

5th Annual FTC Microeconomics Conference

Nov. 16th 2012

Discussion:

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

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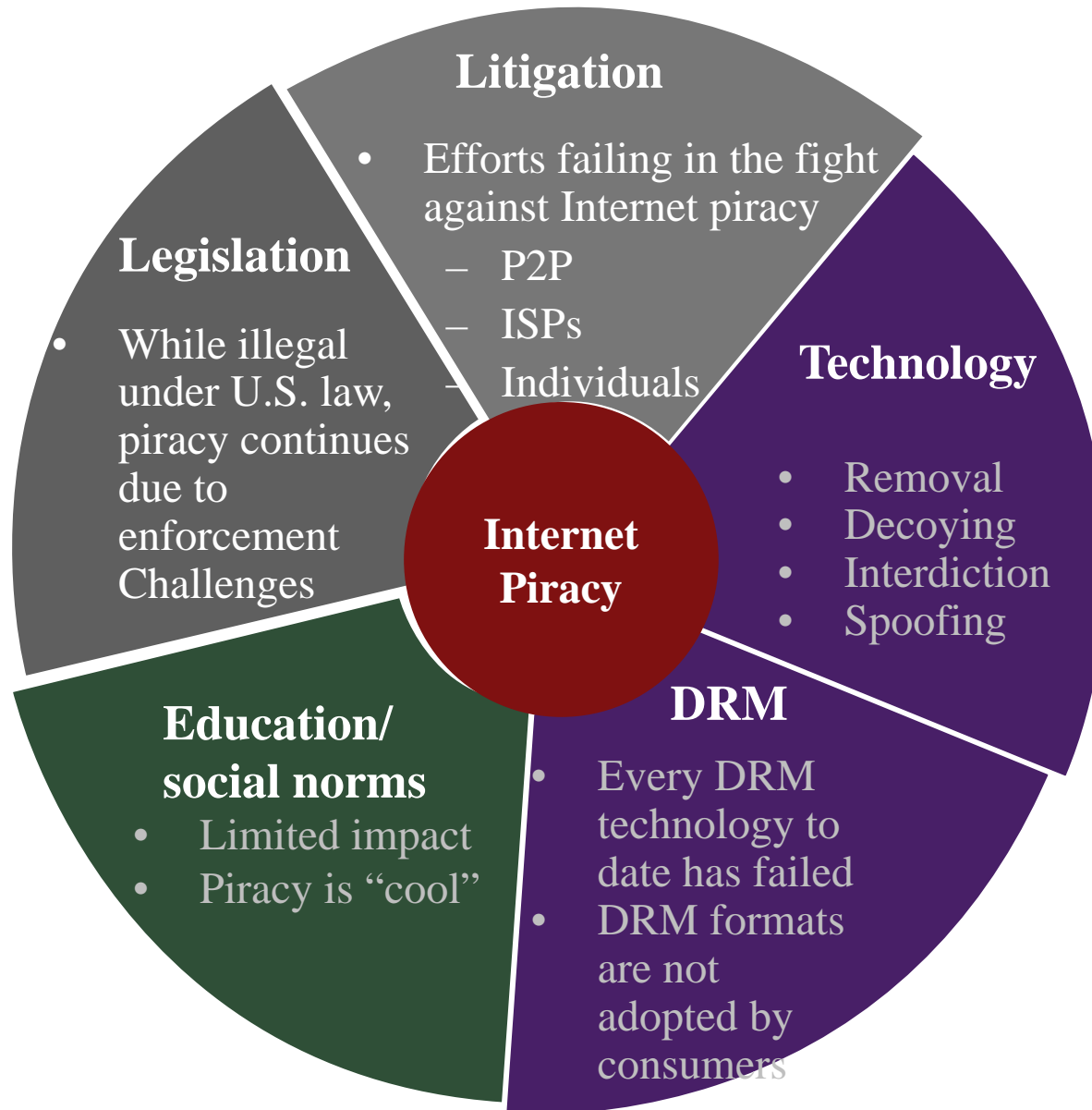
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Overview

- 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



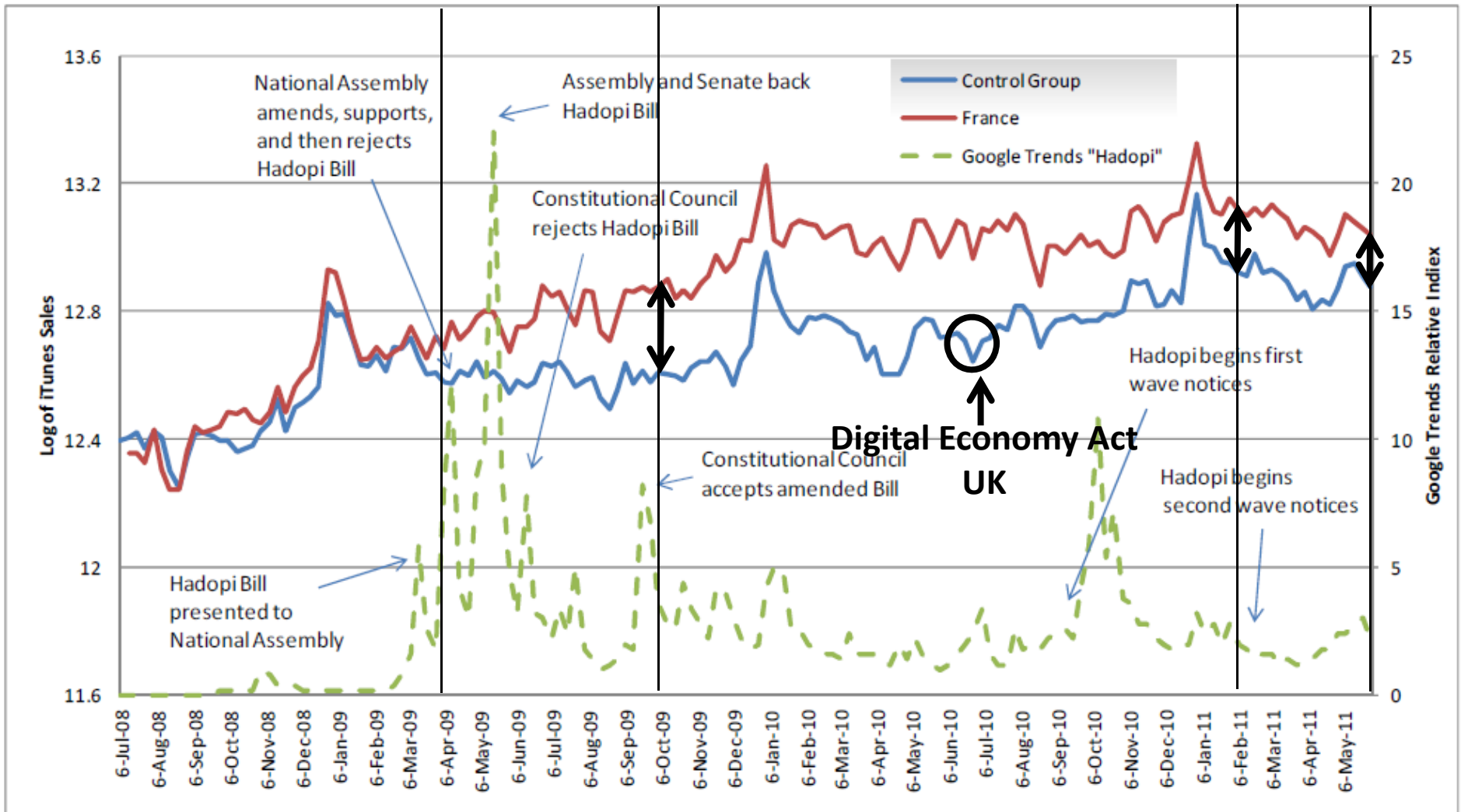
Graduated Response: HADOPI

- 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)

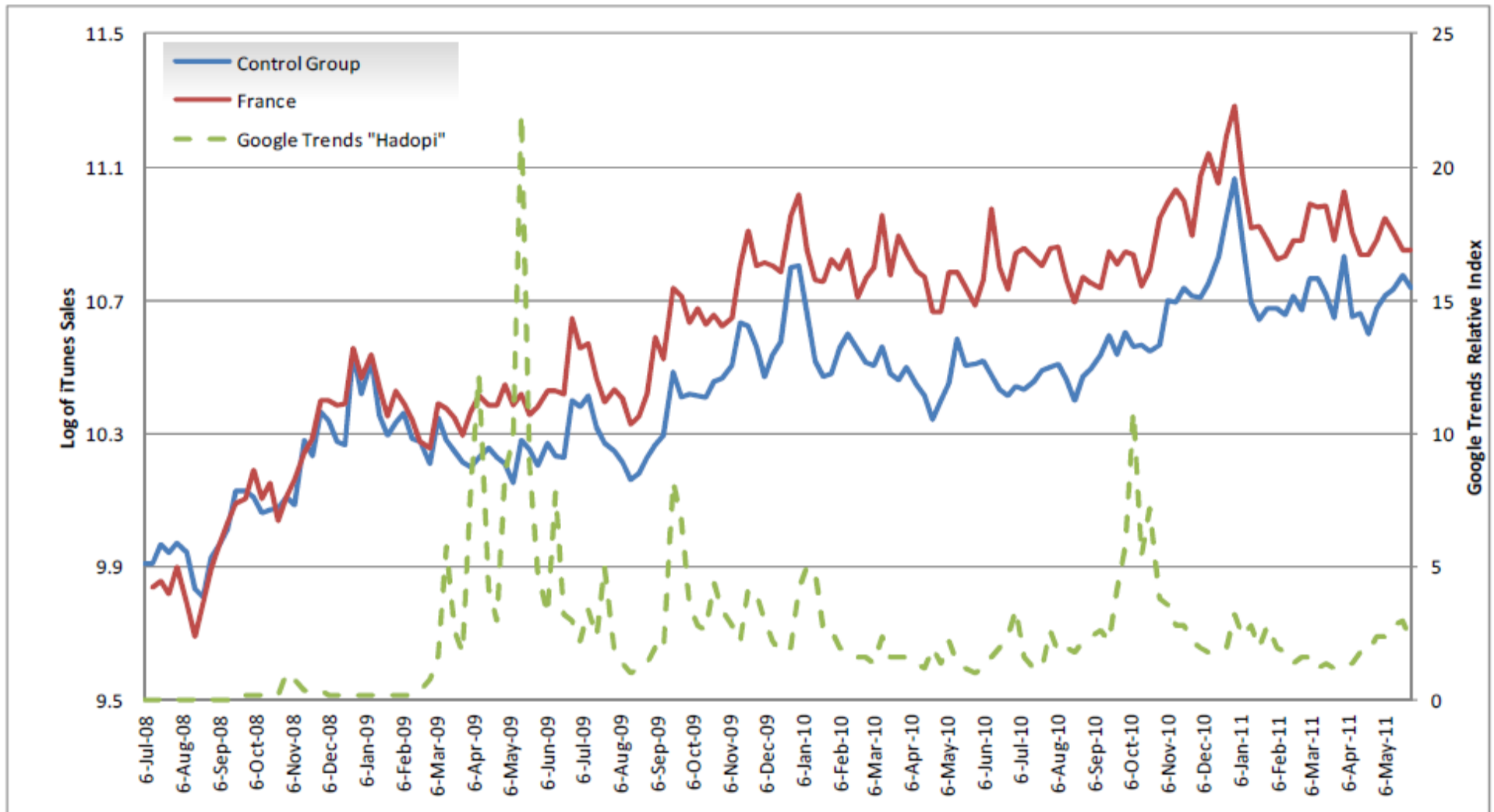
iTunes Single Track Unit Sales

March 30: Treatment date

June 2010: Effect of UK Act



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