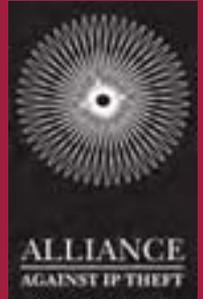


Value and Protect: A Manifesto for IP



Balloons by Stuart Semple. © Stuart Semple 2010

The quality of Britain's cultural and economic way of life today, now more than ever, relies on Intellectual Property (IP).

British consumers treasure British brands, British creative talent and output. From films such as Harry Potter and Slumdog Millionaire and artists such as Coldplay and Leona Lewis to the Mini, Dyson vacuums, Dr Martens, the Premier League and Scottish whisky brands, the quality of British creativity, innovation and design is simply world class.

Many other industry sectors, such as tourism, retailing and hospitality, thrive on the success of these businesses. British livelihoods are therefore dependent on the prosperity of these businesses, as is the British exchequer for the tax revenues needed to fund our public services.

So the deterioration of respect for, and appreciation of, IP and the consequential lack of protection could have a very damaging long term effect on our cultural and economic landscape.

Tackling IP crime urgently needs to become a political priority as it has an impact on so many of the core functions of Government. From reducing overall crime and regenerating towns and cities, to more effective governance and stimulating economic growth, action on IP theft is central to the issues all political parties claim to be their priorities.

**The Alliance calls
on Government to:**

Create the right environment for economic growth



Intellectual property lies at the heart of every British success story within all industry sectors over the last decade and will play a key role in leading Britain out of the current economic downturn.

Figures from UK Trade and Investment show that the creative industries alone generated 8.2% of UK GDP in 2007, sustained over 2 million jobs and have been growing at twice the rate of the economy since the late 1990s. At least the same again can be added to these figures from the contribution of other industries which rely on IP in brands and design, for example FMCG, consumer electronics, manufacturing and IT. There is, however, a great deal Government can do to help the creative and manufacturing industries grow in the future.

Therefore, we call upon the Government to:

- Implement the measures outlined in this manifesto to support the UK economy, deliver growth, increase investment, create employment and ensure consumers can enjoy a wide choice of quality goods and services delivered from ever-increasing points of access.

KEY FACTS & FIGURES

- Counterfeiting of clothing and footwear costs industry in the UK over **£3.5 billion** a year.
- Business software piracy costs **£1bn**, while video games software piracy costs **£350m** a year.
- Music is projected to lose **£1.2bn** between 2007 and 2012 from online copyright infringement.
- The audio-visual sector loses in excess of **£0.5 billion** every year. Research by Oxford Economics shows that action to tackle audio-visual piracy would see UK economic output rise by **£624m**; create **7,900** new jobs; add **£155m** in revenue to the exchequer.
- IDC calculates that a **10%** drop in the rate of software piracy would generate an extra **£1.08bn** in tax revenues, create over **13,500** new jobs and boost GDP by nearly **£4.5bn**.
- A recent study by TERA found that, by 2015, losses due to piracy could result in up to **254,000 jobs** losses in the UK and **€7.8 billion** in lost retail revenue, if the measures outlined in the Digital Economy legislation are not adopted.

Respect for others and for their property



Photograph © Justine O'Brien 2010

Virtually everyone would agree that script-writers, sound engineers, artists, designers of clothing and footwear or people working in a distillery deserve to earn their living from their skills. Yet, despite the fact that the effect of trade in fakes or file-sharing copyright content is the same as walking out of a shop with an item they haven't paid for, public perception of counterfeits or unlawful P2P file-sharing is that they are acceptable and only affect big corporations, without making the link between these companies, the goods and services they produce and the people they employ.

Given that our economy is increasingly dependent on knowledge and innovation for businesses to flourish in future, these attitudes must change. Both industry and Government have a responsibility to help create the necessary conditions for that change to take place.

The Alliance calls on Government to:

- Work with industry to implement the Code of Practice under the Digital Economy legislation, specifically the sending of notification letters to warn people engaged in online copyright theft that what they are doing is wrong;
- Make camcording in cinemas a criminal offence. Recording of films in cinemas is indirectly outlawed through the Fraud Act but a specific offence, publicised widely, would do much to raise the awareness of the damage caused by illegal recording in cinemas.

INDUSTRY ACTION

Array of legal online services

Creative industries recognise they need to ensure that their content is available in formats consumers want – increasingly that means online.

In the past few years there has been an explosion of services which supply content online, a trend that is bound to increase exponentially. If the measures contained in the Digital Economy legislation are successful in reducing unlawful P2P file-sharing we can expect further growth in the range of legal offers to obtain content online legitimately because under current conditions online businesses find it impossible to make money when competing with free content from ubiquitous illicit sources.

Consumers can currently choose between numerous official suppliers of online content which offer a variety of payment methods, including 'legal free'. Amongst these are i-Tunes, Pro-music, We7, Amazon, Spotify, 7digital, e-books, i-Player, Tesco Online, LoveFilm, Blinkbox, BT Vision and many more. Indeed it is becoming increasingly easy to identify a film, song or book that is available legitimately somewhere online. Various business models are being trialled, with many services funded by advertising to enable content owners to be rewarded without direct cost to the consumer.

Reduce crime and promote safer communities



The links between serious organised crime and IP theft are proven in courts across the country on an almost daily basis. From people smuggling to dealing in drugs, highly lucrative international criminal networks view piracy and counterfeiting as a low risk, high profit method of laundering and generating cash.

Whether it is through the sale of fake goods at a car boot sale, or streaming content through an illegal website, criminals have often made themselves very rich. However, through effective use of the Proceeds of Crime Act, millions of pounds have been confiscated and returned to the exchequer and public enforcement agencies – police and trading standards. Government should prioritise IP crime as a means of detecting, disrupting and removing criminals in all areas of the UK.

“
IP crime represents a significant threat to UK businesses and consumers. I am seeing more and more cases where serious organised criminals are becoming involved in IP crime and where the profits fund other serious criminal activities.
”

*Giles York
Deputy Chief Constable
Sussex Police
Chair of the IP Crime Group*

The Alliance calls on Government to:

- Ensure agencies that combat IP crime and protect consumers, such as trading standards, are properly funded from the first post-election budget onwards and work with the Local Better Regulation Office to retain counterfeiting and piracy as a national priority for local authorities (within 'fair dealing');
- Implement a campaign to improve awareness within the judiciary and Crown Prosecution Service about the real harm caused by IP theft and the opportunities to target organised criminal groups;
- Promote the Proceeds of Crime Act 2002 and its advantages to local authorities and enforcement agencies which also benefit from a percentage of the revenues.

Protect consumers



The main beneficiary of enforcement by industry and public authorities to remove substandard, disappointing and even dangerous goods and material from the marketplace is the consumer. The public is increasingly exposed to the risk of harm from fake goods, both physically through the sale of untested and dangerous products and financially by paying for shoddy, substandard items, with no retailer's exchange policy or manufacturer's guarantee and no reassurance that quality and safety standards have been met.

An equally significant threat is posed to legitimate producers and retailers who cannot compete with counterfeiters and pirates and are sometimes forced out of business. This has a negative impact on the local community and again it is the consumer who will ultimately suffer from the resulting lack of choice.

The Alliance calls on Government to:

- Consult on whether trading standards have adequate powers to deal with counterfeiters operating at markets, car boot sales and other occasional sales and whether better regulation is needed (as recommended by the Gowers Report);
- Support the introduction of a binding Charter for Markets and Occasional Sales based on the successful but voluntary *Real Deal* Campaign;
- Urgently review the effectiveness of existing legislation for protection against misleading packaging, and allow rights holders to take enforcement action on their own account, where appropriate.

INDUSTRY ACTION

The *Real Deal* Campaign

The *Real Deal* is an industry-led campaign to enable consumers to be sure that the goods on sale at markets are genuine, legitimate and safe. The campaign brings together market operators, local authorities, trading standards, and trade mark owners to provide them with the tools to ensure markets are free from fake goods and illicit traders. At the heart of the campaign is a National Market Charter that market organisers and trading standards sign up to and abide by. This means that wherever consumers see the *Real Deal* charter mark, they can be confident that the market concerned is doing all it can to protect them from fakes and keep out rogue traders.



Instil values



Respect for other people's property is a timeless value enshrined in law and by convention in the UK and around the world. Respect for others' intellectual property is sometimes not so well understood.

Some businesses do not even appreciate the value of their own IP. For example, research by the IP Crime Group ("The Hidden Marketplace: Protecting Intellectual Property in the Workplace") showed that some 40% of businesses take no action to register or protect their own IP, even their own trade marks. The more our economy becomes dependent on IP the more the current and future generations will need to be made aware of the significance of IP and the importance of respecting and protecting its value.



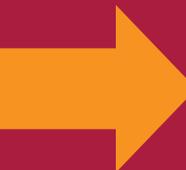
The Alliance calls on Government to:

- Review the effectiveness of the current law restricting the liability of company directors to instances of consent and connivance;
- Enshrine the concept of intellectual property and its real value in the school curriculum where appropriate, for example in PSHE, science and business curricula.

INDUSTRY ACTION

Education

It is important that everyone appreciates the benefits of intellectual property and the harm caused by its misuse. IP rights holders understand that they have an important role in raising consumer awareness of the true value of IP and the real damage caused by IP theft. Since 2004 the Industry Trust for IP Awareness has been running national consumer campaigns to build greater appreciation for the value of creativity and IP in the video, film and TV industries and more recently the Alliance has been working to highlight to employers the value of IP in the workplace. The UK IPO's recent Wallace and Gromit 'Cracking Ideas' initiative and various campaigns such as 'Knock Off Nigel' and 'Snide UK' have helped ensure that public awareness of the benefit of intellectual property, and the implications of its theft, are at an all time high.



Place IP at the heart of policy development



Britain's economic, cultural and social way of life is built on a heritage of intellectual property being at the core of our arts and other creative industries, and of goods and services springing from British creators and innovators. Yet a gap exists between the development of IP-strong policy, the legislation to protect intellectual property and the enforcement of that policy. For example, a consultation undertaken by one department proves the case for action, while responsibility to take or fund the action lies in a department which has different priorities, with the result being that little comes to fruition. Effective management of IP issues is therefore needed.

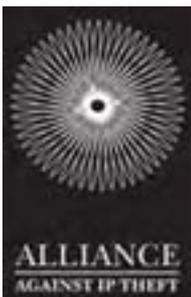


The Alliance calls on Government to:

- Ensure IP policy remains the responsibility of a dedicated Minister of State who has no other significant portfolio responsibilities;
- Locate the Minister for IP within the Department for Business but with a clear remit across all relevant Government departments; given the range and impact of IP issues, ultimately the Minister should be sitting at Cabinet level;
- Hold quarterly co-ordination meetings with other relevant Government departments to be chaired by the Secretary of State for Business.

“We derive the majority of our revenue through the exploitation of our intellectual property rights and media rights. The protection of such rights is very important to ensure that we can maximise our revenues to support the development of English football”.

*Lord Triesman
Chair of the FA*



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