



IP 2020: The Alliance wants to hear from you

With European Elections in 2014 and a General Election in 2015 now is the time for businesses to make their voices heard on how they think the Government can best support those who rely on IP. The Alliance has launched a survey to find out from creators and businesses what policies need to be in place to ensure that, by the end of the next Parliament, the UK is the best place to base and invest in an IP-rich company.

These findings will then be presented to all the major political parties in the run-up to these elections.

IP-rich businesses are crucial to the UK's growth and the decisions a future government make will have a real impact on the success of small, medium and large companies across the UK, as well as the thousands of individual creators, designers and innovators.

Given the investment uncertainty it can bring businesses may want no legislative change. Alternatively, businesses and creators may feel further legislative reform is necessary so that their rights can be protected and monetised. It might be that additional measures are

needed to ensure the existing law can be enforced with greater consistency or that educational efforts need to be increased or refocused on particular groups.

According to Susie Winter, Director General of the Alliance for Intellectual Property, the UK already produces world-beating content and is home to sought-after global brands and some of the world's best designers. "We now need to think to the future about what it is that we need from our politicians over the next few years so that the UK is the best place to create, build and base an IP-rich business.

"This is not intended to be a re-run of past reviews into the intellectual property framework. Rather, it is designed to look at what the next Government should, or indeed should not, do to ensure our creative and brand manufacturing businesses flourish."

The past few years have seen a number of changes to the UK IP framework. From the Copyright etc., and Trade Marks (Offences and Enforcement) Act in 2002, the implementation of the Copyright and Enforcement

Directives in 2003 and 2004, the Patents Act in 2004, the Digital Economy Act in 2010, right up to the Coalition Government's Enterprise and Regulatory Reform Act and the current Intellectual Property Bill, successive administrations have amended IP law. Given the potential for further change at EU level in the next few years, this desire to review and amend the IP framework does not appear to be abating.

The survey was launched at the Alliance's third annual conference which heard from Rt. Hon. Vince Cable MP, Secretary of State for Business, Innovation and Skills, and Michel Barnier, the European Commissioner responsible for the Internal Market and Services. Other contributors at the event included Mike Weatherley MP, the Prime Minister's IP adviser, Lord Clement-Jones and Arlene McCarthy MEP.

Comments are welcome until 17th January.

You can access the survey online at:
surveymonkey.com/s/AllianceCallforViews

The Content Map turns one

THE
CONTENT
MAP.

The Content Map has had an incredibly successful first year with over 21,000 unique visitors and nearly 50,000 page views. It is also being used by enforcement bodies to help further educate consumers who have been looking to access illegal content.

The project was conceived as a response to consumer concerns that it was not easy to tell which sites were safe and legal. The site lists the 150+ websites where it is possible to access films, TV programmes, music, sports broadcasts, ebooks and videogames safely and legally, and also features a search function which allows users to put web addresses into the site to check if they are listed or not.

You can visit the website at www.thecontentmap.com

Stop press

Lords debate copyright exceptions

Peers from across the political spectrum have raised concerns about the Government's plans for further copyright exceptions in a debate in the House of Lords. Conservative peer Baroness Buscombe, who initiated the debate, called on the Government to ensure that the exceptions did as the Government had intended, drawing attention to the fact that poor drafting could cause great harm to creators and copyright owners.

Other issues discussed during the debate included controversial plans to include a provision in each exception to prohibit contract override, the impact of which, it was argued, had not been properly explored by Government in the consultation process.

Peers also raised the problems associated with the lack of a compensation mechanism for rights holders in the private copying exception, which is required by European law and has been implemented in other countries with a similar exception.

Liberal Democrat Lord Clement-Jones questioned what these exceptions, in the absence of any real market failure, were designed to fix. He pointed to the significant developments in licensing and innovative new business models which are allowing consumers to access their content legally across different platforms.

Concluding the debate, the Minister for Intellectual Property, Lord Younger, confirmed that the exceptions will be laid before Parliament by February 2014, to take effect in April of the same year. The Alliance will continue to work to make the Government aware of the concerns of businesses and creators in this area.

IP Bill second reading delayed

Second reading of the Intellectual Property Bill in the House of Commons has been delayed. The debate was due to take place on 9th December, but was moved due to tributes in the House for the late anti-apartheid campaigner and former South African President Nelson Mandela.

Third Annual IP Conference - 'Priorities for New Governments: Meeting Consumer and Business Expectations in the UK and Europe'

On 17th October, the Alliance for Intellectual Property held its third annual IP Conference at the Royal Society, London. Sponsored by BSA | The Software Alliance, the Creative Coalition Campaign, and 21st Century Fox it brought together over a hundred and fifty people from across the creative and branded industries, policy-makers and enforcement officials to discuss the future of IP in the UK and Europe. Delegates heard from a range of expert voices, learnt more about brand new research into consumer attitudes, and had the opportunity to express their own views.

Cable reaffirms Government commitment to IP rights

Vince Cable MP, Secretary of State for Business, Innovation and Skills, has a long history supporting IP-rich businesses in the UK, starting with his support for the Alliance-initiated Copyright etc., and Trade Marks (Offences and Enforcement) Act in 2002 when he was Liberal Democrat Spokesperson for Trade and Industry.

In his speech, Cable lauded the success that the creative, branded and design sector continues to have in the UK, and noted the role IP rights play in delivering success in other industry sectors such as manufacturing and engineering. He was clear that for this success to continue there must be positive engagement between Government and industry, as has been seen in the creation of the Copyright Hub. He believed that this co-ordination could be expanded into important areas such as IP education and enforcement.

Cable generously stayed for a lengthy question session which allowed delegates to probe the Secretary of State on subjects ranging from skills and apprenticeships to the issue of copyright exceptions and the potential for these to undermine business confidence. Responding, the Minister re-stated his appreciation of the value of IP-rich industries in the UK, but acknowledged the passionate debate that surrounds some of these core issues.



Secretary of State for Business, Innovation and Skills Vince Cable MP and Alliance Chair Richard Mollet take questions from delegates.

IP framework upholds consumer interests

Alliance Chair Richard Mollet stressed how important intellectual property is to both businesses and consumers and spoke of the need to fight the view that support for a strong intellectual property framework is anti-consumer. He reminded the audience that:

- ▶ It is not anti-consumer to create great new brands that stimulate competition, or protect trade marks which provide quality assurance;
- ▶ It is not anti-consumer to create designs that provide beauty in our lives;
- ▶ It is not anti-consumer to create books, music, films, video games and the best football league in the world for millions to enjoy;
- ▶ Neither is it anti-consumer to allow the creators, designers, business owners and the people who work for them the right to make a living from their creativity.

What really IS against the consumer's interest is:

- ▶ The risk of being ripped-off or even endangered by fake goods;
- ▶ Copyright infringing sites which prevent fans from rewarding the creators they wish to support;
- ▶ Infringers choking off the potential investment in new brands, designs and copyright works, reducing choice to consumers in the market.

"The IP framework upholds the consumers' interests and it is our aim to show that in doing so it is not in conflict, but in complete alignment with, the interests of business",
Richard concluded.



Alliance Chair Richard Mollet opens the Conference

Consumer attitudes to IP revealed

Delegates heard the results of new research into consumer attitudes to IP rights online from Rick Nye of leading polling company Populus.

Nye revealed that online infringement of IP rights remains an ongoing concern for both consumers and businesses. Barely half of consumers said that they felt confident accessing goods and services online, and only 56% stated that they felt it was easy to tell whether content online was legal.

Demonstrating the complex nature of attitudes to IP, the majority of those surveyed agreed that online infringement represents a problem for industries across the creative sectors, a view held even by those who had committed IP infringement themselves.

The research also showed that the majority feel that there should be greater regulation to protect consumers, creators and rights owners online - reassurance for Government as it reassesses its approach to internet communications.

As online retailing continues to grow in popularity it is clear that lack of consumer confidence and the challenges caused by IP infringement need to be addressed to ensure consumers and businesses feel safe buying and trading online.

The full set of results unveiled at the conference can be found on the Alliance website under 'Reports and Publications'.



Rick Nye, Populus

Consumer views

- ▶ **54% feel confident accessing digital entertainment online**
- ▶ **44% think it is difficult to tell the difference between legal and illegal websites**
- ▶ **71% believe that the internet should be regulated to protect the rights of others**

Press one for... Views from the floor

Throughout the event, delegates had the opportunity to express their views on a range of intellectual property issues. These views were then explored by a panel of experts consisting of Mike Weatherley MP, the Prime Minister's Adviser on Intellectual Property, Martin Spence, Assistant General Secretary for BECTU, and Bill Bush, Director of Policy for the Premier League.

Delegate views

- ▶ 14% of the audience felt that the Government had not been supportive of those who rely on intellectual property
- ▶ 21% of the audience felt that the government was not knowledgeable on the economic contribution made by IP-rich businesses



Delegates give their views using the polling system

Around half of the delegates felt that the Government was supportive or somewhat supportive of IP-rich businesses, but some of the audience reflected that the Government had been not at all supportive and were not knowledgeable of the issue. Mike Weatherley MP reflected that he felt the Government would like to be supportive of those who rely on IP and that there was an increasing awareness of the issue in Parliament, but the Government had been finding its way on the issue.

Bush acknowledged that the Government had made an effort to engage with industry following the Hargreaves

Review while Spence said he believed that, although a majority in Parliament do understand the importance of IP, more urgency was needed to create an appropriate IP regime that supported jobs and investment in the UK.

Delegates were also probed on their views on Europe with there being a nearly even split on whether the decisions of the UK Government or the European Commission had the biggest impact on UK business! The polling also revealed that, at an European level, the majority of the audience believed licensing was the best way to tackle the challenges of copyright in the digital age, rather than re-opening the Copyright Directive.

Delegate views

The views and actions of which organisation has the biggest impact on UK business?



Arlene McCarthy MEP 'In Conversation' with Lord Clement-Jones

The actions of the European Commission, and the decisions taken by the European Parliament, increasingly impact business decisions and legislation back in the UK. The triumphs and tribulations of formulating IP policy in Europe were revealed through a frank discussion between Arlene McCarthy MEP, Vice Chair of the Economic and Monetary Affairs Committee, who has a long history raising the risks presented by counterfeiting and piracy to consumers and businesses, and Lord Clement-Jones, member of the All-Party Parliamentary Group on Intellectual Property and one of IP's most active and vocal supporters in UK Parliament.

McCarthy stated that although, in her experience, the European Parliament has a good track record of legislating to protect IP rights, for example on trade marks and issues around customs and border control, the Anti-Counterfeiting Trade Agreement (ACTA) had demonstrated that the current political atmosphere with regards to IP rights at EU-level is not one which makes it easy to get policies implemented.

As the sheer volume of opposition against ACTA has made it very difficult for legislators to put in measures that support IP-rich industries, and the jobs they create, McCarthy stressed the need for industry to continue to make the case for IP. She highlighted the many jobs and businesses across her constituency that relied on IP-rights, in particular in hubs of creative talent such as Manchester, and as such she was keenly aware of the positive impact a strong creative sector can have.

According to McCarthy the internet presents a huge opportunity to IP-rich businesses, creators and innovators, pointing to the fact that internet industries are highly reliant on content. However, she concluded, this shouldn't undermine the fundamental point that the creator and owner of the IP must get paid.



Lord Clement-Jones and Arlene McCarthy MEP

IP rights: "The backbone of a competitive European economy"

Closing the conference, Michel Barnier, EU Commissioner for the Internal Market, stated firmly that he believed that IP rights were the backbone of a competitive European economy. Barnier said that since he became Commissioner he has worked with a pragmatic approach towards intellectual property with the aim of rewarding creation while facilitating access to online content but that "for IP rights to be meaningful, we must provide for effective protection".



Michel Barnier, Commissioner for the Internal Market

He said: "Thanks to IP we create jobs and bring innovative products and services to consumers and companies. Let me give you just some of the results of a study on IP-intensive industries published two weeks ago by the Office for Harmonisation in the Internal Market (OHIM) and the European Patent Office (EPO). The study showed that nearly 40% of all economic activity in the EU is generated by IPR-intensive industries. That is around €4.7 trillion each year.

"More than a third of all jobs in Europe (77 million) depend either directly or indirectly on sectors that make intensive use of IP. These are quality jobs. People employed in these jobs earn over 40% more than in other industries.

"What this study shows is that IP rights, be they copyright, patents, trade marks or designs, are the bedrock of our economy. They are all around us in so many of the products and services that we take for granted. They create jobs and growth in Europe and people tend to forget that. In a changing world, we have to make sure our IP infrastructure is fit for the 21st century."

Barnier did not shy away from noting the some of the sensitivities of IP policy at a European level. Reflecting on the debate around ACTA, Barnier said the experience had been a 'bruising debate' but one that had been useful to have as it is now clear that such issues cannot be discussed behind closed doors.

Concluding his speech, Barnier said that as Europe moves from recovery to growth, the EU needs innovation and creative content to boost economic growth, but at the same time such outputs must be accessible to people throughout the Single Market. He acknowledged that this is never an easy balance to strike but that the European Commission was working on making it happen.

Meet the PIPCU team

The Police Intellectual Property Crime Unit (PIPCU), launched in September, has been working hard to target online serious and organised Intellectual Property (IP) crime.



PIPCU is the latest addition to City of London's Police's Economic Crime Directorate based at New Street, in the City of London. The unit is initially being funded by the Intellectual Property Office until 2015 and has been formed to combat IP crime which is costing the UK industry the hundreds of millions of pounds every year to organised criminals, through the production of counterfeit goods and copyright infringement.

The newly formed PIPCU is a 19 strong-team consisting of detectives, police staff investigators, analysts, researchers and a communications officer based at the force's Economic Crime Directorate in the City of London. The unit is headed up by DCI Richard Fisher who previously was Head of Money Laundering and Financial Investigations and DI Rob Stirling who joined the unit from the Fraud Squad.

The team also has the added skills and expertise from two secondees; a Senior Intelligence Officer from the Intellectual Property Office (IPO) and an Internet Investigator from BPI (The British Recorded Music Industry).

Over the last two months the unit has seen a wide range of businesses contacting the team with referrals. The unit marked its launch with the raiding of a property in Birmingham following a referral from the Federation Against Copyright Theft (FACT). The early morning operation resulted in the seizure of DVDs worth an estimated £40,000 and the arrest of two suspects.

Since then a third arrest was made at the end of October following a referral by PRS for Music. The suspect was arrested on suspicion of operating a website that was illegally selling music albums, singles and films and subsequently an agreement was reached to transfer the control of the website to City of London Police.

DI Rob Stirling says, "It's really important that businesses know that PIPCU is here to help. We are urging any UK organisation who believes they may be a victim of IP crime to submit evidence to us. To date PIPCU has received and is investigating over 50 referrals and so our first few months are a great success story already."

Referrals can be made by visiting www.cityoflondon.police.uk/citypolice/pipcu

Parliament has seen the introduction of its first Intellectual Property Bill since the 1988 Copyright Designs and Patents Act and 1994 Trade Marks Act. The Bill introduces a new criminal offence of deliberate infringement of a registered design right. This is a welcome move as it brings to design rights the same level of legal protection and support as enjoyed by other IP rights. However, we continue to maintain that, as the majority of the UK's 350,000 designers rely on unregistered design rights, criminal sanctions need to be extended to these rights too.

The Bill also remains silent on a number of inconsistencies that exist within IP legislation. For example, it does not rectify the difference in criminal sanctions for infringement of copyright online as opposed to physical goods; nor does it tackle the Government's failure to meet its international obligations to protect investment in brands. We'll be pressing the Government on all these points as the Bill progresses through the House of Commons.

Copyright reform aside, there have been other developments which we welcome. Mike Weatherley

News in brief

New research on IP

The IP rights community is often criticised for a perceived lack of evidence in the role that IP plays in upholding both consumer and business interests, whether in the contribution it makes to growth and employment, the harm caused by IP infringement, or its importance in helping consumers access safe and legal content online.

However, the last few months has seen new research which adds weight to what the industry have long suspected: IP rights are of critical importance to the UK, European and global economies.

- ▶ Taylor Wessing's Global IP Index put the UK at the top of its ranking for global competitiveness in IP. The rankings focused on issues such as the speed and quality of decisions, and the cost of pursuing a case.
- ▶ According to OHIM 35% of EU jobs are directly and indirectly generated by IPR-intensive industries. This equates to 76.5 million jobs.
- ▶ OFCOM research shows that levels of piracy in the UK are not reducing even though content across the sectors can be accessed legally online.
- ▶ Populus research uncovered that barely half of all internet users feel that it is easy to know whether a site's offer of goods or services was legal.

View from the Chair



Richard Mollet

2013 has been a busy year for the Alliance and its members with a broad swathe of legislation and policy developments impacting intellectual property to get our teeth into.

We've strived to make sure the Government's reform to the copyright framework is tightly focused and doesn't adversely impact content owners' ability to monetise and say how and by whom their rights are used. This debate will continue into the new year.

MP's appointment as the Prime Minister's Adviser on Intellectual Property is, we hope, finally a recognition by Number 10 of the need for the voice of those who rely on IP rights to be properly heard. The funding by the Intellectual Property Office of a new police unit (PIPCU) dedicated to targeting IP crime online is another incredibly welcome statement of intent from the Government to tackle a crime that impacts both rights holders and the public.

Other 2013 highlights include the All Party IP Group's trip to Brussels, reported in the Summer Newsletter, a highly successful Third Annual IP Conference and the focus given to IP issues from the Culture and Business Select Committees through their inquiries into Support for the Creative Economy and the Draft Consumer Rights Bill.

Looking forward to 2014, there will be no let up in IP related policy developments and with the prospect of a new Commission and Parliament in Brussels, it will be vital that the UK Government maintains steadfast support for IP. We will be keeping a close watching brief that they do.

Find out more about the Alliance for Intellectual Property:

Via our website: www.allianceforip.co.uk | Via Twitter: @AllianceIP