

HIGHLIGHTS



The entertainment industries have led a worldwide campaign to ratchet up “anti-piracy” laws — but have they been effective in either reducing piracy or increasing revenue? Recently, there have been some very positive signs for those industries, while people have been signing up for popular authorized services. These two factors raise a serious question: is the success caused by the innovation or the legal changes?

Is it the carrot or the stick that is leading us into this new world?



In Sweden, the success of Spotify resulted in a major decline in the file sharing of music on websites like The Pirate Bay. A similar move was not seen in the file sharing of TV shows and movies... until Netflix opened its doors.



Traffic data from the UK’s 2013 blocking of 19 video filesharing sites suggests that the heaviest users are adept at circumventing such blocks. Despite millions spent on anti-piracy enforcement and education, research from Ipsos estimates that nearly 30% of the UK population is actively engaged in some form of infringement.

THE COST OF ENFORCEMENT:



£2.56m PIP CU Since 2013

£0.5m Creative Content UK

£3m PIP CU Until 2017

(Industry funding)

£3.5m Creative Content UK

£40m Voluntary Notifications

(Government funding)

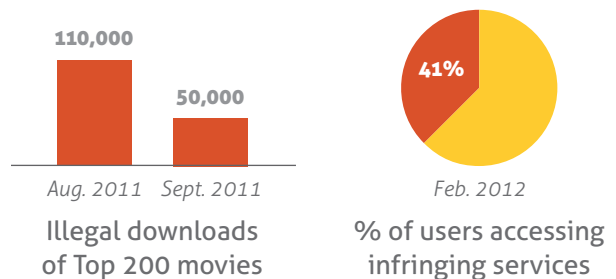
(Two Years, Estimated)



In response to rights holder complaints, the Korean government pressured popular music subscription service MelOn to double the price of subscriptions. Since the mandated increase, online music sites have seen a drop in the number of subscriptions as consumers move back to unauthorized means of access.



New Zealand passed the Copyright (Infringing File Sharing) Amendments Act, also known as “Skynet.” After enactment, there was a short-lived drop in illegal downloads over a two-month period (Aug.-Sept. 2011), but after that activity returned to previous levels.



Strict criminal penalties in Japan for copyright infringement, enacted in 2012, didn’t prevent a steep 17% decline in CD sales, nor spur rapid adoption of streaming music services. Streaming services are starting to catch on in Japan, but only as their selection and convenience have improved significantly.



French culture minister Aurélie Filippetti expressed that HADOPI enforcement was too expensive and “failed in its mission to develop legal alternatives.” The French government spent over 12 million euros annually and employed 60 agents to enforce the legislation.