

## IP should be at the heart of Government's economic growth policy

The Alliance is very concerned about the direction of the Government's IP policy development. Since the last IP Update the Government has published its response to the Independent Review into IP and Growth (the Hargreaves Review) and its consultation setting out how it proposes to take forward these recommendations. While it is being portrayed in some quarters as simply a question of tidying up elements of copyright law, it is now clear that what is being proposed will go much further and is potentially extremely damaging to UK businesses, large and small, which rely on intellectual property to underpin commercial success.

The Government's stated intention to create the best conditions to encourage innovation and growth is welcome, but we believe many of the recommendations made by Professor Hargreaves, subsequently accepted by the Government, overlooked important factors which could help stimulate increased economic activity and will not achieve the forecasted

growth of up to £7.9 billion. This view is supported by analysis of the economic impact assessments, which accompanied the consultation, undertaken by Oxford Economics. This analysis found that the impact assessments lack neutrality, fail to take into account the interests of both producers of content and potential users of that content, and, on the basis of uncorroborated evidence, assume that the current IP framework is economically inefficient. In fact, this appears to be the running theme of the consultation and, according to Oxford Economics, is a fundamental flaw. Rather than provide reliable evidence showing how the case for change has been arrived at, it appears to the Alliance that the impact assessments have been created to support a foregone conclusion.

In our response to the consultation we urge the Government to acknowledge the success of this country's IP framework which currently supports innovation, investment, competitive markets, jobs and growth. It has an in-built flexibility which has delivered significant growth over the

past 15 years, is highly accessible and, crucially, technology and business-model neutral. It has allowed companies to transform their businesses online, delivering further economic growth and consumer access and choice.

If the Government really wants to ensure the IP framework increases the potential for the UK, it need look no further than addressing the difficulties faced by rightsholders in protecting their intellectual property and securing a return on their investment. We reiterate our call on the Government to recognise the need for greater consistency and effectiveness of enforcement for all UK intellectual property rights in both physical and online environments. It is this that will build confidence in the Government's industrial policy and create a win for business, the public and jobs.

The Alliance submission and Oxford Economics' report can be found at: [www.allianceagainstiptheft.co.uk](http://www.allianceagainstiptheft.co.uk)

## Concerns over direction of IP policy raised in Parliament

We have been heartened to hear our concerns regarding the direction of IP policy echoed in parliament by senior MPs. Pete Wishart MP, Vice Chair of the All Party Parliamentary Group on IP, has successfully secured two debates giving MPs of all parties the opportunity to question Ministers on the Government's recommendations.

MPs are perturbed by about the quality of the evidence-base being used by the Intellectual Property Office to justify its recommendations and the perception of how the creative industries are being viewed by Government.

In his debate on 7th February, Pete Wishart put it thus: "There is a feeling in the sector of being under siege because of the tone and drift of the Government's thinking about how we look at our creative economy. There is an

emerging view that the Government might even be devaluing our whole attitude towards intellectual property. There is a sneaking suspicion - I have heard this from people throughout Europe - that the Government might be approaching something that could be described as anti-copyright.



Pete Wishart MP

That is not a good place to be. It is not where we want to be if we want to grow this remarkable sector." He continued, "the emerging view is that the Government is more interested in pursuing the rights of those who live off the content of others, and who perhaps abuse it, rather than those who produce it in the first place."

The Alliance is delighted that its annual summer reception will this year be sponsored by the Premier League. PL Chief Executive Richard Scudamore said, "We are very pleased to be able to support and partner with the Alliance in this way. As a member of the Alliance, we are only too aware of the important work it does to raise awareness of the value of intellectual property to the UK".



## MP USES INNOVATIVE COMPETITIONS TO RAISE AWARENESS OF IP

**IN PARLIAMENT** Mike Weatherley MP has hit upon a novel way of getting MPs interested in and understanding better intellectual property. IP Update caught up with him to find out more.



Mike Weatherley, MP

Prior to becoming an MP I had had the privilege of working in both the music and film industries and so had seen firsthand how vital intellectual property was to these sectors. However, when elected, I quickly saw how little some MPs, across all parties, knew about these vital and vibrant UK industries and the contribution they make. I decided the best way to change that was via a fun competition which would place MPs in direct contact with their constituents and Rock the House was born. Supported by Alice Cooper, Robin Gibb, Mark Hoppus, Ian

Gillan and Charlie Simpson from Busted (to name just a few patrons) the competition has attracted significant national and local news coverage. Now in its second year Rock the House is on course to become the largest ever parliamentary competition, with even the Prime Minister involved! It was, therefore, a natural progression to extend this and launch Film the House.

**Film the House will demonstrate the wealth of intellectual property potential in the UK by asking up-and-coming film makers to submit their amateur films, from comedies, to music videos and documentaries.**

Entrants will submit their films via a YouTube channel. Their entries must be nominated by their local MP, and will then be judged by a panel of film industry experts, with the competition culminating in a prize giving ceremony on the House of Commons Terrace on

30th October 2012. The winning film will be screened for movie executives and Parliamentarians at the prize giving.

I'm very pleased to say that Film the House has been welcomed by the film industry, and is supported by the MPAA, and film studios including Lionsgate; also the British Video Association, Film Distributors Association and the Alliance Against IP Theft. With the backing of the creative industries, it's sure to be a huge success!



[www.rockthehouse2012.com](http://www.rockthehouse2012.com)

[www.filmthehouse.com](http://www.filmthehouse.com)

## BRANDING IN A MODERN ECONOMY

John Noble, Director, British Brands Group provides an update on the work being undertaken to increase awareness of the contribution made by brands to the UK economy

In markets where competition is stiff and pressure on prices strong, branding is a useful weapon to have in the armoury. Making a product or service stand out from the crowd, providing strong reasons for consumers to buy and the ability to command a premium are some of the key features that branding delivers. Brands are good at riding out recessions too. Gordon's Gin has been around since 1769, Cadbury's chocolate since 1824 and Hovis bread since 1866.

The strength of branding has long been understood by companies, with many brands commanding significant value. Brand Finance put Vodafone top of its 50 most valuable UK brands in 2011, with a brand value of \$30,674 million, HSBC second at \$27,632 million and Tesco third at \$21,129 million. The interesting question is whether the UK economy, through a greater appreciation and deeper understanding of branding, may be better able to compete on the world stage, generating more wealth and prosperity for the country.

In 2009, the Intellectual Property Office (IPO) set out to explore this theme, running a conference with the CBI and British Brands Group titled "Branding in a modern economy". The conference acknowledged that branding seemed to be flying under the radar, barely

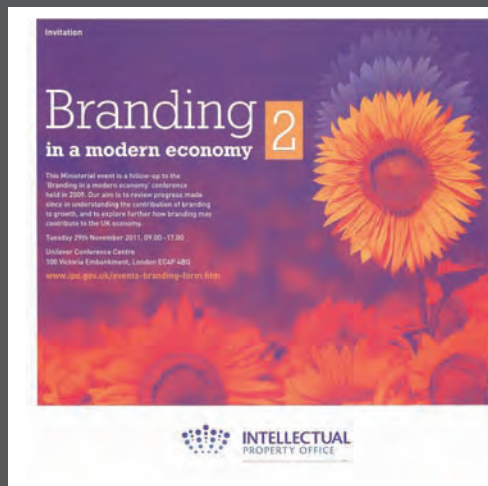
being mentioned in Government policy, whether on innovation, manufacturing, export performance or consumer protection. The UK was however well-placed to succeed, with world class brand-building creative industries in its advertising, design and marketing agencies.

The conference recommended some twenty areas where the UK could improve to become a world-leading market in which to create, build and export winning brands, with the IPO organising a follow-up conference in November 2011 to report on progress. At this event the results of a major study commissioned by the IPO, "Trade Mark Incentives", were reported. This investigated, using ONS and official trade mark data, the relationship between trade marks and company performance, finding a positive correlation between companies that registered trade marks and higher productivity, higher employment, better salaries and higher growth rates.

This is significant evidentiary data – trade marks after all provide the foundation for branding, allowing one offer to be distinguished from another and providing consumers with the shorthand or heuristic to identify brand values – and supports the hypothesis that branding makes a bigger contribution to the economy

than may be currently acknowledged. Intuitively it may be understood how the need to sustain strong reputation provides a catalyst for continued innovation and that brands boost export performance, but these remain under-explored areas in terms of evidence. Our future economic success undoubtedly rests on our knowledge, innovation and technical skill, but we also need the ability to commercialise our ideas, and to do so compellingly on the world stage.

More information on the conference can be found at <http://www.britishbrandsgroup.org.uk>



## Help for consumers shopping online

With the recent addition of new brands Makita, Emporio Armani and MBT to its online shopping directory, the Brand-i anti-counterfeiting initiative has achieved considerable success since going live in June 2011.

Launched to the public last summer, the TSI backed online shopping directory has sought to change the way consumers approach finding webstores selling genuine branded goods online. Rather than relying on take-downs of websites selling counterfeit goods, or putting the emphasis on the behind-the-scenes industry-wide fight against counterfeits, Brand-i puts the consumer first – aiming to help shoppers find genuine stockists of key branded goods from UGG Australia to adidas and ghd. The directory works in conjunction with brands and organisations like STAR - the Society of Ticket Agents and Retailers – to ensure consumers are provided with authorised online stockists of everything from theatre and event tickets to electronics to fashion and sports equipment. The initiative coincides with Government's aim of empowering consumers to help themselves.

The number of reports Brand-i has received from the public since its inauguration indicates there is a significant number of shoppers who are unaware of the widespread nature of online counterfeits. According to director Jenny Dalton, the majority of shoppers

who have been caught out by online counterfeits and who have reported their experiences to Brand-i via their online Report a Site feature are surprised and shocked to discover they have mistakenly bought copies of branded goods.



“There is still a good deal of unwillingness for many brands to publicly recognise and discuss counterfeits with their buying public,” she says, “and although this stance is understandable, it isn't taking into account the public's need for information regarding this subject nor the positive marketing message this can send. We believe it is the public who can play a significant role in reducing counterfeit activity and sales, but we have to trust them with a greater degree of knowledge so they can keep themselves safe shopping online and help educate friends and family.”

Dalton also admits Brand-i needs greater industry support to become a widely used online service. “We have had remarkable support from those brands who recognise the importance of helping their buyers find their genuine products online. However some brands are complacent when it comes to consumers - believing they will be aware of what is authorised online and what isn't. However it is increasingly difficult to discern between genuine and fake products online - particularly in a recession-driven market where real bargains do exist - and we would urge all brands to look to their distribution and consider joining the directory as a way of helping to protect shoppers and reduce lost sales to counterfeits.”

[www.brand-i.org](http://www.brand-i.org)

## UK companies at a disadvantage, says European Commission report

A European Commission study conducted by Hogan Lovells has confirmed Alliance suspicions that companies lack effective remedies to the problem of parasitic copying of packaging in the UK.

The study, which looked at how parasitic copying was dealt with across a number of European territories, found that the most popular (and therefore you could conclude effective) means was unfair competition law which allowed for private companies to take action – a remedy which is absent in the UK. However, it did conclude that across Europe remedies are patchy, which in turn creates uncertainty for brand owners.

## Update on industry's efforts to deal with infringing websites

Websites dedicated to making criminal profits from “free” unauthorised content remain a major problem for Alliance members and threaten the further development of an attractive online market for content.

Megaupload.com, a site currently subject to legal action by the MPAA, was generating more than \$175 million in criminal proceeds, netting its operators millionaire lifestyles of luxury cars, personalised number plates and mansions around the world – all on the back of others' property.

However, while keeping judicial oversight and involvement at the fore, Alliance members have recently seen some success in their efforts in securing court orders to shut down such sites. The industry recently won a landmark legal case which required BT to block illegal website Newzbin2, which was dishonestly making in excess of £1 million per year. This creates an important legal precedent and other ISPs like Sky and Talk Talk have now blocked access to Newzbin2. A further case is currently before the court which would see access to The Pirate Bay blocked by UK ISPs. These actions should pave the way for tackling other substantially infringing sites.

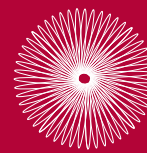
In addition, Alliance members are working with other players in the online economy to ensure consumers are able to access legal sites be confident they will receive what they have paid for, know that they will not risk downloading malware; that their identity will not be stolen or data misused and that they are supporting continued investment in the entertainment they enjoy.

## Court upholds DEA

Following a lengthy Judicial Review, The High Court has upheld Digital Economy Act which is aimed at protecting consumers and workers in the creative industries. This follows two failed attempts by BT and TalkTalk to appeal an earlier decision. The creative industries' ‘interested parties’ who have supported the Government throughout the Judicial Review process are again calling on BT/TalkTalk to now put the litigation behind them and join the creative sector and the Government in implementing the Digital Economy Act.

Christine Payne, General Secretary of Equity, said: “Once again the Court is on the side of the almost two million workers in the creative industries whose livelihoods are put at risk because creative content is stolen on a daily basis. Once again a Judge has made it extremely clear that the Digital Economy Act is a fair, focused, proportionate and efficient system for consumers and the creative industry.





## ACTA – setting the story straight

The Anti-Counterfeiting Trade Agreement (ACTA) seeks to improve the global enforcement of intellectual property rights through the creation of common enforcement standards and practices and more effective international cooperation. It ensures the UK and EU's high standard of protection for intellectual property goes global, enabling criminal organisations to be pursued more effectively.

By creating shared standards on how companies and individuals can enforce their rights in court it will help UK businesses operating globally to tackle more effectively infringements of their intellectual property rights. It deals with practical issues such as what urgent protection a rights holder may obtain, what kind of evidence will be collected and what happens to fake goods once seized.

### Key facts to remember!

- ▶ **ACTA does not create new, or amend existing IP rights** either in the UK or EU. It sets out a process to encourage a more coordinated way of protecting intellectual property rights and will help to safeguard jobs and trade in the UK and Europe.
- ▶ **ACTA is not about checking or monitoring private communication on the internet** and it will not censor websites. It is not about how individual citizens use the internet.
- ▶ **It will not lead to limitations of fundamental rights** (e.g. control of air passengers' laptops at borders, monitoring of internet traffic). The respect of fundamental rights such as privacy, freedom of expression and data protection is expressly mentioned as a basic principle of the agreement.
- ▶ **IP needs to be effectively protected.** The creative industries deliver around 1.5m jobs and contribute over £36 billion to UK GVA and companies invest £16 billion annually in the UK economy by building brands.

## View from the Chair



Lavinia Carey

Isn't it odd how "copyright" may be interchangeable with "IP" but "IP" has recently come to mean "copyright" in certain circles! The Alliance represents intellectual property interests, including brands and trademarks, copyright and design (we have no specific patent-owning members at present) and we've been at pains to warn of the difficulties in developing IP policy when viewed through the prism of the "creative industries", or worse, just one sector of the creative industries.

While we have promoted the significance and potential of IP to several departments to support the government's goals for consumer protection, safer communities, immigration, organised crime, education, creative and cultural benefits, not in our 14 year history of Alliance campaigning has it been such a major concern that the true value of IP to British industry is in danger of being overlooked.

Forward-looking enterprises have a habit of thinking outside the box to ensure they make the most of technological developments in producing and distributing goods and services to meet the needs of their customers. At a time of economic difficulties and uncertainty about the future the last thing they need is for their existing assets to be stripped of their value by government intervention.

What British industry needs is for the Government to take the protection of IP more seriously, rather than seeing it as an obstacle to growth. Some parts of Government recognise the value of world-class, IP-rich sectors for their potential to generate growth in the UK's GDP and the tax breaks announced for the production of high-end drama, animation and games developers are a welcome boost to certain creative industries; the proposal from another part of Government to introduce measures which will reduce the value of creative industries undermines the Government's overall economic strategy. By placing IP at the heart of its growth agenda, the Government would greatly improve the confidence of British businesses, small and large.

## Alliance membership continues to grow



### News in Brief

The Alliance is delighted to welcome into its membership the Educational Recording Agency (ERA).

ERA, whose members include the Musicians' Union, Equity, ITV, Channel 4 and BBC Worldwide Limited, is a collecting society which helps copyright owners and performers derive an income from the licensed use of their literary, dramatic, musical and artistic works.

For information about joining the Alliance please contact Susie Winter on 020 7803 1324 or email [susie@allianceagainstiptheft.co.uk](mailto:susie@allianceagainstiptheft.co.uk)

- ▶ A new guide for businesses to make sure they are aware of and comply with intellectual property laws will provide companies with advice on how they can make sure they and their employees are not making unauthorised use of other people's intellectual property. The Alliance is delighted to have worked with the IPO to produce this comprehensive guidance for businesses which will help them protect themselves and their staff from the consequences of unlawful activity
- ▶ The Alliance's second Quiz and Auction Night was a fantastic success. Taking place in the splendid surrounds of Lords Cricket Ground the evening raised over £15,000 for the organisation and its charity partner, Action for Children. Thank you to everyone who supported the event.
- ▶ Following Mary Portas' review into Britain's High Streets, the Real Deal (working with The Markets Alliance) is sponsoring six 'Love your Local Market' roadshows around the country. They will highlight the vital contribution markets make to our local communities and the need for them to be safe, fair places for shoppers and traders.