Questions & Answers

Regarding “Fair Use in the U.S. Economy: 2011”
The Economic Contribution of Industries Relying on Fair Use

Q. What is the study about?

A. This study quantifies the “fair use economy” – economic activity that occurs outside the scope of the exclusive rights granted to copyright-holders by the Federal Government. While copyright law makes certain industries possible, other industries depend upon limitations to the reach of copyright regulation. The fair use economy thus includes activity made possible by limited copyright.

The fair use economy encompasses industrial activity typically recognized to be affected by copyright law, such as Internet information services, network service providers, consumer electronics, and software, but it also include crucial non-technology industries, such as news-reporting, education, and legal services.

Q. What does this study find?

A. Using the most current publicly available data, the study calculates the amount of economic activity undertaken by industries that rely upon limitations to the regulatory reach of copyright. Fair use industries – those industries that benefit from fair use and related limitations to copyright – generated revenue of $4.6 trillion, adding $2.4 trillion in value to the U.S. economy – about one-sixth of total U.S. GDP. Fair use industries employed approximately one in eight U.S. workers (17 million). The export of goods and services related to fair use industries increased by 64 percent between 2002 and 2009, from $179 billion to $266 billion.

Q. Why does this study matter?

A. It demonstrates that the economic value of what copyright law leaves unregulated is substantial, and that ill-conceived copyright policy may easily cause economic damage greater than the supposed cost of the infringement that it is intended to prevent.

Q. How should policy-makers respond to this study?

A. Policy-makers should promote balance in domestic and international copyright policy. Administration personnel should pursue policies that do not unduly increase the regulatory burden of copyright compliance, or that create undue risk of unjustified liability. Trade officials should negotiate agreements that promote balanced IP law at home and abroad. Congress should avoid sweeping copyright regulation that upsets the delicate balance between protecting copyright and permitting access to information.

Q. How was this study methodology designed?

A. This study employs a methodology designed by the World Intellectual Property Organization (WIPO) for valuing the economic contribution of industries affected by copyright policy. The 2007 version of this study was the first study to focus specifically on the importance of the fair use economy.

Q. Who produced this study?

A. This study was prepared for the Computer & Communications Industry Association (CCIA) by Thomas Rogers and Andrew Szamosszegi of Capital Trade, Incorporated. It updates a framework first developed in 2007 with the assistance of Professor Peter Jaszi of American University Washington College of Law.