



**Minutes: Inquiry into the Protection of Intellectual Property
Evidence Session 1
1st February 2017, 5pm, Committee Room 21**

Parliamentarians

- **Pete Wishart MP (Chair)**
- **Lord Clement-Jones (Vice Chair)**
- **Jim Dowd MP (Treasurer)**
- **Rt Hon John Whittingdale OBE MP**
- **Nigel Adams MP**

Witnesses

- **Ian Moss (Director Public Affairs, BPI)**
- **Marianne Grant (MPA and Get it Right campaign)**

Lord Clement-Jones (TCJ) agreed to chair the Group, due to the absence of Pete Wishart for much of the meeting due to him speaking in the EU debate. He opened the session, and welcomed the witnesses.

Dan Guthrie of the Group secretariat explained the background to the inquiry, which is to investigate the existing and emerging threats to Intellectual Property protection, as well as opportunities to improve protection and enforcement. He said the first evidence session would focus primarily on digital, while the second would deal with brands and trademarks. He also explained that written submissions are also being received, and that the findings of the Inquiry would hopefully be available before a forthcoming backbench business debate in either the House of Commons or Westminster Hall.

Nigel Adams said he had submitted an application for the debate and he would recommend it to the Backbench Business Committee in the near future. (The debate has now been confirmed and will take place on February, 28th at 9:30am in Westminster Hall)

Ian Moss (IM) opened the discussion. He explained his professional background and the role of the BPI in tackling piracy. He said the types of piracy continually shift and while some websites with a high profile had been closed down, the increasing number of small user sites are proving a challenging, as are stream ripping sites, which allow streamed files to be converted into a more permanent mp3 format.

IM argued that a more rapid response is required to tackle these small, constantly shifting sites. This requires intermediaries, including search engines, to play a greater role. He said there have been some successes with advertisers, who have been co-operating with PIPCU to stop servicing those sites which have been flagged as illegal. However, he also explained that the effect of profiling is limited due to the sheer number of domain hopping sites. He said Google's demotion protocols only work once a certain number of notices have been served, which is difficult when these sites are constantly changing their domain names and refreshing the notice threshold. He said that under the current system only 3.5 percent of the sites targeted are currently being brought down.

TCJ asked about the voluntary code of conduct currently being mooted in the House of Lords as part of the Digital Economy Bill.

IM explained that while the Search Roundtable had provided numerous suggestions, unless the main search engines agree to commit to removing piracy sites from the top of their search results then progress will still be slow. He also said that closer cooperation between search engines with their technological prowess and the BPI with their knowledge of content was important as it would allow the two parties to work together and develop more innovative and long-term solutions. He said he feels this is unlikely to happen unless a code of conduct binds Google and other search engines into a working relationship, with enforceable consequences for failing to engage properly.

TCJ asked about the economic impact of web piracy on the industry.

IM said that due to the nature of the internet, creators are not being paid for their products which are being given away for free by hosting websites or search engines which draw their income through advertising or data gathering rather than sales. This means there is no real incentive to become more involved in tackling piracy. He also explained that YouTube pay a nominal fee for a copyright licence, which is small compared to what is lost through free streaming. He explained that the BPI must accept this fee as the content posted on YouTube is ultimately uncontrollable due to the sheer number of videos which are posted and would continue to be posted regardless of a licence.

TCJ asked about proposals being developed by the European Commission.



IM said that the Government currently does not have a view and has yet to respond to the consultation which ended in December. The recent change in IP minister was also discussed. Both witnesses felt the change might delay progress while the new minister is brought up to speed and is fully briefed on the relevant issues.

Marianne Grant (MG) was then invited to give evidence. She discussed a recent meeting with the IPO and Department for International Trade in which she was told that the Government does not have a view on the current EU proposals. She explained that France has so far been the only country to voice their opposition to territoriality.

TCJ asked who the loudest advocate to the ending of territoriality is.

MG explained that in addition to the French, German broadcasters were a leading voice, however there was no single advocate. She also said that the current arguments in favour of reducing the ability to sell content on a territorial basis, which some say would be good for consumers and small businesses are false, as consumers would have less choice, while small businesses would be priced out by large companies who will be the only ones able to afford an pan-European licence for high value products such as the certain football leagues.

The discussion shifted to kodi-loaded TV boxes. **MG** explained how these boxes allow viewers to stream videos illegally through television sets. She also outlined how guidance on doing so was readily available on YouTube.

Jim Dowd asked about whether anything can be done to encourage Amazon to take a proactive role in combatting this problem as it is their product being turned against them.

MG said that discussions were ongoing with Amazon and that their commercial teams were becoming more involved as it became more apparent how Amazon's own profits were suffering through the abuse of their own product.

IM also explained that you can purchase a fully loaded TV box or fire stick on Amazon, and that it is openly advertised how these products work and what they are capable of.

MG outlined that because these are physical products there is a supply chain that can be tracked. That is why a new cross party amendment has been introduced in the Digital Economy Bill to empower Trading Standards and PIPCU to take more effective action against the suppliers and those who create the apps.

John Whittingdale questioned the language used in the advertisements for the kodi-boxes on Amazon, arguing that it was not specifically encouraging people to break the law, only offering free streaming services. The witnesses responded that the language is carefully disguised, but the sellers are fully aware of what they are suggesting,

MG also explained that the developers of the software believe in the free exchange of information, whilst Kodi themselves are only just beginning to put in place the infrastructure for digital rights management as they are a fairly young operation and not fully able to prevent the misuse of their software.

Concerns were also raised about PIPCU, and whether it will continue to be funded. **CJ** said he would raise a question in the Lords on this. **MG** stressed that it is vitally important that PIPCU's funding is renewed through the IPO as they are one of the few organisations currently capable of taking effective action.

TCJ thanks the witnesses for attending and closed the meeting.