

Who we are

The <u>Creators' Rights Alliance</u> (CRA) is the UK's principal voice for creators. We speak on behalf of 17 member organisations and trade unions representing about 350,000 creators on issues affecting creative professionals – from authors, artists and illustrators to translators, performers, musicians and journalists – on policy issues as diverse as fairer contract terms and working conditions to copyright and intellectual property issues.

Our four key messages

1. The UK needs the creative industries:

The creative industries are vital to the UK economy, contributing $\underline{\texttt{£115.9 billion in GVA}}$ in 2019 – more than aerospace, automotive, life sciences and the oil and gas sectors combined – and growing five times faster than the economy as a whole.

2. But, they are often exploitative and unfair:

The pandemic has exposed the fragility and unfairness at the heart of the UK's creative industries with too many of its workers on precarious contracts – whether short-term, poorly paid or zero hours – and nearly half of its workers self-employed (47%) compared to 15% across the economy as a whole.

3. International exhaustion would be disastrous for creators' incomes:

From authors, illustrators and translators to journalists, musicians and more, the CRA represents the full extent of creative professionals across the UK. Creative professionals are overwhelmingly self-employed and are engaged by commissioning companies with significantly greater bargaining power in contractual and practical terms.

Any move to erode those companies' margins by moving to an international exhaustion without proper protections for the creative industries generally and the publishing, illustrating and musical industries, in particular, would have severely adverse consequences for creative professionals' incomes at time when they are struggling post-pandemic.

To that end, the CRA strongly endorses the consultation responses of its member organisations – notably, the Society of Authors and the National Union of Journalists – whose detailed submissions evidence the full extent of any blunt move to international exhaustion on members' incomes, which are already hard pressed.

4. Because books and vinyl are not beans and vaccines:

IP-protected creative products are not conducive to being sold at the cheapest price. To the extent that they can be, any erosion in prices is not consequence-free, with the externalised cost of lower prices being passed onto the creative professional in the immediate term as lower royalty and other income. In economic terms, this externality will ultimately be borne by consumers, who will have significant restrictions placed on them by the market as their access to creative products dwindles in consequence of fewer authors writing and fewer musicians recording their works. At a time when the UK is both a soft power superpower and faces real diversity and inclusion challenges across its creative industries, this is unacceptable, to say nothing of the potentially adverse consequences for economic growth across sectors that are already growing faster than the economy at large.

INTELLECTUAL PROPERTY OFFICE The UK's future regime for the exhaustion of IP rights



Our conclusions

The CRA is united in its view that the status quo for copyright exhaustion works well across the UK's creative industries. Any diminution in copyright standards would have deleterious effects on creative professionals' incomes and on the choice of IP-protected creative products available to consumers.

Any blunt move to international exhaustion would be far from a technical legal issue affecting the publishing and music sectors, in particular. It would have substantial consequences on global supply chains and domestic business models and would require UK publishers and music labels to mitigate the worst effects of such change through significant legal protections and/or lead times in implementation terms that would obviate the perceived onward benefit of lower prices in books, vinyl and other products.

Meanwhile, were the government minded to retain its current 'UK+' regime, it is worth noting that this would not require either primary or secondary legislation to be brought before Parliament, compared to any new regime, which would invariably require primary legislation that would be subject to challenge, following significant opposition across the creative industries and their supporters. To protect and promote our world-leading creative industries, the Government must step up its support for creative professionals and should, if anything, look to strengthen copyright standards by, for example, aligning with or building upon the significant protections enjoyed by creative professionals across the EU27 following implementation of the Copyright Directive in June.

We also want to have confidence in the Government's ongoing policymaking on the creative industries and, to this end, we are publicly backing the <u>creation of a Creators Council</u> to ensure that collecting societies, trade unions and other member organisations, including the CRA, can regularly meet with Government officials, including the IPO, to inform policymaking affecting the creative industries. A Creators Council would provide a forum for representatives of creators to advise on policymaking in its early stages, share industry best practice and work towards improving diversity and inclusion across the UK's creative workforce, complementing the Creative Industries Council, which consists of the Government meeting regularly with industry bodies.

Further evidence

The CRA stands ready to assist the IPO with further oral or written evidence. For further information about this submission and to arrange for subsequent evidence to be taken, please contact the CRA's incoming Chair <u>Nicola Solomon</u>. Please ensure that the SoA is included in all future mailings regarding this and other IP-related consultations affecting the creative industries.