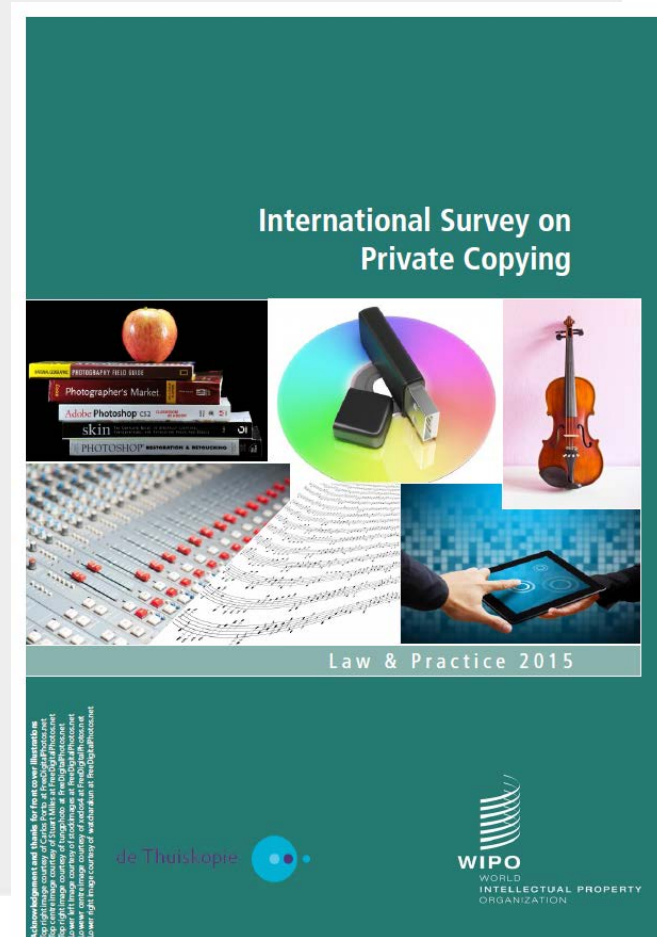


International Survey on Private Copying WIPO – Thuiskopie

Joost Poort ◦ International Conference on Private Copying
Amsterdam ◦ 23 June 2016

International Survey on Private Copying - Background

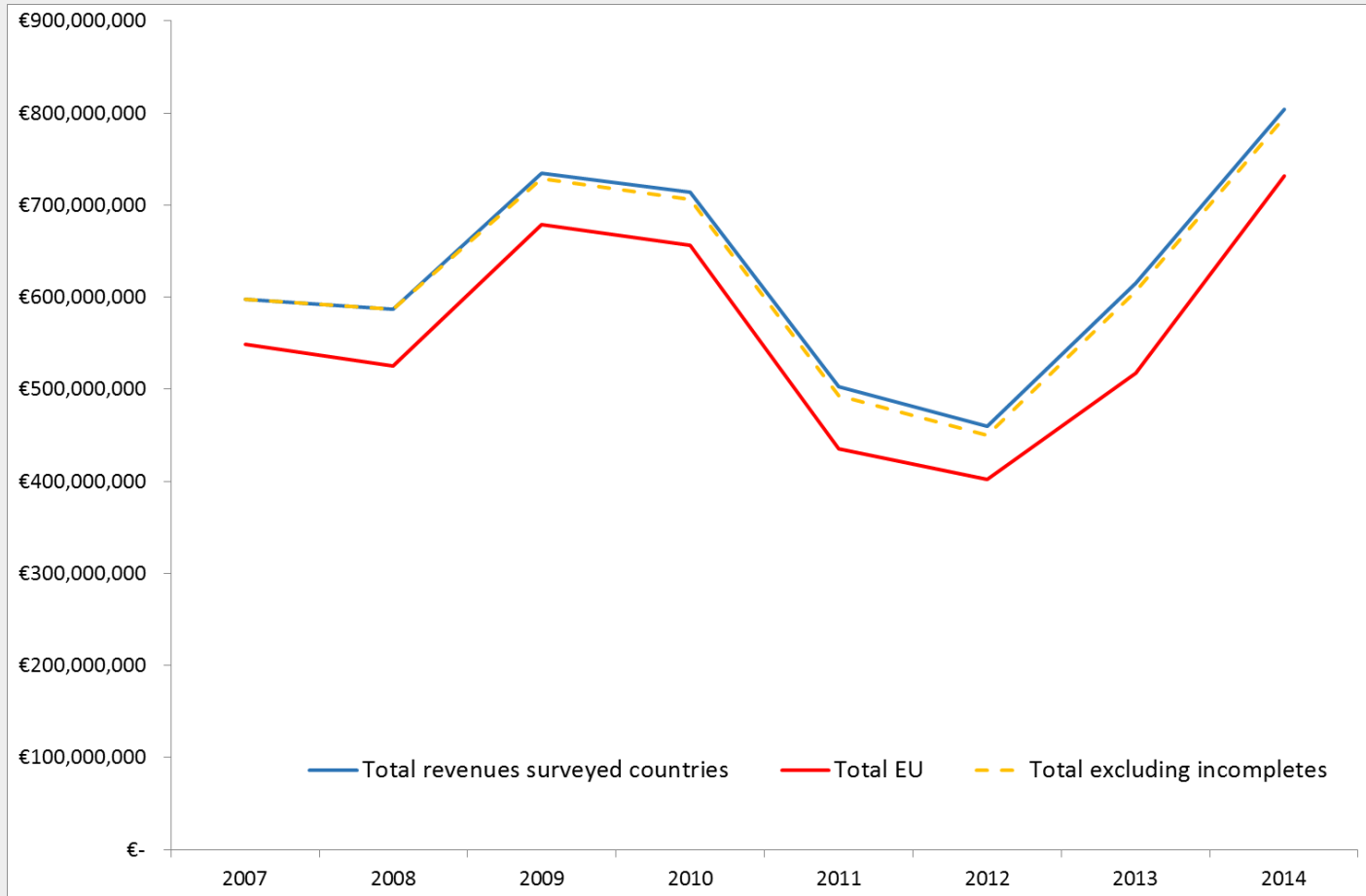
- Joint project WIPO and *Stichting de ThuisKopie*
- 24th Edition (2015)
- 32 country fact sheets provided and checked by country representatives
- Revenue data for 30 countries spanning years 2007 – 2014
- Tariff & legal developments up to October 2015
- Revenue data supplemented with country data obtained from World Bank and OECD



International Survey on Private Copying - Highlights

- Levies most common in EU:
 - 22 out of 28 member states provided information
 - EU accounts for \pm 90% of total revenues in global sample
- Levy systems differ widely in their structure and tariffs, even within EU, and remain heavily disputed:
 - Many cases at national courts
 - 10 rulings by CJEU (when including Reprobel & Austro-Mechana)
 - Nokia Italia/SIAE case pending
 - Law-making by CJEU for want of revised copyright framework
- As a result: revenues very volatile, not only by country but also in total
- No indications for convergence in terms of revenue per capita or tariffs
- Despite streaming and cloud storage, revenues from levies are by no means running dry: 2014 marks an all time high at € 804 million

Total revenues



Practical implementation

- Importers & manufacturers most often liable for payment and presumed to pass on levy → issue of visibility of levy in sales price
- Levy setting models:
 - Direct state intervention
 - Negotiation between industries & societies
 - Set by government after negotiations in gov't-appointed body
 - State funded: Norway, Spain, Finland → compatible with EGEDA?
- Exemptions and/or refunds for professional use → no mutualisation allowed since Padawan
- No levies on illegal copies (ACI-Adam), levies on licensed copies (VG Wort, Copydan), cloud copies?
- Levies on blank media and increasingly on equipment
- Percentage tariffs (0.05~8%) or fixed tariffs (€ 0.02~ € 45)

Fixed tariffs 2015

(importers' & manufacturers' version)

	Austria	Belgium	Canada	Croatia	Denmark	France	Germany	Hungary	Italy	Netherlands	Portugal	Sweden	Switzerland	Average
CD (700 MB)	0.24	0.12	0.21	0.01	0.31	0.35	0.06	0.14	0.10	0.02	0.05	0.06	0.10	0.14
DVD (4.7 GB)	0.36	0.40	0.00	0.02	0.50	0.90	0.27	0.24	0.20	0.02	0.10	0.28	0.30	0.28
External HDD (1 TB)	15.00	6.75	0.00	0.39	0.00	20.00	17.00	6.68	10.00	0.70	4.00	8.56	0.00	6.85
MP3 Player (8 GB)	6.00	2.50	0.00	1.83	0.00	12.00	5.00	13.20	6.44	1.40	1.60	3.00	4.46	4.42
PC (500 GB)	12.00	0.00	0.00	0.78	0.00	0.00	13.19	0.00	5.20	3.50	2.00	8.56	0.00	3.48
Settopbox (500 GB)	20.00	10.75	0.00	5.22	0.00	45.00	34.00	19.00	14.81	3.50	8.00	34.24	37.20	17.82
Smartphone (16 GB)	18.00	2.50	0.00	1.31	0.00	8.00	36.00	10.13	4.00	3.50	1.92	0.00	1.23	6.66
Tablet (16 GB)	12.00	2.50	0.00	1.31	0.00	8.40	15.19	10.13	4.00	3.50	1.92	1.71	2.30	4.84

Fixed tariffs 2015

(rightsholders' & collecting societies' version)

	Austria	Belgium	Canada	Croatia	Denmark	France	Germany	Hungary	Italy	Netherlands	Portugal	Sweden	Switzerland	Average
CD (700 MB)	0.24	0.12	0.21	0.01	0.31	0.35	0.06	0.14	0.10	0.02	0.05	0.06	0.10	0.14
DVD (4.7 GB)	0.36	0.40	0.00	0.02	0.50	0.90	0.27	0.24	0.20	0.02	0.10	0.28	0.30	0.28
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Fixed tariffs: hypothetical examples

Media consumption

Annual household consumption	Hipster urban family of two adults and two teenagers	Empty nesters
CD	0	10
DVD	0	5
External HDD	0.33	0
MP3 Player	0	0.25
PC/laptop	1	0.33
Settopbox	0.33	0.2
Smartphone	2	0.5
Tablet	0.5	0.2

Fixed tariffs: hypothetical examples

Annual levies per person

	Austria	Belgium	Canada	Croatia	Denmark	France	Germany
Hipster urban family	€ 16.39	€ 3.01	€ -	€ 1.48	€ -	€ 10.41	€ 27.40
Empty nesters	€ 12.53	€ 3.86	€ 1.05	€ 1.44	€ 2.80	€ 12.84	€ 17.71
	Hungary	Italy	Netherlands	Portugal	Sweden	Switzerland	
Hipster urban family	€ 8.45	€ 5.85	€ 3.41	€ 2.69	€ 5.88	€ 3.97	
Empty nesters	€ 8.40	€ 5.54	€ 2.48	€ 2.50	€ 6.38	€ 6.04	

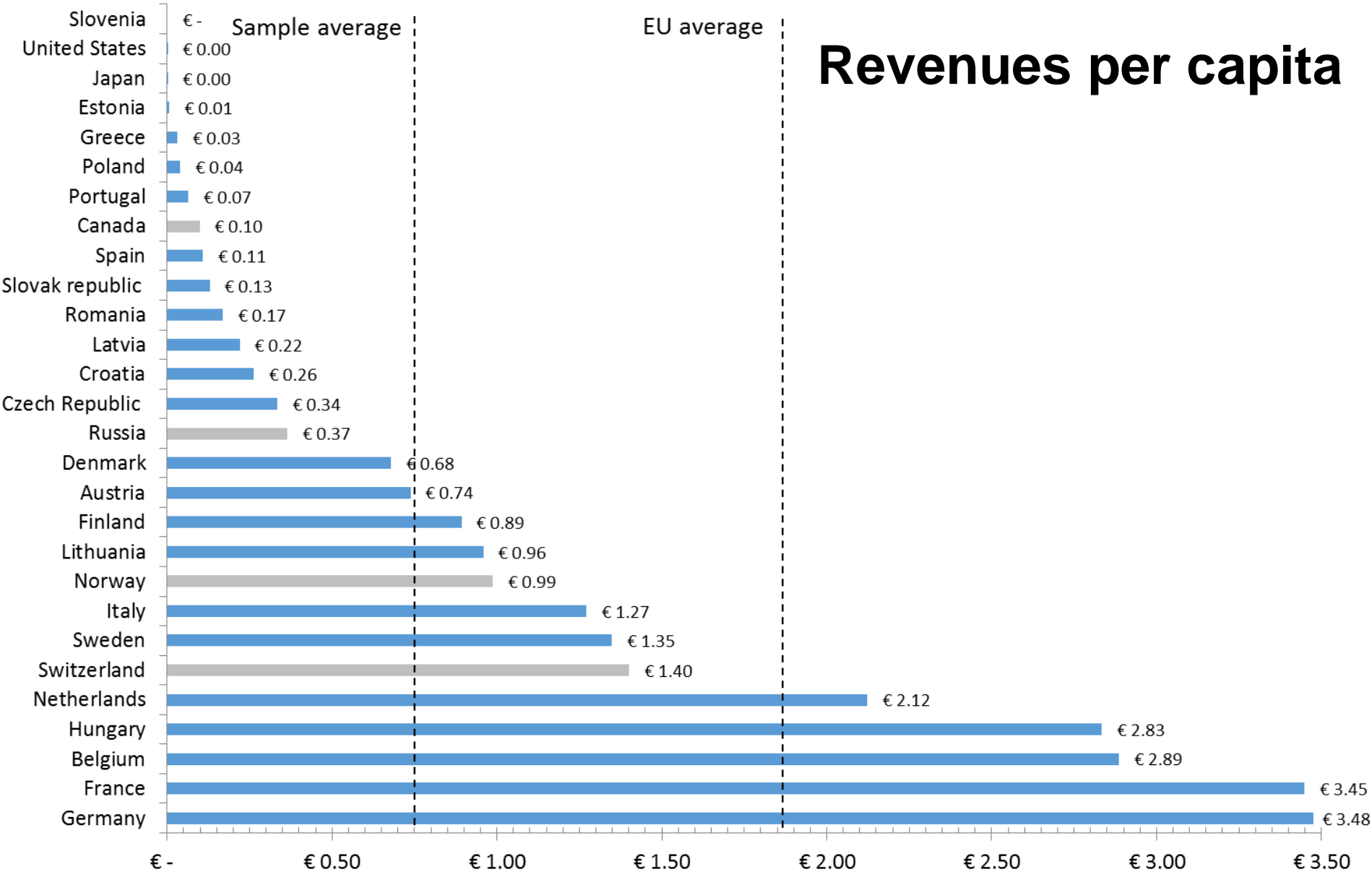
Fixed tariffs: hypothetical examples

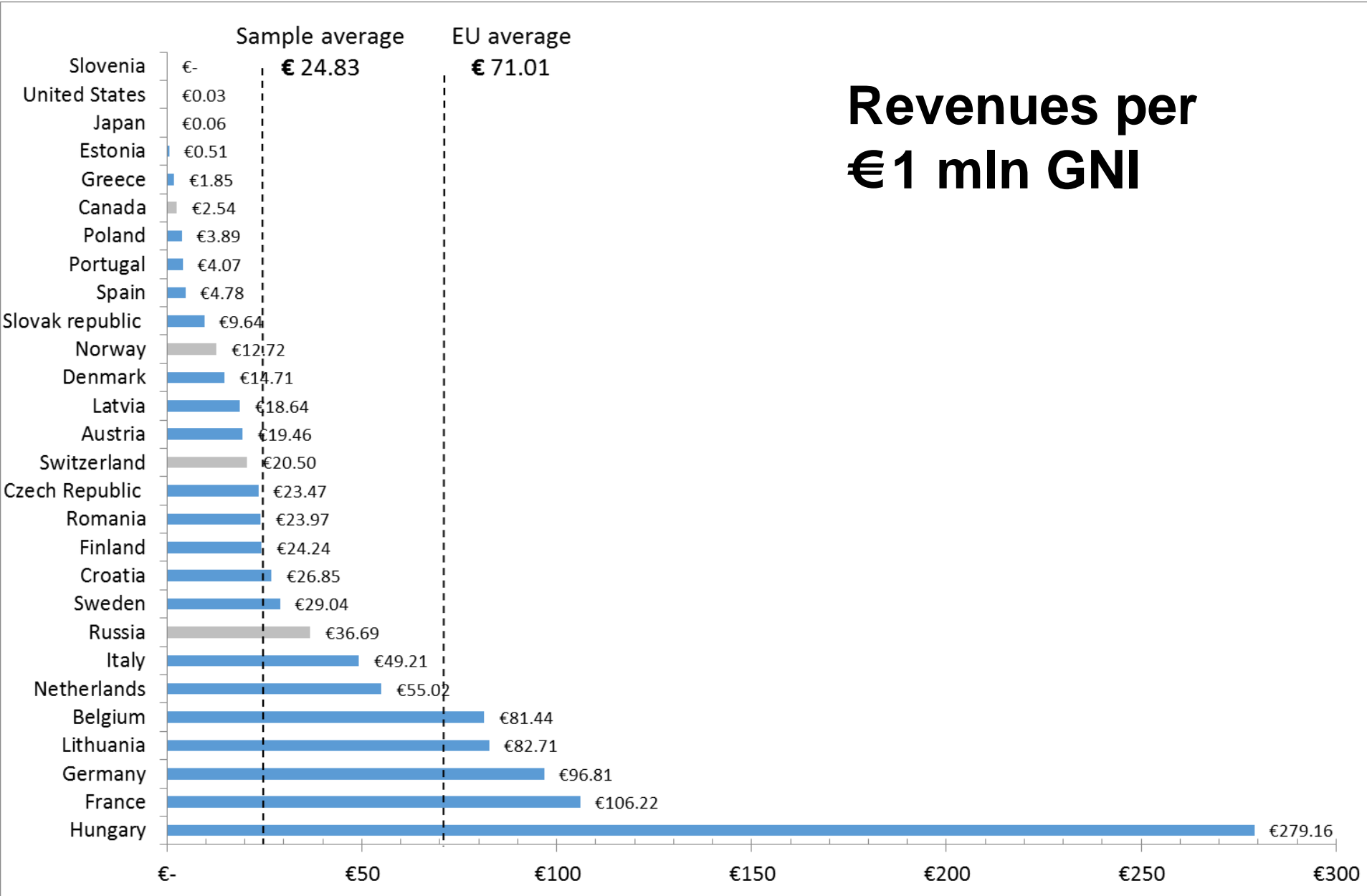
Some conclusions

- Lowest levies in Canada Croatia & Denmark, in particular for hipsters
- Highest levies in Germany & Austria, in particular for hipsters
- In Austria, Germany and the Netherlands, hipsters pay considerably more
- In Croatia, Hungary, Italy, Portugal & Sweden both groups pay roughly the same per person (< 10% difference)
- In Belgium, Canada, Denmark, France & Switzerland, more traditional consumers pay considerably more



Revenues per capita





Revenues per capita

Some observations

- Revenues per capita highest in Germany, France, Belgium and Hungary
- No country with state-funded system in top-ten
- Correlation between revenues per capita and income per capita:
 - 0.34 for total sample or 0.57 within EU
- Some correlations with:
 - Number of internet users (0.30 / 0.42)
 - Payments and receipts from IP (0.31 / 0.33)
 - Household expenditure on audio-visual, photographic and information processing equipment (0.06 / 0.39): EU average 0.9% of expenditure

Revenues per capita

Simple regression model (N = 28; R² = 0.49)

Dependent variable: revenues per capita in 2014

Explanatory variable	Coefficient	Std. Error	Prob.
Constant	-1.03	0.90	0.27
GNI/CAP (x € 1000 PPP)	0.06	0.02	0.01
EU Member	1.21	0.46	0.02
MODEL="Negotiation"	-0.42	0.52	0.42
MODEL="State funded"	-1.22	0.69	0.09
MODEL="State set"	-1.03	0.39	0.01

(MODEL="State after negotiation" reference)

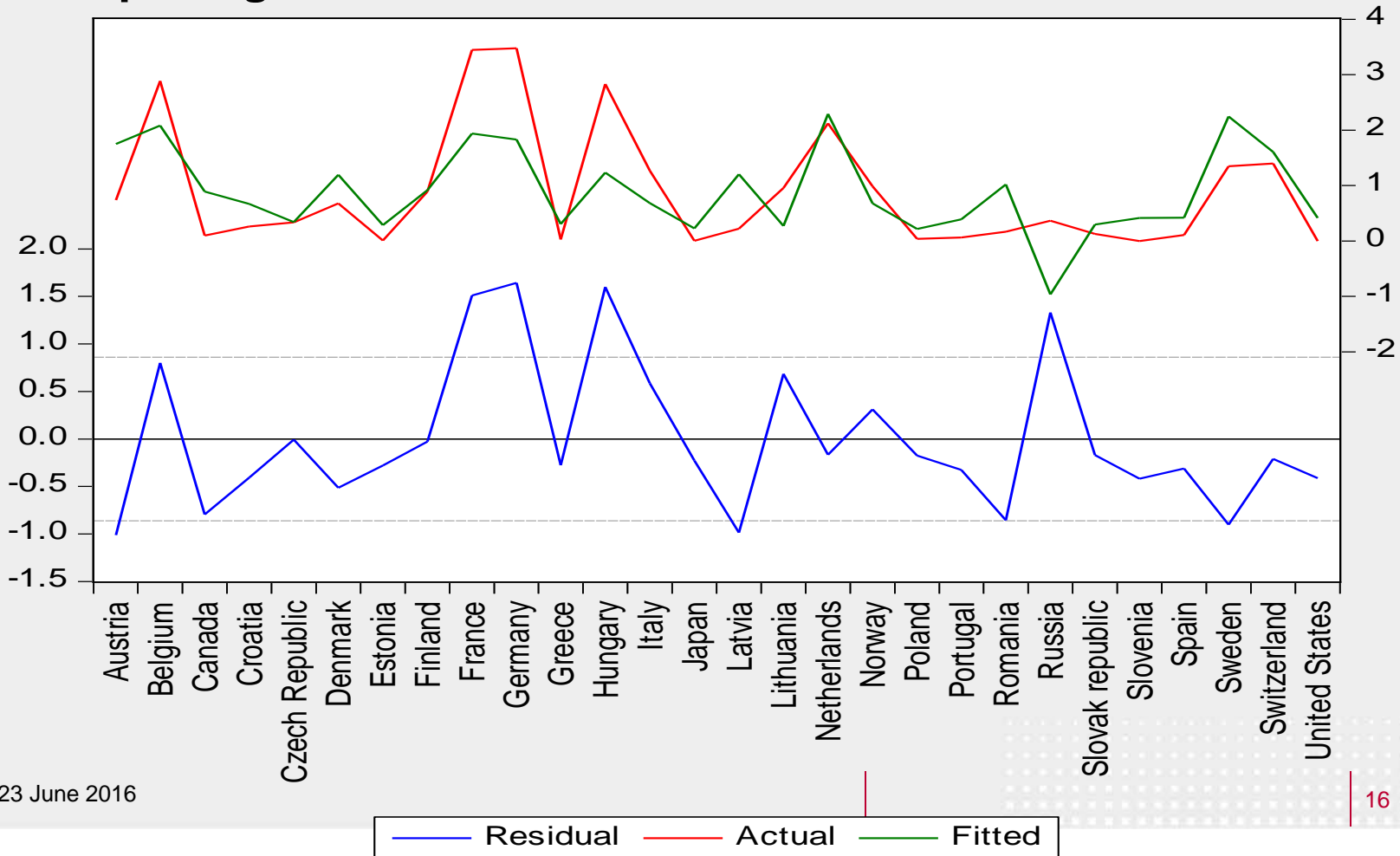
Revenues per capita

Simple regression model

- Variation in revenues per capita 49% explained by:
 - + Income per capita
 - + EU membership
 - State-set or state funded model (less robust for previous years)
- Internet usage, receipts from IP and expenditure on equipment provide no additional explanatory power
- France, Germany, Hungary, Belgium and Russia and have largest 'unexplained' revenues; Austria & Latvia smallest

Revenues per capita

Simple regression model - residuals



General conclusions

- Many legal disputes over private copying levies, in particular in the EU
- Global revenues from levies are highly volatile but reached an all time high of € 804 million in 2014
- EU account for ~90% of global levies
- Average 2014 revenue per capita € 0.75 in sample and € 1.87 in EU
- Germany, France, Belgium and Hungary have highest revenues per capita
- In particular in the EU, revenues per capita correlate with per capita income (& internet usage, receipts from IP and expenditure on equipment)
- Substantial gap between actual revenues per capita and hypothetical examples



Thank you for you attention!

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