

Minutes of Creative Exports Group Meeting: 7-December 2006 2.30pm at ERA

Attendees:

Andrew Yeates	Chair
Paul Howson	British Council
Richard Mollet	BPI
Carol Comley	UK Film Council
Christine Losecaat	Little Dipper
Simon Bell	Publishers Association
Cathy Graham	British Council
Crispin Parry	British Underground

Officials

Gillian Baker	UKTI
Andy Weller	DTI
Paul Elford	DTI
David Humphries	DCMS
Fiona Gallagher	DCMS
Alison Molloy	DCMS

Apologies:

Graham Benson	Blue Heaven Productions/Screen South
Kate Bostock	Publishers Association
Wendy Wyatt	Creative London
Keith Moses	UKTI
Doug D'Arcy	Song Lines
Phil Patterson	UKTI
Fred Hasson	TIGA
Sarah Cooper	BBC Worldwide
Michael Rawlinson	ELSPA
Louise Pederson	All 3 Media

1. Welcome

The Chair welcomed Cathy Graham and Crispin Parry to CEG. He also introduced Andy Weller and Paul Elford from DTI, who dealt with agenda item 4.

2. Minutes from last meeting and matters arising

The reports from the Chairs of the Working Groups on achievements over the last 12 months were well received. The Chair requested that these reports be continued.

David Humphries (DH) reported that the meeting between DCMS and the British Council arranged for mid-November has been postponed until Monday, 11th December. Paul Howson (PH) and DH would be present. [NB: This meeting has been postponed again until February 07].

OUTSTANDING ACTION POINT: DCMS to place CEG minutes on the DCMS website. [Note: the delay has been caused by the DCMS website being redesigned]

3. Reports from FEG, MEG and PEG and update from members

Simon Bell (SB) reported on recent activities to tackle piracy and copyright infringement in China, India, Turkey and Pakistan.

China - There has been a high level of activity in China in recent months. The focus has been on the illegal copying of English language academic books which are then sold to Chinese universities. Evidence has been gathered and submitted to copyright authorities, resulting in the issuing of 7 'punishments' (a fine and warning letter from Government). Continued Government support is crucial if this problem is to be effectively tackled and it is hoped the Chinese Ministry of Education will agree to be involved. Attention is now focussed on internet piracy.

India – A large number of books have been seized with 102 court cases and 552 court hearings in the past year. Low priced academic books are undermining the African and Middle Eastern Markets. This is a particularly 'grey area', whereby various chains of wholesalers are responsible.

Turkey – SB recently visited Turkey with a delegation representing a number of publishing organisations. A particular problem in Turkey is that courts with specialist IP knowledge are bringing successful prosecutions, only to have them overturned at the appeal stage by courts which do not have the same level of expertise.

Pakistan – Pakistan Publishers and Booksellers Association sent a letter to the Publishers Association (PA), objecting to PA's policy and approach on tackling piracy. For various reasons it is proving difficult to make progress in Pakistan. A strategy meeting has been arranged for January, which will aim to set strategic goals over the next three years.

4. Work of Europe and World Trade, Market Access Centre of Excellence unit and EU Commission's Market Access Strategy – interface with the creative industries – DTI

Market Access Strategy

Andy Weller (AW) explained that the work of the Market Access Centre of Excellence unit (MACE) complements the work of UKTI, and is exploring with UKTI how to work better across the sectors. MACE covers trade barrier issues, including technical barriers to trade.

The Market Access Strategy (MAS) is currently running an online consultation and its findings will be used to update the EU database. The consultation will remain online until the **12th January 2007** [Note: Since the meeting, this deadline has been extended to **19th January**.] Submissions will go directly to the EU Commission with a copy going to the MACE team as well.

The consultation asks for suggestions and comments on how trade barriers can be better identified, and how to prioritise those barriers within resource constraints. The EU Commission will want to see how representatives in particular territories can work to remove trade barriers. MACE also has regular contact with a range of industry groupings including the International Federation of the Phonographic Industry (IFPI).

The lack of effective IP enforcement in particular territories was the main barrier to trade for creative industries. The IP Template, which is being covered at agenda item 6, would be an important tool in highlighting IP issues across Government and

ensuring Ministers had accurate and up to date briefing for visits overseas. AY considered that it was important to ensure there was a balance in terms of confidentiality between the organisations submitting the information and what Government could then disseminate to a wider audience. CEG members would need guidance.

DCMS, UKTI and DTI, in partnership with Patent Office, through the Cross Whitehall Group, would focus on promoting and populating the IP template. It was agreed that there was also a general promotional role to play in informing industry partners on the value of the template. A briefing note accompanying the IP template had been agreed and would be circulated.

AW said that it was necessary to tackle specific problems in specific markets. The alternative would be to settle disputes through the World Trade Organisation (WTO). However this was a long term approach and could be seen as heavy handed. It was felt that the EU was not keen on this approach, preferring encouragement and persuasion. Linking with other EU Embassies to share information may be a useful approach. SB noted that the recent success in China was largely due to pressure from the EU, and that having IP specialists in Beijing made a very real difference. AW said that the EU looks to employ local staff, and local lawyers with IP expertise.

AY said it was important for UK representatives to be fully briefed on IP issues. It was also important for anecdotal evidence from industry to be passed to MACE. He suggested that this could be part of a wider WTO discussion when looking at online trading of goods and services.

Richard Mollet (RM) said that in terms of music it was important to make sure the US and UK are in unison on particular issues. The UK Government, through Tessa Jowell, has supported US action on the issue of AllofMP3, a Russian based downloading web-site. RM said that the BPI would be grateful for continued assistance from BPI.

ACTION: DCMS to copy action points and minutes of this meeting to Paul Elford and Andy Weller at DTI.

5. Report back from meeting with Shaun Woodward and feedback from Sector Advisory Group Dinner/ Meeting – Andrew Yeates.

Meeting with Shaun Woodward (SW) - The Chair reported to the group and commented that SW was supportive of the work of CEG and how it has promoted sharing information on IP issues. SW and Malcolm Wicks, the new Minister for Science and Innovation are convening a meeting of the Creative Industries IP Forum on January 24th. AY will attend the Forum to represent CEG and also the Education and Awareness working group of the IP forum.

SW noted the frustration felt by industry representatives on enforcement at home and overseas, especially on the Patent Office's data collection work, and felt work on this was well worth supporting. AY to report back to the Group after the IP Forum.

Sector Advisory Group Dinner – DTI Minister Ian McCartney (IM) appeared engaged and supportive. On IP, IM seemed to be very well briefed, and was particularly interested in China and Russia. Gillian Baker (GB) noted that he has visited China on Ministerial business on a number of occasions since taking this post.

GB considered that CEG might want to take a similar approach to the Scotch Whisky Association (SWA), which held a Forum with representatives from across industry, including the pirate companies in China. The Forum took a more diplomatic and less confrontational stance which seems to have worked well.

SB and CL agreed that an approach based around encouragement rather than confrontation would potentially be effective in China. AY suggested that links could also be made with any relevant British Council initiatives.

ACTION – The Chair suggested that the Group come to the next meeting with ideas about this. All export groups could usefully look at this issue.

6. IP Template Update – David Humphries/Christine Losecaat

DH reported on the meeting of the Cross Whitehall Group, which was well attended by UKTI, DTI, DCMS, FCO and Patent Office.

The format for the IP template had been agreed and circulated to the Group. As already highlighted, the template will provide information on IP issues to be used for briefing ministers for overseas visits. Fiona Gallagher (FG) volunteered to coordinate the templates once populated by the working groups.

DH added that the Whitehall Group needed to decide on how publicly accessible the information from the templates could be. The first benefit coming from the Cross Whitehall Group was a forward looking Ministerial visit list.

ACTION – FG to contact working Group Chairs regarding populating the IP Template.

ACTION – IP Template to be an agenda item for FEG, PEG and MEG meetings.

ACTION – DH to send the terms of reference and list of members of the CWG to the Group.

7. Gowers Review – David Humphries

DH reported that Gowers Review had been published on 6th December. The Government is accepting all recommendations in principle. DCMS is working closely with the Patent Office and relevant Government Departments to take forward work on the implementation of the recommendations.

The Review contains a strong emphasis on enforcement rights, including the enactment of Section 107A. £5million will be made available from the Treasury to support this.

Recommendation 28 (providing practical IP advice to UK firms operating in foreign markets) is of particular relevance to the CEG and it will be important for the Group to play a role in this. DH will keep the CEG updated on any developments.

AY felt it was reassuring that provision was made in the Review for providing advice and support to SMEs, but it would be wise to monitor this and for the CEG to be kept

informed. He also requested that the CEG be kept informed of the results of the Office of Fair Trading survey.

Richard Mollett (RM) was concerned that the Government had accepted some of the recommendations but in other areas had only noted them. DH informed the Group that where recommendations had been noted, they related to an EU competence and so would be passed to the relevant EU Directorate General.

RM commented that his view was that not extending copyright term undermined the Government's claim of its commitment to IP. He also expressed reservations about the issue of transformative use. DH said he understood the concerns and criticisms some in the CEG would have about the Review. However, the focus for Government would now be on working across Government and with the industry towards effective implementation, using platforms such as the Creative Economy Programme (CEP) and the Creative Industries IP Forum.

DH clarified SW's comment that Gowers was not the final word on IP, explaining that the Minister was referring to the rapidly changing digital environment which may make it necessary to look at the recommendations again in the future.

8. AOB

Paul Howson (PH) reported that the British Council are currently engaged in plans for the next two years, and are holding a series of meetings about this. He would keep the CEG informed of this.

DH reported that Tessa Jowell made a short presentation to the Regional Development Agencies (RDA) Chairs on the Creative Economy and added that there had been a warm and positive response for future engagement.

PH raised the issue of the Mayor of London's visits to China and whether there were any opportunities for sharing details of meetings and also to feed into briefing. It was agreed that where possible DCMS and DTI would contribute to briefing.

DH said that Andrew Gowers and a representative from the Patent Office will be taking questions in an online debate on the Review on the 8th December and encouraged members to participate.

ACTION: DCMS Secretariat to ensure China continues to be an agenda item for future CEG meetings.

ACTION: DH to circulate the briefing note

UKTI Strategy

GB reported that UKTI will be launching a new strategy which will refocus some of its activities. The Strategy is expected to be published around March or April. It includes working towards an integrated business strategy for the Creative Industries and will cover the next 5 years. UKTI will be consulting extensively with the CEG and others. Extra resource has been provided, and UKTI will be working with DCMS in order to tie this into the CEP Green Paper.

UK Film Council

Carol Comley (CC) circulated the UK Film Council's consultation reports on exports to the CEG. The purpose of the consultation is to establish what impact digitalisation is likely to have on the work of the UKFC.

CC also informed the CEG of KEA European Affairs, an organisation which aims to be a voice across Europe for the film and music industry. [Chair: seeking clarification of this point with Carol Comley]

ACTION POINT: FG to circulate link to KEA to the CEG

CEP

DH reported that Frontier Economics had won the contract to carry out two areas of research in support of the CEP Green Paper. The research will cover drivers of demand in overseas markets, and the location decisions of multinationals. Frontier Economics will be looking to consult CEG members as the project develops. Frontier Economics are due to report to DCMS in March.

ACTION: DH to keep CEG informed of developments

9. Date of next and future meetings

Alison Molloy to circulate dates for February; June; September; December.