



## Protection of Intellectual Property Online

The ease with which people are able to illegally access content with no remuneration to or permission from either creators or rights holders is inflicting significant damage on numerous sectors, affecting their ability to reinvest in new talent and innovative ideas. Ultimately it is consumers who suffer through a reduction of choice, a reduction in spend on innovation and the possibility of being sold shoddy or dangerous goods. For example:

- The audio-visual industry estimates it lost £152m in 2007 from online film piracy.
- The music industry, particularly affected owing to the speed by which music files can be downloaded, estimates it lost £180m in 2008 purely from digital copyright theft and estimates it will lose, in the five years 2007-2012, £1.2bn.
- The Background Report on Digital Piracy of Sporting Events, compiled by the Premier League supported by 26 other international sports organisations for the OECD, outlines the damage digital copyright theft has on the sports industry's ability to invest in grassroots and give to good causes.
- The video games industry is seeing an ever increasing number of unlawful downloads of game software and the growing availability of circumvention devices that make accessing those works possible.

And the problems are not restricted to digital content:

- In 2007 FACT removed almost 10,000 listings offering counterfeit DVDs on UK auction sites in 2007 and the BPI removed over 42,000 listings (note: often one auction listing will offer multiple titles and copies so the estimated number of items removed from sale could equate to several hundred thousand individual DVDs or CDs)
- A designer wear/accessories brand found over 20,000 counterfeit items for sale eBay alone in 2006
- A sports leisure brand removed 13,000 items from eBay in 2006.
- A brand of footwear estimates 74% of its products listed for sale on Internet auction sites are fake
- An automotive brand estimates 90% of its products listed for sale on Internet auction sites are fake

The Alliance is campaigning for better protection of IP rights online both in regard to online piracy and the sale of counterfeit goods online. We are calling for Internet Service Providers and online retailers to work to reduce IP crime on their networks and platforms and thus help protect both consumers and the rights holders who ultimately provide them the content they rely on.

Given the polarised nature of views amongst the key players, we believe there is a clear role for government in introducing legislation which seeks to protect content online. Lengthy past discussions and negotiations with ISPs have shown us that without a legal requirement to play their part in dealing with their customers who are undertaking illegal activity over their networks, many ISPs will simply refuse to do so.

While this need to legislate is obviously a disappointment, it does bring with it some benefits. It ensures a level playing field for all parties and delivers transparency to rights holders and ISPs, with each party knowing exactly what is required of them and allowing consumers to know what to expect. While Alliance members may differ on the detail of this legislation, we are united in the belief that online infringement of IP rights to go unchecked promotes a something-for-nothing culture which ultimately damages society, and there is a real need for Internet Service Providers and rights holders to work together to prevent illegal activity, which ultimately harms everyone, including legitimate consumers.