

CREATIVE INDUSTRIES INTELLECTUAL PROPERTY RIGHTS FORUM: 19 JULY @ THE LONDON COLLEGE OF COMMUNICATION

Attendees

Estelle Morris – Minister for the Arts (Joint Chair)  
Lord Sainsbury – Minister for Science & Innovation (Joint Chair)

Alan Johnson MP (DfES)

Roger Bennett (ELSPA)  
Lavinia Carey (Alliance Against Counterfeiting & Piracy)  
Phil Evans (Consumer Association)  
Hugh Griffiths (O2)  
John Higgins (Intellect)  
Hugh Jones (Publishing Association)  
Nicholas Lansman (ISPA)  
Anthony Lilley (Magic Lantern)  
Debbie Manners (BBC)  
Angela Mills Wade (DCF)  
Guy Nesdale (Ofcom)  
Eric Nicoli (Music Business Forum)  
Toby Scott (Design Council)  
Dr Rosie Stoakes (Sony)  
John Woodward (UKFC)

David Brew (Scottish Executive)  
Rob Halford (Welsh Assembly)  
Peter Lawrence (Patent Office)  
Brian Leonard (DCMS)  
Kevin McNulty (Home Office)  
Chris Matthews (DTI)  
Martin Raven (FCO/UKT&I)  
Andrew Whitehead (ODPM)  
David Wilink (DCA)

Apologies

Caroline Flint – Home Office; Ian Pearson MP – Northern Ireland Office; Lord Filkin – DCA; HM Treasury; William Perrin - No.10; Jonathan McCoy - Yahoo! Europe

Introductions

**Estelle Morris (EM)** opened the meeting outlining the importance of Intellectual Property to the future wealth and sustainability of the creative industries. She also welcomed the diverse range of sectors represented at the meeting and the involvement of Government Ministers and Departments from across Whitehall.

**Lord Sainsbury (LS)** endorsed EM's comments. He said DTI is committed to providing the right environment for innovation and the Patent Office has a new remit to encourage innovation through its work on IP Crime and raising awareness. The creative industries should be fully integrated in this work. **LS** had recently approved a national strategy on IP Crime that would be rolled out this summer and would focus on: a statement of priorities and evidence gaps; a system for public annual reports; and an operational strategic control group. This approach had been welcomed by a range of different agencies involved in combating piracy and organised crime. **LS** added that it would be important for the work of the Forum to link with the IP Crime Group and suggested that a working group on piracy might be established which might explore how industry could move into even closer partnerships as recently suggested by Patricia Hewitt, as well as better targeting in fighting piracy overseas.

In addition the Patent Office is involved in a number of initiatives in relation to IP awareness, including business advice open days, the "Think-kit" educational pack which has been taken up by 70% of all schools, and a system for benchmarking the general level of IP awareness. **LS** suggested that the Forum might have a working group looking at education and communication and how to win the hearts and minds of people.

**LS** welcomed the expansion of legal download services and concluded by emphasising the need to focus on the strengths and opportunities that new business models and technological solutions could provide in developing legitimate access, whilst ensuring that creativity was rewarded and that another working group might explore this. **LS** and **EM** requested views from around the table on where the Forum should focus its activities.

## Issue and Challenges

- Some of the organisations represented on the Forum focused on how they could influence the European agenda and had direct contact with a range of organisations within Europe to maximise impact.
- It was considered that the meeting could usefully focus on the impact of new technologies such as DRM and new business models.
- It was asked if there was an opportunity for the Forum to influence UK MEPs.
- It was said that sectors within the creative industries had been working hard to develop new business models, but there was still a perception that they had been slow to respond to the opportunities provided by the advent of new technologies and broadband.
- Apple iTunes was just one example of numerous business models being developed.
- The relationship between the content creators and ISPs had not been easy but that this was being addressed.
- It was considered that there were a number of potentially positive things that could emerge from the Forum including closer cooperation between creative industries on sharing best practice and practical and financial incentives to develop new business models.
- It was felt important to acknowledge that the industry needed to maintain its physical business whilst addressing the digital business.

- It was suggested that the Forum should look at addressing the management of content through Digital Rights Management.
- Industry needed to define new models for quick file sharing in relation to the mobile market and to be able to recoup money for this type of file sharing.
- Common standards were currently being developed by industry and anything that Government could do to formalise those standards would be welcomed.
  
- The Forum was welcomed, but it was stressed that this initiative should not be seen solely by rights holders as an opportunity just to lobby Government as the consumer perspective is very important too.
- The Forum needed to look for real outcomes.
- It was difficult to prioritise the issues on Intellectual Property for the creative industries as they were all important: legislative environment; effective enforcement; DRM security; and education were key. The establishment of working groups was suggested to address these key themes.
  
- The EU dimension needed to be addressed. The UK response to any EU position and legislation was often seen as reactive rather than proactive.
- The Forum could be useful in setting the agenda at a European level, providing a real dialogue between the EU and the creative industries and UK Government.
- Improved dialogue was considered key to shaping and informing the European agenda.

- It was considered important to recognise that consumers do not necessarily behave in the way that the industry wants.
- DRM isn't a panacea to the concerns of industry and as with all security measures, there will always be someone who will be able to break through it.
- DRM denies access to material and might be seen to extend beyond legitimate use. Government advice was required as to where and how DRM should be used legitimately.
- It was questioned whether the current definition of "legitimate use" was right in order to address the advances in new media. The issue of free legitimate use, against legitimate use that you could charge for, needed to be addressed.
- It was considered important to ensure maximum access to the creative product and that a public policy model should be in place on what business models we wanted to see.
- It was important to strike the appropriate balance between access and rewarding creators. By maximising legitimate access we need to emphasise the threat that piracy carries to the creator.
- The positions taken by industry reflected the fact that technology has advanced so quickly. However, business models are there to promote access.
- A successful industry is one that strikes the right balance in providing a service that is accessible, attractive and affordable. It is therefore important to have common standards.

- It was argued to be in everyone's best interests to establish a working dialogue between the industry and the consumer and the content owners and content providers.
- Relationships had developed haphazardly with no formal networks between content creators and providers.
- Some Forum members thought that there was already a well developed dialogue.
- The Forum was asked whether it could look at promoting an IP event during the UK's presidency of the EU in the second half of 2005.
- An EU open meeting on DRM and levies is taking place in October, and it may be useful for any sub-group established as part of the Forum to discuss the UK approach.
- European Broadband policy was forging ahead, but if the Forum was to consider an EU event it should be a cross Government approach with a DCMS / DTI lead.
- In relation to the introductory paper produced for the Forum, concern was raised over the wording on piracy in bullet 2 and an amendment requested to highlight that whilst Peer 2 Peer is an opportunity it is in the main illegal, with the majority of users aware of its illegal status.
- It was suggested that it would be impossible to change the opinion of creators that Peer 2 Peer was theft and a Government view would be useful.
- That assertion met with disagreement and the suggestion that a different approach on Peer to Peer is needed, and not the approach that has been taken in the US.

- It was then suggested that neither extreme would work.
- Issues surrounding education and communication were discussed and that there was a need to raise awareness on IP issues, that Government and industry needed a clear and agreed script and that Government and Industry initiatives needed to be linked.
- It was added that industry was already joining up to a certain extent, and a joint industry body is undertaking research into the motivation for buying counterfeits.
- It was said that raising awareness amongst young people is important as they are the future creators.
- It was suggested that, following a number of recent initiatives, education could clearly make a difference. There had been a focus on music with initiatives such as the recent Creativity and Copyright Seminar, but that was because the music industry was where the problems were most apparent.
- In conclusion it was suggested that the Forum should agree to establish 3 working groups:
  - Piracy
  - Business models
  - Education and communication

- It was agreed that Government would provide the secretariat function for each of the groups, but that it needed volunteers from the Forum to Chair, or from its representative bodies, to sit on the groups.
- It was emphasised that it will be vital for the Chairs to drive these Groups forward as, if the Forum was to make a difference, those agreeing to participate would need to be committed in terms of time and effort.
- Nominations were requested but it was stressed that any representative needed to be at the appropriate level with decision making authority in order for real dialogue to take place.
- It was also considered that the Forum could act as an early trigger point for EU issues in order to address the point made that the UK approach was patchwork and inconsistent.
  
- Comments were requested on the Draft Terms of Reference.
- None were received and the terms of reference were therefore agreed.
  
- It was considered that the Forum, through the working groups, provided an opportunity to address the IP value chain issue, although it would be vital for membership to be fully representative.
  
- It was emphasised that the Forum should not look at the UK in isolation, as many of the major issues and problems facing the publishing industry are international.
- Government was called on to take a joined up approach in terms of lobbying Foreign Government and senior officials.

- It was then emphasised that the 3 working groups would consider international issues.
- It was suggested that the working groups, once established, should meet in September 2004 and that their initial findings should be fed into the next meeting of the Forum in November.
- A date would be circulated shortly.
- It was also agreed that the minutes of the meeting would be posted on the DCMS web-site.