Harnessing Homegrown Intellectual Property

Summary of the Issue

The true cultural and economic value of audiovisual content lies in the ownership of intellectual property. Intellectual property can be leveraged across formats, platforms, and ancillary rights, allowing creators to expand narratives, develop franchises, and reach audiences globally. Ownership determines who exercises creative and economic control over content. When intellectual property is foreign-owned, decision-making authority over Canadian stories rests with foreign entities, which can limit the cultural and economic benefits for Canadians and directly affect Canada's cultural sovereignty.

In a global digital environment, long-term value increasingly comes from retaining and exploiting intellectual property across markets, yet Canadians' capacity to do so varies across subsectors. In areas such as video games, production and investment are largely foreign controlled, limiting opportunities for Canadian firms despite strong domestic creative capacity. In other subsectors, challenges related to financing, licensing, and international distribution constrain creators from fully realizing the value of their intellectual property. Indigenous and equity-deserving creators may face additional barriers, making intellectual property retention both an economic and cultural sovereignty issue.

Canada's current support system focuses primarily on financing individual projects within defined formats. While this has strengthened domestic production capacity, it may unintentionally hinder intellectual property ownership and long-term exploitation across formats and platforms. International partnerships, while essential for financing and distribution, can influence ownership and control over content, raising questions about how to ensure cultural and economic benefits continue to accrue to Canadians over the long term.

Objectives of the Discussion

- **Understand challenges and opportunities in retaining and leveraging Canadian intellectual property**. Participants are invited to share their perspectives on barriers, enabling conditions, and differences across the sector.
- **Explore how Canadian intellectual property can support cultural sovereignty and global market participation.** Participants' views are sought on balancing domestic ownership with international financing, partnerships, and distribution.
- **Identify levers and incentives to help diverse creators realize cultural and economic benefits.** Participants' insights are sought on approaches to strengthen inclusion, equity, and export readiness, with focus on Indigenous and equity-deserving creators.

Context

The audiovisual sector is shifting from a model focused primarily on production activity toward one in which intellectual property is the main driver of long-term cultural and economic value. Success increasingly depends on the ability to develop intellectual property that can move across formats—such as film, television, and interactive digital media—and adapt to multiple

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platforms. This enables interconnected stories, franchises, and built-in audiences that generate sustained returns over time. At the heart of this shift is ownership: who controls the creative direction, who participates in revenues, and who shapes the future development of stories. As a result, intellectual property ownership has become a core issue of both economic growth and cultural sovereignty.

Canada's existing support framework has been effective in building a strong domestic production sector, but it remains largely project based. While this approach has driven production volume, it does not always support long-term development, monetization, or reinvestment of intellectual property. As industry practices evolve, international partnerships have become increasingly important for financing and access to global distribution. However, these partnerships can also affect ownership structures and reduce the long-term value retained by Canadian creators.

This raises a key policy question: how can the federal support toolkit better enable the creation, retention, and modernization of Canadian and Indigenous intellectual property? Stakeholders have differing perspectives. Some emphasize the need for greater flexibility in ownership and control to support global participation and scale, while others stress the importance of maintaining Canadian ownership to ensure creators retain meaningful value and creative influence. These perspectives point to a central challenge—designing support mechanisms that balance domestic control with international engagement, while promoting inclusion and long-term resilience particularly for underserved and Indigenous creators.

<u>Current Approach</u>

- Federal interventions have historically focused on supporting Canadian content, with intellectual property created as a by-product rather than a primary policy objective.

- Regulatory requirements administered by the Canadian Radio-television and Telecommunications Commission require broadcasters and distribution undertakings to invest in Canadian content. These obligations sustain demand and financing for Canadian productions and contribute to intellectual property creation, but do not directly address long-term ownership or exploitation. The Commission is currently considering changes to these regulations, which may influence intellectual property retention, financing structures, and distribution outcomes,and would be expected to align with broader federal policy direction .

- Canadian content certification frameworks, administered by the Canadian Radio-television and Telecommunications Commission and the Canadian Audio-Visual Certification Office, determine eligibility for funding and tax incentives based on ownership, control, and key creative roles of linear film and television content on a project specific basis.

- Federal tax credits administered through the Canadian Audio-Visual Certification Office incentivize production and ownership. The Canadian Film or Video Production Tax Credit requires Canadian-controlled projects to retain 100 percent copyright ownership for 25 years, ensuring long-term intellectual property control. The Production Services Tax Credit supports production activity in Canada, including foreign-controlled projects, but does not require Canadian intellectual property retention.

- Direct federal funding is delivered through institutions with format- and platform-specific mandates, supporting the development, production, and promotion of Canadian audiovisual works, including in genres that may face market gaps. These programs require Canadian ownership and creative participation, contributing to the creation of Canadian intellectual property, but remain largely project-based and not explicitly structured to support long-term intellectual property retention or exploitation.

- International co-production treaties enable Canadian producers to access foreign financing and distribution and qualify as domestic content in multiple jurisdictions but shared intellectual property ownership limits Canadian retention of long-term economic value.
- Export and market development activities enhance international visibility and distribution of Canadian works through global markets and festivals, contributing to Canadian intellectual property reach but focusing on individual productions rather than long-term value
- Support for interactive digital media, including video games, is primarily delivered through provincial tax credits and project-based funding mechanisms that focus on production activity rather than the long-term development, ownership, and commercialization of intellectual property. As a result, capacity for marketing, distribution, and global scaling of Canadian-owned intellectual property in this segment remains limited, with firms often relying on foreign partners to access international markets.
- Targeted supports for Indigenous and equity-deserving creators, through funding streams and partner organizations (including the Indigenous Screen Office, the Canada Media Fund, Telefilm Canada), advance cultural sovereignty and diverse intellectual property but remain production-focused with persistent barriers to financing, ownership, and long-term retention. For content produced by the National Film Board of Canada, copyright is usually retained by the institution, which can restrict creators' ability to manage future uses, and in the case of Indigenous productions, also impedes on Indigenous economic and cultural sovereignty.

Overview of Changes Being Considered

- Focus on intellectual property as the core cultural and economic asset, beyond individual productions' market success.
- Creation of a single federal institution with a platform- and format-inclusive approach supporting Canadian intellectual property across its lifecycle and markets.
- Exploration of adjustments to federal supports, including tax credits, to incentivize the retention, ownership, and long-term economic value of Canadian intellectual property across formats, partnerships, and international markets.
- Targeted investments that improve access to intellectual property creation, ownership, and growth for Indigenous creators and equity-deserving groups.

Discussion Questions

- What barriers prevent Canadian creators and companies from retaining, controlling, and fully exploiting their intellectual property across formats, and what enabling conditions are needed to strengthen long-term cultural and economic value?
- How should Canada balance domestic ownership of intellectual property with the realities of international financing, partnerships, and distribution to ensure both cultural sovereignty and global market participation?
- What levers—funding, tax incentives, rights frameworks, export supports, or capacity-building—would most effectively help diverse creators, including Indigenous and equity-deserving groups, create, retain, and grow their intellectual property?

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- What role should a modern federal institution play in supporting IP across its full lifecycle—from development to monetization, export, and reinvestment?
- How can federal policy better support IP creation and retention in video games and interactive digital media, where global competition and financing models differ significantly from film and television?
- How should Canadian content certification and tax incentives evolve to encourage long-term IP retention while enabling global partnerships?
- What supports are needed to help Canadian IP reach global markets and build multi-format franchises?
- What governance models ensure Indigenous creators retain control over cultural IP, data, and future uses?
- What role should a federally supported public producer or direct funder play in enabling the creation, ownership, and long-term growth of Canadian and Indigenous intellectual property, and what gaps in the current ecosystem could such an institution uniquely address?