

## Ivan Lewis' speech to the Alliance Against IP Theft conference

Thank you to the Alliance Against IP Theft for inviting me here today to speak on this important issue and to Susie Winter for organising such a great conference and managing to time it so perfectly on the day of the long awaited Hargreaves report.

Although I have met a lot of people across the industry since I have started in this role, I am still relatively new to the post so I want to introduce myself. I served as a Minister in 5 Government Departments between 2001 and 2010 but I never made it to DCMS so I am new to your sector and despite the difficult times I am excited about the challenges which lie ahead.

As I see it my role is three fold

- To hold the Government to account in a responsible and effective way
- To develop over time a credible and inspirational new creative industries agenda for Labour and
- To champion the importance of our creative industries to our economy, the health and wellbeing of citizens and communities and our national pride.

Today I want to talk about the importance of intellectual property and the creative industries, respond specifically to the Hargreaves report published today and set out what we think the Government should be doing in this area.

The UK creative industries are a great British success story but there is a growing concern that the creative industries could suffer a manufacturing-like decline without Government leadership and industry cohesion. Having been second only to the US in global industries such as film, music, TV and the performing arts, Britain now faces being squeezed by the rapid growth of developing countries, stronger competition from continental Europe, and a retreat from investment in our next generation of talent.

The Conservative led Government has said repeatedly that it views the creative industries as a key driver of jobs and growth however every signal they are sending the industry is to the contrary. No growth strategy and a total lack of leadership.

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Before I go into the specifics of the report which was published this morning I think it would be useful to set out some principles guiding our response.

- "Fair dealing" not "fair use"
- Fairness should be at the heart ensuring a level playing field and that people get a fair return for their work. Stealing, whether physical or online, is wrong.
- Interests of the consumer, who are embracing new technologies like twitter, last.fm and the ipad 2, are key. We should be backing innovation and enterprise.
- We need to build on our tradition and strength of developing high quality content
- There are interventions the Government should make but it is about working out what are the right ones.

I am delighted that Ian Hargreaves has decided against recommending the introduction of "fair use" in the UK. More needs to be done to improve the copyright system, but the system does not, contrary to Prime Minister's assertions at the launch of the report, need to be replaced.

The changes he proposes on a new digital rights exchange, private use and orphan works represent common sense modernisation. Our preference would be for a single point of contact for those wishing to have authority to use rights and the creative industry sector should agree to this goal. But issues such as compensation to creators for new rules on private use, the impact on photographers of changes to orphan works and the costs of creating a one stop shop for rights will require collaborative working with the industry in order to prevent unintended consequences. As always the devil will be in the detail and we will be looking closely at the Government's response. We hope that they plan to respond quickly and don't waste more time dithering.

Developing a stable and modern IP framework is central to jobs and growth in our creative industries.

We have called repeatedly for the implementation of the DEA to help reduce the impact of illegal downloading on the legal market and reward innovation and talent.

High quality content, which consumers want to access, is at the heart of the creative industries but finding a way to monetise it online is a challenge playing out right across the creative industries. More than 1.2 billion music tracks illegally were downloaded in the UK during 2010, with a retail value of almost £1 billion. Newspapers are introducing "paywalls", online book piracy is already damaging e-publishing and the illegal streaming of movies and sports online harms the funding of new productions and reduces the value of sports rights. The creative industries employ nearly two



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million people in the UK but digital piracy is putting many thousands of jobs at risk. In the absence of any effective deterrent, it is unsurprising that piracy continues to rise. The Conservative-led Government must stop dithering and lay out a clear timescale for the implementation of these recommendations and the Digital Economy Act. We are still waiting for the Initial Obligations Code and the report by Ofcom into the workability of sections 17 and 18 of the DEA.

We know that other countries including New Zealand, South Korea and France are planning to implement or have already implemented notification laws to combat piracy. There has been some exciting initial research done in France which found that 50% of Internet users state that Hadopi encourages them to use works more regularly that comply with copyright regulations. Furthermore, 41% of Internet users state that Hadopi encourages them to change their Internet usage habits. 50% of Internet users questioned think that the creation of Hadopi is "a good initiative".

Overall there needs to be clearer leadership on IP within Government with a stronger voice. President Obama sent a clear message when he was elected by creating a new post and appointing Victoria Espinel as the U.S. Intellectual Property Enforcement Coordinator. It is worrying that here Hargreaves has reported to the Chancellor and Business Secretary but Jeremy Hunt said in a recent Culture, Media and Sport Committee session that he was "firmly in the driving seat" on IP. The Government needs a coherent strategy for the creative industries. The creative industries is a key sector for jobs and growth and the UK needs a framework which underpins confidence, investment and innovation in UK technology platform businesses. But the Government lacks a plan. British young people in the creative sector have extraordinary talent and we must make it as easy as possible for creative talent to flourish to aid growth.

This is why I called on the Government to set up a cross Government group chaired at Cabinet level working with industry representatives to produce an action plan during 2011. We welcomed the announcement of the Creative Industries Council in the Budget but it still remains to be seen whether this is a talking shop or a focal point for action. We will watch this process closely to ensure it delivers an action plan.

Our challenge in Opposition is not just to critique the Government but to build on a proud record in Government. 13 years of Labour Government saw the UK cement its place as a world-beating centre for creativity; delivering growth and innovation. We "got it" in Government and we get it in Opposition - that jobs and growth in our creative sector is integral to the future success of our economy. We need to ensure this legacy is developed still further and in the period ahead I intend to be a champion for the Creative Industries.



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We will be developing an exciting and credible vision for the creative industries. To that end we recently launched a Policy Review around the creative industries which will aim to identify the range of factors which will sustain the UK's competitive advantage in the creative industries and look at what the industry needs to innovate and thrive. It will also address what can be done to ensure that the jobs, in a key sector for growth, are available to people based on their aspiration and talent not their social background. We very much hope to engage with you through that process.

So we will work to expose the broken promises of the Government but also chart a better future. As we reflect on our achievements, learn from our mistakes, refresh our values and build a credible and optimistic policy agenda for the future – we will need your help.

Thank you.