# THE ROLE OF NATIONAL COLLECTIVE MANAGEMENT INSTITUTIONS IN PRODUCT COPYRIGHT PROTECTION

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#### Abstract

Indonesia, the National Collective Management Institute (LMKN) is responsible for protecting copyright strategically. LMKN's responsibility is to manage copyright for rights holders, especially in the field of music, films, and other works of art. The purpose of this study is to study the role of LMKN in guaranteeing the copyright of creative products in Indonesia and the problems it faces in carrying out its functions. The research was conducted by conducting interviews with copyright law practitioners and other related parties. The results of the study show that LMKN plays an important role in copyright protection. However, there are some issues related to surveillance, royalty sharing, and notifying the Society and industry about these issues.

Keywords: Copyright Management, Management, Protection

#### **1. INTRODUCTION**

Copyright is a form of legal protection given to the creator or holder of the right to intellectual works. The purpose of this protection is to recognize the right to creativity and provide financial incentives for creators to continue their work. Copyrighted works include various forms of creative works, such as music, movies, books, software, and other works of art. In Indonesia, copyright protection is regulated in the Copyright Law Number 28 of 2014 which provides a legal basis for copyright owners to protect their works from unauthorized use. As a country with a thriving creative industry, Indonesia faces the challenge of ensuring that copyright is properly recognized and protected. Copyright owners often have difficulty monitoring the use of their works domestically and internationally.

The number of copyright infringements committed by individuals and companies is a problem that must be overcome by the state and related institutions. Therefore, the role of collective authority in the protection and management of copyright is very important. The National Collective Management Institute (LMKN) was established to manage copyright on behalf of creators and other copyright holders, especially through the collection of copyright royalties and the granting of licenses for the use of copyrighted works of an institutional nature. LMKN also acts as an intermediary between copyright owners and users of works, such as television broadcasting institutions, radio, digital platforms, and other parties that require permission to use works. In fact, LMKN is a bridge between creators and the market that needs their creative works.

As an institution that focuses on collective copyright management, LMKN has a great responsibility to ensure that the rights of copyright holders are protected. The main mission of LMKN is to collect royalties from parties who use copyrighted works, distribute these royalties to copyright owners, and give permission to third parties to use the works. This process requires not only careful management, but also strict supervision to ensure that royalties are distributed fairly and on time. Although LMKN's role in copyright management is very strategic, this institution is not without challenges. Public knowledge of copyright is still limited, causing a low sense of appreciation for other people's works. Although LMKN has developed a technology system to support its operations, problems related to the accuracy of the identification of works used and the management of royalties still need attention.

In addition, the biggest challenge for LMKN is the supervision of piracy which still often occurs both in the real world and in cyberspace. The rapid development of technology and the internet has made it easier to distribute works without permission. However, these violations are still being monitored on a limited basis. In this regard, LMKN is expected to strengthen its ability to supervise and enforce laws against new copyright infringements, both through legal channels and in collaboration with other law enforcement officials.

The purpose of this study is to find out in more detail the role of national collective management institutions in the protection of copyright of creative products in Indonesia. This study also analyzes the various challenges faced by LMKN in carrying out its duties and provides recommendations to improve the effectiveness of copyright protection in Indonesia. A deeper understanding of LMKN's role and its challenges is expected to lead to better solutions to improve copyright protection in the future.

## 2. IMPLEMENTATION METHOD

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This research uses a qualitative approach using literature review and interview techniques. Literature reviews are carried out by analyzing various articles, books, and regulations related to copyright and the role of LMKN in its management. Interviews with lawyers, LMKN managers, and creative industry stakeholders were conducted to gain a deeper understanding of LMKN's role in copyright protection. The data obtained from

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literature reviews and interviews were then analyzed using a qualitative descriptive approach to identify the roles and challenges that LMKN plays in fulfilling its mission.

#### **3. RESULTS AND DISCUSSION**

#### The Role of LMKN in Copyright Management

The National Collective Management Institute (LMKN) has an important role in copyright management in Indonesia. As an institution representing copyright holders, LMKN's mission is to jointly manage these rights and ensure that the copyrights of creators or other copyright holders are protected and expropriated. In this case, LMKN acts as an intermediary between the creator of the creation and the users of the creation, such as television channels, radio stations, digital platforms and various other companies that use the copyrighted work. LMKN collects royalties for the use of copyrighted works and distributes them to copyright owners in accordance with applicable regulations.

LMKN is regulated in Copyright Law Number 28 of 2014 which is the legal basis for the implementation of the duties of this institution. Articles 57 to 61 of the Copyright Law regulate the collective management body as well as the rights and obligations of the body in administering copyright. LMKN strives to ensure that all transactions made through LMKN are transparent and fair, and that the copyright royalties collected are distributed proportionally to copyright owners.

Article 57 states that LMKN has the right to represent copyright owners in matters related to royalty administration and licensing. On the contrary, Articles 58 and 59 impose an obligation on LMKN to collect royalties from parties using copyrighted works and distribute these royalties to copyright holders in a transparent and responsible manner as stipulated. Article 60 authorizes LMKN to take legal action against parties who infringe copyright, including legal action against copyright infringers.

LMKN is also obliged to carry out its functions under supervision Directorate General of Intellectual Property (DJKI). The role of the DJKI is to ensure that the organization operates in accordance with existing regulations. As a government institution, DJKI is authorized to audit and monitor LMKN operations, including royalty management and compliance with applicable regulations. One of the main functions of LMKN is to manage royalties arising from the use of copyrighted works by third parties. For example, if a song is played on the radio or broadcast on a streaming platform, then LMKN is responsible for collecting royalties from that station or platform. The license fee is distributed to each copyright holder according to the agreed proportion. This process ensures that creators are fairly compensated for their work, although they cannot directly monitor how the work is they are used.

In addition, LMKN is also responsible for granting permission or license to third parties who want to use the copyrighted work. Parties who want to use their creations, such as restaurants, hotels, and streaming service companies, must obtain permission from LMKN, which will then determine the amount of royalties that must be paid. In this case, LMKN guarantees that the use of the copyrighted work is legal and in accordance with applicable regulations, so that no one can use the work illegally without paying royalties to the copyright owner.

LMKN not only acts as the authority for the collection and distribution of license fees, but is also responsible for monitoring copyright enforcement. In this case, LMKN functions to supervise the use of copyrighted works and procedures for the occurrence of copyright infringement. For example, if a copyrighted work is used without permission or without payment of a license fee, LMKN may take legal action for copyright infringement. In addition, LMKN can also work with authorities such as the police and other law enforcement agencies to combat piracy in society and the digital world.

The copyright management implemented by LMKN also supports the creative industry ecosystem in Indonesia. By ensuring that copyright holders receive appropriate licensing fees, LMKN encourages copyright holders to continue to work and at the same time contribute to increasing appreciation for their copyrights. As the central copyright authority, LMKN contributes to creating a fair and transparent ecosystem for workers and users of copyrighted works. This will encourage the development of Indonesia's creative sector, including music, film, literature, and other arts.

Although the role of LMKN is very important in copyright management, this institution also faces various challenges, especially in the digital era. One of its biggest challenges is the rise of piracy that is difficult to control, such as copies of pirated works scattered on digital platforms. Unauthorized piracy of music, movies, or software through illegal websites and streaming platforms is at the expense of the creator of the work, and controlling licensing fees becomes even more dangerous. To address these challenges, LMKN needs to improve its monitoring system and work with digital platform providers and law enforcement agencies to reduce piracy.

Challenges in Copyright Protection, the National Collective Management Institute (LMKN) has an important role in copyright protection in Indonesia. However, in carrying out its mission, LMKN faces various challenges that limit its effectiveness. Here are some of the major challenges faced by LMKN:

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#### 1. Lack of public awareness

One of the major challenges faced is the low public awareness of the importance of copyright. Many people, including the creators of works, are not fully aware of their rights and do not know how to protect them. As a result, the participation of creators in copyright management by LMKN will decrease. In addition, people are often unaware of the legal consequences of copyright infringement, so piracy is becoming more widespread.

#### 2. Weak Law Enforcement

The next challenge is the weak enforcement of copyright law. Although there are laws that protect copyright, enforcement is often ineffective. Cases of copyright infringement are often not legally processed, and the sanctions imposed on the infringers are not severe enough to provide a deterrent effect. This makes the creator feel that his rights are not properly protected and reduces his trust in LMKN as a copyright storekeeper.

3. Management Complexity

LMKN also faces complexity in the management and management of its royalties. The process of collecting, counting, and distributing royalties is often complex and requires skilled personnel. Many writers do not understand this system, making it difficult for them to obtain financial rights in a timely manner. This administrative problem can cause creators to be dissatisfied with the performance of LMKN.

4. Inter-Institutional Competition

LMKN competes with other collecting institutions. There are several institutions in Indonesia that also manage copyright. This can lead to confusion among content creators about which institution they should turn to for copyright protection. This competition can also cause copyright management to become fragmented, so that creators do not get optimal protection.

#### 5. Technological Developments

The rapid development of technology, especially in the digital era, is also a challenge for LMKN. With the advent of digital platforms for distributing content, piracy has become even easier. LMKN must adapt to these changes and ensure that its copyright management and protection system keeps up with current technological developments.

6. Resource Limitations

Finally, the limitation of financial resources and human resources is also a challenge. LMKN often does not have enough resources to carry out all of its functions effectively. These restrictions can hinder copyright education, advocacy, and law enforcement efforts.

## **Copyright Dispute Resolution**

Copyright disputes often arise due to misunderstandings or violations of existing laws and regulations from both copyright owners and users of the work. One form of dispute that often arises is copyright royalty disputes. In this case, the copyright holder feels that he does not receive the appropriate royalties for the use of his work. Such disputes may also arise between the creator of a work and the collecting organization if there is a discrepancy in the calculation or allocation of license fees. In addition, copyright disputes can arise due to plagiarism or claims of ownership of works that do not actually belong to the party claiming the right. Copyright dispute resolution can be done through various legal means, including mediation, arbitration, or common law courts. Mediation and arbitration are faster and cheaper alternatives to litigation. Despite the existence of dispute resolution mechanisms, enforcing decisions that benefit interested parties is still a challenge, as violations that are difficult to detect often occur in the digital realm. Resolving copyright disputes requires strict law enforcement to ensure that infringers receive appropriate sanctions and victims receive appropriate compensation. As a copyright management organization, LMKN functions to resolve disputes between copyright owners and users of copyrighted works, as well as to provide a fair and enforceable approach to the parties to the dispute in resolving disputes using effective legal channels.

#### Efforts to Improve and Strengthen the Function of LMKN

To overcome the challenges and protect copyright effectively, LMKN must strive to improve and strengthen its functions. An important step is the development of more sophisticated technologies to monitor the use of copyrighted works online. LMKN can work with technology companies and startups that develop digital surveillance systems to create a platform that can automatically detect piracy and unauthorized use of works in cyberspace. This technology allows LMKN to more effectively monitor the distribution of copyrighted works and reduce piracy on the Internet.

In addition, LMKN must also increase transparency and accountability in licensing management. One way to achieve this is through the use of a digital system that allows the creator of the work to directly monitor the allocation of royalties. LMKN may introduce an application-based system or an online portal that allows copyright holders to directly access the use of their works and the royalties collected.

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LMKN should also increase cooperation with law enforcement officials to eradicate piracy and other copyright infringements. Cooperation with authorities such as the police and the prosecutor's office accelerates the processing of copyright infringement cases, especially those that occur in the digital world. In addition, more intensive public education is needed regarding the importance of copyright compliance and the consequences of copyright infringement. The socialization program aimed at the general public and creative industry players aims to increase awareness of the applicable laws and regulations and increase awareness of compliance with these laws and regulations.

On the other hand, to strengthen LMKN's position as a reliable copyright management institution, it is very important to improve the institution's management structure and improve the capabilities of existing human resources. Through more professional and systematic management, LMKN will be able to carry out its mission better and ensure that the creators of creations obtain their rights in a timely and appropriate manner. LMKN must also pay attention to the principles of The principles of good corporate governance in its business operations to prevent the abuse of privileges and misappropriation of royalties that are therights of copyright owners.

### 4. CONCLUSION

As a result, the National Collective Management Institute (LMKN) plays a very important role in protecting the copyright of creative products in Indonesia. LMKN ensures that copyright holders get fair rights through the role of royalty managers and copyright supervisors. LMKN, however, still faces many problems. The most important thing is supervision, royalty sharing, and public understanding of copyright. As a result, to strengthen copyright in Indonesia, it is necessary to improve the administrative system, strengthen supervision, and increase public awareness.

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