

**ALLIANCE**  
FOR INTELLECTUAL PROPERTY

**Third Annual Intellectual Property Conference**  
***'Priorities for New Governments:***  
***Meeting Consumer and Business Expectations in the UK and Europe'***  
***17th October 2013***  
***Royal Society, London***

**Extracts from the speech of**  
**Rt Hon Vince Cable MP, Secretary of State for Business, Innovation and Skills.**

**The UK and creative content**

The UK is known internationally for its world-beating design, entertainment and content. We have the largest games sector in Europe. Only the US has more TV programmes shown globally. Our music industry employs 130,000 people; our design industry 350,000.

As smart phones and tablets fuel ever more demand for creative content – and as more jobs emerge in innovative sectors dependent on secure intellectual property – the quality of our IP systems represents a key determinant of economic growth. Already, IP is the basis for £16 billion of annual investment in the UK economy.

The Government is committed to creating the up-to-date legal and economic frameworks necessary to support creativity, innovation and investment across the economy, and for business operating at any scale.

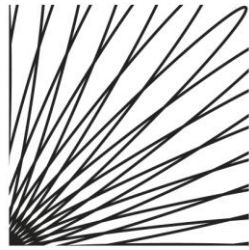
**Business & Government pulling in the same direction**

As with other aspects of industrial strategy, the success of IP reform depends on business and Government sharing common goals. We are working together on developing international standards for managing IP rights and data so that the UK can be a centre for both the production of content and for its licensing. For example, we now have the world's first copyright hub. Co-funded by industry and the Government, it enables users to know when licenses are required and how to get them.

This fits into a wider educational campaign, led by the Intellectual Property Office, aiming to reach four million people this year. With partners including Aardman and UK Music, it is helping young people to understand the significance of copyright and appreciate why illegal downloads are so counterproductive.

**Progress on enforcement**

In June this year, we unveiled a new police unit in the City of London dedicated to tackling online piracy and other forms of IP crime, such as counterfeit goods. Funded by the Intellectual Property Office, it is one of the first units of its kind in the world, ensuring that the UK stays at the forefront of IP enforcement.



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Theft of digital content represents a major challenge. According to recent research into copyright infringement conducted by Ofcom, around seven million people a month visit sites offering illegal content in the UK, but the vast majority of infringement is done by a very small minority. Achieving the right balance on enforcement is key to protecting and sustaining our creative industries.

The creative industries have come forward with a sensible proposal – known as the Voluntary Copyright Alert Programme (or VCAP) – to warn online consumers when they access copyright-infringing material via peer-to-peer networks. A similar industry-led scheme is currently operating in the United States and aims to educate consumers who don't fully understand issues around copyright. We are very keen to see a similar proposal taken forward over here. We are working closely with all the right parts of the industry and with internet service providers on determining how it will work in practice and on the easiest and quickest way of introducing it in the UK.

## **IP & bank lending**

We know that UK business investment in IP assets is a major aspect of their plans for future growth. Yet it is rarely catered for via regular bank lending, where it is seen as an intangible asset. That is why I commissioned an independent report, due next month, to explore how we can improve access to finance for IP-rich businesses, especially SMEs.

The authors are considering ways to make it easier for businesses to show what IP they have when seeking funding, and for banks to understand the cash flow and business value of IP. They are also formulating proposals on how we might reduce IP-related risk through insurance and other mechanisms, and enable the development of more effective financial markets for IP.

## **Making things easier for business and consumers**

Overall, we are working towards a system that better serves the needs of both businesses and their customers. As we implement the recommendations made by Ian Hargreaves, small business can export to key overseas markets with greater confidence, while consumers will soon be able to transfer music they have purchased legally between digital devices when it's for private use.

At the same time, we have introduced legislation providing criminal sanctions to tackle the blatant copying of registered designs – creating parity with existing infringement regimes for copyright and trade marks.

Our goal is a digital economy that offers consumers the widest choice of safe and legal high-quality entertainment.