

Developing a copyright agenda for the 21st century: 10 December

FINAL DELIVERY

Good morning everyone.

Can I welcome you all to the ICA. I thought that this was an appropriate building for us to meet, as you know, the ICA was established by a collective of artists, poets and writers. It showcases contemporary culture across a wide range of art forms. It's a fitting backdrop for what I want to say.

We are in the early years of a new century. A century of technology like no previous century. It is absolutely the digital century.

Digital technologies started to affect our lives in the last years of the 20th century. In the 21st, they're going to change our lives entirely. They will impact on the way we think, the way we act, and what we can achieve.

Nowhere is this more true than for the creative industries. Because the creative industries are in essence about communication, whether in the form of words, music or artistic images. And increasingly they're going to be about digital communication, because the creative world is going digital.

But what the creative industries produce represents a special sort of communication. They are communications that we enjoy receiving. They enrich us culturally and help to lighten up our lives.

Our creators, and their works are important culturally and economically. They're important economically because they account for over 8% of the UK GDP. They contribute valuable jobs. By 2006, 1.1 million people were employed in the creative industries and a further 800,000 in creative jobs in other sectors. While of course their content enriches our lives it sustains theirs.

Individually our creative industries are also outstanding. The UK publishing industry is a major player – domestically and internationally – with sales at £2,995M (37% as exports). We have the 4th largest music publishing market in the world and the 3rd largest market for the sales of music globally.

These are remarkable figures for a population the size of the UK. In the current economic climate it is absolutely vital that the framework enables them to continue to thrive.

So, yes the creative industries are a major part of our economy. But their value is not just economic.

They enrich our lives, entertaining and educating us all. We all have our favourite songs, our favourite films, our favourite books. I want to ensure that the generations to come can build their own lists of favourites. So we need a system that supports creativity – that recognises and celebrates the role that they play in the cultural lives of this country.

In particular, it's important that we recognise the work of our talented musicians and performers. They need to be able to reap the rewards of their hard work.

But there is a problem. The digital age, and the digital century, mean that we can copy more and more, and to more and more people. Artworks are no longer the jealously guarded treasure of the privileged few. They can be enjoyed by everyone with a PC and an internet connection. And they can be enjoyed as perfect copies or near perfect copies. And when we see artworks this way, sometimes we don't even know who created them.

The easier it has become to copy and to access content, the easier it has become to lose sight of what lies behind the creative work. It's easy to forget about the artists and creators, and to forget that they too need to live and to be able to feed their families. It takes a great deal of time and effort, and sheer hard work, to develop a creative talent. I want us to respect and to recognise that talent and that sheer hard work.

If we want to nurture our creators and to incentivise them to create, we need to ensure we have the right framework in place. The framework must incentivise them to stay in the creative path. And it must ensure that society recognises them for what they have done. That is why I am working with colleagues to continue discussions with our European partners on the term of protection for sound recordings.

And that brings us to copyright. Copyright is the framework which underlines our creative activity. It's copyright that rewards the creators and artists and sustains the distribution that gets the creative works to those who want to enjoy them. So copyright is what makes the system work.

When I first did and learnt copyright law, in the early 90s, both in this country and at Harvard, and when I watched in this century, and when you think about the in tray of almost any political leader in this first half of the 21st and you think about the iconic things that have happened in this first eight years of the new century, you think of September the 11th, the wars in Iraq and Afghanistan, the fight against climate change, the global downturn, the election of Barack Obama. Infact the way that much of that has been presented to the world, whether in video clips you tube, whether the underlying brand and the communication in the election of Barack Obama, Whether the film of Al Gore which conveyed climate change, to a new generation, most of it underwritten by new technology and underpinned by copyright.

But how much, how much, it has changed, so this brings us to a place where we have to ask ourselves is copyright itself working? This was almost the first question that confronted me when I arrived in this job as Minister for Intellectual Property. People were beating a path to my door to tell me what was wrong with copyright, and many of you in this room who have not got to meet me, have written to me.

Let me be clear. No one sought to challenge the fundamental principle of copyright. Everyone agreed the fundamental principle was still sound. Many of the problems arose when we tried to apply it to digital world.

I heard about the problems faced by musicians, who worry about pirating of their works and their ability to sustain a decent income.

I heard about the problems faced by the music industry, as a whole, who look at high levels of illegal copying and falling revenues and wonder how they'll be able to fund new artists.

I heard about the problems faced by the newspaper industry, our regional newspapers particularly, the lifeblood of our local communities, as their online content is appropriated by others and for which they get nothing in return.

I heard the fears of the film industry, who are anxious about the pirating of their films.

And I heard the anxieties of the publishers, on the brink of an explosion in digital book usage particularly.

All these problems are reasons enough to have a good hard look at the copyright system. But there are other important reasons too.

Firstly, a wider debate about copyright in the EU and internationally is beginning to gather pace. I want the UK Government to be able to lead and shape that discussion. Not follow it. And I would like us to do it with the agreement and the support of the UK's creative industries. That means having our own debate about the shape and future first, before other proposals emerge in Europe or elsewhere, so that we can really take the lead in that debate as it takes shape.

If there is one experience from our recent discussions with industry and European partners on the Commission's copyright term proposal, it's that the UK Government and industry were seen to be divided (we were not of course). None of us should want that to happen again.

Second, the economy. We need to think about the framework we need for economic recovery. Intellectual property generally is crucial to that: innovation in technology

and in creativity depends on a fit for purpose IP framework. We need to be able to attract investment, sustain it and turn it into jobs and future business.

Thirdly, consumers. There is a kind of trust gap here: the creative industry doesn't really trust the Government, in many ways, to look after its interests. At the same time consumers behaviour suggest that they would rather help themselves illegally than participate in enjoying the fruits of creative endeavour legitimately. Closing that gap so that ordinary consumers feel there is something in it for them should be the objective of us all.

There are two objections that people may have to what we are proposing. They might start by saying that the system is not broken. We already have a very successful music industry, a great publishing industry, a lot of creative endeavour , new industries like the games industry doing fantastically - things are all going well.

My point is that things could go even better: the current copyright legislation in the UK dates from 1988 when Margaret Thatcher was still in power (just a couple of years after mobile phones were first introduced). Updating has come largely from European legislation which has been complicated, controversial and at times piecemeal.

Business models have moved on several times over. I simply don't accept that it is not right to keep looking at the framework to ensure that it is as good as we can make it in the face of social, economic, technological and consumer changes that we are seeing.

The other objection is that the Gowers review has done all of this work anyway.

Andrew Gowers did a great job. In addition to his specific recommendations he did us all a tremendous service.

He got the debate on intellectual property out of a kind of legal and technical ghetto and started talking about its economic and social impact and relevance. That was a major, major contribution to this discussion.

He made a number of specific recommendations too. Most of them have been implemented (in fact over 50%), or in the process of being implemented. For example we gave new powers to trading standards and have backed that up with ongoing funding.

But we are left with a few difficult ones, almost all in the area of copyright. They are difficult because they are controversial. Consultation has thrown up a lot of questions.

We are not going to duck those issues. But it is important that we tackle them consistently. We need to have a wider debate across our community. We need to build a vision for the future. That's what I hope I am setting out today.

Being distinctive about copyright, within of course the family of intellectual property, but ensuring that we are able to play that role that we need to play internationally

Yes there is much to do but we also need to remember our successes.

Online music has become big business in Britain, especially since 2006. According to figures provided by the International Federation of the Phonographic Industry, there were 53 million single track downloads in the UK in 2006, double the number that it was in 2005 and substantially above that this year. And digital album sales are also rising fast.

As life moves on, we must move on. It would be nice to think that we in this room could define the challenges and produces all the answers. But we can't. Nor can even the British Parliament. The digital world is going international. Copyright of course has been going international for some time, but the business of who uses it is now global too. And this digital century demands global solutions to the copyright questions. There's no point anymore in looking just in our own back yard.

So, if we want a copyright system for the 21st century, we've got to persuade our partners at the European level and at the world level, and work with them.

I've talked to a lot of people in preparing for this announcement. Some were very positive; others not so. I can understand that. Copyright provokes strong emotions. It always will because it's about people's incomes and people's lives.

Some I talked to said why do you want to do this? Why don't you just leave it alone? Why do more work on it?

There's a simple answer to that. On both the domestic and the international stage, the world around us is waking up looking at copyright.

Here at home, Stephen Carter is looking at a range of issues under Digital Britain – including the next steps on how we tackle illegal filesharing.

Implementation of the various commitments made by government in the Creative Britain Strategy continues – we have seen good progress on skills, business networks and IP enforcement.

In Europe, The European Commission this year has launched a Green Paper, a questionnaire on levies as well as the proposal on copyright term.

They are also asking questions being raised about the role and governance of collecting societies as a whole.

The Council of Europe is seeking to have a big discussion on digital copyright issues in 2009 – recognising that there is scope to improve on the current approach.

Internationally, Francis Gurry, the new Director General of WIPO, is calling for a focus on the big issues of copyright. He wants to look at the cross-border challenges of the internet. This is a positive move and one of course that we would welcome.

And outside the governmental forum, in the real world, private sector operators are looking at the problems and not waiting for governments. Google has set up a book

register – to facilitate the circulation of works while also rewarding creators. Essentially that's a registration system outside of the government framework.

There is growing interest in bundling content with communications – a real sign of the times, from the Nokia 'comes with music' deal to ISP bundling. We want to see innovation and creativity in business. Therefore we need a framework which supports this. We don't want to just prop up old business models but equally we must be sure that we have viable new business models. If we don't we will all suffer from the loss of our creative sector and Britain will suffer as a consequence. Success and innovation is what we need – not protectionism.

There's a growing appetite for looking at the system. The debates are going to start up without us, or with us. I think that they have got to start with us. I am encouraged too that the new government under Barack Obama in the States has also demonstrated during the course of the last year a willingness to look at intellectual property issues and copyright, so should we participate or put our heads in the sand and hope that it all goes away.

I want us to be part of those debates. I don't want to be left behind and find that others have done the big thinking and the great thoughts, without us having had the chance to have our say and I want us to have our say collectively. That means that the people in this room, and the people in the UK, should help me to determine how we engage in those debates, particularly internationally to help us to come to a shared collective opinion on what we should be saying.

I want us to construct and articulate a coherent and developed philosophy about what the UK wants from its copyright system. I want us to reflect on what it does for the creators, for consumers, and those who get the works from the one to the other. I want us to be able to go into the debates with my counterparts, in Europe, in the US and across the world and to argue from a position of principles, not expediency. I want also as we get into more detailed conversations with the two emerging powers of this next decade, China and India, to be informed by that discussion, how important that is to most of the sectors in this room.

That why it is important that I am working alongside Stephen Carter and his team in the Digital Britain initiative. But our work needs to go further than that. I don't want this to be just another review. We have lots of reviews in government. I want you to help me shape the questions and refine the issues we need to look at. I want us all to lift our horizons above the daily battleground of copyright and think about the horizon more strategically.

I don't want a technical debate - led by lawyers. I want to get to the people who feel excluded from copyright debates and get their views. I want to hear absolutely from the artists, the creators and we have to hear the voice of consumers particularly. I want to hear from the man in the street. I want to hear from everyone in the system. That's why I want a participative and reflective process that goes on over the course of the first half of next year. That's why I shall be organising a programme of seminars and workshops and in which I intend to be personally involved, and I am sure that the Secretary of State, John Denham will be involved as well.

I don't want to prescribe the questions or indeed the answers. But I hope that you will agree with me that this is an important time for copyright, that there have been serious anxieties with the nature of technological change but also with by definition the conversations that have to be had internationally.

It is really important that the UK solidifies its position, that we are able to come together with a form of consensus across this range of issues with no one industry dominating another. It is for that reason that I hope you will join with me, in what I hope will be an exciting and interesting next year as we come to some shared view about our perspective in these areas.
