

**Abstract**

## **A Short Thought on the Impact of Blockchain Technology on the Entertainment Industry**

**- focusing on the copyright issue -**

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Blockchain is known as distributed ledger technology in which participants collectively upload, store and manage transactions of contents and data in a peer to peer network rather than in a specific central server. It is emerging as a technology capable of changing the current industrial structure by with decentralization, transparency, and technologies such as smart contracts.

However, entertainment industry is now in a hurry to develop so-called 'killer contents'. Netflix and CJ E&M are consolidating their market position through their original contents. In addition to the broadcasters who were in charge of the existing media, producers and platform owners are also expanding their business to content production. The entertainment industry has become the 'Contents Say It All' world.

Nevertheless, there is not much interest in the creators who create the content. In the entertainment industry, content distribution and fees are concentrated on specific players, and production and creation are now becoming more and more centralized.

Especially, in the process of distributing revenue of contents, the unfairness and opacity are still a problem. Despite the massive crackdown on piracy sites of the webtoon, the fact that illegal copying is not decreasing will only raise questions about whether there is a legitimate profit being distributed to the creators. The problem also exists in the process of creation. In order to create a new content, permission to use the original work is required. For this purpose, it is necessary to be able to grasp the right relationship or

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distribution process of the content. Current content registration system does not reflect such a market situation.

With that being said, the characteristics implied by the blockchain seem to suggest a solution to the above problems. Various blockchain technology based platforms are promoting registration of rights to creative contents, management on transaction, micro-payments based on smart contract, introduction of technology to prevent piracy, and protection of contents during creation.

As the blockchain technology encounters the entertainment industry, it will be wrong to say that the profits of the creators will be increasing. However, if the above-mentioned technologies are embodied, there will be a place to perform an alternative function of the existing identification system for copyright registration or permission, and the creator and the user may meet directly in the market.

Considering the changes in the entertainment industry, it'd be more likely that the functions of the collective organizations could be replaced as creators can manage the distribution and permission of the contents directly through blockchain network; rather than replacing contents platforms who is currently acting as the middleman. In addition, if the use and transaction of the contents are increased rather than the finished product, it may be necessary to protect the small-sized creative works that can not be covered by the existing idea and expression dichotomy.

At this point in time, blockchain technology could provide only an ideal future for the entertainment industry, since most of the cases in the media have not achieved any concrete results. However, blockchain in the entertainment industry is not meant for a faster, more efficient means; but rather as a means of complementing the right to be a creator. From this point of view, the block chain technology is not yet ripe, but it is worth watching.

### **Keywords**

Blockchain, Smart Contract, Entertainment Industry, Distributed Ledger, Media, Middleman, Copyright, Contents