Copyright and Blockchain in Creative Markets

From the perspective of an EU copyright law scholar, digital tokenization and blockchain-powered smart contracts could, in principle, offer more efficient, fair, and transparent mechanisms for licensing and value distribution in creative markets. In particular, they could enable creators to license their works directly and automate royalty payments, thereby reducing reliance on powerful intermediaries such as collective management organizations (CMOs) and large online platforms like Spotify and YouTube which currently exercise considerable influence over the dissemination and licensing of creative content.

Blockchain-based systems could also potentially facilitate new forms of commercial exploitation of cultural heritage in the EU by enabling memory institutions to tokenize and monetize digitized public-domain collections; something that could be especially interesting following the launch of the Common European Data Space for Cultural Heritage (DS4CH) in 2022.

However, although several pilot initiatives exploring blockchain-based music licensing have been launched over the past decade (e.g., Po.et and Resonate) they have achieved limited success and many are no longer operational. The practical implementation of such initiatives encounters a number of structural obstacles. One challenge concerns the reliability and completeness of rights metadata and the use of "oracles" that trigger smart-contract payments for uses occurring outside the blockchain environment (e.g., when music is streamed on platforms such as YouTube).

Another question is whether blockchain-based infrastructures can realistically compete with existing market actors, including large digital platforms and collective management organizations (e.g., SACEM in France, GEMA in Germany, and SUISA in Switzerland). These institutions benefit from strong network effects, established regulatory frameworks, and user-friendly infrastructures that do not require individual creators to manage technical elements such as private keys or digital wallets.

Further questions arise regarding the suitability of immutable smart contracts in highly dynamic creative markets, where the value of works may fluctuate rapidly due to viral cultural trends or shifting consumer preferences, often requiring renegotiation of licensing terms. Legal uncertainty also persists regarding the status and enforceability of smart contracts within existing institutional frameworks for contract law and dispute resolution, particularly in cross-border contexts. At the governance level, there are additional concerns about how blockchain networks themselves can be administered in ways that remain fair, transparent, and resistant to capture by dominant industry actors such as major record companies.

A Research-Hub in Switzerland's Crypto-Valley

These are some of the questions I explored during my very enjoyable time as a Visiting Fellow at the Zug Institute for Blockchain Research (ZIBR) at the University of Lucerne, Switzerland in February and March 2026.

A warm thank you to Prof. Dr. Max Baumgart for hosting me, to Mr. Pascal Neupert and Ms. Martina Kunz for ensuring my comfort and well-being during the visit and to everyone at ZIBR for their warm welcome and kind collegiality.

The objective of the research visit was to learn more about the ongoing research at ZIBR (particularly in the areas of blockchain, smart contracts and DAOs) and to explore potential for collaboration both at the institutional and individual levels. I am delighted to report that my visit was productive and successful in both respects.

I had most illuminating and interesting discussions with many members of ZIBR. Significant among these were the discussions I had with Asst. Prof. Dr. Markus Schreiber (on the public forum doctrine in the EU and USA), Asst. Prof. Dr. Claude Humbel (relating to copyright licensing and smart contracts), Prof. Dr. Adam Hayes (on sociological aspects of the organization and governance of DAOs) and Mr. Christoph Engel-Bunsas (on copyright, Gen-AI and the protection of personal integrity of artists). I also had several productive discussions with Prof. Dr. Max Baumgart on potential for future collaboration and sharing of knowledge and expertise.

I had a particularly inspiring discussion with Prof. Dr. Mira Burri (University of Lucerne) on blockchain, artificial intelligence, and copyright governance. We *inter alia* discussed the challenges surrounding the deployment of open (copyleft) licenses such as *Creative Commons* (CC) licenses, in the use of copyrighted works for training generative AI systems. This led me to wonder whether blockchain-based infrastructures could provide a technical solution for the effective enforcement of copyleft licenses. For example, could licensing conditions be embedded directly into creative works as tokenized digital assets, each associated with a unique identifier and governed by a smart contract that automatically enforces conditions such as attribution or share-alike requirements?

My visit to ZIBR also provided me with new insights on my current research on the regulation of online platforms deploying decentralized governance models such as *Wikipedia* under the EU Digital Services Act (DSA) [2022].

Finally, the presentation on the Sovereign Nature Initiative by Asst. Prof. Dr. Andrea Leiter (UvA Amsterdam and Research Fellow, ZIBR) and Catherine Bischoff provided significant food for thought. In particular, it highlighted the complex challenge of designing blockchain-based data monetization systems that are financially viable while at the same time safeguarding data sovereignty and ensuring the ethical use of data in

downstream markets. In doing so, it provided a fascinating case-study on the very-real challenges that must be surmounted before we can successfully harness blockchain technology as a mechanism for empowering individual creators and ensuring fair and sustainable creative markets, a sober realization for a techno-optimist such as myself.

Thank you everyone and hope to see you soon, in Zug or in Tilburg!

Asst. Prof. Dr. Sunimal Mendis,
Tilburg Institute for Law, Technology, and Society (TILT), Netherlands