

**Supplementary written evidence submitted by Ian Moss, Vice Chair, Alliance for
Intellectual Property**

Dear Pete,

On behalf of the Alliance for Intellectual Property I am writing to thank you again for inviting me to provide evidence as part of your inquiry into Scotland's creative industries.

Given the unfortunate curtailment of the session due to a vote, I am following up on the Committees' interest in what might hold back creative enterprises from developing new intellectual property. Specifically the question of whether the lack of new intellectual property is an issue across the creative industries in Scotland, and if there was a role for public support.

Creative businesses face the same basic issues of any enterprise - to thrive there needs to be an environment conducive to growth across a range of areas, from access to a skilled workforce to access to overseas markets. However, there are a unique set of opportunities and challenges that face businesses which rely on intellectual rights to promote, protect and invest in valuable ideas and creativity.

One of the principle issues is the problems faced by businesses and creators seeking to access and secure finance against their intellectual property. Ensuring that businesses of all sizes – and especially the micro and small businesses which make up much of the creative industries - are able to fully utilise routes to funding has been a long standing concern for many of our members.

Access to finance for is often hampered by the view that intellectual property is inherently risky, on the one hand due to the nature of returns to creative content, on the other due to the constant issue of infringement of intellectual property rights. This makes pricing such rights difficult for standard lenders. This is why many Alliance members have been working to raise this issue with policy-makers, as well as lead on initiatives to provide businesses more confident in their rights, such as Anti-Copying in Design's Design Databank.

However, in order to ensure that businesses depending on intellectual property are fully supported, it is crucial that policy-makers also look to tackle some of the risks that creative businesses face. IP infringement represents a serious and ongoing problem, online and offline. Tackling infringement of rights can mean support for existing enforcement organisations, and as I noted during the Committee's evidence session, public bodies in Scotland have gone some way to demonstrate that protecting intellectual property is a priority.

Policy-makers can also work to ensure that the intellectual property legal framework is robust in protection of rights. For example, the Intellectual Property Office recently consulted on harmonising the maximum criminal penalty available for infringement of copyright online to 10 years, in line with the maximum penalty available for infringement of physical copyright. This change would help ensure that enforcement organisations can properly tackle criminals who seek to benefit through the infringement of the rights of others.

The UK Government has also gone some way to recognise the value of design by introducing criminal sanctions for infringement of registered design rights. However, campaign group Anti-Copying in Design estimates the majority of the UK's designers rely on unregistered design rights, which currently do not provide the same level of protection. Providing unregistered rights the same level of protection as registered rights will ensure that the UK designs can more be more fully protected.

Supporting measures to provide creative businesses better access to finance and enforce rights will go some way to ensuring that new intellectual property can be promoted and protected. As the Committee is no doubt aware, there are also important measures that public organisations can undertake to encourage the growth of creative clusters in Scotland – as there is across the UK – for example in ensuring that there is access to creative venues, or supporting further inward investment of the creative arts.

This includes being able to support creative clusters, ensure that there are appropriate buildings to be able to showcase the creative output of micro and small businesses – i.e. arts, music and film venues that can support small audiences as well as medium to large audiences. That means a strategic plan to the way that towns and cities support creative artists on their way up – growing an audience for their work – through planning and business rates policies that support creative businesses. This is a long term investment in building a creative economy in a place. Where there are existing successful creative businesses – e.g. Dundee's gaming industry – there are opportunities through support not only for that industry but also related industries that might benefit from being co-located. This includes funding for the courses provided by local HE and FE institutions.

As the basis of the long term health of the creative economy, ensuring that there is a full understanding of the importance of respect for intellectual property rights is imperative in promoting new creative businesses in Scotland. Support for the Get it Right from a Genuine Site Campaign through additional funding from Scotland to promote to Scottish media and consumers in Scotland audiences would be a welcome boost to that campaign.

It was welcome that the Committee demonstrated such understanding of the importance of intellectual property throughout the session. We would be willing to provide further information on the above or on other issues as necessary as part of the Select Committee's inquiries.

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