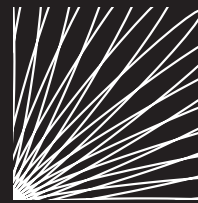


IP Update

Summer 2014



ALLIANCE
FOR INTELLECTUAL PROPERTY



Our Vision for IP



On 28th April the Alliance for Intellectual Property launched its manifesto, 'The UK in 2020: A vision for growth in IP-rich businesses', which provides recommendations for government and industry to ensure that the UK will be the best place to start and grow an IP-rich business by the end of the next Parliament in 2020. The UK is already a world leader in the creation and provision of goods and services in the creative and branded sectors, and the Alliance wants the country's creators and innovators to be secure in the

knowledge that their IP is properly recognised and protected.

The recommendations contained within the Manifesto evolved from a Call for Views process in which the Alliance talked to businesses and creators about the issues that meant the most to them. The very broad range of respondents included global entertainment businesses, designers from across the UK along with major high street brands and retailers. They told us that IP was integral to their business - 89% of respondents said that IP was very important to their future growth. However they also expressed concerns with the direction of some UK policies on IP and enforcement which were affecting their overall business confidence.

These recommendations are underpinned by the need for a strong and stable IP framework in which businesses and creators can have confidence. Three quarters of respondents to the Call for Views said that they relied on stability for their success and that the number of reforms to IP in recent years represented a

threat to that stability. Respondents also noted that infringements of IP through piracy, counterfeiting and copying continue to present a serious risk and there was concern that the current enforcement situation was not appropriate for the scale or type of problems businesses faced.

However, the Alliance also believes that if the UK is going to become the foremost location to base an IP-rich business by 2020, industry must also play an important role. Industry has already invested in a wide a range of initiatives - educating consumers, licensing innovative content delivery channels for consumers and protecting IP rights. The Alliance supports these core activities and will continue to engage at a political level to ensure that Government, Parliament and the wider electorate understand the importance of IP rights.

The full manifesto is available on the Alliance's website: www.allianceforip.co.uk

What we need from Government

- ▶ Stand up for the interest of the UK's IP-rich businesses at a European level
- ▶ Continue to monitor the value of IP businesses to the UK economy, and ensure a thorough economic and social case is made when proposing changes to the IP framework
- ▶ Ensure that IP is properly recognised by the investment community, including understanding its importance to the UK's SME businesses
- ▶ Address outstanding anomalies in IP law
- ▶ The creation of an IP enforcement framework for the digital age, including a commitment to implement statutory measures to secure responsible conduct by intermediaries if voluntary measures are not successful

Warner Bros.' continuing commitment to the UK's Creative Industries



A Time Warner Company

For over 90 years, Warner Bros. has been renowned for being a leading distributor of films and TV shows.

Since the turn of the millennium, the Time Warner-owned company has significantly ramped up its film production activities in the UK, most notably with the *Harry Potter* movie series, *The Dark Knight* trilogy, the *Sherlock Holmes* films and the Oscar-winning *Gravity*.

Those hugely positive and successful experiences led the company to further invest in UK film production; acquire leading video games developers, TT Games and Rocksteady Studios, independent TV production company, Shed Media and Soho post-production house, De Lane Lea; open its first film studio outside the US, Warner Bros. Studios Leavesden and, on the same Hertfordshire site, the award-winning visitor attraction, Warner Bros. Studio Tour London – the Making of Harry Potter; and launch its first West End musical, *Charlie and the Chocolate Factory* at the Theatre Royal Drury Lane.

In addition, Warner Bros. has recently unveiled Warner Bros. Creative Talent, a major new investment in UK creative industries' skills and training. This multi-year initiative gives young people of all backgrounds invaluable industry insight and experience from across Warner Bros.' UK film, TV, games and theatre operations.

The first 'season' has delivered eleven scholarships at some of the country's most respected higher education institutions; six apprenticeships with roles ranging from set-lighting to post-production; two trainee positions on Warner Bros.' UK film productions, Guy Ritchie's *Man from U.N.C.L.E.* and Ron Howard's *Heart of the Sea*; twenty-five, year-long training course places for young people at inclusive theatre company, Chickenshed; five work experience places for schools local to Warner Bros.' London HQ; and five work placements on the West End musical, *Charlie and the Chocolate Factory*, with the most talented of



Warner Bros. Creative Talent Season One



On the set of 'Gravity'

the students receiving an additional three month placement.

Alongside the belief in the talent that resides here, one of the key drivers of this commitment to the UK is intellectual property. It is the IP framework that allows Warner Bros. to see a return on its investments and to be able to continue producing such varied forms of entertainment.

This year, Warner Bros.' movie, TV and games production slates include the films, *The LEGO Movie*, *Godzilla*, *Edge of Tomorrow*, *Interstellar* and *The Hobbit: The Battle of the Five Armies*; new and returning TV shows such as *Gotham*, *The 100* and *The Big Bang Theory*; and the video games *LEGO Batman III* and *Middle-Earth: Shadow of Mordor*.

Warner Bros. and Time Warner are the sponsors of the Alliance's 2014 Summer Reception

IP on an International Footing

David Barker, Strategic Communications Manager at the Intellectual Property Office reports on the IPO's first international IP Enforcement Summit

When we think about theft, we think of the physical and sentimental items taken from our homes or work places. However there is another growing threat. Due to the rise of digital technologies and internet file sharing networks, our best innovators and creators are being robbed of their ideas, inventions and work.

Everything from trade secrets and proprietary products to movies, music and software is open to theft and misuse. Globally, it is projected that digitally pirated music, films and software accounts for losses of around \$80bn. Experts expect this to rise to \$240bn by 2015. Combined with the trade in physical counterfeit goods, this has a huge impact on

the global economy, estimated at 10% of world trade.

The UK is a global leader in tackling this type of intellectual property crime. The UK Intellectual Property Office hosted a unique International Summit on IP enforcement at Central Hall in Westminster on 11-12 June 2014 with all sides of the international debate represented.

Summit speakers and delegates included Vince Cable, Secretary of State for Business Innovation and Skills, representatives from the National Crime Agency, EUROPOL and INTERPOL, companies including Google, Gucci and Unilever and International representatives including the incoming and outgoing EU presidents.

The City of London Police IP Crime Unit was front and centre, with Adrian Leppard, the Commissioner at the City of London Police

speaking about safeguarding our digital world. Working with the UK IPO and the National IP Crime Group, the unit's work has resulted in some outstanding investigations and seizures, including the suspension of over 2,500 websites selling counterfeit goods and the arrest of those involved in distributing counterfeit CDs and DVDs. PIPCU is currently investigating more than £28 million of IP crime.

The summit looked at the international IP enforcement challenges and measures needed to tackle amongst other things, counterfeiting and piracy. It also looked at protecting the rights of creators, rights holders and consumers in an age of global trade and digital economies.

'Realising the benefits of the digital single market'

The Alliance for Intellectual Property hosted its first seminar event in the European Parliament in March. Achieving a 'digital single market' is one of the key priorities of the European Commission and the UK is already a country which leads on both the creation and provision of creative content in Europe and globally. As the Commission considers whether reform of Europe's copyright framework is needed to support the delivery of the digital single market, the Alliance's seminar explored the barriers faced by UK creators in exploiting their works, how new digital services could best be supported and the attitudes of EU citizens on IP issues.



European Parliament, Brussels

The experiences expressed by the panellists clearly showed that starting and growing a consumer-facing content delivery business is dependent on a strong IP framework. Mark Foster, then UK Managing Director of Deezer, reflected on Deezer's own development into new markets – first launched in France, the service is now available in 182 countries across the world, with expansion into each market allowed for by significant investment through licensing deals.

The importance of the ability for businesses to license was also raised by Dr George Barker, an economist at University College London, who spoke about the need to avoid further exceptions to copyright at an EU-level and stated that such exceptions should be retreating as the market confidently continues to develop and serve consumers across the EU. Indeed, he argued that their extension would only serve to increase the sorts of transaction costs that may discourage businesses from entering new markets and allowing consumers access to content.

Mike Weatherley MP, the Prime Minister's IP Adviser, delivered the keynote speech at the seminar, addressing the broader issues of education and infringement. Focusing on the UK he noted the efforts that were being made by industry and by Government to tackle IP infringement, especially online, although called on more to be done.

Capping off the seminar, representatives from both business and the European Commission discussed the range of work industry is undertaking to provide consumers with access to content, build and license new services and educate the public on IP issues. With industry working hard to ensure that the UK and Europe are the best places for competitive IP businesses to flourish, representatives made clear that they hoped these aspirations would be understood and matched by European Parliament and the European Commission.

A fuller report can be found on the Alliance website: www.allianceforip.co.uk

APPG discusses creative and tech industries

The All-Party Parliamentary Group on IP and the Digital Policy Alliance held a joint meeting to discuss ongoing developments in the creative and tech industries in the UK and EU. The meeting heard from Richard Mollet, Chief Executive of The Publishers Association and Chair of the Alliance for Intellectual Property, Per Strömbäck, Editor of Brussels-based internet governance think-tank Netopia, and Hamish Sandison, IT law specialist and Partner at Field Fisher Waterhouse.

Speakers agreed that IP was still fundamental to the development and innovation of businesses in both industries. Mollet suggested that to gain full

advantage of the UK's creativity, there must be an IP framework which is stable, clear and responsible. Strömbäck added that he felt that the debate around IP law in the UK was more developed than in other countries, but stressed that there was an ongoing challenge for policy-makers in keeping up with developments in technology. Other attendees at the meeting stressed that these issues must be made clear to EU policy-makers when they consider proposals contained within the imminent European Commission White Paper on copyright.

News in brief

Government reviews parasitic packaging

With the British Brands Group, the Alliance has been working to highlight problems of parasitic packaging experienced by consumers and businesses. At the beginning of this year, the Government announced a review to see whether the current provisions allowed for under Unfair Trading Regulations were suitable for businesses to be able to protect their intellectual property. The Alliance has submitted to this Review to state that existing legislation both under these regulations and more widely are ineffective at tackling the problem.

Consumer Rights Bill scrutinised

The Consumer Rights Bill, which contains provisions affecting trading standards' powers and the sale of digital goods, is continuing to be scrutinised by Parliament. The Alliance is seeking for reassurance that the investigation work undertaken by Trading Standards will not be adversely affected by changes to powers in the Bill. MPs and Peers have also used the Bill to raise the issue of parasitic packaging.

IP Act receives Royal Assent

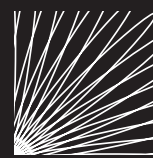
The Intellectual Property Act, which introduces criminal sanctions on infringement of registered design rights, has received Royal Assent. The Alliance, with Anti Copying in Design, will continue work to ensure that sanctions are extended to unregistered design rights; the rights that the majority of the UK's designers rely on.

Police IP Crime Unit combats counterfeits

The City of London Police's IP Crime Unit has suspended over 2,500 websites selling counterfeit goods as part of Operation Ashiko in the eight months since the Unit was launched. The police worked with brand owners, brand enforcement organisations and web registries to disrupt sites which have been selling these goods and undermine the UK's legitimate retail market.

The Content Map.nl launched

TheContentMap.nl, the Dutch version of the UK site, was launched at the beginning of this year to help consumers in the Netherlands find out where they can access safe and legal eBooks, music, films, games and images online. The site was licensed by the Alliance following the success of the TheContentMap.com, which has recently achieved over 130,000 pages views.



New Director General Eddy Leviten looks ahead



Eddy Leviten

I am delighted and excited to be taking the helm at the Alliance – an organisation with which I have been actively involved and have supported from my previous role at FACT. I would like to thank Susie Winter for her hard work in making the Alliance a leading voice on IP over the past eight years.

Having worked in sales, marketing and communications across the retail, publishing and audio-visual sectors I understand fully the needs of members and the people and businesses they represent as they face an ongoing set of challenges and opportunities.

Our Manifesto sets out a clear agenda to work on behalf of our members, promoting the positive impact of IP on job creation, inward investment, exports and consumer choice whilst ensuring that policy and legislation allows creators, designers and manufacturers to focus on growing their businesses, revenues and employment. The plea to policy makers and politicians is to listen to our members and support creators rather than allow anything to undermine their ability to earn a living.

As the dust settles after the recent European Elections it will become clearer what impact Europe will seek to have on the UK's IP-rich businesses and creators.

The Alliance will be ready to respond to the European Commission White Paper on copyright when it is published in the summer as it will address issues such as territoriality, copyright exceptions and enforcement issues. We will also be contacting key influencers to ensure that they receive the same consistent messages about IP across Europe.

We will also be present at the main UK party conferences in the Autumn, promoting the positive value of IP and asking the parties to take on the core proposals in the Alliance Manifesto in their own manifesto plans for next year's General Election. Working across parliament we will continue to support the All-Party IP Group which has been a superb champion for IP issues whilst also supporting Alliance members who work with other Groups in Parliament.

I also want to reach out to organisations in the IP world that are not currently represented by the Alliance and who could be joining us to create an even stronger voice. By speaking as one we have shown we can influence policy, create change and ensure that IP is recognised as the foundation for the UK economy.

I look forward to working with our members, partners and supporters in the coming months.

View from the Chair



Richard Mollet

This May's local and European election results showed that the next General Election is going to be one of the hardest to predict in recent memory. Not all of the three – or should we now say four? – main parties' performances may hold the same course until next May, but it's clear that it will be a Rubik's Cube of an election, with the interlocking and interacting themes of regional variations, a strong Ukip presence and the impact of the Scottish referendum. Whatever the results, politics just got exciting again.

This is why the Alliance has been focused on engaging with all political parties to ensure they genuinely recognise the importance of intellectual

property to growth, jobs and innovation across all communities and society. Our members' products and services – be that books, music, films, brands, sports rights, design, trademarks or games - greatly enhance our national life and provide people with things they love and enjoy.

A few years ago a narrative developed which appeared to pit technology versus content, leading some to see copyright and all types of intellectual property as somehow being a barrier to innovation. Happily, this perception has clearly changed over the course of this Parliament. Across Whitehall and Westminster it is now possible to perceive a much greater understanding that IP is vital to economic growth, and that technology and the creative industries work in concert with each other. We have seen this message repeated in reports from both the House of Commons Select Committees for Business, Innovation & Skills and Culture, Media & Sport; as well as from recent communications from the Intellectual Property Office to the European Commission.

We now need to translate this understanding

into concrete action by whoever forms the next Government. More than a year before the next General Election we began consulting a range of businesses about what they wanted to see industry and government doing after next May. We have set the results out clearly in our Manifesto for IP-rich businesses in 2020. In this document, published in May, we talk about how the investment community can support IP-rich industries, what the Government can do to ensure players in both the digital and physical environment engage in reducing IP theft, but also what needs to be done to ensure the UK fights our corner at a European level.

In setting out this call to Government we do not shirk our own responsibilities. As the Alliance, we know that we need to continue to educate people about the importance of accessing legitimate services, we need to make it easy to license our content and ensure we provide robust evidence on the importance of IP.

All the political parties appear to be receptive to this message. The challenge is now to make sure those warm words are turned into action.

Find out more about the Alliance for Intellectual Property:

Website: www.allianceforip.co.uk | Twitter: @AllianceIP