

Review of Legal Policy Concerning Payment of Book Royalties in Indonesia Based on Copyright Law

Dahris Siregar

dahrisganteng@gmail.com

Universitas Tjut Nyak Dhien Medan, Indonesia.

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Abstract

This study aims to find out how the study of legal policy regarding payment of book royalties in Indonesia is based on the Copyright Act, the royalty payment system must of course be through an agreement between the two parties, namely between the publisher and the author of the manuscript. The agreement is made after the manuscript is received and deserves to be published by signing the SPPB (Book Publishing Agreement). The royalty amount for the purchase system is decided by mutual agreement between the publisher and the author. Publishers give royalties to authors in accordance with the general standard, which is 10%, it can be increased or less depending on how famous the author's denomination is and the superiority of the elbow grease produced. document as contained in clause 1 characteristic 1 of collection character 28 of 2014 in reference to document (UUHC) that "Copyright is the incompatible hold together of the originator that arises mechanically supported on declaratory customs subsequently a elbow grease is accomplished in a touchable configuration without reduction the qualifications in conformation with with the refreshments of regulations and regulations". The refreshments in document be resonant the accomplishment and security of a elbow grease mechanically without continuance certified nailed down pronouncements and are extremely intimately related the continuance of the elbow grease and its originator if a elbow grease has been touchable and has incompatible rights which are dual-laned into economical Rights and conscientious Rights.

I. Introduction

The author of a book is a person who creates an article that expresses thoughts, or observations, writings are arranged systematically in a particular field and collected in papers containing writings or pictures. As a property right that arises from human initiative and creativity born of human intellectual ability, on the results of these creations, in a civilized society it is recognized that the creator may control for profitable purposes. Creation as property is based on the postulate of property rights in the broadest sense which also includes intangible property.¹

Copyright as a subdivision in the environment of highbrow dimethyl ketone Rights (IPR) is a extremely individual or prerogative, for originators or document holders to annunciate or regurgitate their beginnings without reduction qualifications on the authority of applicative regulations and regulations. publications as copyrighted drudgeries in the environment of handwriting in the cognitive semantics of publishing, thither are cardinal social gathering interested in it, videlicet the communicator as the originator and the firm as the document bearer who testament accomplishment the elbow grease with the acquiescence of the communicator or communicator of the book. The communication between the communicator (creator) and publication firm (copyright holder) has been thermostated in collection character 28 of 2014 in reference to document.

The author of a book has two rights to the work he creates, namely moral rights and legal rightseconomy.² Royalties are a form of economic right and are one of the sources of income for the author as a form of appreciation for the work he has created. But on the other hand, book piracy in Indonesia occupies the third position after software, film and song piracy, which results in the non-fulfillment of the economic rights of the creators/rights holders.³ Giving proper royalties will at least increase people's interest and motivation to write. Each publisher of course has their own policies in terms of giving royalties. The relationship between the author (creator) and book publisher (copyright holder) has been regulated in Law Number 28 of 2014 concerning Copyright.⁴

The institution that manages book royalties in Indonesia is the Cipta Foundation Indonesian Books (YCBI). An institution in the form of a foundation whose regulations subject to Law No. 28 of 2004 on Foundations. This foundation that will play an active role and cooperate with parties related to fulfillment of

¹ Muhammad Djumhana dan R. Djubaedillah, *Intellectual Property Rights* (Bandung: PT. Citra Aditya Bakti, 2013).

² Indriasari Setyaningrum, 'Protection of Author's Exclusive Rights Regarding Moral Rights and Rights Economics in Royalty Agreements with Book Publishers', *Jurnal Hukum*, 2014, 1.

³ Sulthon Miladiyanto, 'Existence Prospects of the Indonesian Cipta Buku Foundation (YCBI) in Withdrawal Book Royalties in Indonesia', *Journal of Law Reform*, 5.1 (2010), 39–62.

⁴ *Law Number 28 of 2014 Concerning Copyright*.

the economic rights of the creator/right holder, among others related to with users and other parties who are directly or indirectly related to the use of a copyrighted work of a book such as the community of users of the creation the. user is a person or business entity that utilizes copyrighted works for commercial purposes. YCBI in managing royalties in the context of fulfilling the economic rights of the creator/right holder has procedures and mechanisms that must not conflict with the laws, procedures and mechanisms. one of the stages is with a license agreement.

Copyright gives exclusive ownership rights to a work of the author. Thus, every other person who wishes to take action to publish and or reproduce the work, must first ask acquiescence from the owner, videlicet the document bearer (book) nailed down the granting of a license. Licensing is a configuration of granting acquiescence to manipulate an highbrow dimethyl ketone hold together that buoy be acknowledged by the licensor to the retailer so that the retailer buoy accomplish a configuration of patronage sprightliness by victimisationing the accredited highbrow dimethyl ketone rights. For this big idea the retailer is compulsory to accommodate accomplishments in the configuration of royal house payments, furthermore recognized as permission charges.

Study this explains that there are still many violations that occur, especially in the concept of making contracts or agreements that are not balanced in the book publishing process. Publishers must be transparent in fulfilling their obligations to authors, especially in the matter of giving royalties. In addition, most authors do not have access to ascertain whether the number of books printed is in accordance with the contract/agreement, so that the relationship between the author and the publisher is often problematic because the author feels disadvantaged by unprofessional publishers. Facts in the field as research results show that the book publishing agreement has not fulfilled the element of justice and tends to be one-sided so that it is detrimental to the author. Supervision of the number of books published.

However, problems often occur in the book publishing license agreement, one of which is regarding the payment of royalties. The implementation of royalty payments through licenses is not easy to do because there is a relationship mechanism between the creator and the copyright holder in exploiting the copyrighted work of the book. Mainly is the difficulty of the creator in conducting supervision and negotiation royalty. Creators experience limitations in overseeing the number of books printed and the marketing of books by publishers. In practice, there is a lot of dishonesty committed by the publisher regarding the number of books printed or published and the number of books that have been declared to have been sold. So there is also the problem of how to determine the percentage of royalties which is considered fair and proper, because the Copyright Law does not set a standard on royalties.

Based on the description above, to appreciate the work of someone's copyright in accordance with the concept of regulation of intellectual property rights, this study will examine the implementation of royalty payments in license agreements for book publishing. Focus This paper will only discuss the royalty system in book publishing, the supervision carried out on the number of books published or sold and the process of transferring rights to the publication of book manuscripts by the author to a different publishing company.

An author or researcher definitely needs the role of a publishing agency to publish his work. On the other hand, publishing institutions need professional writers who can create quality works and in return are appropriate royalties for these authors. Many publications accommodate and publish written works both in print and non-print, but if royalties are not given properly, the motivation of the writers to create a work will decrease. Based on previous studies, there are quite complicated problems related to the publishing agreement contract and author royalties so that the economic rights for the author are not fulfilled, even though the author has moral rights and economic rights in the royalty agreement with book publishers⁵, as also regulated in Law Number 28 of 2014 concerning Copyright.

2. Research Method

The research method used in this contemplate is a qualitative evaluation method. Qualitative evaluation is a disposition for exploring and compassionate signification by a character of individuals or congregations of general public who are ascribed to collective or benefactor predicaments. Qualitative evaluation is evaluation that bring out discoveries that cannot be achieved victimisation statistical course of action or by have in mind of quantification.⁶ The classification of evaluation euphemistic pre-owned in this contemplate is descriptive research.⁷ Descriptive evaluation is evaluation that search for to characterize and interpreting existing data, extremely that descriptive evaluation is constricted to exertions to communicate a disputed point or in a sovereign state or circumstance as it is, so that it is simply betraying materials (fact finding)⁸. Analysis of research data was carried out by reviewing all the information obtained from interviews and direct observation, then analyzed in part to get an agreement and then concluded as the results of the study.

⁵ Setyaningrum.

⁶ John W Creswell, *Evaluation Representation Qualitative, Quantitative, and Cross-Bred Come Near* (Yogyakarta: Student Library, 2012).

⁷ Almanshur Fauzan dan Ghony Djunaidi, *Qualitative Research Methodology* (Yogyakarta: Ar-Ruzz Media, 2012).

⁸ Nawawi Hadari, *Applied Research* (Yogyakarta: Gajah Mada University Press, 2005).

3. Results and Discussion

Publisher is an individual business entity or organization that issues goodsprinted (reading material) such as newspapers, books, or other printed matter, which is marketed or sold. Meanwhile, book publishers are business entities that publish books, both fiction and non-fiction books⁹. Publisher as a business entity is often equated with printing. Printing is solely engaged in the production of printing services, but a publisher is a business entity that handles the editorial, production (printing), and marketing of goods (printed manuscripts) which are distributed to readers. Printing can be a stand-alone business entity, but in large publishing institutions there is usually a printing department in it.

3.1 Barriers Found In Royalty Payments

Barriers to royalty payments by business actors occur because book copyrights are still too common for the public, thus causing a lack of knowledge of the 2014 UUHC and the contents of the regulation so that it is not addressedseriously by entrepreneurs. The lack of supervision from the creator or copyright holder of the book is also the cause of people easily taking advantage of the economic rights of the creator or copyright holder without carrying out their obligations and giving rights that should be given to the creator or copyright holder.

1) Lack of legal awareness

The rules contained in UUHC 2014 be the cause of the violation of the commercial rental of the work without obtaining permits and not paying royalties. Legal protection for book copyrights cannot be separated from understanding and legal awareness of the various parties involved in it, The success of the enactment of a regulation lies not only in law enforcement but also in law enforcement also from public awareness.

2) The government's efforts are not maximal

The government has carried out various socializations regarding IPR but the socialization or education conducted by the government is not devoted to the copyright of books, as well as the rights that must be granted from each use of the book's copyright.

3) The creator or copyright holder does not exercise supervision

Copyright infringement also occurs due to weak supervision or monitoring creator or copyright holder, thus providing an opportunity for certain parties freely and unlawfully exploit these economic rights. This is what be a factor in the occurrence of copyright infringement of books in the form of rentals book creationcommercially. The creator or copyright

⁹ Tri Aktariyani, 'Implementation of Royalty Payments in License Agreement on Issuance Books', *The Supreme of The Law*, 5.2 (2016), 71–97.

holder has the right to prohibit people who use their economic rights without a permit as explained in Article 9 paragraph (3) of the 2014 UUHC. Authors or publishers can also sue business actors who have used their economic rights commercially without a permit.

3.2 Book Royalty Payment System

The royalty payment system must of course be through the agreement of both parties, namely between publishers and scriptwriters. The agreement is made after the manuscript is received and deserves to be published by signing the SPPB (Book Publishing Agreement). SPPB is a cooperation contract between the author and the publisher when the author's manuscript has agreed to be published.¹⁰ Publishers usually in this case propose an average royalty of 10% of the selling price of the book after deducting 15% tax. As the Head of Production Division said, "In determining the royalty, the publisher makes an agreement with the author, for the average royalty is between 7-10%. While the rest is for production costs, printing, etc."

The most important principle of giving royalties to uphold is to reach a mutual agreement between the publisher and the author without either party who are harmed. According to Zulham, et al (2016: 90)¹¹, the cause of the insignificant increase in sales books is the low productivity of publishing new books and promotional activities that are not yet intensive. Book publishing must continue to run even though competition in the book market is increasing, publishers must really be able to improve the quality of the books published and more aggressively promote their products.

As for which system will be used in the publishing process, it depends on the agreement black and white (agreement) at the beginning between the publisher and the author, however, the royalty amount proposed and used as a benchmark for publishers is 10%. As for the buy-out system, publishers usually buy the initial manuscript at a price ranging from 2 to 3 million depending on the quality of the author and the quality of the content. Although the profits from the results of publishing and selling books are so large, it does not guarantee the emergence of various problems in the book business. The biggest problem faced by publishers and writers is that if books that have been produced in large quantities do not sell in the market (not sold) then the book can be returned to the publisher.¹² This means that the costs incurred for the book production

¹⁰ Christopher Lee, *Autor Handbook (Petunjuk Lengkap Dari Penulis Untuk Penulis Dan Calon Penulis)* (Jakarta: PT Elek Media Komputindo, 2013).

¹¹ Setiadi Zulham; et. al, 'Strategi Pengembangan Portofolio Produk Divisi Penerbitan Buku-Buku Perguruan Tinggi PT XYZ', *Jurnal Aplikasi Bisnis Dan Manajemen*, 2.1 (2016), 83–90.

¹² Aditya Alifian N dan Indah A, 'Factors Affecting Scrutinize Delay', *Accounting Analysis Journal*, 3.3 (2014), 67.

process are not proportional to the sales results which have an impact on material losses,

Royalties are called the fairest system in the book publishing business, because of the risks of publishing shared between the publisher and the author. The publisher bears the risk in the form of financing for book production which takes a portion of 20% -25% of the publisher's profit and loss structure, while the author bears the risk if the book does not sell so that the royalties obtained are small.¹³ Most writers still rely on royalties as a source of income, and because of their arrival they don't Surely every month, many writers have difficulty in managing their finances. Apart from royalties, there are actually other sources of income for professional writers, such as: selling out, becoming a co-writer, ghost writer, article writer, participating in competitions and many other sources of income for professional writers.

3.3 Book Royalty Payment System Under Copyright Law

Document as contained in clause 1 characteristic 1 of the Law Number 28 of 2014 in reference to document (UUHC) that "Copyright is the incompatible hold together of the originator that arises mechanically supported on declaratory customs subsequently a elbow grease is manifested in a touchable configuration without reduction qualifications in conformation with the refreshments of regulations and regulations". The refreshments in document be resonant the accomplishment and security of a elbow grease mechanically without continuance certified nailed down pronouncements and are extremely intimately related the continuance of the elbow grease and its originator if a elbow grease has been touchable and has incompatible rights which are dual-laned into economical Rights and conscientious Rights. Rights that are no less important than economic rights and moral rights are related rights owned by performers, phonogram producers and broadcasting institutions as stipulated in UUHC Article 1 points 6-8.

Based on clause 1 character 21 of collection character 28 of 2014 concerning document which state of affairs that: "Royalty is a expenditure for the employment of the economical Rights of a elbow grease or accompanying Rights consequence conventional by the originator or the businessman of the accompanying rights". If you consider collection character 28 of 2014 in reference to Copyright, thither are many articles that administer document contravention which relating to the security of a bastioned copyrighted elbow grease contained in Internet. On the over-the-counter hand, elsewhere of this document Law, it has thither is furthermore collection character 19 of 2016 in reference to substitutions to collection character 11 of 2008 in reference to enlightenment and

¹³ Tri Aktariyani, 82.

Transactions This electronic buoy be euphemistic pre-owned to trammel contraventions that eventualize on the cyberspace.

Supported on the refreshments of collection no. 28 of 2014 in reference to Rights Copyright, in clause 1 content 1 it is explicit that "Copyright is a right" exclusive rights of the originator that originate mechanically supported on declaratory customaries subsequently a elbow grease is manifested in a touchable configuration without reduction qualifications in conformation with the refreshments of regulations and modifications. This indicates how much appreciated a thinker who has issued brilliant ideas that gave birth to various kinds of discoveries that are very useful for everyone. Everyone is given the right to own it as long as it is in accordance with applicable procedures and does not violate Law no. 28 of 2014 which has been determined, and based on the permission of the creator, that is, the person who first discovered the work.

Copyright attached to a written work is published in the form of a book, if further developed may consist of a set of rights special rights, each of which obtains economic rights. According to Law- Copyright Law No. 28 of 2002, the author of a written work has a set of special rights that have economical rights to transact out: business of works, duplication of drudgeries altogether its forms, transliteration of works, adaptation, arrangement, or transfiguration of works, apportionment of drudgeries or reproductions thereof, accomplishment of works, annunciation of works, indication of drudgeries and letting of works. Every individual exercising economical rights be required to accomplish acquiescence from the communicator or document Holder. whatever individual without acquiescence from the communicator or document bearer is proscribed from duplication and/or commercial-grade application of drudgeries.

Therefore, with the arrangement of the book as one of the most having economic rights must be protected by various national laws, it cannot be denied that the existence of books as creations that must be protected is clearly recognized. This is because books are the intellectual property of a creator which has economic meaning for those who exploit them, also has significance for the spiritual and material development of a nation and will encourage writers to be more active in their work. The economic rights of a work are obtained by the copyright holder, the copyright holder, namely the publisher and the author. The economic rights of a work are called royalties. Royalties are rewards for the use of an economic right creations or related rights products received by the creator or rights owner related.

4. Conclusion

Supported on the consequences of evaluation and give-and-take in the preceding chapter, it may be terminated as follows:

1. The royalty system in publication business consists of the undermentioned elements: first off the paragraph antioxidant is the communicator or the communicator as a originator with the firm as the document holder. antioxidant second, the correspondence have in mind the deed of royal house above on publishing of publications supported on the correspondence expound much the same, videlicet in the configuration of a permission correspondence that starts out with proffers or discussions on the principal specks of the be in want of of man of letters and publication publishers in collaborating publication publishing. Third, the phenomenon antioxidant in the business royal house transaction publications are victimization of the economical rights of copyrighted drudgeries in the configuration of a book. The one-quarter element, expenditure in the royal house transaction publishing of the publication is carried elsewhere according to the correspondence.
2. The royalty amount for the purchase system is decided by mutual agreement between publisher and author. The publisher gives royalties to the author in accordance with the general standard is 10%, it can go up or down depending on how famous the author's name is and the quality of the work produced

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