

## copyright and economic development



# the more, the better?



## hola!



## previously...



### copyright term extension



## burden of proof is on extending copyrights



# exceptions and limitations



## three-step rule is not a religion



## civil enforcement



## some proposals undermines basic law principles



deterrence level pre-established damages lawyer fees information possesed

due process of law? proportionality? privacy? equality before the law?



## back to business



#### copyright and economic development: the more, the better?



#### copyright as public policy for economic development



#### copyright basics



#### creation and culture are complex activities



#### long before 1710 there was creation



#### <u>copyright did not</u> created art nor culture nor information nor software



#### provided incentives



#### aligning creators interests (surviving)



#### public interests (have more and better works)



#### but at a cost...



#### monopoly





## "exclusive economic rights"



#### this state-created monopoly needs limits



#### since a monopoly tend to produce less and charge more



#### limited privilege



#### threshold (originality) formalities protection terms exceptions and limitations



#### balance



#### not only the creators-industry-audience balance



#### not only the human rights balance



#### but also an economic balance



#### more copyright does not equal economic development



#### because more copyright takes us to an inefficiency road



#### away from opening markets to competition and, therefore, development



# too much exclusive rights creates problems



### "right to import"



#### control and abusing over global markets



### collecting societies



#### overlapping rights abusive rates



### broadcasting rights



#### related rights



#### innovation information flow "anticommons"



### ISP liability and cooperation



#### vertical integration crossed subsidies







#### "tie ins" competition threats captive consumers



# while there is a content industry

#### (creativity, brought to you by copyright?)



# there is also a public domain / fair use industry



### challenge



#### produce evidence-based public policy



#### "reliable data about scale and trends is surprisingly scarce" Hargreaves report



### (small note on patents)



#### approach from industry POV



#### **19 MILLION AMERICAN WORKERS** Depend on Congress to Take Action Against Rogue Websites





#### IP-intensive industries directly and indirectly supply 55.7 million U.S. jobs, 46% of private sector employment.

(Global Intellectual Property Center: "IP Creates Jobs for America," NDP Consulting, May 2012.)





#### INTELLECTUAL PROPERTY AND THE U.S. ECONOMY: INDUSTRIES IN FOCUS

PREPARED BY ECONOMICS AND STATISTICS ADMINISTRATION

UNITED STATES PATENT AND TRADEMARK OFFICE



**MARCH 2012** 

#### The 26 patent-intensive industries accounted for 3.9 million jobs in 2010, while the 13 copyright-intensive industries provided 5.1 million jobs



#### A substantial share of IP-intensive employment in the United States was in the 60 trademark-intensive industries, with 22.6 million jobs in 2010



### trademark-intensive industries?



#### Table 7. Trademark-Intensive Industries with Top 100 Global Brands in 2011

NAICS	Industry title		Brand		
2111	Oil and gas extraction	Shell			
3112	Grain and oilseed milling	Kellogg's			
3115	Dairy product manufacturing	Nestle	Danone		
3121	Beverage manufacturing	Coca-Cola Budweiser Moet and Cha Smirnoff Heineken	Pepsi Sprite Indon Johnnie Wa	Nescafe Jack Daniel Corona	
3162	Footwear manufacturing	Nike	Adidas		
3222	Converted paper product manufacturing	Kleenex			
3254	Pharmaceutical and medicine manufacturing	Johnson and Johnson			
3256	Soap, cleaning compound, and toiletries	Gillette Avon	L'Oreal Nivea	Colgate Lancome	
3341	Computer and peripheral equipment	HP Dell	Apple	Canon	
3342	Communications equipment manufacturing	Nokia	Cisco	Blackberry	
3343	Audio and video equipment manufacturing	Samsung Panasonic	Sony	Philips	
3345	Electronic instrument manufacturing	Siemens			
3361	Motor vehicle manufacturing	Toyota Honda Audi Ferrari	Mercedes Ford Hyundai	BMW Volkswager Porsche	
3399	Other miscellaneous manufacturing	Nintendo	Cartier		
4481	Clothing stores	Zara	Gap		
4541	Electronic shopping and mall-order houses	Amazon.com	EBay		
5111	Newspaper, book, and directory publishers	Thomson Reu	uters		
5112	Software publishers	Microsoft Adobe	Oracle	SAP	
5151	Radio and television broadcasting	Disney	MTV		
5191	Other information services	Google	Yahoo		
5221	Depository credit intermediation	J.P. Morgan	Santander		
5239	Other financial investment activities	Citi	UBS		
5241	Insurance carriers	AXA	Allianz	Zurich	
5416	Management and technical consulting	Accenture			

Source: ESA calculations using Interbrand's Top 100 Global Brands and data from OneSource.

## Fair Use Studies



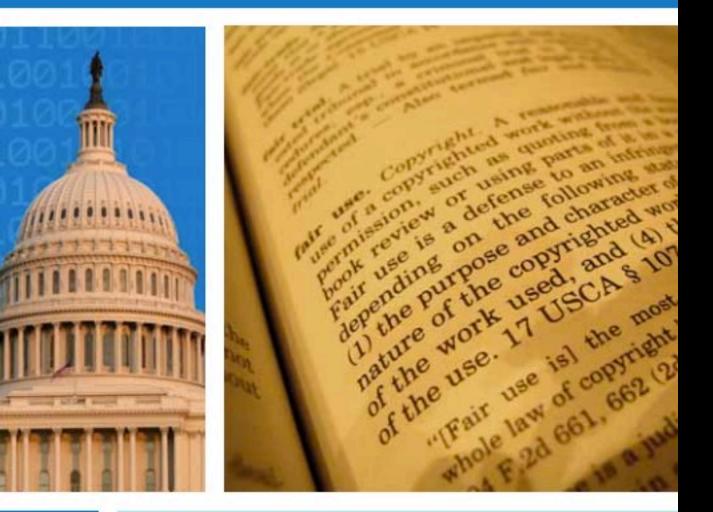
### interesting advances







#### FAIR USE IN THE U.S. ECONOMY





2010



Economic Contribution of Industries Relying on Fair Use

#### estimated \$4.4 trillion in revenue 1/6 of total U.S. GDP employing more than 17 million workers



## Australia









#### Potential \$600m Annual Economic Boost From Copyright Reform



#### ABOUT THE TWO REPORTS

This is a snapshot of two reports written and researched by leading consultancy Lateral Economics whose CEO is Dr Nicholas Gruen. Dr Gruen chaired the internationally acclaimed Government 2.0 Taskforce.

The two reports, released in September 2012, are:

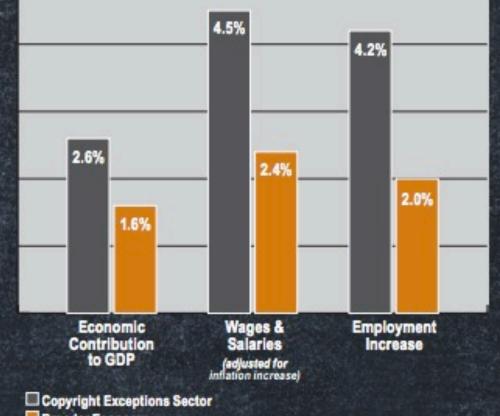
- Excepting the Future The economic case for flexible copyright exceptions and extended safe harbour provisions
- Exceptional Industries The economic contribution to Australia of industries relying on limitations and exceptions to copyright

#### **ECONOMIC CONTRIBUTION**

It is important to note that in 2010 the copyright 'exceptions' sector already:

- contributed 14% to Australia's GDP, an amount of \$182 billion
- employed 21% of our paid workforce, almost 2.4 million people
- paid wages and salaries of \$116 billion.

These figures all grew significantly faster than the rest of the economy from 2007 to 2010 as shown in the illustrations to the right. Comparison of the Growth of the Copyright Exceptions Sector to Broader Economy (2010)



Broader Economy

Source: "ABS: Australian Industry 2009-10 (excludes division K Financial and Insurance Services)



"The economic contribution possible under a more flexible regime is shown by the success of companies such as Apple, Facebook and YouTube. However in Australia, as the Lateral Economics reports demonstrate, these businesses are exposed to greater risk of liability for copyright violations. This means that Australia is not a natural home for innovation and it reduces our ability to compete globally."



## Singapore





From the SelectedWorks of Roya Ghafele

October 2012

The Economic Value of Fair Use in Copyright Law. Counterfactual Impact Analysis of Fair Use Policy On Private Copying Technology and Copyright Markets in Singapore



## built from an actual copyright reform



€ 2.27 billion – total increase in value-added of private copying industries in Singapore after fair use policy amendments





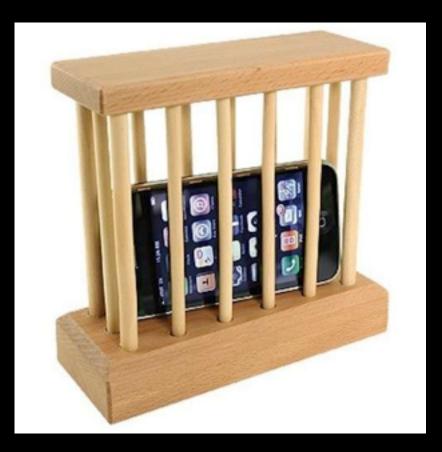






### the case: need for flexibilities

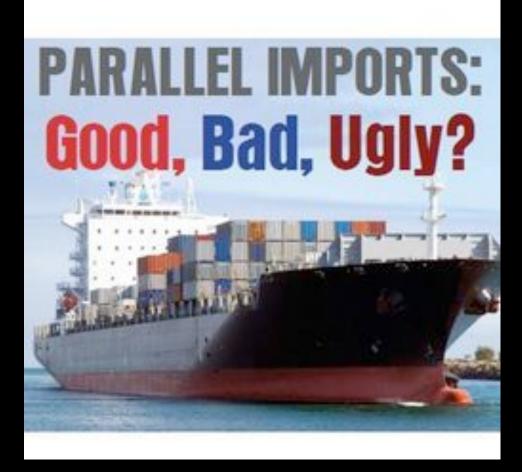




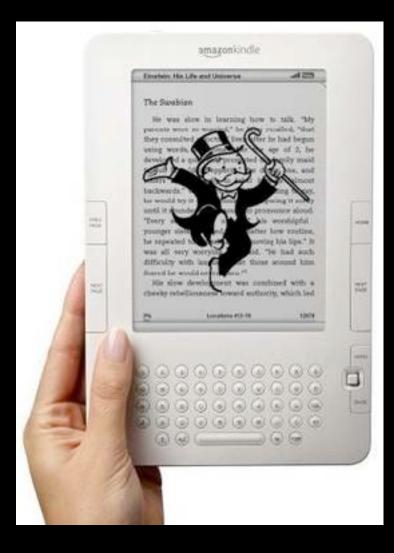


















#### **TPP framework?**



## thank you! igracias!



# further information

#### <u>www.derechosdigitales.org</u> francisco@derechosdigitales.org

