

# Intangibles, Copyright Reform, Information and Investment UK Programme

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Intellectual  
Property  
Office

# Intangibles Investment framework

## Part of UK innovation policy

Knowledge investment by firms for future returns:

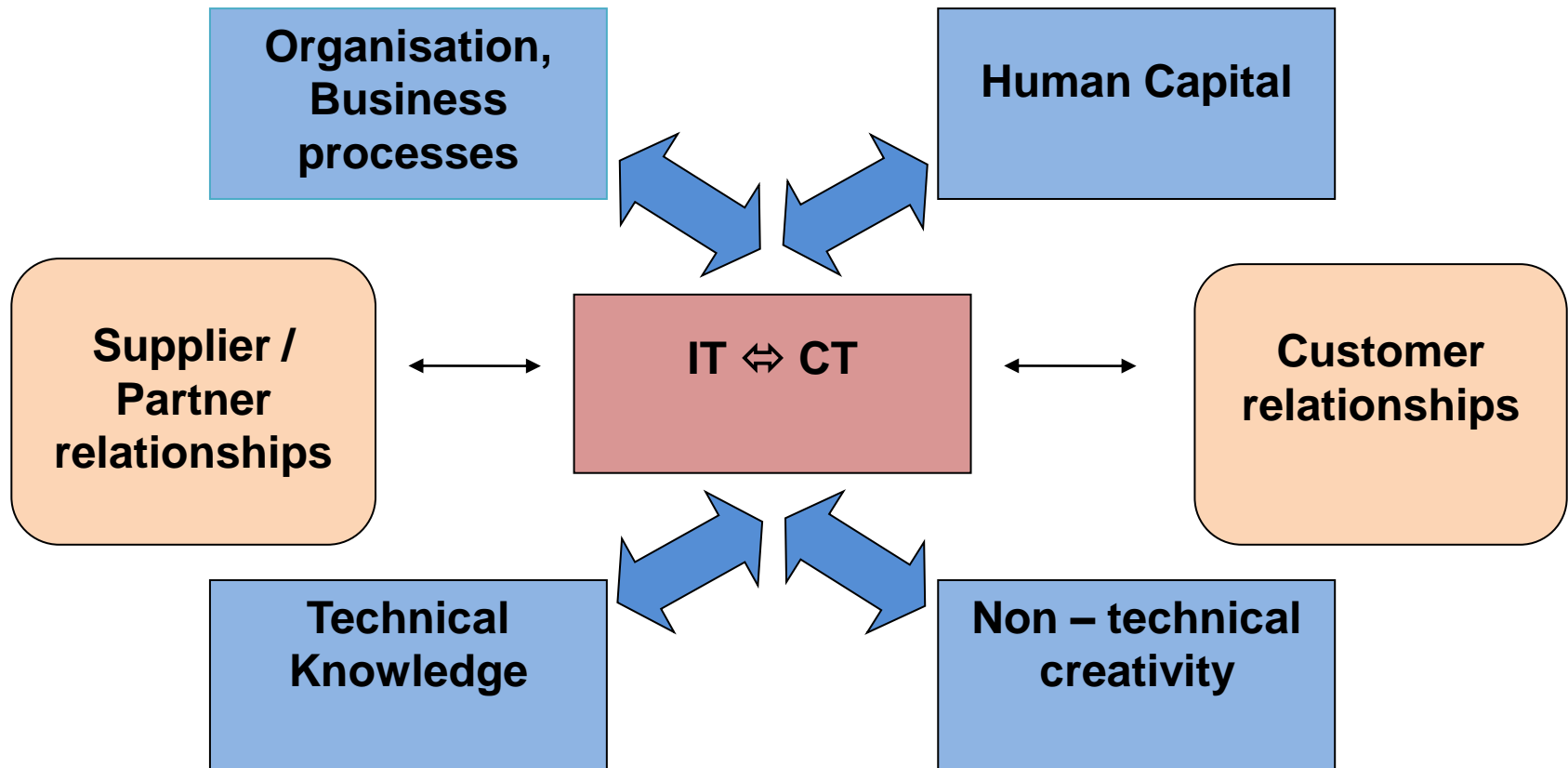
- Software
- Creative works
- R&D
- Designs
- Business organisation / processes
- Workplace skills
- Reputation / brands

# Intangible Investment and IP Rights

IPR	Patents	Copyright	Design IPR	Trade marks	Secrets	Contracts
Intangible investment R&D	X	X	X		X	X
Software development	X*	X	X		X	X
Design	X	X	X			X
Creative industries		X	X			X
Market research & advertising		X		X		X
Business process investment	X*	X			X	X
Training & Skills development						X

\* US and Japan

# ICT – firm infrastructure over which intangible assets are built and used



## The Prime Minister's question in 2010 .....

“The current intellectual property framework might not be sufficiently well designed to promote **innovation** and **growth** in the UK economy”

..... Hargreaves' Review conclusion:

“Could it be true that laws designed more than three centuries ago... are today **obstructing innovation** and economic growth?  
The short answer is: **yes.**”

# UK Reform Objectives

- To promote innovation
  - “to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries”.
  - Challenge is to make incentives work well in digital markets
- Key principles
  - Aim is making markets work, retaining or strengthening key incentives for IP creation and use, but
  - leave space in IP system for innovation – and investment - created by fair use in US

# Progress

- Legislation in place
  - Principles in UK law, for orphan works, and exceptions for specific purposes within EU framework
  - Implementation over coming year
- Not all straightforward
  - Changing the framework is inevitably disruptive for some, but change is essential for innovation, and to make the system fit for digital markets
  - Some opposition based on myths; which we have had to spend a lot of time putting straight!

# Where do we expect economic 'wins'

- Orphan Works licensing system
  - freeing up currently frozen content, which earns nothing
- Text and Data mining
  - cuts research cost, enables new problems to be tackled
- Private copying exception
  - reduces uncertainty for new digital services
  - will bring law into line with what users believe is fair
- Archiving / records exception
  - cost saving and conserving heritage
- Parody exception
  - opportunities to add value
  - research shows 'harm' is non-existent or negative



# An efficient Copyright market

- Objectives of UK Copyright Hub .. to be the place
  - where anyone can go to find out more about copyright and copyright licensing
  - which encourages creators, rights holders and licensors to register their rights to copyrighted works, the permissions they have granted and the licences they have issued
  - where rights users and potential rights users can go to get licences to use copyrighted material legally, with ease of use and low transaction costs
- It's mostly about data
  - “A robust public record of copyright ownership and copyright status is essential to facilitating marketplace transactions ..., and encouragement of innovative business models that rely on the protection ...of copyrighted works” - Maria Pallante Oct 2011

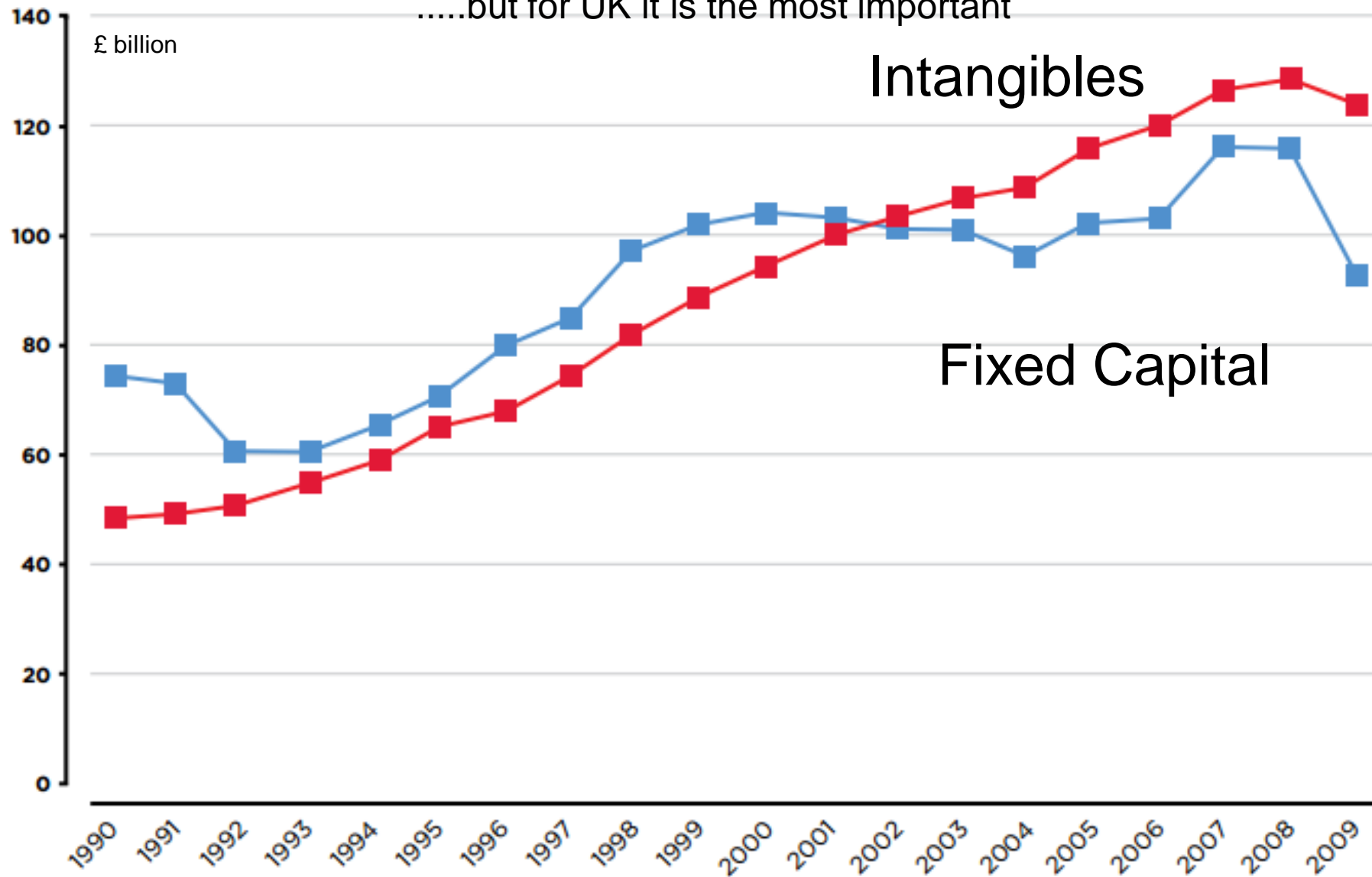
# Shakespeare Review

## Independent Review of Public Sector Information

- Five basic principles
  - Ownership, data derived from and created by citizens belongs to them
  - Publication, plan to deliver 'early' information with a core of high quality reference data
  - Implementation through a single channel
  - Build capacity – skills and organisation to use data better
  - Public trust in confidentiality and privacy of individual data

# Intangible investment is hard to finance

.....but for UK it is the most important



# Can we enable 'IP backed finance'?

- Initial focus on supply side
  - research on steps in bank decision making
  - understand roles of relationship managers, credit decision makers and regulatory decision makers
  - banks beginning to realise IP value is not zero!
- Changing behaviour....
  - for banks will require low cost assessment process
  - role for 'toolkit' to enable firms and funders to talk same language
  - probably a role for insurance
- Turning research into action
  - get agreement on key elements of information and how they drive decisions
  - 'experimental economics phase to test alternatives in real markets
  - aiming to do this in ways which help us learn 'what works best'

# Thank you

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