

# IMPORTANCE OF INTELLECTUAL PROPERTY TO THE BRITISH ECONOMY

BRIEF ON BEHALF OF WRITERS FROM THE AUTHORS' LICENSING AND COLLECTING SOCIETY  
For Westminster Hall Debate; Tuesday 28 February; 9.30 – 11 am Nigel Adams MP

## The Authors' Licensing and Collecting Society

The Authors' Licensing and Collecting Society (ALCS) is the UK collective rights management organisation representing the interests of authors. The membership includes writers working across diverse genres for print, audio, audio-visual and digital publications. Established in 1977 it is wholly owned and governed by the 95,000+ writers it represents. It is a not for profit, non-union organisation which strives to ensure that authors receive a fair reward when their works are used in situations in which it would be impossible or impractical to offer licences on an individual basis. To date ALCS has paid over £400m to authors and continues to campaign on their behalf at a national and international level.

## Writers and Intellectual Property

Intellectual property and its protection are essential to our creative industries in the UK, most especially for writers who are the source of creative material for so much: books, TV, films, radio, theatre, journalism, even video games (a genre in which the UK is a world leader). Were it not for writers from where would they get their material? So it is supremely important that those writers who contribute hugely to our diverse culture are properly rewarded. Authors are a key driver of the creative industries. Their intellectual property has to be recognised and protected so they can be rewarded for their endeavours and thus encouraged to continue with their vital contribution to our cultural life.

In the UK, we are a vital hub for the TV, design, games, visual effects, publishing, film, advertising, music and fashion industries. The creative industries make a contribution of over £87 billion to the UK economy<sup>1</sup>, employ almost 2 million people<sup>2</sup> and are growing at twice the rate of the rest of the economy. As a result, we are second in the world only to the US in terms of cultural commerce. Which other country has produced instantly recognisable characters such as Harry Potter, James Bond and Sherlock Holmes – all created by writers. These exports are worth £20 billion and over 40% of book sales are overseas exports<sup>3</sup>. We also need to remember the value of 'cultural tourism'. Japanese tourists flock to the Lake District because of Beatrix Potter. Others descend on Oxford as a result of Inspector Morse – all opportunities created by writers.

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<sup>1</sup> Creative Industries Council. *100 UK Creative Industries Wins In 100 Days*. 2016

<sup>2</sup> Department for Culture Media & Sport. *Creative Industries: Focus on Employment*. 2016

<sup>3</sup> Publishers Association. *Statistics Yearbook 2012*. 2012

## **Why copyright is important for writers**

Brexit may present us with a challenge about the future of intellectual property enforcement and co-operation. Although the broad principles of IP law are covered by international treaties, the shape of copyright exceptions are largely determined at European level, and so too are the enforcement levers on matters such as breach of copyright and counterfeiting.

A copyright system that fails to recognise and reward the value of creativity risks a reduction in the quality and quantity of new creative output. Over time such a reduction inevitably diminishes the contribution the creative industries can make to the economy. The ALCS study 'What are words worth?' revealed a severe and sustained reduction in the level of remuneration to authors and the number able to make a living from writing. This decline despite the fact that the wealth generated by the creative industries has continued to grow: according to UNESCO the UK is the most successful exporter of cultural goods and services in the world.

## **Fair contracts and remuneration**

The EU draft Directive for Copyright in the Digital Single Market includes rules designed to enable authors to receive clear and transparent information about the use of their work and a right to renegotiate their contracts in the light of that information where relevant, for example where a book suddenly becomes a best seller yet the original contract only provides for a limited payments regime. Authors may too often be presented with 'take it or leave it' contracts, offering little scope for negotiation and demanding full assignment of rights to their work. ALCS welcomes these EU measures which would help to balance the playing field for writers. We will continue to campaign for equivalent measures in the UK.

## **Public Lending Right**

With falling earnings for writers, there is a need to address where there are gaps in the value chain for authors. Public Lending Right, the scheme that provides authors with a modest payment (around 7p) each time one of their books is borrowed from a public library is a legal right which balances the social need for free public access to literature with an author's right to be remunerated for their work. The Digital Economy Act 2010 extended this to audio books. ALCS has been campaigning for this to be extended to e-book lending and the Government granted this by amendment during procedures on the Digital Economy Bill in the House of Lords on Wednesday 22 February 2017. That amendment will now return to the House of Commons for consideration where we hope it will be approved.

## **Copyright Licensing for Government**

The Copyright Licensing Agency, whose members include the Authors' Licensing & Collecting Society and the Publishers Licensing Society, also collect copyright licensing fees from government departments for photocopying and scanning which ensures they act within legal limits. This gives a very powerful message that the Government takes intellectual property issues seriously. Ease of compliance is always a concern so that writers can be properly paid for any uses of their work and we hope that the government may take advantage of the offer of a central, pan-Government licence to cover all staff to save pressure on costs. To date, government has not taken advantage of this opportunity and we hope the Treasury and Cabinet Office will respond directly to the Copyright Licensing Agency on this matter.

**For further information, please contact:**

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