FAIR USE IN THE DIGITAL AGE

By analyzing fair use formally and rationally, the paper found that much of the advocacy for increased flexibility in copyright law is misguided.

> - Dr. George S. Ford, Chief Economist, Phoenix Center for Advanced Legal & Economic Public Policy Studies

The Phoenix Center, in its latest paper released entitled "Fair Use In The Digital Age", has constructed an economic model of exceptions and limitations to copyright, rooted in the purpose of copyright (the creation of new works) and informed by judicial precedent, with which an "optimal" level of fair use (or fair dealing) was derived.

The characteristics of digital technologies that fair use supporters cite to advocate for expanded "flexibility" (e.g. lower costs of copying, distribution, and production) actually suggest that exceptions and limitations to copyright should be contracting -- particularly in smaller markets that have high rates of copyright theft and high costs of enforcement, among other factors.

AN ECONOMIC MODEL OF EXCEPTIONS & LIMITATIONS TO COPYRIGHT

'OPTIMAL' FAIR USE SHOULD BE STRICTER WHEN... 2 • _^`o

PIRACY & OTHER FORMS OF LEAKAGES (which simply reduce the market potential for the original work) **ARE LARGE**

ORIGINAL WORK IS HIGH

THE COST OF THE



THE COST OF DISTRIBUTING SECONDARY WORKS IS LOWER



THE FIXED COST OF PRODUCING SECONDARY WORKS ARE SMALLER



Read the blog.

