

Save Our Books campaign: A Call to Action

Introduction:

Reading is on the rise, but to sustain and boost this positive news emerging from lockdown, we must continue to give our growing nation of readers the widest choice of the best books possible by a wide range of authors.

To do so, we must keep in place the safeguards that have helped make Britain a cultural centre of writing excellence, the source and exporter of many of the most beloved stories and characters in the world.

The briefing below has been prepared to outline the context to the biggest post-Brexit legislative threat to the UK's authors and literary sector. This relates to a change in UK copyright law being consulted upon currently by the Intellectual Property Office on intellectual property exhaustion.

We need your help to 'Save our Books' and make sure that UK readers, authors and publishers are not put at risk.

The value of the literary field

- The UK is the biggest exporter of books in the world.
- Nearly 60% (£3.7bn) of revenue comes from global exports.
- Authors have shown their value to culture and society in the face of Covid-19 with reading levels growing.
- Cultural exports such as iconic works of fiction by Authors improve the UK's soft power and global renown.
- 200k books are published each year in the UK, supporting thousands of authors.

The UK publishing industry

How the global trade in books currently works:

British authors and publishers can currently sell their rights on a territory-by-territory basis. As such, they can decide when, where and how their creation is first sold in different markets.

The existing model enables UK authors and publishers to properly cater to their international customers. It also ensures that different countries can access specific versions of a book that best suit their cultural preferences and educational needs.

Furthermore, it allows UK authors a degree of freedom and control over how their works are priced for international markets and prevents unauthorised parallel importing of international copies into the UK, which would pose a significant risk to their livelihoods.

The issue:

One option being considered by the IPO is removing any copyright border for parallel imports into the UK, in what is termed an “international exhaustion regime”. This would effectively remove any income protection for UK authors in the licensing deals struck for the global sale of their books.

An “international” regime would:

1. Impact authors’ livelihoods and diversity

Livelihoods:

A British author will typically earn 50% of the royalty from a US sale of their work in comparison to a sale in the UK. This royalty income makes up a vital part of authors’ earnings and being able to sustain a career in the literary field. Authors’ earnings have come under extreme pressure during the pandemic, with surveys conducted by the Society of Authors showing that 49% of respondents expected a loss of more than a quarter of their income for the financial year 2020/21. This has exacerbated an already pressing problem: our own research has shown that, without the current crisis, authors’ earnings had fallen by 42% in real terms between 2005 to 2018.

It is critically important that we protect the income streams writers rely on to carry on producing the work we value. If authors cannot prevent their copies from around the world being sold back into the UK, then domestic sales are also at risk of erosion, and authors will lose out substantially.

Representation:

In addition, the risk that ‘international exhaustion’ poses to authors’ control over the sale of their works will undoubtedly have an impact on the number and range of authors who will be published in the future. The industry will be forced to be more selective in whom and what they publish, due to the resulting, diminished financial returns from such a new regime.

In recent years, we have seen the effort made by the literary industry to reflect and represent society through what is published. However, there are still significant strides to be made to ensure that creative and cultural opportunity is not simply available to a small group of privileged elites.

The Royal Society of Literature’s report *A Room of My Own*, in June 2019, made clear how a writer’s region, class and race were among a myriad of factors which have a significant effect on their ability to access the publishing industry.

There would be an increased risk that changing the copyright regime would have a detrimental effect on these important efforts to publish a breadth of authors and consequently to cater for a breadth of readers.

Put simply, international exhaustion would mean fewer books, by fewer authors, for fewer readers.

2. Destroy creative export markets

UK publishers often sell books at significantly cheaper prices in developing English language markets; and even sell below cost price and for very good reason. This is to cater for the market at an appropriate price for the economy in question, and also to help grow that market over time and, in some cases, because books can otherwise be pirated at scale. For example, the average price of a book in India is £3.14, or 36% of the UK price.

Removing UK authors' copyright exhaustion protection on distribution of their books would lead to mass parallel trade. This would significantly harm UK authors' ability to export to these markets, owing to the risk that cheaper exported copies would re-enter the UK market (primarily through online retail giants).

The only alternative available would be to raise prices globally, which would lead to fewer international purchases of UK content, eroding soft power, and creating a boom in pirated content.

The Government's Integrated Review, published in early March, cites that a part of what gives the UK a 'soft-power superpower' status internationally is the strength of our cultural and creative industries. Writers and authors are big contributors to this image; the UK is recognised by other countries for its great literary works and introducing 'international exhaustion' would threaten this.

The long-term impact on publishing businesses and jobs would be a shift to the United States, as the west's other major English-language global publishing hub. Given the heavy competition between US and UK businesses in English-language publishing, this risk is very high indeed.

3. Benefit big tech & online marketplaces, not UK consumers

Without doubt, the beneficiaries of removing UK authors' copyright exhaustion protections would be online marketplaces and big tech. These online retail giants would reap the rewards of a boom in parallel trade of copyrighted material.

In a supplementary inquiry session conducted by the All Party Writers Group in November 2020, witnesses from the industry made clear that online sellers such as Amazon had managed to dominate and make large profits from the bookselling market during the pandemic.

This has placed even greater pressure on independent booksellers and the UK's High Streets, which will struggle to compete. A regime of 'international exhaustion' will only exacerbate this divide, as independent booksellers will be unable to match the price of books that come back through the online market via parallel trade.

The fewer the number of independent retailers of books, the smaller the range of authors we will see, beyond the best-sellers list for sale online. Books do not have to reach number one to have dedicated readers, to whom authors are important.

There are proponents of 'international exhaustion' who claim that the UK consumer could benefit from a downward pressure on book prices. In reality, this is not the case.



UK books are already being sold at the cheapest price anywhere in Europe and at some of the lowest prices in the developed world. Instead, as outlined above, publishers would need to amend their global selling practices to maintain profitability. Moreover, UK consumers would also risk unintentionally buying imported books designed for a different market. For example, foreign textbooks are often not suitable to the UK's education systems or cultural values.

In short, online platforms would stand to benefit, and authors and readers would be put at risk.

Call to action:

We urge the government to avoid a radical shift to the way the book industry operates, avoiding an international regime and maintaining the current exhaustion model. The only reason we are reconsidering our current approach is due to our departure from the Single Market.

This will allow the UK to protect its international standing as a soft power in the literary field, to safeguard authors' incomes by protecting them from further threat of decline and to ensure the industry can continue to promote and publish a diverse range of books from a diverse range of writers.

If we maintain the current regime it will allow for a range of authors' talent to be cultivated and for writers to carry on contributing to the UK economy and the cultural industries. It is vital that we keep this sector of the economy thriving, particularly after the impact of Coronavirus.