



**Minutes: Inquiry into the Protection of Intellectual Property
Evidence Session 2
21st February 2017, 5pm, Committee Room 21**

Parliamentarians

- **Pete Wishart MP (Chair)**
- **Jim Dowd MP (Treasurer)**
- **Rt Hon John Whittingdale OBE MP**

Witnesses

- **John Noble (Director, British Brands Group)**
- **Alison Statham (Director General, Anti-Counterfeiting Group)**

Pete Wishart (PW) opened the meeting and welcomed the witnesses, asking them to explain their role and some of the key challenges facing their organisations.

John Noble (JN) outlined the role of the British Brands Group in representing brands and ensuring their interests are protected and fair competition promoted. He also discussed the economic impact of parasitic packaging and online substitute sales. He argued that the most effective way to try and combat parasitic packaging is to take action through consumer protection laws, rather than IP laws. However UK law does not allow for this.

Alison Statham (AS) then spoke about the role of the Anti-Counterfeiting Group in representing businesses and leading in shaping an effective deterrent to counterfeiting in the UK.

There was a substantial pause at this point as there was a division in the House of Commons. The session resumed once the Parliamentarians returned from voting.

The witnesses were invited to discuss the role of Trading Standards. **AS** explained that Trading Standards had experienced massive losses in man power (up to 56%) due to funding cuts, and that they were now trying to enforce 260 pieces of legislation with greatly diminished resources. **JN** agreed, the consensus being that there are very robust laws currently in place, but not enough Trading Standards officers to effectively enforce them. It was also mentioned that there is currently an ongoing legal challenge to decide whether such reductions in personnel are lawful.

Jim Dowd (JD) asked what could be done to try and improve the situation. Both witnesses emphasised that any further reductions could lead to a total collapse of the existing system. However, it was discussed that the establishment of a National Enforcement Centre would allow for better allocation of resources and coordination across the UK.

AS said that it would also be useful for Trading Standards to work more closely with PIPCU, although there is currently no mechanism for this.

The discussion turned to substitute selling as an emerging threat. **JN** explained that this is where branded products are advertised but then non-branded products are switched and sold instead leading to significant consumer confusion. He said that the most expedient solution would be for those companies acting as online market places (such as eBay and Amazon) to play a greater role in weeding out fake substitutes. He said that steps had been made in approaching these companies, and they are now working more closely with their internal enforcement teams which had previously worked behind the scenes to take down illegal sellers. **AS** said that ACG is currently engaged with Alibaba to address counterfeit items for sale on their platform, and the company seems responsive and keen to address the issue as it would otherwise impact negatively on their reputation

PW asked what concerns the witnesses may have about leaving the EU and how this will affect the industry's ability to protect Brands.

AS said that unless the UK continued to work with the pan-European enforcement bodies it would be harder to protect brands as they would be required to work and engage with 27 different governments. Concerns were also raised about the Irish border being used as a gateway for counterfeit brands entering the UK.

JN also raised the issue of Trade Mark Exhaustion. In particular, he said that the issue of cheaper products designed for use in poorer markets, such as South America, finding their way back to be sold in their home countries is also likely to be an issue in the near future.

PW thanked the witnesses for attending and closed the meeting.