

# Study on the Pricing Mechanism of Deductive Right License Transfer Based on Mechanism Design Theory

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**Abstract:** The relevant laws and regulations in our country only provide in principle for the license transfer of deductive right. In practice, we often encounter two major problems: First, there is information asymmetry between the original author and the deductive author, and there is a large transaction cost. The second is how to give consideration to the interests of the original author and the deductive author to achieve incentive compatibility. To solve these two problems, build a quantitative model. It has a certain reference value to the practice of deduction right license transfer.

Keywords: Deductive Weight; Economic Analysis; Pricing Mechanism Design

## 1. Problem presentation

The deductive work is based on the original work, but rather than simply copying the original work, it is a new work produced after a certain transformation of the original work [1-4]. Although China's Copyright Law, the Measures for the Payment of Remuneration for Use of Written Works and other laws and regulations provide relevant provisions on the licensing and transfer of copyright. It also deals with the amount and the method of payment, but the regulation is relatively macroscopic, and the operability is not strong. The low transfer cost is not conducive to the protection of the legitimate rights and interests of the original author, and the high transfer cost hinders the promotion of the project.

It mainly focuses on the relationship between the deductive works and the original works, the definition of the scope of deductive works and whether the legitimate rights and interests of illegal deductive works should be protected. It's more about theoretical issues. However, there are few studies on specific issues such as value orientation, transfer mode, payment standard and calculation of transfer cost of copyright transfer<sup>[5-7]</sup>. In fact, deductive right is a contractual relationship between the original author and the author of the licensing of deductive right. In view of this, this study analyzes the economics studies in mechanism design with the concept of the theory of mechanism design theory, then the deductive works using mechanism design theory to study the legal license fee pricing mechanism and analyze its feasibility and applicability; on this basis, establish reasonable assumptions, build the deductive works licensing cost model for the quantitative study of pricing mechanism.

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### 4.2 Prospect

Due to time and energy constraints, FVC calculation and difference calculation were not carried out for each year from 1989 to 2016, but remote sensing images in 1989, 2001 and 2016 were selected for rough dynamic change analysis. Failing to analyze the turning years of vegetation coverage, the dynamic change shows more general.

In the following research, the vegetation cover map of July of each year from 1989 to 2016 will be superimposed by space operation to obtain the area transfer matrix of adjacent years, so as to more intuitively analyze the vegetation cover change in the study area. In short, more accurate data, newer technologies and more perfect methods are adopted to study vegetation cover, so as to obtain more reliable dynamic change data of vegetation cover.

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## 2. Research on applicability of economic analysis and mechanism design theory of jurisprudence

Specific to deduce rights licensing this problem, mainly related to the interests of the main body is the original author, and deduce the author assumes that the original author and deduce the author is in line with the "economic man" hypothesis, namely in the interpretation right transfer, the original author and deduce the authors are the cost of pay as little as possible to get the maximum gain permission to decide whether to transfer or authorized, the right of interpretation of the license transfer was conducted under the voluntary consultation, similar to the optimal contract is signed.

In view of the above problems existing in the transfer of deduction right license, this paper intends to use mechanism design theory to carry out research and analysis. It studies the question of how to design incentive compatibility mechanism under the condition of information is scattered to realize efficient allocation of resources<sup>[8]</sup>. The success of mechanism design needs to meet three conditions: first, the set goal must be able to achieve. Second, the players should be willing to participate in the game. If either party has a better choice, the mechanism is false. Third, it is necessary to satisfy the incentive compatible constraint and make individual self-interest behavior realize the goal of the system voluntarily.

## 3. Pricing mechanism design of deduction right license transfer fee

When applying mechanism design theory to design the pricing mechanism of deduction right license transfer fee, two assumptions should be made:

Hypothesis 1: All the stakeholders involved are in line with the hypothesis of "economic man" in neoclassical economics, that is, when deciding whether to grant the transfer of deduction right or obtain authorization, the sole criterion is to pay the minimum cost to obtain the maximum utility (benefit).

Hypothesis 2: All the stakeholders involved are willing to participate in the game, and they are willing to achieve the overall goal of the mechanism design while pursuing their respective utility (benefit).

Let's say state 1 is before deduction and state 2 is after deduction. The expected revenue of the original work in the two states is represented by Eo1 and Eo2 respectively. EO is an inverted U-shaped function of alpha. It is necessary to pay certain economic compensation to the original author P. The degree of compensation should also depend on the degree of public of the original work  $\alpha$ .

Constraint 1:  $EO1(\alpha) \le EO2(\alpha) + P(\alpha)$ . That is, the deductive work can have a positive impact on the original work, and have compensation.

Secondly, in order to make the original author willing to grant the deduction right to others, It is required to satisfy that Eo2  $(\alpha)+P(\alpha)$  after authorization is higher than the income derived by oneself. The income from the original author's own deduction includes the income from the original work Eo2 '( $\alpha$ ) and the income from the original work Eed' ( $\beta$ ) after deduction.

Constraint 2: EO2'( $\alpha$ )+ED'( $\beta$ )<EO2( $\alpha$ )+P( $\alpha$ ). That is, the income of the original author's own creation of the interpretation work is not as good as that of the permission of others to create the interpretation work.

Through constraint 1 and constraint 2, the purpose of making the original author sign and grant deductive right is realized. Next, consider the preconditions under which the deductive author made the offer. In order to encourage the deductive author to purchase the deductive right from the original author, the expected revenue of the deductive work, ED, must be higher than the cost  $P(\alpha)$  of purchasing the deductive right from the original author.

Constraint 3:ED( $\beta$ )>P( $\alpha$ ), That is, when the expected revenue of the deductive work is higher than the license fee, it will actively obtain the license.

At the same time, it is necessary to ensure that the penalty F of infringement is greater than the cost  $P(\alpha)$  of purchasing the deductive right.

Constraint 4:F>P( $\alpha$ ), The infringement damages are greater than the license fees.

The antecedent condition of the above analysis is independent research and development. Only in the independent research and development, therefore, the expected return ER&D  $(\beta)$  is lower than the purchase right of interpretation of the expected return ED  $(\beta)$  - P  $(\alpha)$ , deduce the author will send to buy the right of interpretation to the original author.

Constraint 5:ED( $\beta$ )-P( $\alpha$ )>ER&D( $\beta$ ). That is, the expected revenue of independent creation is lower than the expected revenue of purchasing deduction right.

Among the 10 parameters that constitute the five constraints, the degree of publicization  $\alpha$  and  $\beta$  of the work is determined by the properties of the work itself. The expected revenue from the original work before and after the performance EO1, EO2 or EO2', Expected revenue from the deductive work ED-P or ED' and Deduct the author's expected income from independent research and development ER&D is determined by the market, They can encourage authors to grasp the market dynamics, better to adapt to the market, to meet the market needs. The price P and fine F signed in the agreement are legally effective and can guide both parties to act in accordance with the legal norms.

To sum up, only when constraints 1, 2, 3, 4, 5 are simultaneously satisfied will the original author sign an agreement with the deductive author granting the deductive right. Thus, the condition that the constraints 1, 2, 3, 4, 5 are simultaneously satisfied is a condition in which both the original author and the deductive author are mutually acceptable to the creation of a deductive work.

### 4. Conclusion

From the above analysis, we can see that the pricing mechanism of deduction right license transfer fee shows the situation that both parties can satisfy their interests, and at the same time achieves the optimal state of social resource allocation. Taking the pricing mechanism model of deduction right license transfer fee as a reference, the legal license fee determined by the copyright legal license administration organ not only meets the public needs of enriching social and cultural products, but also satisfies the interest demands of the interest subjects to the greatest extent. Meanwhile, it should also be noted that the expected return function

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## Rights Relief for College Students: Connotation, Dilemma and Path Choice

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Abstract: In recent years, with the continuous development of the rule of law in our country, the issue of rights relief for college students has attracted more and more attention from all walks of life. In order to specifically discuss the issue of rights relief for college students, it is necessary to define the concept of rights relief for college students. At the same time, it analyzes the reasons why China's college students' rights relief is facing imperfect laws and regulations, college administrators and students' weak awareness of rights relief, content limitations, and single approaches. Therefore, it is necessary to choose the path from several aspects, such as improving laws and regulations, improving the concept of rule of law, optimizing and adjusting the scope of content, and establishing diversified channels.

Keywords: Rights Relief; Rights Relief for College Students; Dilemma; Path Choice

### 1. Introduction

As an important subject of the development of China's higher education, the relief of college students' rights is particularly important. However, in the specific operation process, there are still problems that cannot be ignored. The following is a brief overview of the connotation of the rights relief of college students in our country, and expounds on the plight and path selection of the rights relief of college students in our country, so as to promote the scientific, rational and legalization of the rights relief of college students in China.

## 2. The connotation of college students' rights relief

In recent years, as an important means and method of guaranteeing rights, college students' rights relief has not only become an important topic in the field of higher education in China, but also an important measure reflecting the rule of law in China's

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doi: 10.18282/l-e.v9i4.1716

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in the constraint conditions of the quantitative research model has strong subjectivity, and the expected return varies from person to person, which will affect the accuracy of the pricing mechanism to a certain extent.

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