

Business Models for Creative Works & Creative Commons Licensing

What is Creative Commons?

Creative Commons is a nonprofit organization that enables the sharing and use of creativity and knowledge through free legal tools. CC's free, easy-to-use copyright licenses provide a simple, standardized way to give the public permission to share and use your creative work, changing your copyright terms from the default of "all rights reserved" to "some rights reserved." Read about the different types of licenses at <http://creativecommons.org/licenses/>.

What is this fact sheet about?

CC licenses encourage free and legal sharing, reuse, repurposing, and remixing of creative works. However, choosing a CC license for your work does not necessarily mean forgoing an opportunity to make money. In fact, CC licenses have become an important part of many online revenue models that are emerging as internet platforms grow and develop.

How can Creative Commons licenses be used in business models?

There are several ways creators can use CC licenses are part of their business models:

Use CC licenses to **sell yourself, not your product**.¹ Many creators today target smaller, more specialized markets. Freely sharing products under CC licenses becomes a way to promote themselves and their brand, increasing their audience base and product distribution. The more fans you have, the more likely you are to make money.

Use CC licenses to **connect with fans, then give them a reason to buy**.² Openly sharing creative work allows the audience to actively engage with it, thus helping to build a relationship between the creator and the fans. Creators can then generate revenue by charging for premium versions of their product (e.g. deluxe editions or hard copies) or related goods (concert tickets, t-shirts, etc.).

Use **advertising** alongside the CC-licensed product. An advertising-based business model relies on as many people as possible seeing your work. So the wider your distribution, the more money you make.

Use **commercial licensing arrangements** in parallel with releasing a product under a CC license. Using a CC license to raise the profile of your works can lead to commercial opportunities. CC-licensed photos and music, for example, are regularly picked up for paid uses by publications, films and advertisements.

Use **crowdsourcing** to fund, and earn profits from, CC-licensed works. Crowdsourcing is an increasingly popular way to fund projects, and CC now even has its [own page](#) on Kickstarter, the popular crowdsourcing platform.

¹Doctorow, Cory. "Giving It Away." 12 January 2006. http://www.forbes.com/2006/11/30/cory-doctorow-copyright-tech-media_cz_cd_books06_1201doctorow.html.

²Masnick, Mike. "The Future of Music Business Models (And Those Who Are Already There)." 25 January 2010. <http://www.techdirt.com/articles/20091119/1634117011/future-music-business-models-those-who-are-already-there.shtml>.

Case Studies

The benefits of incorporating CC licenses into business models for creative works are illustrated by the following case studies.

Dan Bull

Dan Bull is a British rapper who has leveraged the tools offered by CC to generate viral marketing for his work. He released his single *Sharing is Caring* commercially while also making it available for free download under CC0, a tool that dedicates a creative work to the public domain. The song reached #9 on the UK Independent chart and #35 on the UK R&B chart. Read more about [Dan Bull](#).

Cory Doctorow

Cory Doctorow is a science fiction writer who has used the CC BY-NC-SA and BY-NC-ND licenses for his books. Releasing his books under CC licenses has helped Doctorow promote himself, expand his readership and increase his book sales. His CC-licensed books have consistently outperformed his publisher's expectations, with *Little Brother* spending four weeks on the *New York Times* best seller list. Read more about [Cory Doctorow](#).

Nine Inch Nails

The Nine Inch Nails *Ghosts I-IV* album generated revenues of \$1.6 million in its first week of sales even though it was released under a CC BY-NC-SA license and a quarter of the album's tracks were available as free downloads. NIN's Trent Reznor has relied on the "connect with fans + reason to buy" model, giving fans the ability to remix and redistribute the work, while generating revenue through sales of a reasonably-priced CD, deluxe edition packages, and concert ticket sales. Read more about [NIN Ghosts I-IV](#).

Sita Sings the Blues

Sita Sings the Blues is a CC BY-SA-licensed animated feature film from Nina Paley, who chose CC licensing in order to reach the widest audience. Even though it was freely released online, the film brought in \$55,000 in revenue in the first nine months through donations from appreciative fans, sales of film-related merchandise and DVDs, and theatrical distribution. Read more about [Sita Sings the Blues](#).

Cafuné

Cafuné is a Brazilian feature film by debuting filmmaker Bruno Vianna, who sought a wider audience. The film was simultaneously released in theaters and online under the BY-NC-SA license. The release included two versions of the film, each with a different ending. Furthermore, the CC license enabled the audience to create their own endings to the movie. This resulted in a spike in downloads of the film, which was followed by a significant increase in the number of theater-goers. Read more about [Cafuné](#).

Flat World Knowledge

Flat World Knowledge is a commercial higher education publisher that uses the CC BY-NC-SA license for its textbooks, allowing them to be adapted for individual courses. The company offers free and customizable access to textbooks online, but charges for hard copies and

downloadable customizations. The company's open textbooks were used by 800 colleges in 2010. Read more about [Flat World Knowledge](#).

Unglue.it

Unglue.it is a new crowd-funded project to turn individual, already-published books into freely-shareable ebooks. To release the CC-licensed ebooks, Unglue.it first buys the rights from the copyright holders. To that end, Unglue.it works with rights holders to decide a fair price for compensation and runs fundraising campaigns to raise the needed amount. Learn more about [Unglue.it](#).

Jeremy Keith and *Iron Man*

Jeremy Keith took a photo of the Kennedy Space Center's Vehicle Assembly Building in Cape Canaveral and posted it on Flickr under the CC BY license. A studio representative spotted the photo and wanted to use it for the blockbuster feature film *Iron Man*, but could not include Jeremy's name in the credits. Jeremy used the CC+ protocol to license the photo commercially outside the CC BY license, enabling its use in the movie. Read more about [Jeremy Keith](#).