



INTELLECTUAL PROPERTY AND YOUTH

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Scoreboard 2016

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Foreword

Intellectual Property and Youth

Previous studies by the Office through the Observatory have made clear the strong linkages between Intellectual Property Rights and the economy. They have also illustrated the negative consequences of infringements to jobs in legitimate industry and government revenue.

However, the 2013 study of what European citizens think about these important rights, demonstrated that not everyone fully accepts the contribution of IPR and that young people in particular can be sceptical.

In response to these results the Office set out to try and understand better the attitudes of 15-24 year olds via the present IP Youth Scoreboard, which will be repeated on regular basis to monitor evolution.

It covers young people in all 28 member states and its main objective is to gather knowledge on how young people behave online in terms of Intellectual Property Rights.

In particular, it explores what are the main drivers and barriers to acquiring digital content and physical goods offered both from legal and illegal sources.

Finally, the study assesses what could be done to improve the situation.

To briefly summarise a few of the main findings, the report reveals that young European citizens feel there is a lack of information about IP that would help them understand the issues. They also say that the information that is available is not communicated effectively to their age group.

These factors combine to produce an atmosphere of indifference so that many young people who have been brought up in this digital age do not care whether they infringe IP or not.

Around one-third of the study respondents also identify the lack of availability of the films or television series that their colleagues from the US or other places have access to as a factor driving them to illegal sources.

Finally, and possibly most importantly, two-thirds of those polled identified price as a significant driver for using illegal sources.

This study provides a comprehensive and thorough review of the subject, carried out impartially and using a transparent methodology.

The present report, combined with the facts and evidence in other studies carried out by the Office through the Observatory deserves to be carefully studied by IP Rights owners, industry professionals, educators and policymakers.

The findings may not please everyone but they certainly indicate the scale of the problem ahead if future generations are to understand and respect IP rights.

Hopefully, they will create a greater understanding of the issue and inspire new approaches to providing young people with the tools they need to properly understand the role of innovation and play a full and constructive role in the knowledge society.

Out of this we hope to build the foundation for a network that can give a lead to our joint efforts to build an IP education and communication strategy that really works when deployed nationally by local actors.

It probably won't be easy, but it will certainly be exciting, and I would warmly thank everyone for helping us take the first steps on this journey.

António Campinos

Executive Director, EUIPO

1. Executive Summary

Intellectual Property and Youth

In 2013 EUIPO, through the European Observatory on Infringements of Intellectual Property Rights, has commissioned a study “European Citizens and Intellectual Property: Perception, Awareness and Behaviour”. One of its key results indicated that the younger generation challenges IP significantly more than other age groups.

In order to have a better understanding of the reasons why this is happening EUIPO ordered this follow-up study among young people aged 15-24 in all 28 member states (MS). The main objective of this study is to gather knowledge on how young people behave online in terms of intellectual property rights. In particular, it explores what are the main drivers and barriers to acquiring digital content and physical goods offered both legally and illegally. Finally, the study assesses what could be done to improve the situation.

The first phase of the study consisted of qualitative research in each of the 28 MS. This was done in the form of focus group sessions of 120 minutes in which 8 young Europeans per group participated. The second phase was the quantitative part of the study, which consisted of an online survey using CAWI¹ methodology based on GfK panels in the 28 MS. The questionnaire for the online survey was designed based on the results of the qualitative focus groups and was used to obtain quantifiable data in addition to the insights obtained during the qualitative research. The subgroups that are considered by default relate to the socio-demographic characteristics of gender, age group, education level (completed education and undertaking education), employment status, and income as a student.

1.1 Digital Content

MUSIC IS THE MOST FREQUENTLY ACCESSED DIGITAL CONTENT

Music, films and series, and games are accessed and used by a majority of respondents in the past 12 months while e-newspapers and magazines and e-books are accessed by slightly smaller proportions.

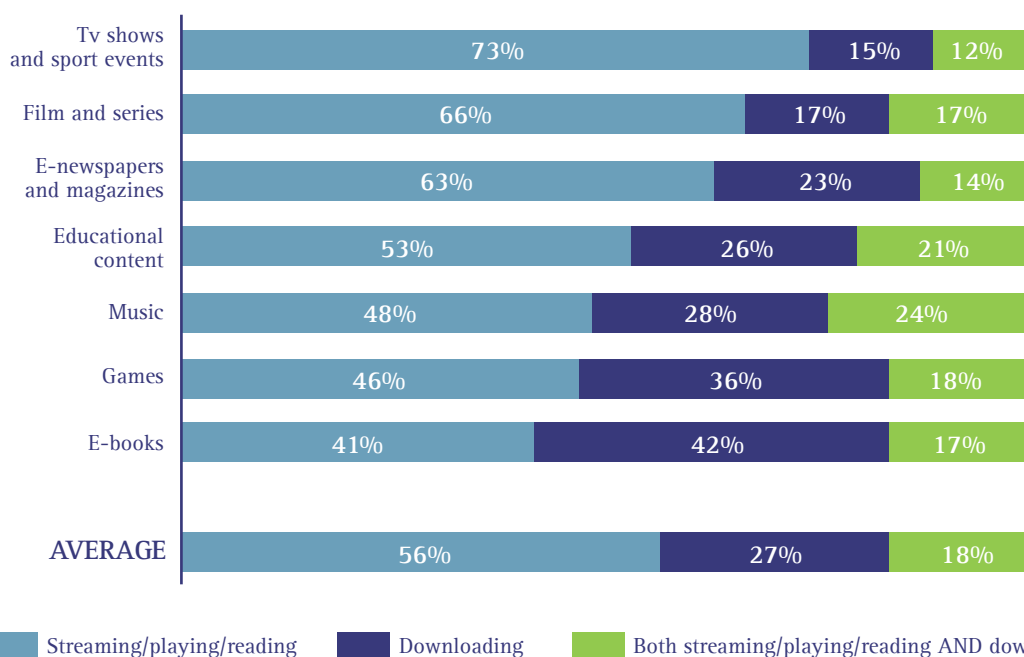
-  97% - MUSIC
-  95% - FILMS AND SERIES
-  91% - GAMES
-  83% - EDUCATIONAL CONTENT
-  80% - TV SHOWS AND SPORT EVENTS
-  61% - E-NEWSPAPERS AND MAGAZINES
-  58% - E-BOOKS

1 Computer Assisted Web Interviewing

Looking at the usage frequency², music was accessed 204 days per year on average. The type of content that young people used the least was e-newspapers and magazines, used 46 days per year.

STREAMING, IN GENERAL, IS MORE POPULAR THEN DOWNLOADING

The focus groups found that for young people it makes less sense to download the song, to store it on the hard drive of their cell phone, tablet, laptop or other device. The same is true for sports events, which are one-time events to be experienced live. Thus music, movies, series and sport events are most of the time streamed and not downloaded, which is not the case for e-books. These preferences between streaming or downloading digital content were confirmed by the results from the online survey.

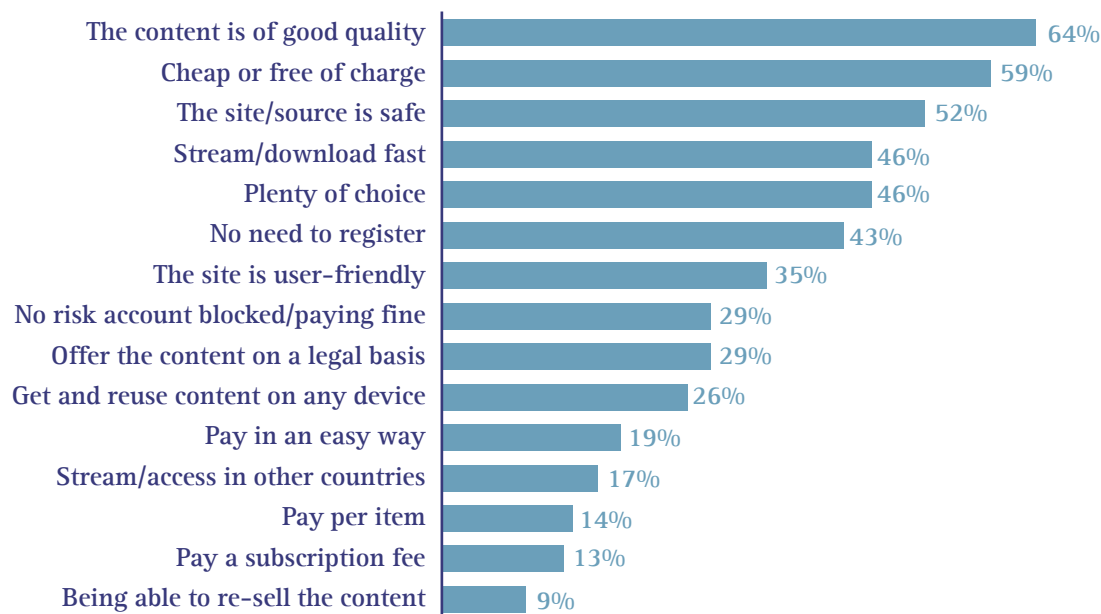


Teenagers (15-17 year-olds) are more likely than average to stream various content types: TV shows and sport events, E-newspapers and magazines, films/series, E-books and educational content. Whereas, adults (22-24 year-olds) have a preference to download TV shows and sport events, films and series, E-books and educational content.

² Usage frequency is calculated by recoding answers to a single unit of “days per year”: the answer ‘daily use’ is multiplied by 365, the answer ‘weekly use’ is multiplied by 52, the answer ‘monthly use’ is multiplied by 12 and the answer ‘rarely use’ is multiplied by 4.

QUALITY, PRICE AND SAFETY ARE THE MOST IMPORTANT ASPECTS YOUNG PEOPLE CONSIDER WHEN ACCESSING CONTENT ONLINE

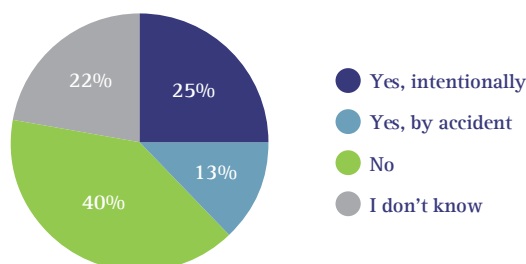
When asked what young Europeans consider important when they stream or download digital content, three aspects stand out: almost two thirds of the respondents say the online content being of good quality is one of the most important aspects. For a slightly smaller proportion of young people, digital content which is cheap or free of charge is very important. The safety of the site or source comes third. The results of the survey find that nearly one third (29%) of young people state that they consider the legality of the source as important when accessing digital content. Various country variations are shown in the report.



25% OF YOUNG PEOPLE USED ILLEGAL SOURCES TO ACCESS DIGITAL CONTENT IN THE LAST 12 MONTHS

One out of four young people use illegal sources to access digital content. Although there is clearly a proportion of young people who use illegal sources, the vast majority (81%) in the sample said they also use legal sources for accessing online content. This means that only a minority (5%) solely uses illegal sources to access online content. Students with an income show a higher rate of intentional usage of illegal sources: 70% vs 63% of students without an income. Higher intentional usage is observed amongst those who have already completed education.

Used illegal sources to access digital content³

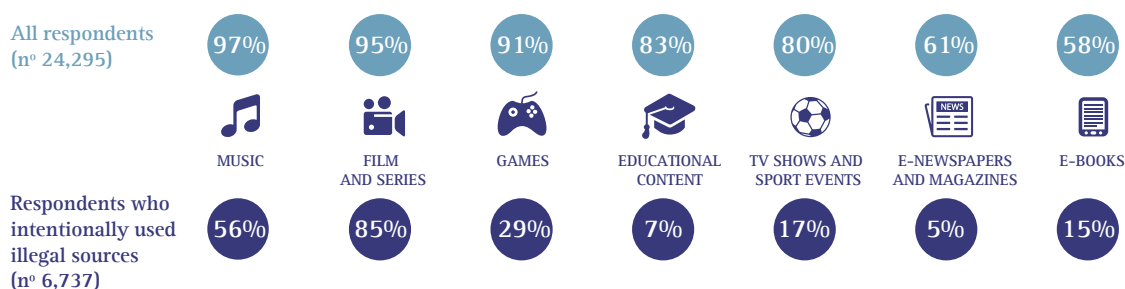


Those who accidentally accessed illegal sources (mostly the youngest group) gave the following reasons for refraining from infringements: fear of the risks posed by viruses or spyware (53%), little trust in illegal sources (45%) and not wishing to do anything illegal (43%). The majority of young people who do not know whether they used legal or illegal sources stated that it is due to the fact that they are unable to determine whether the source is legal or not rather than the fact they do not care about the legality of the source.

AMONGST THOSE WHO INTENTIONALLY USE ILLEGAL SOURCES, FILMS AND SERIES ARE THE DIGITAL CONTENT THAT IS MOST FREQUENTLY ACCESSED USING THESE SOURCES

Music is the most popular digital content that young people access with almost all young people streaming or downloading this content (97%). However, only a little over half (56%) of young people who use illegal sources are doing so to access music content. Films/series is the second most accessed content (95%) however the first one (85%) which is intentionally accessed through illegal sources

Use of digital content in general and intentional use of digital content from illegal sources⁴



³ Source: Question IV2: During the past 12 months, have you used, played, downloaded or streamed content from illegal sources (websites)? N= 24.083 and IV3: Did you use the illegal source(s) (website(s)) for content intentionally? (N=9.907)

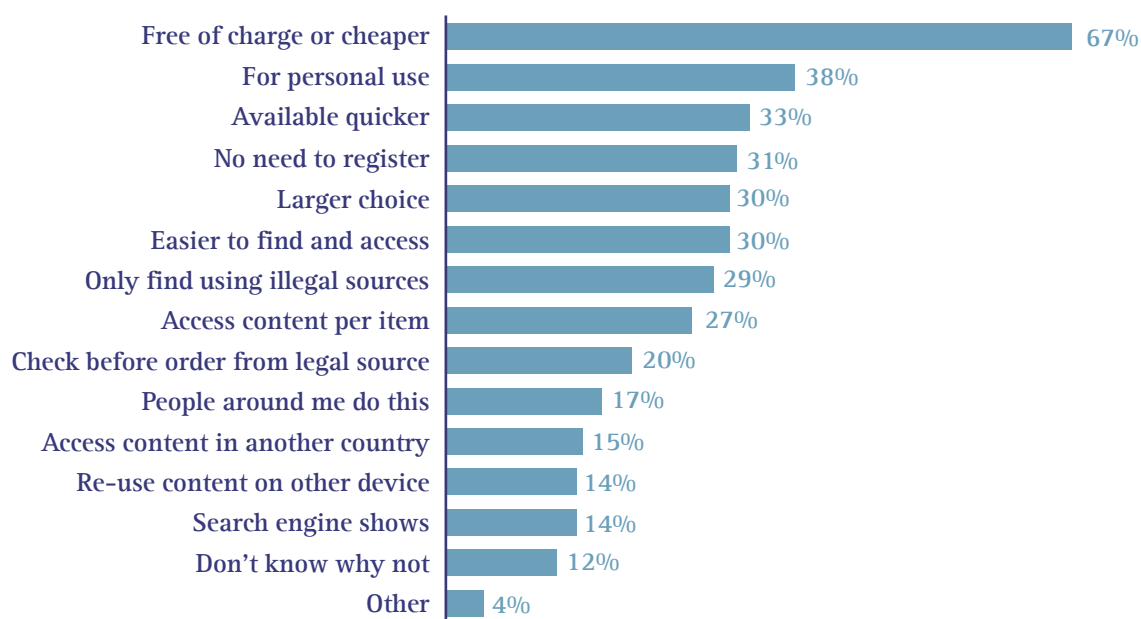
⁴ Source: Question I13.1: How often have you listened to, watched, read, used, played, downloaded... the following content from the internet during the past 12 months? (N=24,295) and IV4. Which type of content did you use, play, download or stream intentionally from an illegal source (website)? Please indicate all that apply. (N=6,737)

PRICE, “PERSONAL USE ONLY” AND AVAILABILITY ARE THE TOP THREE DRIVERS FOR USING ILLEGAL SOURCES

Price matters the most for female (73% vs 62% men), for students without an income (71% vs 67% students with an income), for unemployed respondents (67% vs 56% employed) and last but not least for students in higher education (73% vs 62% in low education). Price is the most important driver to use illegal sources for online content in all countries amongst those using illegal sources. The second most important reason to use illegal sources indicated by 38% of young people who do so is that they do not see anything wrong in doing it as it is for their personal use. This attitude is expressed less often by those who graduated from higher education (28% compared with 38% for medium and 34% for lower educated).

30% of those using illegal sources indicate that they cannot find the digital content they are searching for on legal sites and approximately one third indicate the following aspects as being the drivers to use illegal sources: online content from illegal sources being available more quickly, there is no need to register, content on illegal sources is easier to find and access or is of a larger choice on illegal sources. All these reasons are mentioned more often by women than by men.

Drivers to intentionally use illegal sources⁵

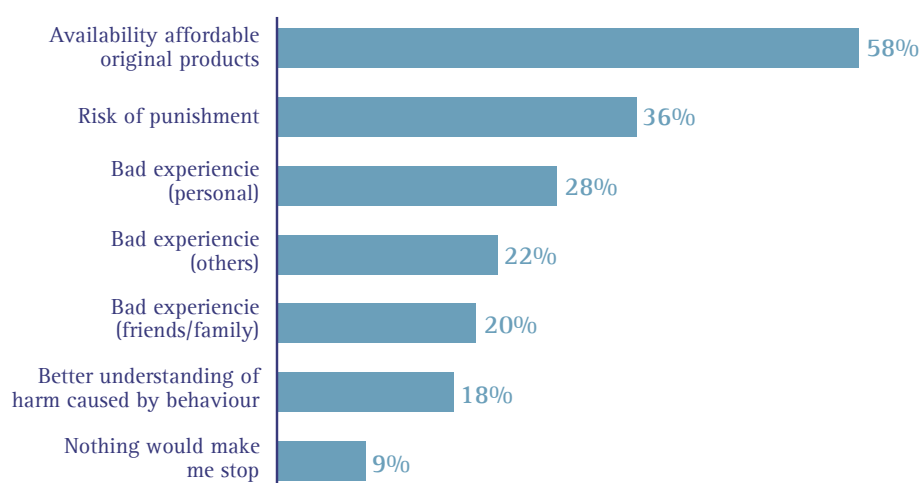


⁵ Source: Question IV5: You indicated that you used illegal sources (websites) intentionally for online content during the past 12 months. What was the reason for this? Please indicate all that apply. (N=6.737)

THE AVAILABILITY OF AFFORDABLE CONTENT VIA LEGAL SOURCES, RISK OF PUNISHMENT AND NEGATIVE EXPERIENCE WOULD BE THE PRIMARY REASONS TO STOP USING ILLEGAL SOURCES

Amongst those in the focus groups who are aware that they are using illegal sources to access digital content, the potential loss of income that music or movie stars could suffer caused by their behaviour, does not seem to make an impression. The availability of affordable content via legal sources would be the primary reason to stop using illegal sources according to the survey. Young women (61% vs 56% men) and students in higher education (63% vs 49% in lower education) are the socio-demographic groups who share this opinion the most. The risk of punishment is the second most indicated reasons for the young people to eventually stop using illegal sources. The potential risk of punishment has more impact on young women (40%) than young men (33%), on the youngest age group (42%) more than on the middle (36%) and the oldest age groups (32%) and on students (38%) more than on non-students (30%). The third reason to stop using illegal sources is having had a bad experience. Here the biggest impact of a negative experience is when that experience is personal (rather than happening to others), especially for young women (31% vs 26% men).

Main reasons given to stop using illegal sources to access digital content⁶

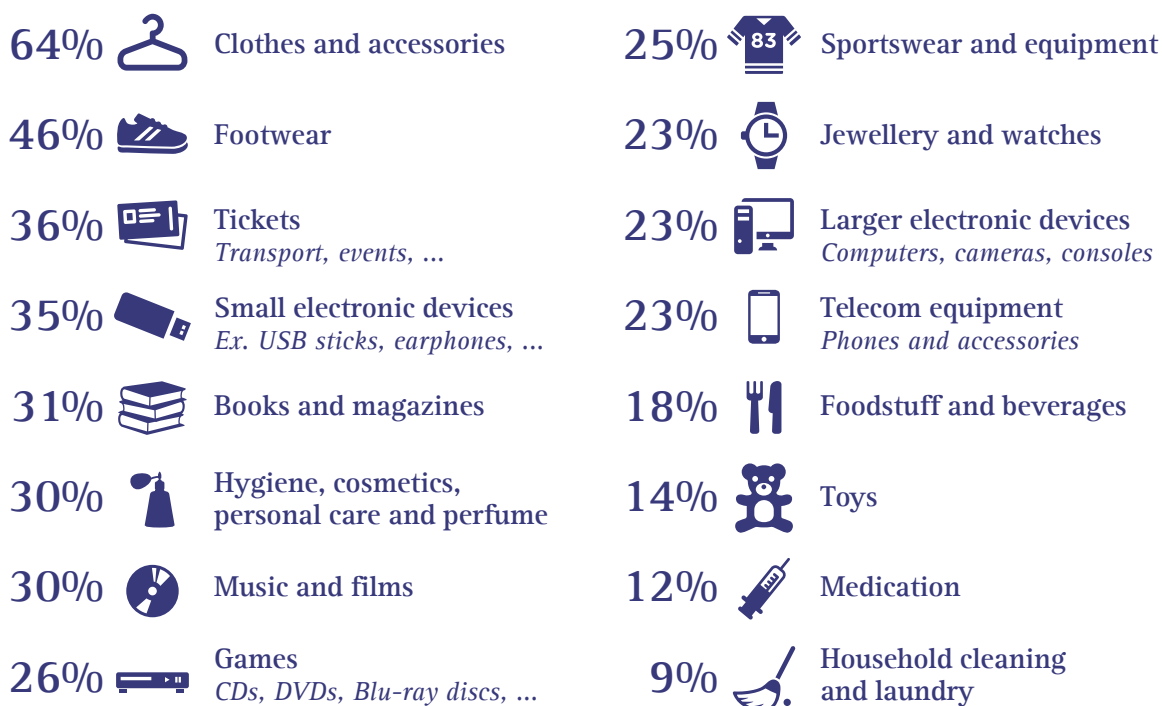


6 Source: Question IV6: You indicated that you used illegal sources (websites) intentionally for online content during the past 12 months. What would make you stop using illegal sources? Please indicate all that apply. (N=6.737)

1.2 Online purchase of physical goods

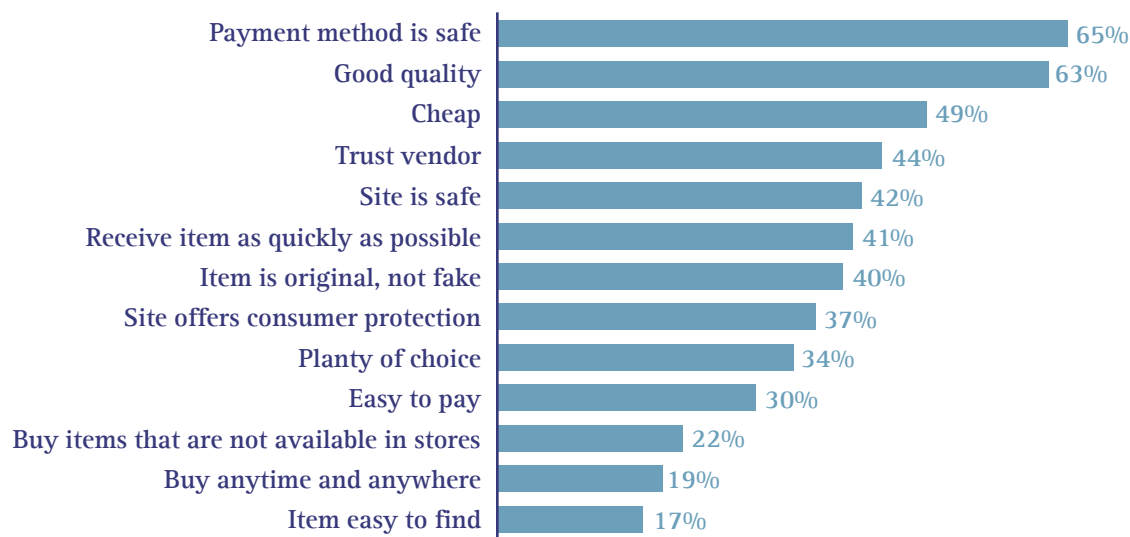
CLOTHES AND ACCESSORIES ARE THE MOST COMMON PRODUCTS BOUGHT ON LINE

Clothes and accessories are by far the most popular product category to be bought online by young Europeans. The second most popular product is footwear. Both product categories are bought significantly more often by young females (73% for clothes and accessories and 50% for footwear) than by males (55% and 41%). These products are not only gender driven, but the online purchase of clothes and accessories and footwear also increases with age, educational level and income. Tickets, the third most popular product bought online by youngsters are also bought more often by young women (42%) than by men (31%). Similarly to clothing and footwear, tickets are bought more often by older respondents, higher educated respondents and respondents with an income.



A SAFE PAYMENT METHOD, QUALITY AND PRICE ARE THE MOST IMPORTANT ASPECTS WHILE BUYING PRODUCTS ONLINE

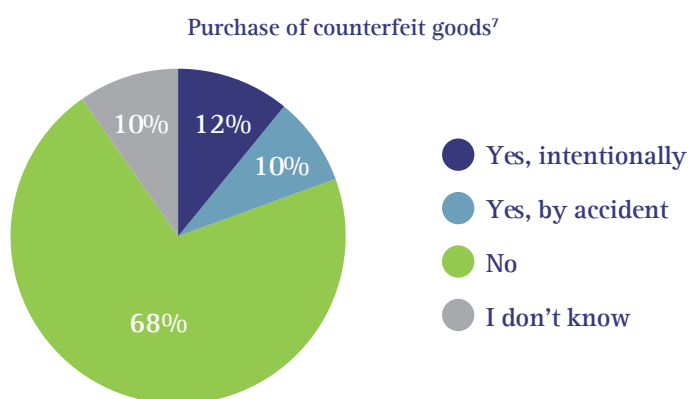
A safe payment method is indicated by almost two thirds of young people as an important consideration when making an online purchase. In terms of socio-demographic categories, a larger proportion of young women (69%) and students without an income (68%) consider the safety of payment important in comparison to men (61%) and students with an income (64%). The youngest age group (15-17 year-olds) is also more likely than average to find this aspect important. Quality is the second most indicated aspect with no major differences between the different socio-demographic groups, although the youngest group mentions this aspect more than the older age groups (respectively 68% vs 62% vs 60%). Price is the third aspect which is more important for young men (50% vs 48% women), the older age group (18% vs 14% for the youngest), employed (21% vs 16%) and lower educated (19% vs 14% higher educated) respondents.



12% OF YOUNG PEOPLE INTENTIONALLY BOUGHT A COUNTERFEIT PRODUCT ON LINE IN THE LAST 12 MONTHS

Young people have a different mind-set when it comes to the online purchase of counterfeit products in comparison to their attitudes and behaviours when illegally accessing digital content. The qualitative and quantitative analysis highlights that young people do not really care whether sources are legal or illegal when streaming or

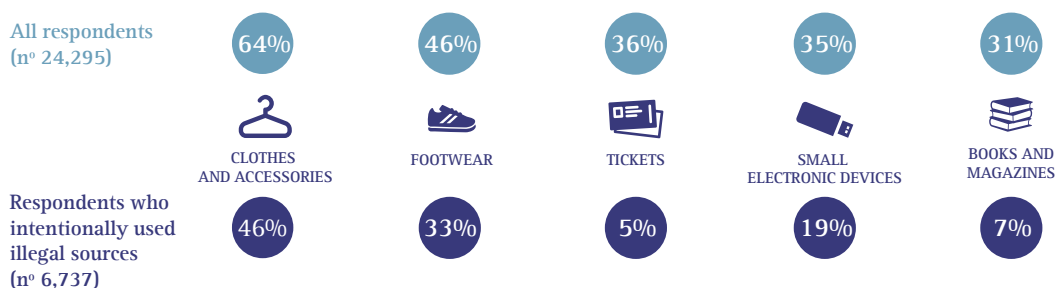
downloading content. In contrast, in the focus groups they indicated that they do not like counterfeit goods and are not interested in buying these products. This is supported by the results of the quantitative analysis which finds that a minority of only 12% intentionally buy counterfeit goods. Young females, 18-21 year-olds, students in higher education and unemployed are less likely to buy counterfeit goods intentionally.



Counterfeit goods seem to have a rather bad image amongst young people. They are expected to be of lesser quality than genuine products. The offer of counterfeit products is associated with shady websites that young people do not trust. Young Europeans fear fraud and do not want to experience any harm from buying counterfeit products online. Young people are far more conscious of avoiding counterfeit goods given these reasons.

CLOTHES AND ACCESSORIES ARE THE MOST POPULAR CATEGORY OF COUNTERFEITS BOUGHT ON LINE

Clothes and accessories are the most popular category of goods purchased online in general and are the most likely goods to be purchased as counterfeits amongst those who do so. Counterfeits in other categories are bought less often.

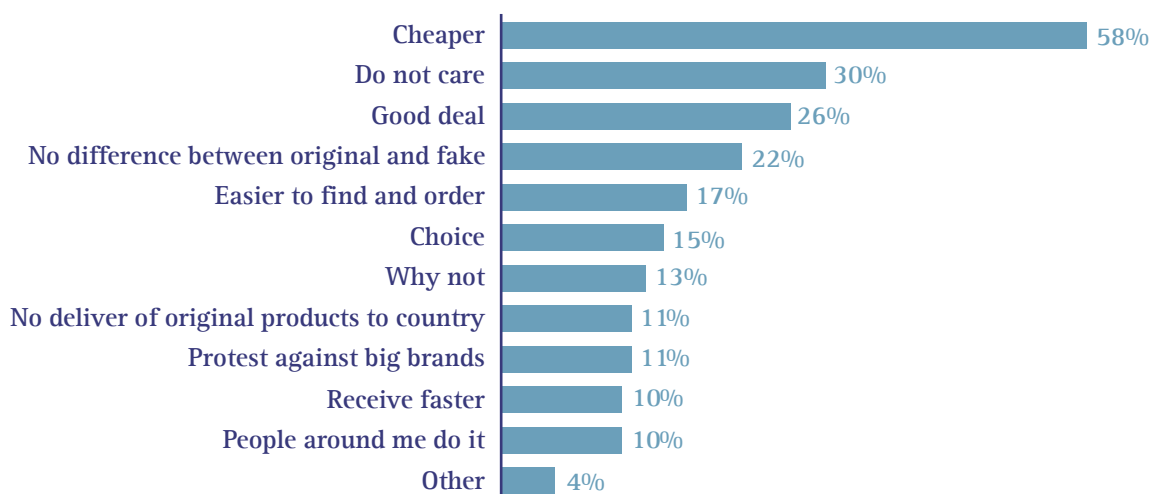


⁷ Source: Question III2: During the past 12 months, have you bought online a fake product? (N=21,981)

PRICE IS THE MAIN DRIVER TO BUY COUNTERFEIT GOODS ON LINE FOLLOWED BY INDIFFERENCE AND BELIEF THAT PURCHASING A FAKE IS A GOOD DEAL

For the minority of young people who do intentionally purchase counterfeit goods online, the main driver of this behaviour is price, and after this it is the indifference as to whether the goods are counterfeit or not. A quarter of those who intentionally purchase counterfeit goods online are motivated by getting a ‘good deal’. Over one in ten young people bought a counterfeit good because the sites offering the originals were not available in their country.

Drivers of intentional purchase of counterfeit goods online⁸

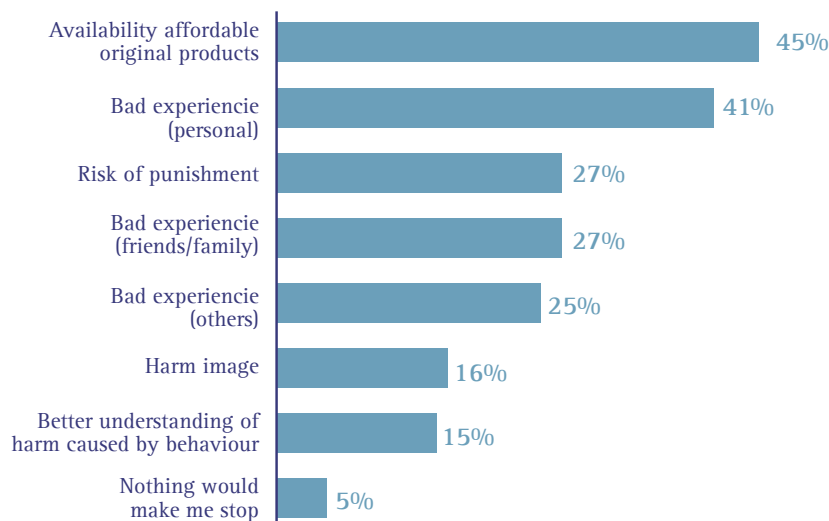


AVAILABILITY OF AFFORDABLE ORIGINALS, BAD EXPERIENCE AND RISK OF PUNISHMENT WOULD MAKE MOST YOUNG PEOPLE STOP BUYING COUNTERFEITS PRODUCTS

Almost half of young people buying counterfeits would stop doing so if affordable original products were available. Again, price seems a clear motivator in the decision to buy a counterfeit good. In particular, young women (53% vs 38% men) who intentionally bought counterfeit goods would buy genuine goods if affordable. Having a bad experience, either personal, of one of their friends and relatives or of others is another potential reason to stop. For young women (44%), a negative personal experience would have more impact than for men (38%). A third important factor is risk of

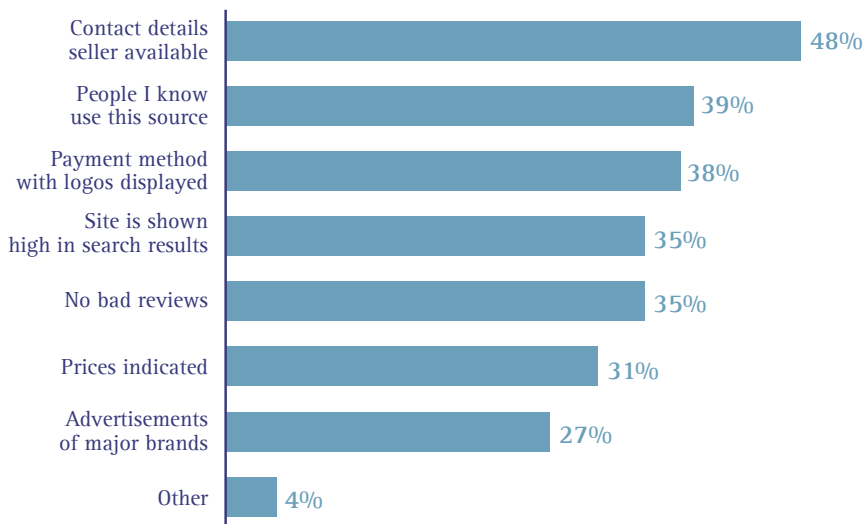
⁸ Source: Question III4: You indicated that you have bought intentionally a fake product online during the past 12 months. What was the reason for this? Please indicate all that apply. (N=2,836)

punishment that is indicated by the respondents as a reason to stop buying counterfeit goods, although only 23% of the oldest age group (22-24 year-olds) mentions this answer.



ONE THIRD OF YOUNG PEOPLE SAY THAT THEY ARE ABLE TO DISTINGUISH SITES SELLING COUNTERFEIT GOODS FROM THOSE THAT SELL GENUINE GOODS AND HALF OF THE RESPONDENTS INDICATED BEING ABLE TO DISTINGUISH LEGAL FROM ILLEGAL SOURCE FOR ONLINE CONTENT

The most important indicator to consider a source legal, mentioned by almost half of all young people (48%), is whether contact details are available. Moreover 39% of young people emphasise the fact that if people they know use the site it is a clear reason to consider the source legal. A similar proportion argues that when payment providers and credit card logos are displayed on payment pages, the site is legal. The popularity of the website in search engine results also influence young people with just over a third (35%) of young people believing that when the site is one of the first results to appear in a search it is legal. For 27% of young Europeans the fact that advertisements of major brands are displayed is a sign that the source is legal.



1.3 Communication on counterfeiting and piracy

ARGUMENTS RELATED TO PERSONAL SAFETY RATHER THAN MORAL VALUES ARE BETTER SUITED TO CONVINCE YOUNG PEOPLE TO THINK TWICE BEFORE USING ILLEGAL SOURCES OR BUYING COUNTERFEIT GOODS

