

Digital Markets and Intellectual Property Opposition

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Abstract: This article examines the evolution of digital markets and the paradigm of intellectual property rights protection in both global and Uzbekistan contexts. Through legislative analysis and practical examples, it explores issues related to the gravity of the digital economy and intellectual property, considering their interaction. The economic significance and synergistic potential of digital markets are revealed; however, intellectual property protection in Uzbekistan remains at an initial stage, with laws not yet adapted to digital discourse. The article emphasizes the necessity of updating legislation in the modern environment and proposes future regulatory trajectories. The study offers practical solutions to ensure a balance between intellectual property and digital markets.

Keywords: digital market, digital economy, intellectual property, network effect, intellectual property protection, digital services, e-commerce.



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INTRODUCTION:

The rapid development of digital markets has become one of the main trends in the modern economy. In particular, e-commerce platforms, digital content exchange systems, and online services are playing an increasingly important role in the global economy. Looking at the data, it is projected that digital transformation expenditures will reach 2.67 trillion US dollars by 2025.¹ Concurrently, the protection of intellectual property rights in the digital environment has become a pressing issue. Instances of illegal copying, piracy, and infringement of intellectual property, including copyrights, patents, and trademarks, are being observed in digital markets. For example,

¹ Statista. (2024). *Spending on digital transformation technologies and services worldwide from 2017 to 2027*. <https://www.statista.com>

according to reports from the World Intellectual Property Organization (WIPO), digital piracy causes more than \$200 billion in annual damage to the global economy.²

The expansion of digital markets in developing countries like Uzbekistan is increasing economic opportunities on one hand, while creating new legal and technological challenges in protecting intellectual property rights on the other. For instance, cases of illegal content distribution have been reported on local e-commerce platforms (such as olcha.uz and zoodmall) and social networks, though precise statistics on this issue are scarce. While internationally recognized frameworks like the Digital Millennium Copyright Act and technological protection mechanisms such as YouTube Content ID exist, their effectiveness and universal applicability remain subjects of ongoing debate.

The emergence of concepts such as digital markets and the protection of intellectual property and similar forms of ownership in society has necessitated research and studies on these types of relationships. Conducted research has examined digital markets and intellectual property protection from various perspectives. As an example, the opinions expressed by Rebecca Giblin and Kimberlee Weatherall regarding copyright have once again demonstrated the relevance of this field. These individuals have conducted detailed research in this area and shared their views on revising copyright and monitoring systems in the digital environment.³

At the same time, there is a lack of in-depth research on this issue in the context of Uzbekistan. During the process of searching for information in these areas, readers may encounter various unexplored aspects and inadequately addressed questions. This article aims to analyze the current state of intellectual property rights protection in digital markets and provides an answer to the following key question: "How effectively are intellectual property rights being protected in digital markets, and what legal and technological solutions are necessary to improve this process?" This article thoroughly examines this topic by comparing international experience with the actual situation in Uzbekistan's legislation and practice.

METHODS:

Throughout this article, we will employ three main methods to explore the topic "Digital Markets and Protection of Intellectual Property Rights," which are as follows:

- Firstly, utilizing the method of regulatory and legal analysis, we will systematically examine the legislative acts governing digital markets and intellectual property rights. Specifically, at the international level, we analyzed the WIPO regulations, the Digital Millennium Copyright Act (1998) of the USA, and the Directive 2019/790 of the European Union. For Uzbekistan, we examined the Law "On Copyright and Related Rights" (2021) and the Law "On Electronic Commerce" (2015). To study these legislative sources, we relied on information and statistics obtained from the "LexUz" and "WIPO Lex" databases.
- Secondly, through statistical analysis methods, we will examine the correlations and significant changes between the growth of digital markets and intellectual property infringements. For this purpose, we will utilize data from Statista (2024), WIPO (2023), and OECD/EUIPO (2019) reports for the years 2020-2025.
- Thirdly, we will focus on real-life practical cases, paying attention to situations related to YouTube's Content ID system and local platforms in Uzbekistan such as olcha.uz. To analyze the subject of this article in detail, we will consider global experiences in comparison with the Uzbek context, using open sources and academic resources (Google Scholar).

² OECD & EUIPO. (2019). *Trends in trade in counterfeit and pirated goods*.

<https://www.oecd.org/governance/trends-in-trade-in-counterfeit-and-pirated-goods-g2g9f533-en.htm>

³ Giblin, R., & Weatherall, K. (2017) What if we could reimagine copyright?

<https://press.anu.edu.au/publications/what-if-we-could-reimagine-copyright>



RESULTS:

During our research, we focused on figures and indicators based on certain statistics, particularly discovering new information about digital markets and intellectual property protection. With the emergence of digital markets and related relationships, implementing this new field has become a necessity. While searching for material for this article, I found it important to consider the opinions of several foreign scholars. For instance, regarding the "digital market" and its scope, O. Kozhevina and A. Kineev expressed the following thoughts: "The digital market, in its essence, encompasses electronic economy, e-commerce, marketplace (digital trading platform), unified payment space, videotex, internet trading, smart cities, electronic transactions, internet banking, acquiring, digital marketing, and more."⁴ According to eMarketer, \$740 billion is projected to be spent on digital advertising worldwide in 2024.⁵ IFC reported that the digital services market in Central Asia has reached \$2.3 billion, while Twitch broadcast 1.1 billion hours of live streaming.⁶ Regarding intellectual property protection: The BSA's 2023 report highlighted \$46 billion in damages from illegal software. The Ministry of Justice of the Republic of Uzbekistan has registered 150 patents and 320 copyrights. Spotify removed 1.2 million illegal audio files, while the WTO reported \$300 billion in losses from digital piracy.⁷ The growth of digital markets is opening up new opportunities for people - for example, small businesses in Uzbekistan are developing through online trading, and platforms such as Twitch are helping young people earn money from their creativity. However, if intellectual property protection remains weak, these opportunities are at risk. When creators' work is stolen, their motivation to produce content for digital markets diminishes. For instance, illegal files on Spotify cause both financial and moral harm to music creators, while BSA's software statistics demonstrate the significant losses faced by technology companies. Although it's positive that the number of patents has increased in

⁴ Егорова М. А., Кожевина О. В., Кинев А. Ю. Правовая защита конкуренции в условиях формирующихся цифровых рынков //Lex russica. – 2021. – №. 2 (171).

⁵ eMarketer (2024): <https://www.emarketer.com> (Global Digital Ad Spending)

⁶ Twitch Tracker (2023): <https://twitchtracker.com/statistics>.

⁷ Spotify Transparency Report (2023): <https://transparency.spotify.com>.

Uzbekistan, the absence of specific regulations for protecting them in the digital environment remains a challenge.

The issue of protecting intellectual property rights is becoming increasingly complex in the digital world. The Business Software Alliance (BSA) reported \$46 billion in damages from illegal software use in 2023. This indicates that intellectual property objects, such as software, are easily distributed and stolen in digital markets. In Uzbekistan, the Ministry of Justice registered 150 patents and 320 copyrights in 2023, but there are no specific figures for violations in the digital environment. This suggests that the protection of intellectual property in our country is still in its early stages. The World Trade Organization (WTO) reported \$300 billion in losses from digital piracy in 2022 - a figure that illustrates the extent to which the global content industry is at risk. This data demonstrates the relevance of intellectual property protection in the digital age and the significant effort required to improve it.

DISCUSSION:

To fully comprehend the concept of digital markets and the scope of their coverage, we need to consider the concept of "digital economy" as well. The digital economy is an economic activity closely linked to e-business and commerce based on digital technologies. It enables a significant increase in the efficiency of storage, sale, and delivery of various technologies, equipment, goods, and services through the use of process analysis results and the processing of large volumes of data. It also encompasses the sum of digital goods and services produced and sold as a result of this activity. Sometimes it is referred to by terms such as internet economy, new economy, or web economy. Upon analyzing the assessments of industry experts, we can see that digital markets are founded on the "network effect" theory. This theory demonstrates the interconnectedness between the growth of trade volume and customer base in digital markets.⁸ In Uzbekistan, the economic significance of platforms like Uzum Market or olcha.uz increases proportionally with their number of buyers and sellers. However, this theory presents a challenge: if platforms become excessively large, they risk turning into monopolies, potentially reducing competition.⁹ OECD (2023) data corroborates this notion - 60% of the digital advertising market is controlled by Google and Meta. In the current era, as the economic system and market relations undergo digitalization, the state is implementing sector-specific legislation necessary to regulate these types of socio-economic relationships. This is evidenced by the Resolution of the President of the Republic of Uzbekistan No. 4699 dated April 28, 2020, "On Measures for Widespread Implementation of the Digital Economy and E-government," and the Decree of the President of the Republic of Uzbekistan No. 6079 dated October 5, 2020, "On Approval of the 'Digital Uzbekistan - 2030' Strategy and Measures for its Effective Implementation." In addition, the "Committee for Developing Competition and Protecting Consumer Rights" has established a "Department for Analysis and Regulation of Commodity, Financial, and Digital Markets." This department develops and implements proposals for measures to analyze the competitiveness of commodity, financial, and digital markets, promote competition, as well as improve market relations and enhance antitrust analysis of commodity, financial, and digital markets.

CONCLUSION:

In this article, we examine the issue of digital markets and the protection of intellectual property rights. We have observed that while the digital economy, including e-commerce and online services, is expanding economic opportunities worldwide, it is also creating new threats to intellectual property rights. In particular, it is a reality that developing countries like Uzbekistan

⁸ Parpieva, Malika Muxamadjonovna. "O'zbekiston raqamli iqtisodiyotini rivojlantirishning ustuvor yo'nalishlari." *Raqamli iqtisodiyot ilmiy-elektron jurnali*.

⁹ Eshonqulov, Asadulla Akram o'g'li. "Raqamli bozor tushunchasi va uning o'ziga xos xususiyatlari." *Oriental Renaissance: Innovative, Educational, Natural and Social Sciences* (2023).

need new legal and technological solutions for the growth of the digital economy and the protection of intellectual property rights.

In the future, it is necessary to establish strong legal, technological, and economic foundations for managing digital markets and protecting intellectual property rights. Potential problems should be studied, and necessary measures should be taken. The measures being implemented by the global community and the initiatives undertaken by the government of Uzbekistan are making significant strides in this direction.

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