

**Legalizing file sharing on the Internet:  
solving the conflict between copyright owners and consumers of culture  
[A Brazilian Perspective]**

Since the first days of file sharing over the Internet, the interest of consumers of cultural goods and those of copyright owners (creators and producers of cultural goods) came into conflict. On the one hand, the copyright owners claim that file sharing harms sales on the Internet and is primarily responsible for the loss of revenue of the music industry. On the other hand, consumers claim that most of the sharing is done without commercial purposes and that the practice is a social use rooted for over ten years. Since the problem arose, attempts to eradicate the practice through repression proved unsuccessful. A 2006 survey brought forward by the Brazilian Association of Disc Producers evidenced that 29.5% of the population with Internet access shares music without any remuneration to the authors. Within the debates on the best solution for the issue a proposal has always been put forward: a fee to remunerate the creators and legalize (or monetize) file-sharing. Here it follows a proposal on how such alternative may be implemented in Brazil, taking the opportunity that the Brazilian Government has opened a broad review to its copyright law.

**How does it work?**

Non-commercial file sharing will then be authorized. Each broadband user will pay a modest fee (R\$3 or US\$1.71) together with her/his monthly Internet Service Provider (ISP) bill. The ISP will collect the fees and distribute it to a collecting society comprised of authors' associations that will then distribute the collected fees in the proportion that the works have been downloaded.

**Who pays?**

All broadband home users, through a fee paid to ISPs.

**How much do we pay?**

The exact amount will be further decided, however it shall be limited to 3% of the monthly broadband fee. Today, this represents approximately R\$3 per month – or US\$1.71 per month.

**Is the fee sufficient?**

Should the fee be paid by all the existing home broadband users today, it would represent approximately US\$ 115 million per year. For sake of comparison, this represents approximately 55% of the four largest record companies' revenues combined, and the collected amount should rapidly increase with the spread of Internet access.

**Who will receive the fee?**

The creators through their collecting societies. At least 60% of the amount collected will be distributed to a physical person: musicians/composers/writers, and so on.

## **How will the fee be distributed?**

The more people download a copyrighted file, the more will be distributed to the author/owner. The measurement will be done by (already existing) technology, provided they respect users' privacy, be transparent, and take into account the long tail – the various works that are downloaded only a few times.

## **What will be authorized?**

Non-commercial file sharing through different technologies, including music, films, and books.

## **What about the traditional means of commercializing cultural goods?**

The commercialization of music, books, and films by the traditional channels will remain the same way it is now, for it today already lives side by side with P2P which, notwithstanding being illegal is broadly disseminated.

Original (in Portuguese) at <http://www.gpopai.usp.br/compartilhamento/article/fundo>

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