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## **An Economic Analysis of Copyright Terms ——Focusing on the Architectural Changes by Digital Rights Management Technologies**

Ming-Li Wang

### Abstract

The Sonny Bono Copyright Term Extension Act of 1998 (CTEA), while having survived a surprisingly strong constitutional challenge in *Eldred v. Ashcroft*, remains controversial on efficiency ground. This article seeks to provide an economic analysis of the social costs of prolonged copyright terms, taking into account the potential of digital rights management (DRM) technologies.

The article suggests DRM technologies, when properly designed, may reduce the dead weight loss of copyright monopolies and the transaction costs of copyright licensing, seemingly strengthening the argument for prolonged or even perpetual copyright protection. Current DRM technologies are nevertheless far from ideal. With pervasive public disaffection, hackers working around the clock, and half-hearted backing from some heavyweight players, their future is overcast at best. Adding the cost of DRM deployment and enforcement, and the potential efficiency loss by mass consumer backlash as informed by behavioral economic analysis, it is only prudent for Taiwanese legislators to think harder on lengthening copyright terms.

Keywords: copyright, copyright terms, economic analysis, digital rights management, DRM