

Economic Relevance of Copyright

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WIPO-HIPO Subregional Seminar “Copyright in the Digital Age”

Budapest, 4 April 2017

LEGAL BASIS

- Regulation (EU) No 386/2012 of 19 April 2012
- Observatory goes from Commission to OHIM (EUIPO as from 5 June 2016)



THE OBSERVATORY IS A NETWORK

- **28 Member States**
- **63 European and international associations and private sector**
- **7 Associations representing consumers and civil society**
- **10 MEPS**
- **European Commission (GROW, TAXUD, TRADE, CNECT, OLAF, JRC)**
- **EU and International organisations (Europol, Eurojust, EPO, WIPO, Interpol, WCO)**



OBSERVATORY GOALS 2014 - 2018

Strengthening the Network

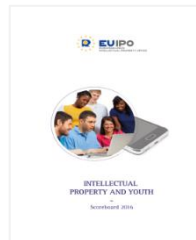
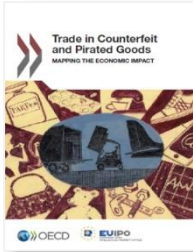
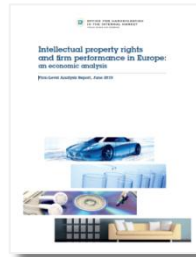
Provide facts and evidence to support effective policies

Create tools and resources to sharpen the fight against IP infringement

Raise awareness of the importance of IP and of the negative effects of counterfeiting and piracy

International Cooperation

GOAL 1 – FACTS AND EVIDENCE



IP Contribution

Infringement Quantification

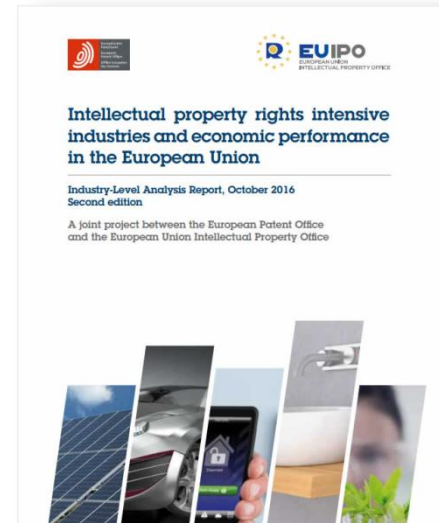
Europeans and IP

IP CONTRIBUTION

➤ INDUSTRY LEVEL PERSPECTIVE: TWO JOINT EPO/EUIPO STUDIES



2013 study

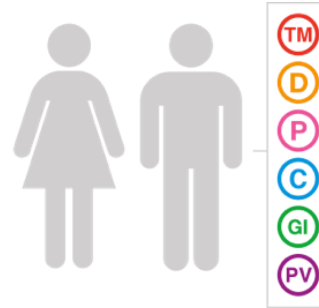


2016 updated study

IP CONTRIBUTION

➤ THE VALUE OF INTELLECTUAL PROPERTY IN EUROPE (2016 INDUSTRY-LEVEL STUDY)

How do trade marks, designs, patents, copyrights, geographical indications and plant variety rights (PVR) contribute to **employment**, **GDP**, remuneration and trade?



IP CONTRIBUTION

➤ METHODOLOGY

In order to determine which industries are IPR-intensive, the register databases of **EUIPO**, **EPO** and **CPVO** were matched with the commercial database **ORBIS**.

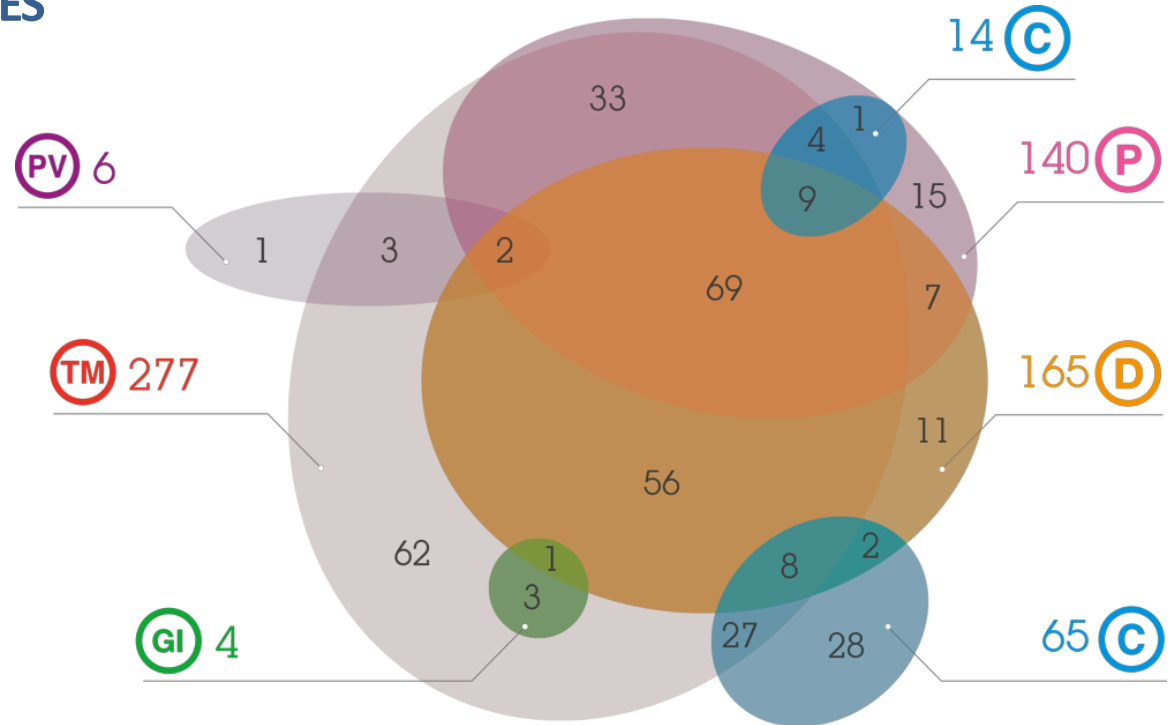
Using this data, the number of trade marks, designs, patents and PVR per employee was calculated for each industry (using Eurostat data), and ***the industries which were above average according to this measure were considered to be IPR-intensive.***




For copyright, a standard methodology developed by WIPO was applied, and for Geographical Indications, data from DG AGRI was used.

IP CONTRIBUTION

➤ IPR-INTENSIVE INDUSTRIES

There are a total of **342 IPR-intensive** industries. Most of them are intensive in **more than one type of IPR**.



-  Trade mark
-  Design
-  Patent
-  Copyright
-  Geographical indication
-  Plant variety rights

IP CONTRIBUTION









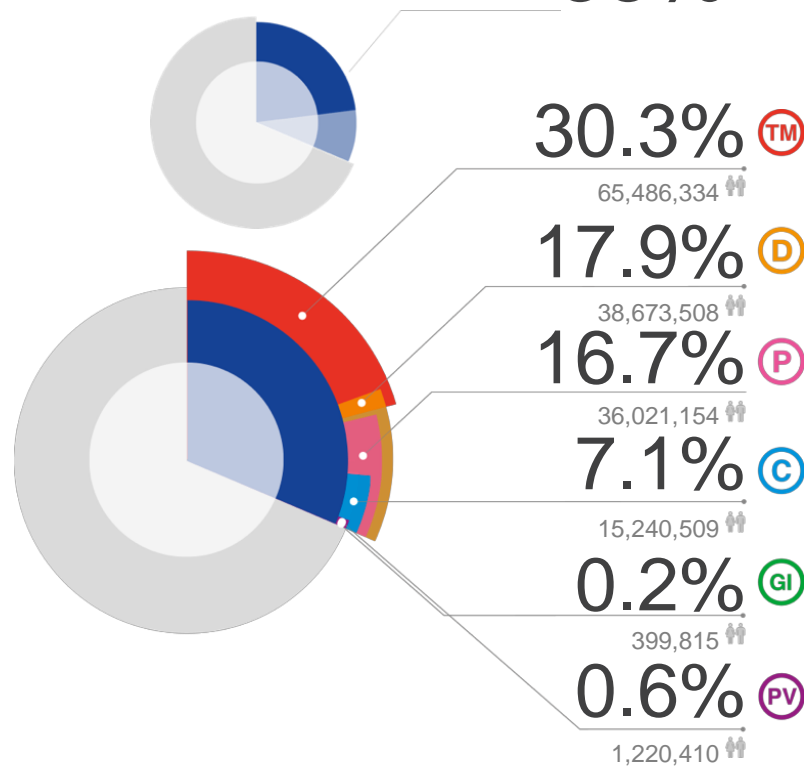
CONTRIBUTION OF IPR-INTENSIVE INDUSTRIES TO EMPLOYMENT

38%

28% of all EU jobs were directly generated by IPR-intensive industries during the period 2011-2013.: **60 million jobs**

An **additional 10%** were generated indirectly, by industries that supply goods and services to the IPR-intensive industries, for a total of **38% of all EU jobs : 82 million jobs**

-  Trade mark
-  Design
-  Patent
-  Copyright
-  Geographical indication
-  Plant variety rights





IP CONTRIBUTION

CONTRIBUTION OF IPR-INTENSIVE INDUSTRIES TO EMPLOYMENT BY MEMBER STATE

IPR-intensive industries
directly contribute
27.8% of employment
in the EU.

27.8%
EU average

-  Above EU average
-  Below EU average





IP CONTRIBUTION

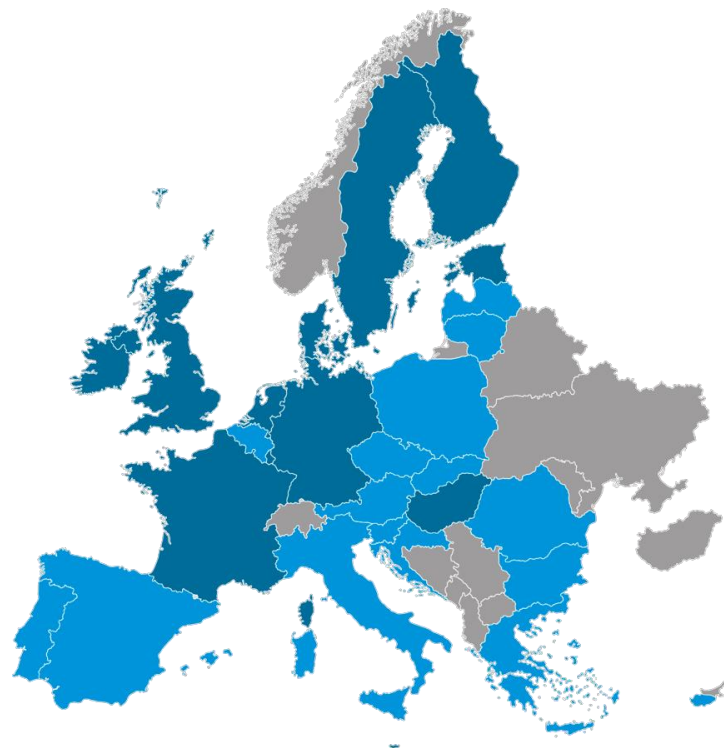
CONTRIBUTION OF COPYRIGHT-INTENSIVE INDUSTRIES TO EMPLOYMENT BY MEMBER STATE

Copyright-intensive industries contribute 5.4% of employment in the EU.



5.4%
EU average

-  Above EU average
-  Below EU average




IP CONTRIBUTION

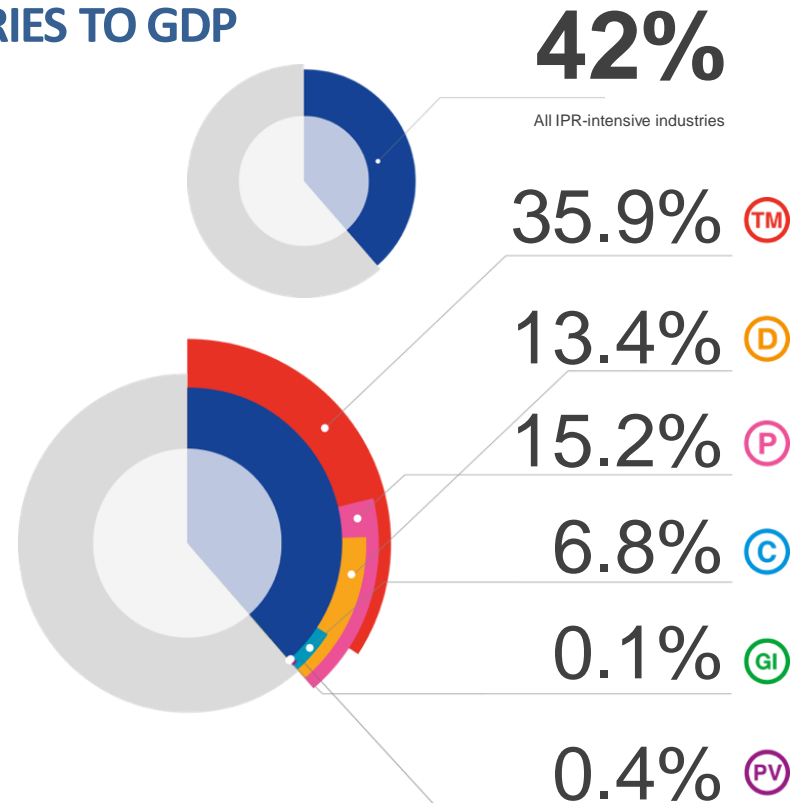


CONTRIBUTION OF IPR-INTENSIVE INDUSTRIES TO GDP

42% of total economic activity (GDP) in the European Union was generated by IPR-intensive industries during the period 2011-2013.

This totals **over € 5.7 trillion** annually

-  Trade mark
-  Design
-  Patent
-  Copyright
-  Geographical indication
-  Plant variety rights



IP CONTRIBUTION



CONTRIBUTION OF IPR-INTENSIVE INDUSTRIES TO GDP BY MEMBER STATE

IPR-intensive industries
contribute **42.3% of
GDP** in the EU.

42.3%
EU average

- Above EU average
- Below EU average





IP CONTRIBUTION

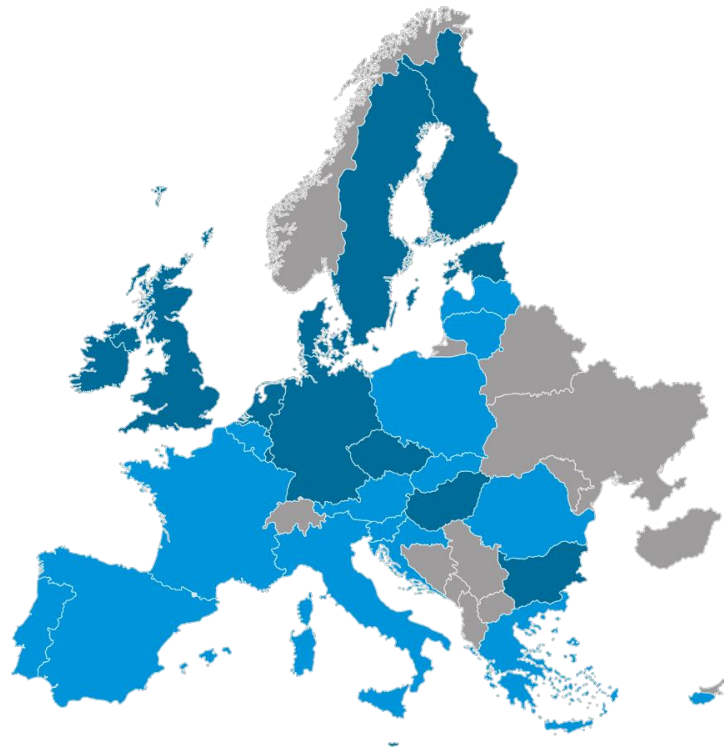
CONTRIBUTION OF COPYRIGHT-INTENSIVE INDUSTRIES TO GDP BY MEMBER STATE

Copyright-intensive industries contribute 6.8% of GDP in the EU.



6.8%
EU average

-  Above EU average
-  Below EU average





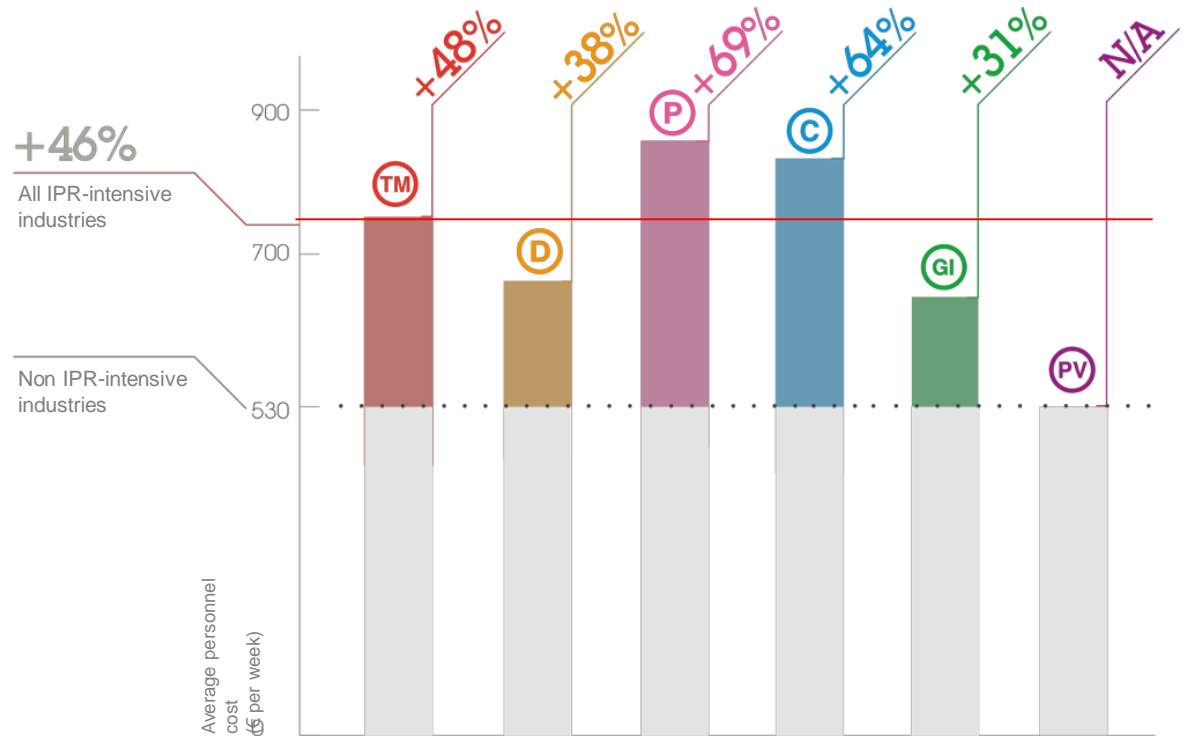
IP CONTRIBUTION



CONTRIBUTION OF IPR-INTENSIVE INDUSTRIES TO REMUNERATION

IPR-intensive industries
pay significantly more
than other industries,
with a wage premium
of **over 46%**.

-  Trade mark
-  Design
-  Patent
-  Copyright
-  Geographical indication
-  Plant variety rights



IP CONTRIBUTION



CONTRIBUTION OF IPR-INTENSIVE INDUSTRIES TO TRADE

86% of EU imports and 93% of exports consist of products from IPR-intensive industries.

The EU had an overall trade deficit of €42 billion. In contrast, it had a **trade surplus of €96 billion** in IPR-intensive industries.

86%

EU imports



93%

EU exports



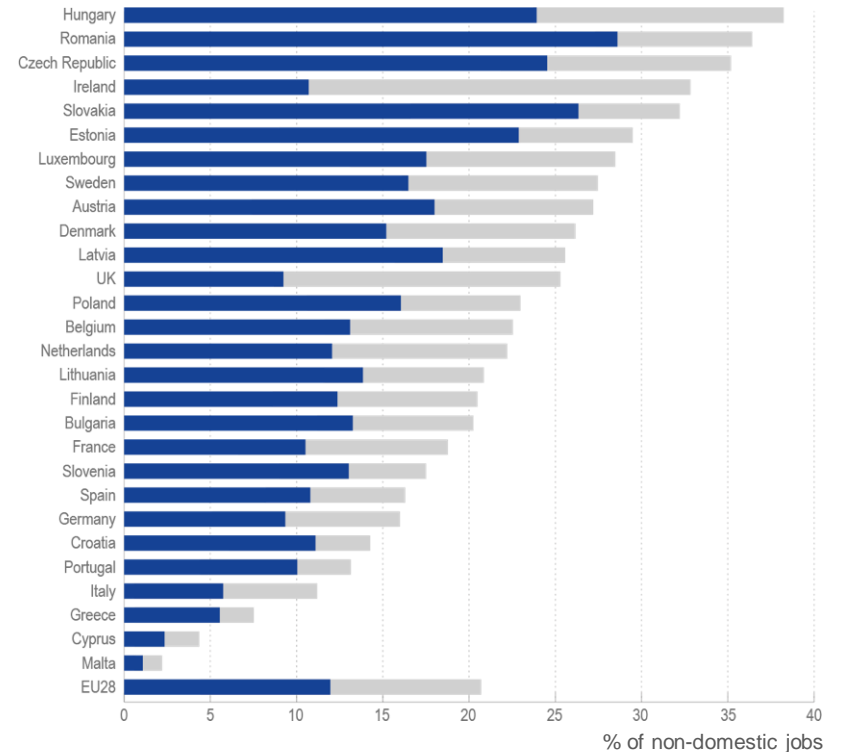
IP CONTRIBUTION

IPR CONTRIBUTION TO JOB CREATION

Job creation can be considered another positive IPR contribution to the European Union.

- Jobs created by IPR-intensive industries from other EU countries
- Jobs created by IPR-intensive industries from non-EU countries

Jobs created in EU Member States by foreign companies (IPR-intensive industries)



IP CONTRIBUTION

COMPARISON WITH THE USA

Comparing the results for the EU with those of the **updated USA study*** reveals that the contributions of IPR-intensive industries are similar.

*undertaken by the US Patent and Trademark Office and Economics and Statistics Administration (Sept 2016)

 employment

 GDP

 remuneration

 Europe

 USA



28%



18%

42%



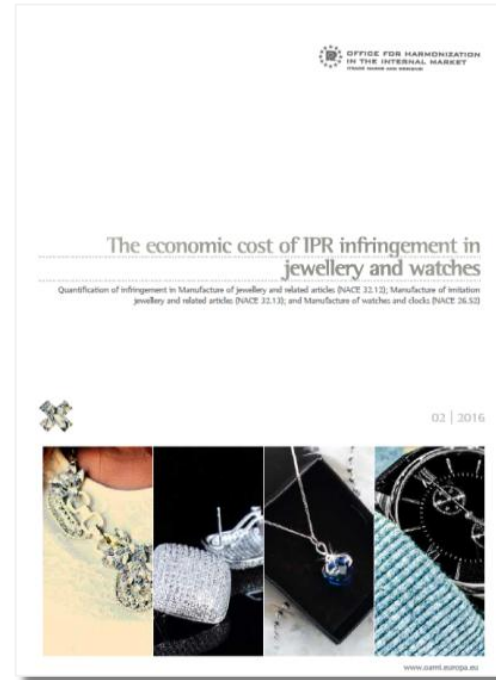
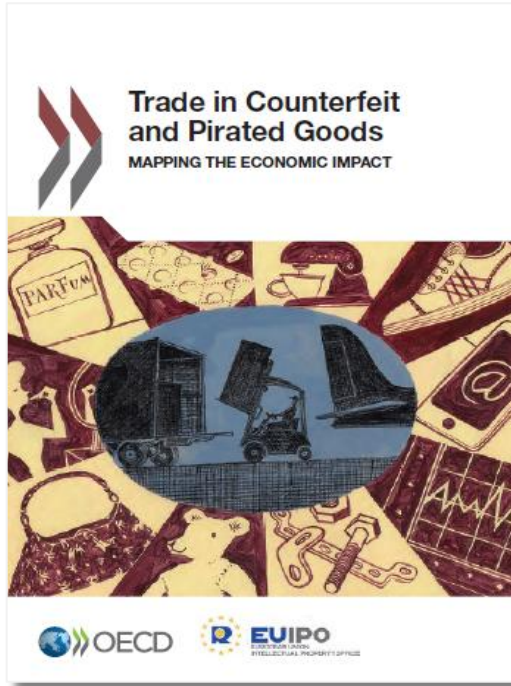
38%

46%



46%

INFRINGEMENT QUANTIFICATION



INFRINGEMENT QUANTIFICATION

➤ TRADE IN COUNTERFEIT AND PIRATED GOODS

Key results

Worldwide

€338
billion

(USD 461bn)
Trade in fake goods

Corresponds to 2.5%
of global trade

EU

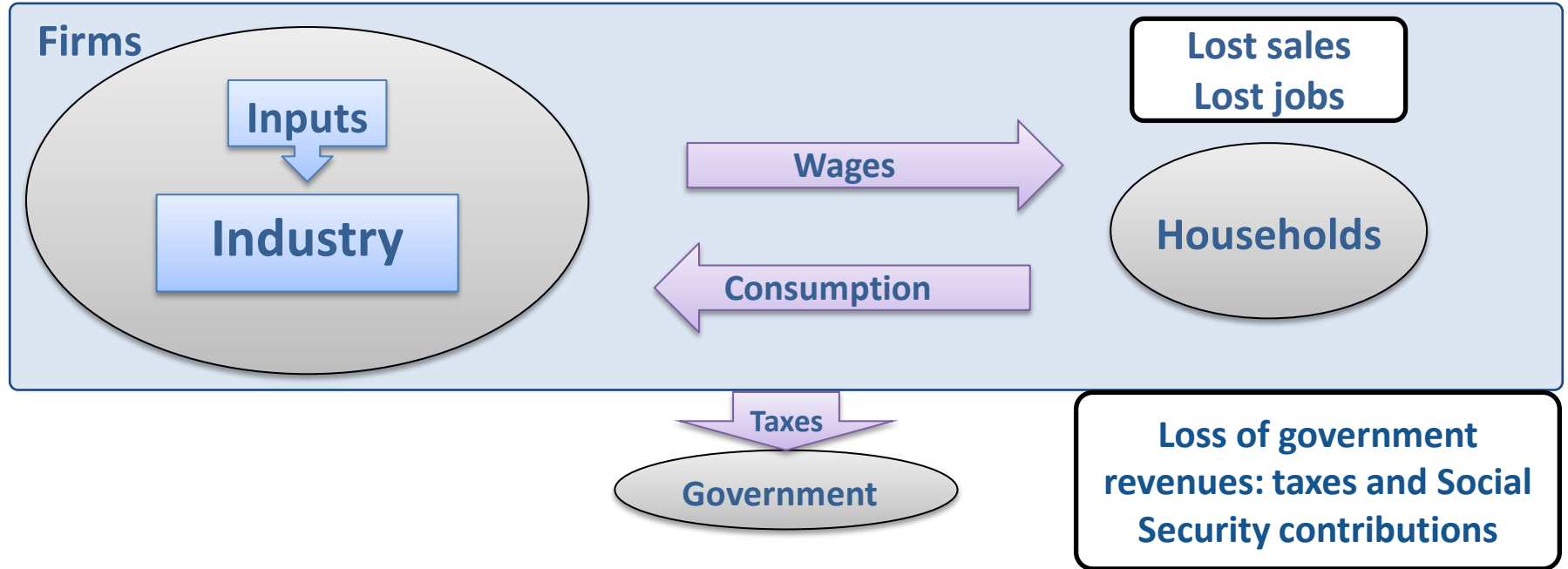
€85
billion

(USD 116bn)
of EU imports

Corresponds to 5%
of total EU imports

INFRINGEMENT QUANTIFICATION

➤ SECTORIAL STUDIES: IMPACT OF COUNTERFEITS AND PIRACY ON THE ECONOMY



Other costs: excise taxes and other revenue, costs of enforcement, administration, awareness campaigns, health and safety consequences...

INFRINGEMENT QUANTIFICATION

➤ SECTORIAL STUDIES



1st study - Cosmetics and personal care sector



2nd study - Clothing, footwear and accessories sector



3rd study - Sports goods sector



4th study - Toys and games sector



5th study - Jewellery and watches sector



6th study - Handbags and luggage sector



7th study - Recorded music industry



8th study - Spirits and wine sector



9th study - Pharmaceutical sector



10th study - Pesticides sector

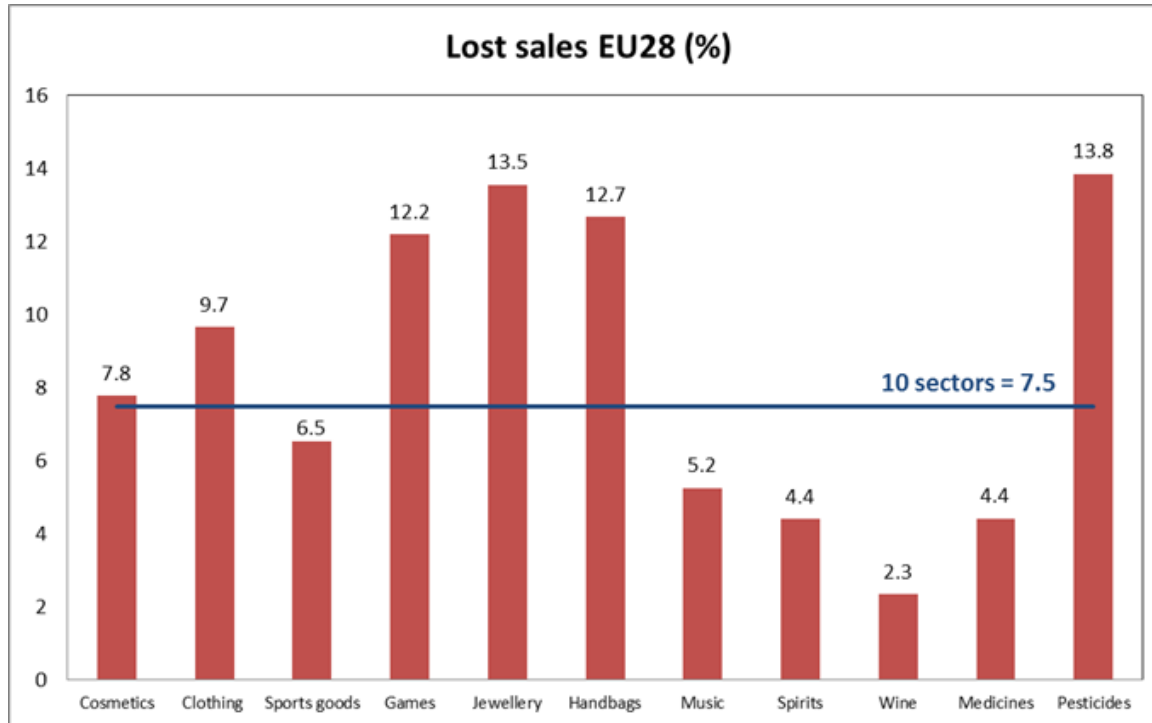
Total sales lost in the EU: **€86.1 billion**

Total jobs lost in the EU: **800,000 jobs**

Government revenues lost: **€14.6 billion**

INFRINGEMENT QUANTIFICATION

➤ **SECTORIAL STUDIES: LOSSES DUE TO COUNTERFEITING**



Direct effects:

Lost sales: €49.4 billion

Lost jobs: 496 000

Total effects:

Lost sales: €86.1 billion

Lost jobs: 798 400

Lost taxes: €14.6 billion

INFRINGEMENT QUANTIFICATION

➤ **SECTORIAL STUDIES: RECORDED MUSIC INDUSTRY**

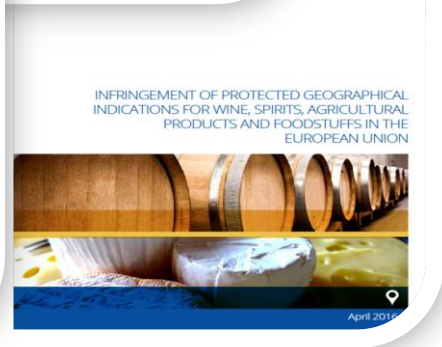
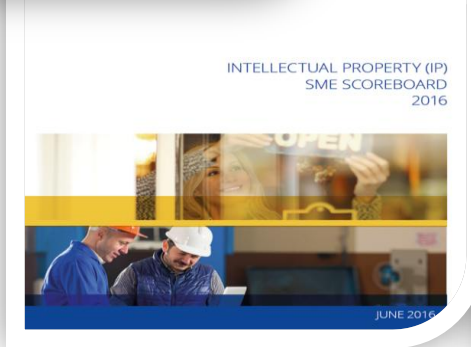
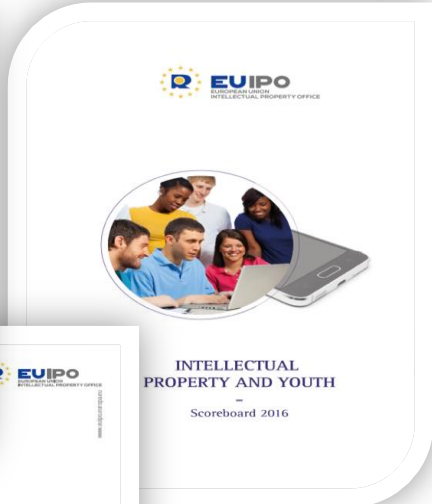
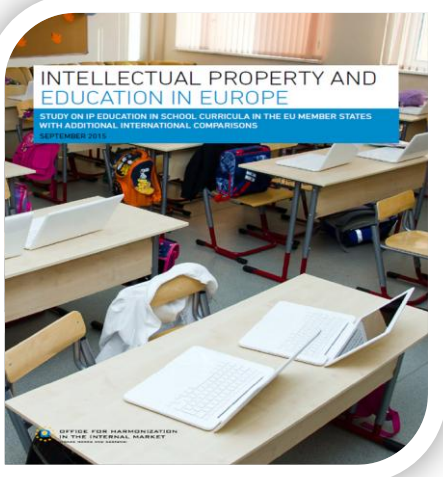
Total sales lost: **€336 million**

Total jobs lost: **2,155 jobs**

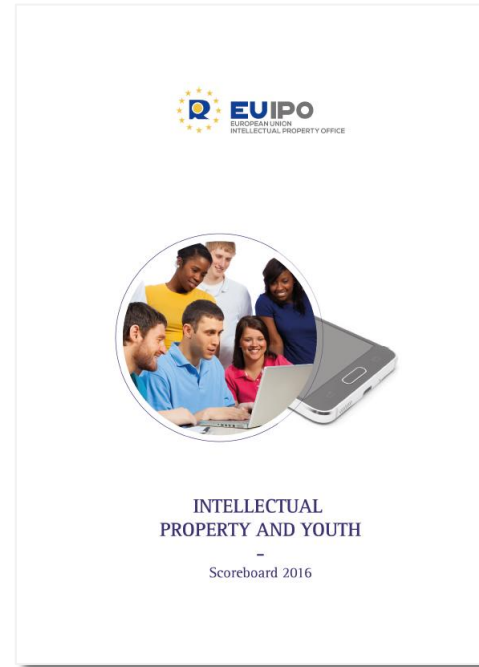
Government revenues lost: **€63 million**



OTHER STUDIES



EUROPEANS AND IP



EUROPEANS AND IP

➤ IP PERCEPTION STUDY (2017): KEY FINDINGS (Pt. 1)

- **Europeans understand IP value and want to pay for it, but acknowledge that IP principles are not adapted to the Internet**
- 97% of respondents confirm that it is important that inventors, creators and performing artists can protect their rights and be paid for their work.
- 83% of respondents said they prefer to access digital content through legal or authorised services whenever there is an affordable option available.
- The report confirms that when there is a legal offer, citizens accept to pay for it.

EUROPEANS AND IP

➤ IP PERCEPTION STUDY (2017): KEY FINDINGS (Pt. 2)

- Among the 15-24 age group, 41% said they had paid to access content from legal sources (which is 8 percentage points higher than in 2013)
- The percentage of respondents who said that they knowingly accessed pirated content has not changed since 2013 (27% of 15-24 year olds and 10% of all respondents).
- 48% of respondents believe that IP principles are not adapted to the Internet

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The European online content portal

English



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FAQ

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Finally, a way to
identify legal content
online

Music/TV & Films/e-books/Video Games/Sports events



FAQ on Copyright

15 questions from consumers on copyright

Copyright, understood as authors' rights in most of continental Europe, grants a bundle of rights to authors of original works. Thanks to copyright, authors may control how others use their works, and receive remuneration from those uses. European jurisdictions also protect the interests of performers, producers and broadcasters. At least in authors' rights countries, such protection is granted by 'related rights', which are distinct from the rights granted to authors. The EU has [adopted several legal instruments in the field of copyright](#) ¹. Yet, unlike in other fields of intellectual property law, there is no 'single EU title' for copyright, and each of the 28 Member States has its own copyright law and policy.





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Thank you