Discussion:

The Effect of Graduated Response Anti-Piracy Laws on Music Sales: Evidence from an Event Study in France

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Overview

• One of the rare important paper that evaluates the effectiveness of anti-piracy policy, HADOPI

• Interesting analysis: Analyzes how the HADOPI, graduate response law in France affected music sales on the iTunes

• Results: Increased consumer awareness of HADOPI increased iTunes music sales by 22-25% relative to changes in the control group
Digital Contents Protection

Internet Piracy

Legislation
- While illegal under U.S. law, piracy continues due to enforcement Challenges

Technology
- Removal
- Decoying
- Interdiction
- Spoofing

DRM
- Every DRM technology to date has failed
- DRM formats are not adopted by consumers

Education/social norms
- Limited impact
- Piracy is “cool”

Litigation
- Efforts failing in the fight against Internet piracy
  - P2P
  - ISPs
  - Individuals
Graduated Response: HADOPI

- Graduated response is not a new enforcement mechanism e.g.) University campuses: Copysense tool by AudibleMagic, ISPs warn and sanction Internet subscribers (Meyer, 2012)
- Adoption of legislation endorsing graduated response is a fairly recent phenomenon.
  - Taiwan (July 2009)
  - South Korea (Korean Copyright Act, July 2009)
  - France (HADOPI law, Oct. 2009)
  - United Kingdom (Digital Economy Act, June 2010)
  - New Zealand (Copyright Amendment Act, April, 2011)
iTunes **Single Track Unit Sales**

**March 30: Treatment date**
- National Assembly amends, supports, and then rejects Hadopi Bill
- Constitutional Council rejects Hadopi Bill
- Constitutional Council accepts amended Bill

**June 2010: Effect of UK Act**
- Hadopi begins first wave notices
- Digital Economy Act: UK
- Hadopi begins second wave notices

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*Graph showing sales trends and key events related to digital economy acts.*
iTunes Album Unit Sales
Some thoughts/Suggestions

- Google Trends may not well represent HADOPI awareness or effectiveness
- Relationship to the online “piracy” trends: Demand vs. supply
- Control group: Comparison with U.K. vs. Others
- Effect of the new adoption of new iPhone 3G and iPhone 4 in the period
- Digital sales trends in non-iTunes channel