

**The future of the UK's Intellectual Property system
Evidence Session 1
6th February 2018, 5pm, CR 11**

Parliamentarians

- Pete Wishart MP (Chair)
- Baroness Neville-Rolfe
- Lord Clement-Jones

Witnesses

- Abby Yolda – Head of Communications, DACS
- Marianne Grant – UK Representative, MPA
- Isabelle Doran – Chair, BAPLA
- Anna Skurczynska – Legal Advisor, BAPLA
- Jonathan Lockwood – VP, Getty Images (BAPLA member)
- Bill Bush – Executive Director, Premier League

DACS

Lord Clement Jones (TCJ) opened the meeting in Pete Wishart's absence. He explained that each organisation would be questioned in turn and invited Abby Yolda to introduce the work of DACS.

Abby Yolda (AY) explained that DACS is a not-for-profit rights management organisation for visual artists, which specialises in collecting and distributing royalties to visual artists and their estates through Payback, Copyright Licensing and Artist's Resale Right (ARR). She said that the UK art market is the second largest in the world, and the benefit of ARR is that it attracts the best talent to the UK - with £65 million having been paid to artists through ARR since 2006.

TCJ asked if there were any limitations to ARR. **AY** said that ARR is capped, meaning that visual artists can oftentimes only earn a fraction of the resale value of their work.

TCJ asked about the impact of Brexit to ARR. **AY** said that ARR exists in UK law through the 2001 EU Resale Right Directive, and that it is important that ARR remains in UK law post-Brexit. She said that ARR needs to be included in the trade negotiations with the EU, and that reciprocity on ARR is agreed as part of the final agreement.

TCJ asked if ARR will impact any future trade agreements made post-Brexit. **AY** said that DACs had been approached by China – the largest art market in the world on how best to implement ARR, meaning that over 50% of the international art market will soon be protected by ARR. She explained that DACs were also in talks with the Government on ARR to ensure that the relevant Departments are all aware of its importance.

MPA

Pete Wishart (PW) asked Marianne Grant (MG) what the UK film industry wants to see as part of Brexit.

MG said it is important that the audio visual industry is included in the negotiations between the UK and EU. She said that the MPA had seen an increased level of interest from the Departments of International Trade and Digital, Culture, Media and Sport, but that there needs to be an improved level of technical understanding within these Departments.

MG cited portability as an example on a new initiative developed within the EU, but which will cease to work in the UK after Brexit and which will need to be addressed as part of the withdrawal process. **MG** also explained that an industry led audio-visual taskforce is currently focused on drawing up a list of key priorities for the sector and will engage with the Government in highlighting their importance to the UK.

PW suggested that the soft power of the AV industry would be a powerful tool as the UK seeks to negotiate new trade agreements.

MG agreed, saying that the sector is currently working to promote the importance and the benefits of the sector to the UK and the EEA more broadly. She explained that the MPA wants to see the existing model largely maintained and that it should be seen more as a partnership rather than a simple exporter/importer relationship.

PW asked how aligned the UK should be with the Digital Single Market post-Brexit.

MG warned that the UK lacks a strong voice on the EU bodies currently making key decisions on the future of the Digital Single Market – citing territoriality as an example of how the UK could find itself locked out of 30 percent of its current market post-Brexit.

She also advised that despite the Government's focus on trade ties with the US and EU, the UK also needs to focus on taking advantage of growing markets in India and Asia.

TCJ asked if there currently exists an EU quota of US media products coming into the UK. **MG** responded in the negative, but warned that EU member states have the ability to impose restrictions which may be used to negatively impact the UK.

Baroness Neville-Rolfe suggested that the UK will need to work with EU members and continually remind them of the benefits of their partnership to ensure that this does not become an issue post-Brexit.

BAPLA

BNR asked **Isabelle Doran (ID)** to explain the role of BAPLA.

ID said that BAPLA is the UK trade association representing picture libraries and agencies. She explained that BAPLA is comprised of 126 entities, with the mission of championing the licensing rights of firms operating within what is the second largest pictures market in the world after Germany.

BNR asked **ID** to explain the value block.

ID said that the value block is the term used to describe the way in which internet content is uploaded, framed, shared and infringed by others continuously with none of the revenue generated being shared with the image rights holders whose content is exploited.

BNR asked about the role played by search engines like Google.

ID said that the algorithm used by Google Images often means that licensed images are driven down in search results, allowing users to more easily access content illegitimately. She also explained that framing is used to display images by embedding the frame in a webpage without the need to seek permission or purchase a license.

BNR asked how this behaviour can be challenged.

ID said that search engines are free from copyright liability so long as they have a takedown procedure. However, she explained that the procedure is lengthy and ineffective, requiring a complaint to be made about each infringing image.

BNR asked how the Digital Charter can be used to support BAPLA and its members. **ID** warned that the Digital Charter cannot be too heavily based on good will, and will require stringent regulations to ensure it is effective.

Premier League

PW asked why copyright enforcement is important to the Premier League and its broadcast partners.

Bill Bush (BB) explained that the broadcasting operation supporting the Premier League is an immense industry, and dependent on being able to protect its broadcasting rights. He warned that the ability to enforce copyright protections can dictate how the Premier League and its participating clubs are able to plan for the future, and explained that a loss of broadcasting revenue resulting from copyright infringement disproportionately affects smaller football clubs. He explained that the way in which broadcast rights are distributed allows the Premier League to be the most competitive in the world.

PW asked about the role of intermediaries and what the Government can do to encourage them to be more helpful.

BB explained that intermediaries are the lynchpin behind copyright infringement as they are able to act without responsibility and that their ability to facilitate copyright infringement had greatly affected vulnerable sectors like photography and music. He said that legislation will inevitably be required to change the behaviour of intermediaries, even if it acts only as a deterrent, backing a voluntary code of conduct. He warned that intermediaries have shown previously that they will not change their behaviour unless compelled to.

PW thanked the witnesses for attending and asked that they submit more detailed briefings which can help inform the Group's final report and recommendations on the issues discussed.

The meeting closed at 6pm.