

FINANCIAL ADVISORY SERVICES

IMPACT OF THE PRIVATE COPYING IN SPAIN

21 September 2017

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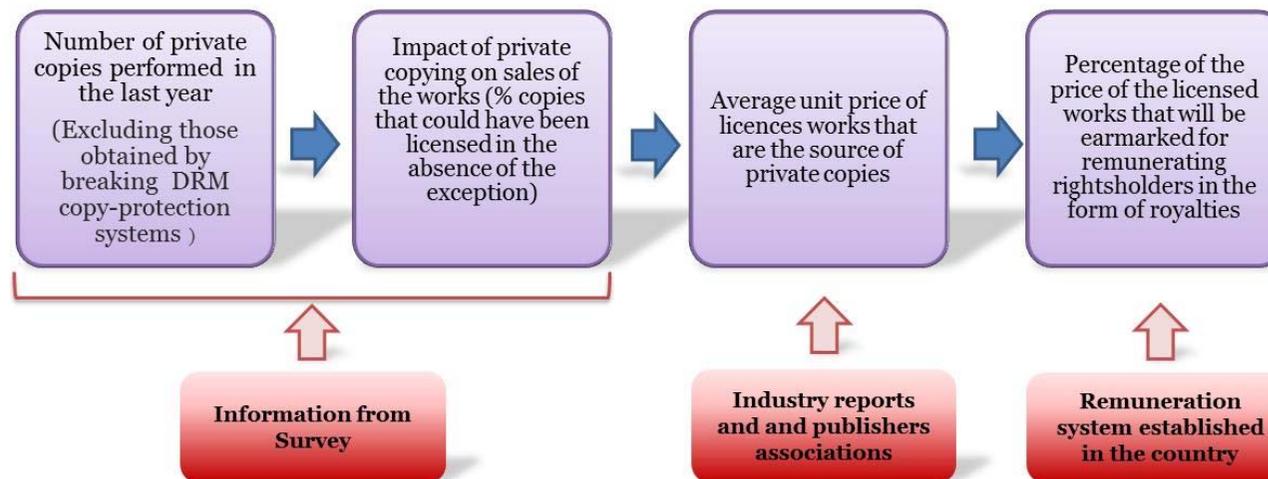
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1. METHODOLOGY

1. METHODOLOGY

In our study, we have considered the following works:

- Music works: copies of physical supports (basically, CD and DVD of musical contents), television recordings of musical contents and radio recordings;
- Audio-visual works: DVD containing films, series, documentaries, non-sport contents acquired from a legal source through a consideration and recordings of audio-visual works broadcasted in television of audio-visual content (films, series, documentaries...);
- Literary works: works photocopied or scanned from paper sources (books, magazines) in the literary, dramatic, essay, scientific or artistic fields, employed for private use, not for professional or commercial use. (we did not consider printed works as the downloads of works through the internet are expressly excluded by private copying exception regime in Spain; see next slide).



1. METHODOLOGY

In the survey, we have also obtained results of downloads of works through the internet, although these have not been considered when quantifying the harm since, in the case of Spain, the private copying exception regime expressly excludes reproduction of licensed works that are made available to the public by wire or wireless means in such a way that members of the public may access them from a place and at a time individually chosen by them (see art. 31.3.a TRLPI).

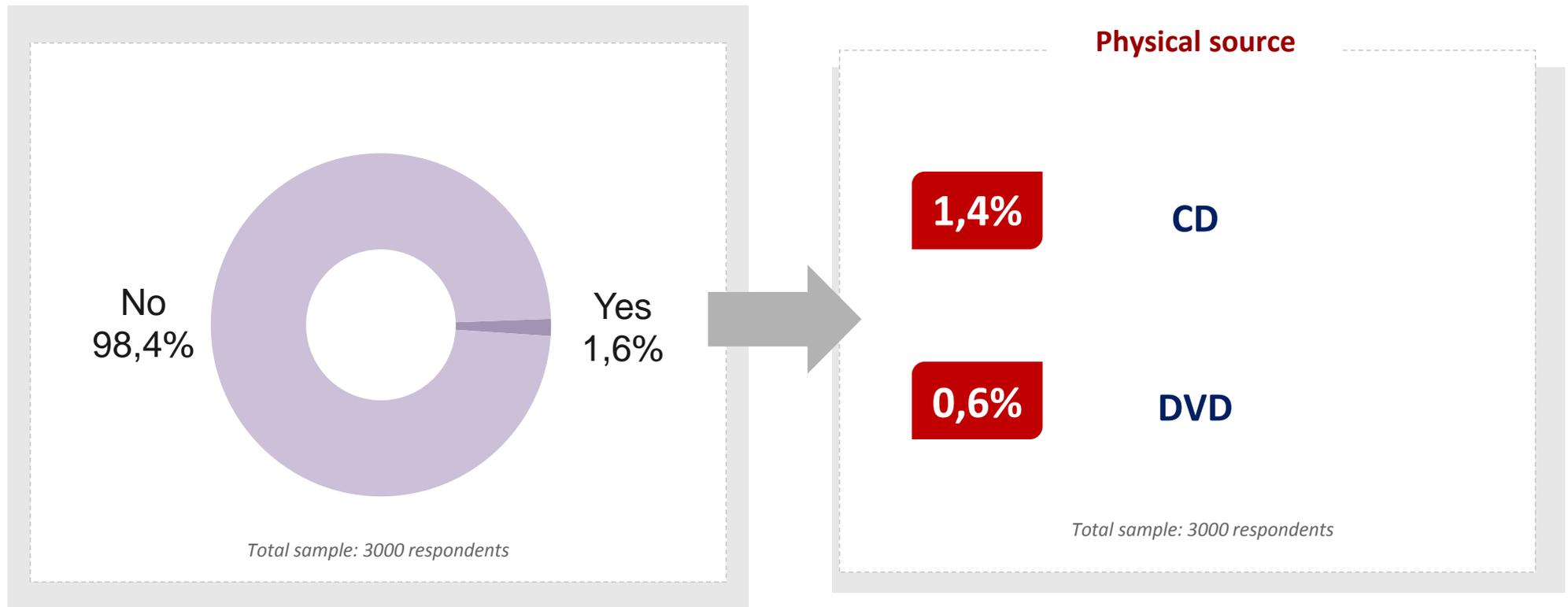
Taking as basis results obtained in the Survey, we have considered a series of factors in order to determine the Economic Harm caused by making private copies:

- The average number of copies made by respondents for each reproduction modality in the last 12 months;
- Considering that the survey has been made on a representative sample of the population in Spain, we have taken the population in the country from 16 to 80 years old on January 1, 2017, amounting to 37,440,897 persons, according to the National Institute of Statistics;
- The number of works that would have been sold if there was not a possibility to make private copies (substitution effect);
- The positive effect of the private copying on the sale of works;
- Average prices of sale of music works, audio-visual-works and books;
- Percentages of each work's price aimed to remunerate intellectual property rights.

2. MUSIC WORKS

2. MUSIC WORKS

2.1. RESPONDENTS WHO MADE PRIVATE COPIES OF ANY ORIGINAL MUSIC WORK* FROM PHYSICAL SOURCES IN THE LAST 12 MONTHS



Only 1,6% of the respondents made private copies from physical sources (CD, DVD) in the last 12 months.

* CD, vinyl records, DVD containing music works

2. MUSIC WORKS

2.2 AVERAGE NUMBER OF PRIVATE COPIES PER PERSON IN THE LAST 12 MONTHS (PHYSICAL SOURCES)

CD

Work	% in the sample ⁽¹⁾	Average number of copies ⁽²⁾	
Album	1,2%	5,13	35 cases
Song	1,1%	57,24	32 cases
Videoclip	0,3%	6,84	9 cases
Concert recording ⁽³⁾	0,3%	1,97	9 cases
Total Average in the last 12 months	1,4%	46,82	43 cases

Total sample: 3000 respondents

Based on the people who made copies

DVD

Work	% in the sample ⁽¹⁾	Average number of copies ⁽²⁾	
Musical show	0,5%	2,87	14 cases
Videoclip	0,2%	2,36	7 cases
Concert recording ⁽³⁾	0,4%	2,64	11 cases
Total Average in the last 12 months	0,6%	5,19	17 cases

Total sample: 3000 respondents

Based on the people who made copies

Private copies from any physical format

1,6%

Average number of copies in the last 12 months ⁽²⁾

43,59

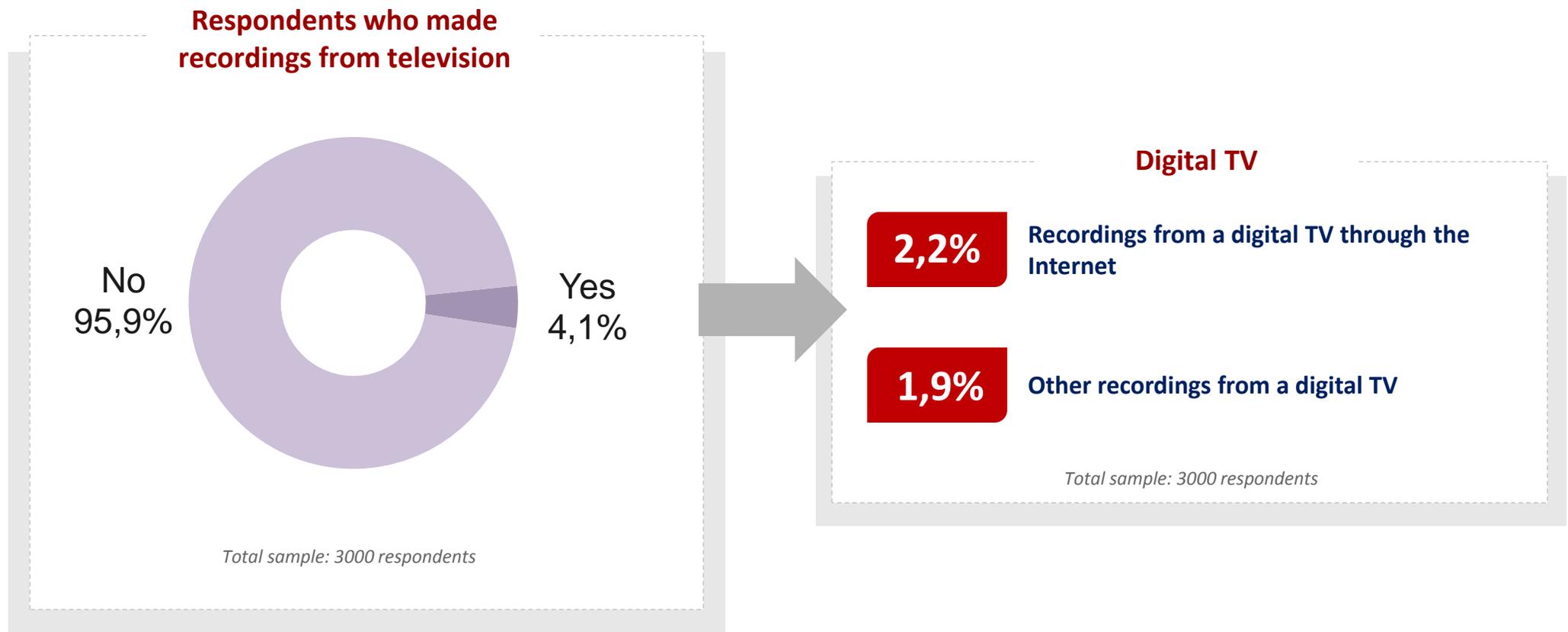
Based on the respondents who made copies : 48 cases

- (1) Total sample: 3000 respondents
- (2) Basis: respondents who made copies
- (3) Recorded in a CD/DVD

The average number of private copies in the last 12 months is 43,59 per person (please keep in mind that the respondents who made copies accounts for only 1,6% of the sample)

2. MUSIC WORKS

2.3. RECORDINGS FROM TELEVISION OF MUSIC WORKS IN THE LAST 12 MONTHS (CONCERTS, MUSIC VIDEOS, MUSICAL SHOWS)



4,1% of the respondents made recordings of music works from television in the last 12 months

2. MUSIC WORKS

2.4. AVERAGE NUMBER OF RECORDINGS OF MUSIC WORKS FROM TV PER PERSON IN THE LAST 12 MONTHS

Other recordings from a digital TV

Work	% in the sample ⁽¹⁾	Average number of copies ⁽²⁾	
Musical show	1,2%	5,38	36 cases
Videoclip	0,6%	12,05	19 cases
Live concert	1,0%	2,60	31 cases
Total Average in the last 12 months	1,6%	8,94	56 cases

Recordings from a digital TV through the Internet

Work	% in the sample ⁽¹⁾	Average number of copies ⁽²⁾	
Musical show	1,6%	4,55	47 cases
Videoclip	0,7%	8,84	20 cases
Live concert	1,7%	5,47	52 cases
Total Average in the last 12 months	2,2%	10,21	66 cases



Copies made by recording them in the hard drive of a TV set-top box or in the cloud

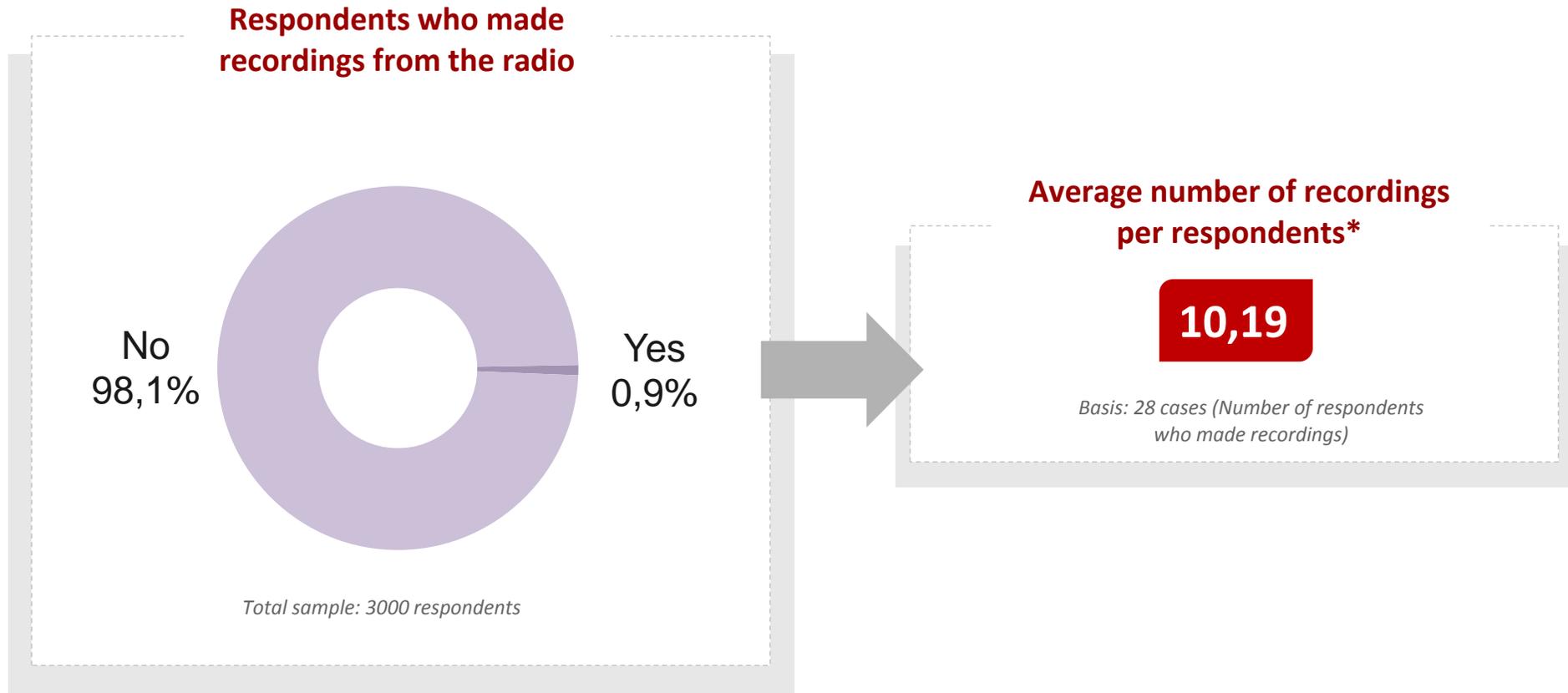
Work	% in the sample ⁽¹⁾	Average number of copies ⁽²⁾	
Musical show	1,5%	4,42	46 cases
Videoclip	0,6%	6,28	18 cases
Live concert	1,7%	5,45	51 cases
Total Average in the last 12 months	2,2%	9,03	66 cases

(1) Total sample: 3000 respondents

(2) People who made copies from digital TV through internet

2. MUSIC WORKS

2.5. RECORDINGS FROM THE RADIO IN THE LAST 12 MONTHS



2. MUSIC WORKS

2.6. SUBSTITUTION PERCENTAGE (% WORKS THAT WOULD HAVE BEEN SOLD IF THERE WAS NOT A POSSIBILITY TO MAKE PRIVATE COPIES)

Percentage of respondents who would acquired the work in the hypothetic case where it was not possible to make such copy

0,69%

Basis: total sample

Percentage of copied works that would have been acquired in the hypothetic case where it was not possible to make such copy

6,52%

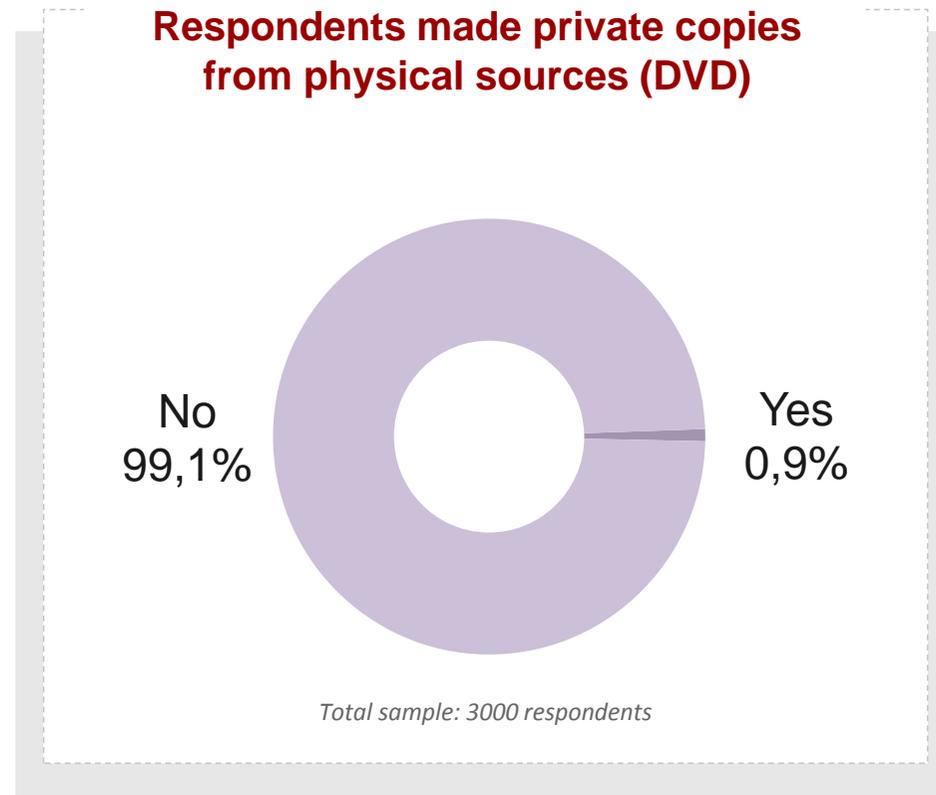
Basis: respondents who made private copies

3. AUDIO-VISUAL WORKS



3. AUDIO-VISUAL WORKS

3.1. RESPONDENTS WHO MADE PRIVATE COPIES OF ANY ORIGINAL AUDIO-VISUAL WORK FROM PHYSICAL SOURCES IN THE LAST 12 MONTHS



Only 0,9% of the respondents made private copies from physical sources (DVD) in the last 12 months.

3. AUDIO-VISUAL WORKS

3.2. AVERAGE NUMBER OF PRIVATE COPIES PER PERSON IN THE LAST 12 MONTHS (PHYSICAL SOURCES)

**Physical format
(DVD)**

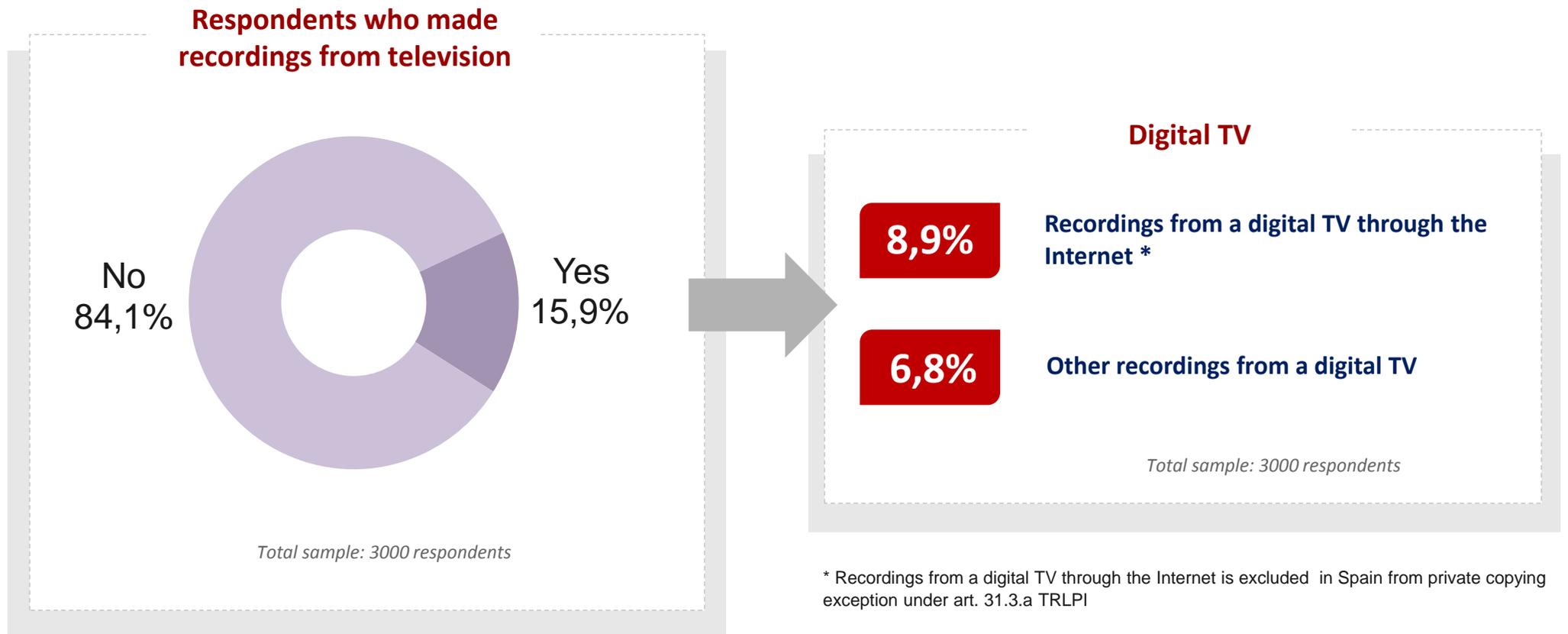
Work	% in the sample ⁽¹⁾	Average number of copies ⁽²⁾	
Films	0,9%	13,29	36 cases
Documentaries	0,4%	4,24	19 cases
Series ⁽³⁾	0,4%	110,0	31 cases
Total Average in the last 12 months	0,9%	60,62	56 cases

- (1) Total sample: 3000 respondents
(2) Based on the respondents who made copies
(3) Episodes

The average number of private copies in the last 12 months is 60,62 per person (please keep in mind that the respondents who made copies accounts for only 0,9% of the sample)

3. AUDIO-VISUAL WORKS

3.3. RECORDINGS FROM TELEVISION OF AUDIO-VISUAL WORKS IN THE LAST 12 MONTHS (FILMS, SERIES, DOCUMENTARIES...)



15,9% of the respondents made recordings of audio-visual works from television in the last 12 months

3. AUDIO-VISUAL WORKS

3.4. AVERAGE NUMBER OF RECORDINGS OF AUDIO-VISUAL WORKS FROM TV PER PERSON IN THE LAST 12 MONTHS

Other recordings from TV

Work	% in the sample ⁽¹⁾	Average number of copies ⁽²⁾	
Films	6,27%	28,78	188 cases
Documentaries	3,47%	12,69	104 cases
Series ⁽³⁾	4,77%	57,1	143 cases
Total Average in the last 12 months	6,8%	69,45	205 cases

- (1) Total sample: 3000 respondents
(2) People who made copies from digital TV not through internet
(3) Episodes

3. AUDIO-VISUAL WORKS

3.5. SUBSTITUTION PERCENTAGE (% WORKS THAT WOULD HAVE BEEN SOLD IF THERE WAS NOT A POSSIBILITY TO MAKE PRIVATE COPIES)

Percentage of respondents who would acquired the work in the hypothetic case where it was not possible to make such copy

0,55%

Basis: total sample

Percentage of copied works that would have been acquired in the hypothetic case where it was not possible to make such copy

4,60%

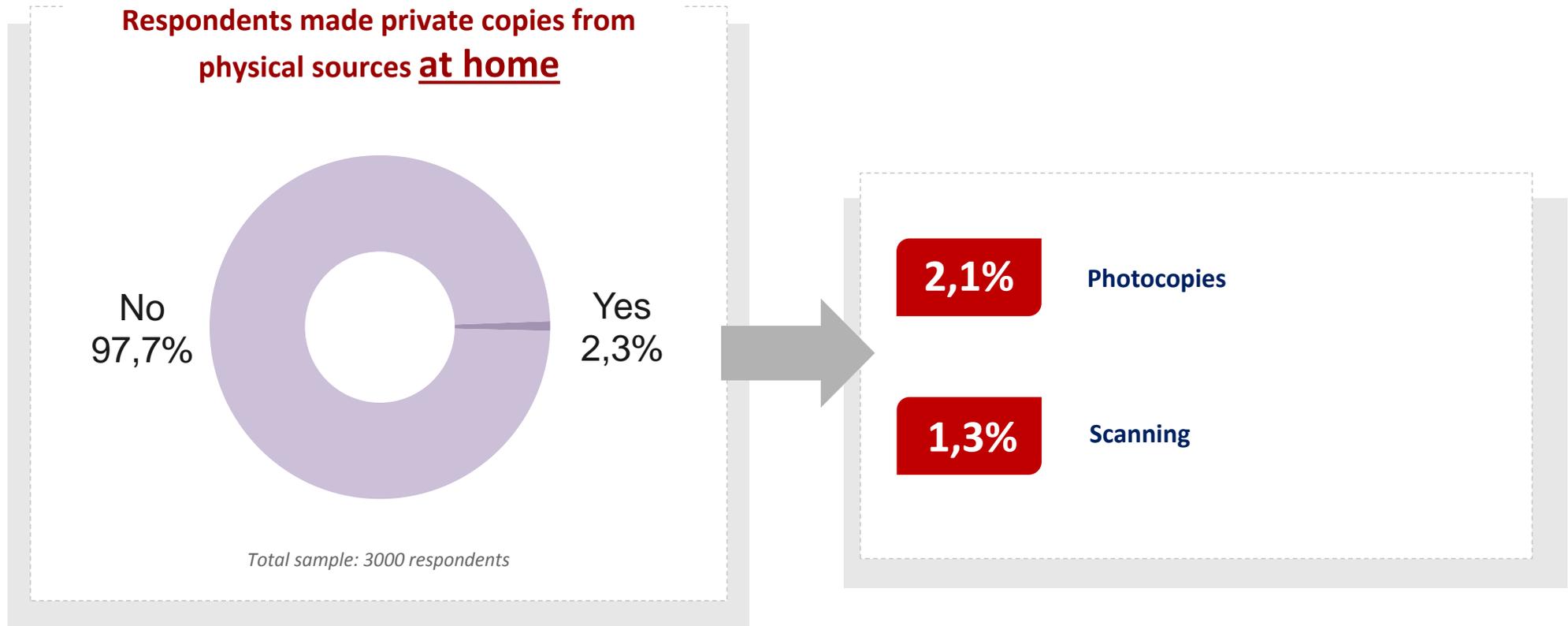
Basis: respondents who made private copies

4. LITERARY WORKS



4. LITERARY WORKS

4.1. RESPONDENTS WHO MADE PRIVATE COPIES OF ANY ORIGINAL LITERARY WORK FROM PHYSICAL SOURCES AT HOME IN THE LAST 12 MONTHS



Only 2,3% of the respondents made private copies from physical sources at home in the last 12 months

4. LITERARY WORKS

4.2. AVERAGE NUMBER OF PRIVATE COPIES PER PERSON IN THE LAST 12 MONTHS (PHOTOCOPIES, SCANNING, AT HOME)

Photocopy ⁽¹⁾

Work	% in the sample ⁽²⁾	Average number of copies ⁽³⁾
School/academic books	1,5%	31,76 <i>45 cases</i>
Other books	0,7%	17,08 <i>21 cases</i>
Magazines (art, science, humanities, architecture)	0,7%	11,72 <i>20 cases</i>
Total Average in the last 12 months	2,1%	32,02 <i>63 cases</i>

Scanning ⁽¹⁾

Work	% in the sample ⁽²⁾	Average number of copies ⁽³⁾
School/academic books	0,9%	58,17 <i>27 cases</i>
Other books	0,4%	19,79 <i>11 cases</i>
Magazines (art, science, humanities, architecture)	0,5%	20,88 <i>15 cases</i>
Total Average in the last 12 months	1,3%	54,73 <i>39 cases</i>

Basis: respondents who made copies

Private copies from any physical format at home

2,3%

Total Average number of copies in the last 12 months⁽³⁾

60,41

Basis: 69 cases

- (1) Total or partial copy
- (2) Total sample: 3000 respondents
- (3) Basis: respondents who made copies

The average number of private copies made at home in the last 12 months is 60,41 per person (please keep in mind that the respondents who made copies accounts for only 2,3% of the sample)

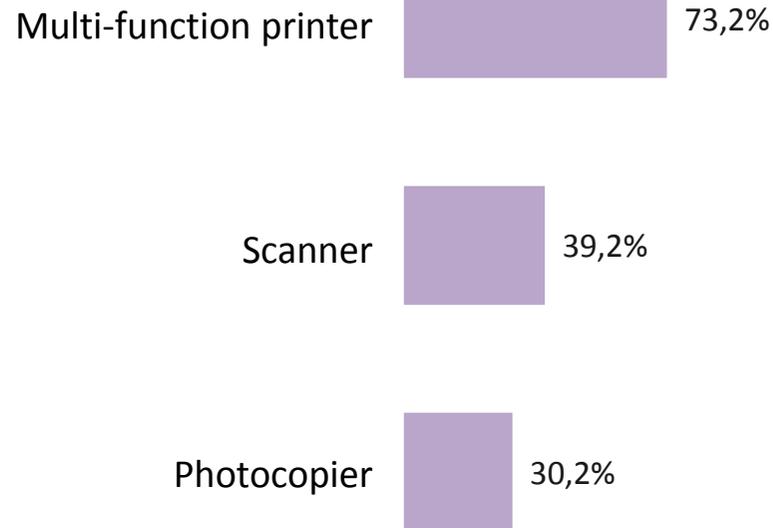
4. LITERARY WORKS

4.3. THE DEVICE USED TO MAKE COPIES AT HOME WAS:

2,3% of the respondents made copies at home from works in physical formats (fotocopy / scanning)

Source: 3.000 cases (Total sample)

The device used to make such copies at home was:



Basis: 69 cases (Respondents who made copies)

Average number of copies per device in the last 12 months⁽¹⁾

64,46 50 cases*

49,69 27 cases*

277,69 21 cases*

Basis: respondents who used devices

⁽¹⁾ Total or partial copies

4. LITERARY WORKS

4.5. SUBSTITUTION PERCENTAGE (% WORKS THAT WOULD HAVE BEEN SOLD IF THERE WAS NOT A POSSIBILITY TO MAKE PRIVATE COPIES)

Percentage of respondents who would acquired the work in the hypothetic case where it was not possible to make such copy

1,61%

Basis: total sample

Percentage of copied works that would have been acquired in the hypothetic case where it was not possible to make such copy

5,03%

Basis: respondents who made private copies

5. IMPACT OF THE PRIVATE COPYING OF WORKS IN THE LAST 12 MONTHS

5. IMPACT OF THE PRIVATE COPYING OF WORKS IN THE LAST 12 MONTHS

5.1. PRIVATE COPYING OF MUSIC WORKS IN THE LAST 12 MONTHS

Music works	CD				DVD			TV recordings			Radio	TOTAL
	Album	Song	Videoclip	Live Concert	Musical Show	Videoclip	Concert recording	Musical Show	Videoclip	Concert recording	Radio	
% Respondents aged between 14 and 80 who made private copies in the last 12 months	1,17%	1,07%	0,30%	0,30%	0,47%	0,23%	0,37%	1,20%	0,63%	1,03%	0,93%	
Population aged between 14 and 80 in Spain	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	
People who made private copies in Spain	436.811	399.370	112.323	112.323	174.724	87.361	137.283	449.291	237.113	386.877	349.447	
Average number of private copies per person who made copies	5,13	57,24	6,84	1,97	2,87	2,36	2,64	5,38	12,05	2,6	10,19	
Private copies in the last 12 months (a)	2.240.838	22.859.921	768.287	221.276	501.458	206.172	362.428	2.417.184	2.857.214	1.005.880	3.560.866	
Substitution percentage (b)	6,52%	6,52%	6,52%	6,52%	6,52%	6,52%	6,52%	6,52%	6,52%	6,52%	6,52%	
Works that would have been sold if there was not a possibility to make private copies (c)= (a)+(b)	145.996	1.489.382	50.056	14.417	32.671	13.433	23.613	157.486	186.155	65.536	232.000	
Average Price (Euros) (d)	7,26	0,73	7,26	7,26	6,49	6,49	6,49	6,49	0,73	6,49	0,73	
Value of the works that would have been sold if there was not a possibility to make private copies (Euros) (e)=(c)*(d)	1.059.295	1.080.640	363.187	104.602	212.037	87.178	153.249	1.022.082	135.067	425.326	168.330	4.810.993
Percentage of the price of the works that will be earmarked for compensating authors and other rightsholders	14,80%	14,80%	14,80%	14,80%	14,80%	14,80%	14,80%	14,80%	14,80%	14,80%	14,80%	
Impact of private copying	156.776	159.935	53.752	15.481	31.381	12.902	22.681	151.268	19.990	62.948	24.913	712.027
"Positive Effect"												-10.251
Total Impact (Euros)												701.776

Source: Analisis e Investigacion, INE and Mazars

5. IMPACT OF THE PRIVATE COPYING OF WORKS IN THE LAST 12 MONTHS

5.2. PRIVATE COPYING OF AUDIO-VISUAL WORKS IN THE LAST 12 MONTHS

Audio-visual works	DVD			Recordings from TV			Total
	Films	Documentaries	Series	Films	Documentaries	Series	
% Respondents aged between 14 and 80 who made private copies in the last 12 months	0,90%	0,37%	0,40%	6,27%	3,47%	4,77%	
Population aged between 14 and 80 in Spain	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	37.440.897	
People who made private copies in Spain	336.968	137.281	149.764	2.348.438	1.298.324	1.785.195	
Average number of private copies per person who made copies	13,29	4,24	110	28,78	12,69	57,1	
Private copies in the last 12 months (a)	4.478.306	582.071	16.473.995	67.588.056	16.475.727	101.934.635	
Substitution percentage (b)	4,60%	4,60%	4,60%	4,60%	4,60%	4,60%	
Works that would have been sold if there was not a possibility to make private copies (c) (a)+(b)	206.111	26.789	758.206	3.110.701	758.286	4.691.482	
Average Price (Euros) (d)	6,49	6,49	3,25	6,49	6,49	3,25	
Value of the works that would have been sold if there was not a possibility to make private copies (Euros) (e)=(c)*(d)	1.337.663	173.864	2.460.378	20.188.447	4.921.274	15.223.859	44.305.485
Percentage of the price of the works that will be earmarked for compensating authors and other rightsholders	22,20%	22,20%	22,20%	7,50%	7,50%	7,50%	
Impact of private copying	296.991	38.602	546.259	1.514.134	369.096	1.141.789	3.906.870
"Positive Effect"							0,00
Total Impact (Euros)							3.906.870

Source: Analisis e Investigacion, INE and Mazars

5. IMPACT OF THE PRIVATE COPYING OF WORKS IN THE LAST 12 MONTHS

5.3. PRIVATE COPYING OF LITERARY WORKS IN THE LAST 12 MONTHS

Literary works	Photocopies		Scanning		Total
	Books	Magazines (art, science, humanities, architecture)	Books	Magazines (art, science, humanities, architecture)	
% Respondents aged between 14 and 80 who made private copies in the last 12 months	2,20%	0,67%	1,27%	0,50%	
Population aged between 14 and 80 in Spain	37.440.897	37.440.897	37.440.897	37.440.897	
People who made private copies in Spain	823.700	249.581	474.264	187.204	
Average number of private copies per person who made copies ⁽²⁾	27,09	11,72	47,06	20,88	
Private copies in the last 12 months (a)	22.313.277	2.925.090	22.318.516	3.908.830	
Substitution percentage (b)	5,03%	5,03%	5,03%	5,03%	
Works that would have been sold if there was not a possibility to make private copies (c) (a)+(b)	1.122.866	147.199	1.123.130	196.703	
Average Price (Euros) (d)	14,74	3	14,74	3	
Value of the works that would have been sold if there was not a possibility to make private copies (Euros) (e)=(c)*(d)	16.551.051	441.596	16.554.938	590.110	34.137.695
Percentage of the price of the works that will be earmarked for compensating authors and other rightsholders ⁽¹⁾	8,47%	8,47%	8,47%	8,47%	
Impact of private copying	1.401.397	37.390	1.401.726	49.965	2.890.478
"Positive Effect"					-173.601
Total Impact (Euros)					2.716.877

(1) We only consider the percentage obtained by authors in the books, in accordance with the ruling by the ECJ in the case Hewlett Packard Belgium/Reprobel

(2) Note that it includes copies of total or partial works

Source: Analisis e Investigacion, INE and Mazars

5. IMPACT OF THE PRIVATE COPYING OF WORKS IN THE LAST 12 MONTHS

5.4. SUMMARY OF THE PRIVATE COPYING OF LITERARY WORKS IN THE LAST 12 MONTHS

	Music	Audiovisual	Literary works	Total harm Euros
Impact of the Private copying of works in the last 12 months (Euros)	701.776	3.906.870	2.716.877	7.325.523

Source: Analisis e Investigacion, INE and Mazars



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