

Abstract

**A Study on Solutions for Unpaid Royalties in Music OSPs
— Focusing on the Rights Management of Orphan Works —**

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The rapid expansion of music online service providers (OSPs), such as Melon and YouTube Music, has significantly enhanced consumer access to diverse musical works at relatively low cost. However, the rights management structure underpinning such comprehensive services remains legally complex and structurally unstable. In practice, a substantial number of musical works are transmitted without complete rights clearance or without proper settlement of copyright royalties, thereby raising persistent concerns regarding legal compliance.

The issue of so-called “unpaid copyright royalties” has remained unresolved for over a decade. Major service providers are estimated to have accumulated unpaid royalties amounting to approximately 23.3 billion won, including cases involving the use of works without prior contractual authorization. Such practices may give rise not only to civil liability but also to potential criminal sanctions under copyright law.

Although unpaid royalties are often attributed to factors such as expired terms of protection or delays in settlement procedures, the fundamental source of legal risk lies in the problem of orphan works caused by informational asymmetries and incomplete rights data. Article 50 of the Korean Copyright Act provides a statutory licensing system intended to facilitate the lawful use of such works. Nevertheless, music OSPs have rarely relied on this mechanism in practice.

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This study examines the structural causes of unpaid royalties in music OSPs, with particular emphasis on the management of orphan works. It critically analyzes the limitations of the current statutory licensing framework and proposes institutional reform measures, drawing on comparative legislative approaches adopted in major jurisdictions.

Keywords

Orphan Works, Unpaid Copyright Royalties, Music, Music Modernization Act, Compulsory License