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License fees for game authors: Fairness and transparency instead of a black box!

The Game Designers Association (SAZ) presents a position paper that analyses the non-transparent and questionable practice of a whole range of game publishers when calculating royalties and outlines alternatives.

Game authors usually receive sales-based remuneration in the form of an agreed percentage of the publisher's net sales. This already puts them in a worse position than book authors, who usually receive a percentage of the net retail price. However, there are also a variety of items that many, especially medium-sized and larger games publishers deduct from the invoiced net sales. For example, annual bonuses and advertising cost subsidies (*in German: WKZ*) to retailers that are not attributable to the individual game, pro rata TV advertising costs, del credere insurance, transport and packaging costs and the nebulous addition of "and similar costs" are deducted. In practice, according to a sample calculation, the difference between a book fee and a game fee can be up to 80%. There can no longer be any question of appropriate remuneration.

Game authors enter a partnership with publishers because publishers have expertise in technical realization, production, sales and marketing. However, in this partnership based on the sharing of labour, this also means that all the publisher's individual marketing and distribution costs must also be borne by the publisher.

The Game Designers Association (SAZ) has now drawn up a position paper with legal support that analyses this practice and points out alternatives. On the one hand, this should provide game authors with a basis for contract negotiations, and they will certainly pay more attention to these points when choosing their publishers. On the other hand, we expect publishers to engage in a thought process in favour of fair and cooperative partnerships. We are pleased to discuss alternative, fair and transparent calculation bases.