** Copyright trade is not a strong industry in China and it hasn't established a mature and perfect channel for development. It need the support of government. In recent years, China has formulated relevant policies by various level governments from central to local to support copyright trade. At present, the central government of China has implemented a series of policies, such as making tax-revenue reducing policies and related incentives on exporting cultural products and services, helping key publishing enterprises to bid for export, coordinating with domestic financial institutions to provide necessary credit support for the export-oriented

publishing enterprises and projects. Beijing and Shanghai also make preferential policies for copyright trade bases which are plan to build or are under construction. Such as favorable land use, financial and institutional support etc. In the future, government should continue to strongly and extensively support the copyright trade by making policies. It is suggested they can try some measures like professional compensation funds, tax-free and financial subsidies and so on, giving some compensation to copyright-exporting enterprises and encouraging them to export outstanding spirit products. In addition, governments at all levels should provide convenience for the listing of publishing groups, establish platform to make them bigger and stronger and provide financing facilitation for publishing groups. What's more, the government can also help publishing enterprises to establish relevant industry associations, improve their service in information supply and statistics and provide training and consultancy.

**Make full use of international book fair and develop book copyright agencies positively:**

**Make full use of international book fair:** China should help publishing institutes to take part in Frankfurt, Moscow and Hongkong International Book Fair etc. and get some fruits from them. Not only should we import, but also we'd better export copyright. We should try our best to held Beijing International Book fair. We should make full use of International Book Fair, actively participate overseas large-scale book fair, strengthen cooperation with international publishing industries; we should broaden our horizons and explore some publishing resources with good values. We should prepare our publications fully during exhibition and plan our materials elaborately so as to attract the attention of world booksellers and readers; we should understand the current market information, such as royalty rates and payment terms; we should negotiate with foreign publishers patiently and maintain regular contact, getting access to the latest information and making good use of International Book fair actively.

**Develop foreign copyright agencies positively:**

Foreign copyright agencies are an important bridge for domestic presses to acquire overseas copyright information. In a specific trade, professional copyright agency should coordinate the relationship, balance the interests of all parties and promote trade. Through copyright output by copyright agencies, we can help publishing enterprises reduce economic cost, save funds and human resources, expand the channel of copyright output and improves output efficiency. Only if we make copyright agencies stronger, can we integrate the publishing resources, balance the interests of all parties and promote the stable export of copyright.

In order to develop copyright agencies, first of all, the government should promote their development by legal, economic, administrative and other means. Law guidance, economic support and correct guidance and management of administration are the key factors of developing our copyright agency industries. Secondly, it is suggested to establish "copyright agent qualification certificate system". Because at present personnel engaged in copyright agencies are increasing, but their qualification is quite different. Therefore, it is suggest that the copyright management departments should make restrictions to copyright agent qualifications and promote copyright trade by developing copyright industries. Thirdly, we should make copyright agencies diversification, improving added value of copyright agencies and finally, we should establish credit supervision mechanism and regulate them with sincerity.

**Cultivate high-quality talents of copyright trade:**

Due to the complexity of copyright trade, we have high requirements for copyright trade staff. Therefore, copyright trade personnel shall conduct regular training and should make the training plan be incorporated into the in-service training program of professional staff. In addition, we should focus on school cultivation. Government should also increase investment, set up copyright trade major in college and actively cultivate competent international copyright trade talents. What's more, we can establish an effective talent incentive mechanism, arousing the enthusiasm and creativity of copyright staff.

## CONCLUSION

Although Chinese copyright trade has made great progress recently, especially export of physical publications grows significantly, but there are still many problems as follows:

Chinese copyright legal protection system is not sound and it is hard to enforce the law, the amounts of Chinese copyright export are very small and the quality is low, the form of copyright trade is single and China lacks professional copyright agencies and China is lacking of copyright trade talents. So China should further improve its copyright legislative, judicial and law enforcement system, Chinese government should make policies to strongly support copyright trade, publishing institutes should make full use of international book fair and develop book copyright agencies positively and China should cultivate high-quality talents of copyright trade so as to improve the strength of related copyright industries and international competitiveness.

The significance of this study is further promoting the research of international copyright trade by trying to find out some problems which hindered development of Chinese copyright trade and put forward some suggestions accordingly from some fresh angles while

most Chinese scholars mainly pointed out the deficit of Chinese legal system.

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