



Today sees the publication of our new corporate plan. It looks set to be a challenging and exciting year with the IPO continuing its work to ensure that the UK can realise the full potential of its creativity and inventiveness to support the growth agenda.

That includes further development of both our own services and the legislative framework to ensure that we reflect 21st century business needs and practices, action to build respect for IP rights and to tackle the criminals who would infringe them, and continued efforts to build the ability of UK businesses to protect and exploit their IP. There will be plenty to report on in these pages throughout the year.

In the meantime, this edition of IP Connect brings you up to speed with recent developments in the IPO: the IP Bill's journey through Parliament; publication of our response to the Banking on IP Report; enforcement operations and what our IP Attachés have been up to.

On a lighter note, IPO colleagues in Newport and London did their bit for Sport Relief 2014. The editorial team takes great delight in sharing the photographic evidence: a CEO in a onesie and a Minister showing his knees- what is the world coming to?

As ever, IP Connect aims to keep you in touch with all that's going on within the IPO – whether at home or internationally – giving you the headlines with links to more detailed documents. If you have ideas about how we might improve the format or the content or would like to give more general feedback, do get in touch by [clicking here](#).

**Rosa Wilkinson,**  
**Director of Innovation and Strategic Communications**

## IP Minister and CEO run for IPO Sport Relief Mile 2014: The London Challenge



On Wednesday 2 April, IP Minister Lord Younger and John Alty, IPO Chief Executive together with IPO staff put on their running shoes and took to picturesque St James's park in aid of Sport Relief. They ran around the 1.2 Mile (2km) circuit to raise a total of £400.



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# IPO Corporate Plan published IP in Parliament

The IPO has published its new [Corporate Plan](#).



The Office continues to experience a high demand for our rights granting services and we will ensure that where our customers need faster rights granting services they can access them, and that they can interact with those services in ways that minimise the cost, for example on line.

This year, the IPO will continue to develop a business environment which encourages innovation and creativity and makes a significant contribution to a return to growth. This includes including modernising our copyright law to achieve a proper balance between creators, rights holders and users, measures to bring the designs framework up to date, and improved information and support to ensure that smaller businesses – the life blood of the UK economy – can use their IP to grow at the same time.

Our research programme, due to be published shortly, will help maintain the UK's position at the forefront of research into the economic impact of intellectual property rights.

For the past three years, the IPO has worked with academia and industry to help develop the economic evidence base and forge relationships in the intellectual property (IP) research community, nationally and internationally. The programme proposed for 2014 /15 builds on this work. New research projects and areas of investigation will include:

- Research into value of infringement and the use and proportionality of sanctions including:
- An International Comparison of online copyright infringement;
- Measuring Design Infringement;
- The economic impact of Social Media – Opportunities and Threats ; and
- An overall review of criminal sanctions available for copyright infringement.

## IP Bill Update

On Wednesday 2nd April, the IP Bill returned to the House of Lords for the final stage of its Parliamentary journey. In a short debate, the Lords reaffirmed their support for the Bill and agreed with the amendments clarifying the ownership of unregistered designs and the new criminal sanction for registered design infringement. The Bill now needs to receive Royal Assent before it becomes law. The IPO expects that the first measures from the Bill will come into force from October 2014. Some measures will require further work in the form of consultation or secondary legislation and may commence later.

## 21<sup>st</sup> Century Copyright

Changes to update UK copyright law for the digital age progressed last week (27 March 2014), as the Government laid before Parliament draft exceptions to copyright regulations.

The changes make small but important reforms to UK copyright law and aim to end the current situation where minor and reasonable acts of copying, which benefit consumers, society and the economy, are unlawful. The Government consulted extensively on these changes and the draft legislation.

A series of sector specific guides explaining what the changes mean was also published on the IPO website (<http://www.ipo.gov.uk/copyright-exceptions.htm>). The guides are for groups including teachers, researchers, librarians, disability groups, artists, photographers, rights-holding groups and consumers, and explain what users can and cannot do with copyright material.

They will be debated by both Houses of Parliament and, if approved, come into force on 1 June 2014.

## New 'backstop' power introduced by Government to underpin collecting societies' self-regulation

New legislation which affects collecting societies has been debated, and approved, by both Houses of Parliament, and will come into force on Sunday 6 April 2014. The legislation introduces a power to help ensure compliance with the Government's minimum standards. The backstop power gives reassurance to collecting society members and licensees, should self-regulation prove ineffective.

Collecting societies provide licences for the legal use of copyright works. These licences could cover material such as music, news articles, film and TV programmes. Collecting societies distribute the income from these collective licences to individual creators and rights-holders (their members) in the form of royalties.

The legislation underpins the self-regulatory codes of practice which have been adopted by collecting societies; since their adoption there has been a 40% reduction in complaints received by Government. These codes are required to comply with the Government's minimum standards of transparency and governance, including provision for a complaints procedure. The new legislation can be viewed here.

## Innovation



### 2014 Fast Forward Winners announced

At the **'Innovation Ecosystem' event** (8.14Mb) on 12 March 2014, more than £660,000 was awarded to nine projects by the IPO to help businesses take their innovative ideas off the drawing board, and into the marketplace.

A total of **60 applications** (291Kb) were received for the 2014 Fast Forward competition, of which 9 were successful.



The prizes, which were awarded as part of this year's **Fast Forward competition**, were given out during a **ceremony** at the University of Birmingham by Intellectual Property Minister, Lord Younger. The winners will each receive funding of between £40,000 and £99,000 for their projects in the horticulture, sport, education, healthcare and games industries.



IP Minister, Lord Younger said: "The UK is a nation of inventors, and each year we see cases of successful businesses that have turned their innovative ideas into products and services for the UK and international markets. Our world-class universities are a key driver of this innovation and we should always look to find new ways of working with them to better support businesses and drive economic growth.

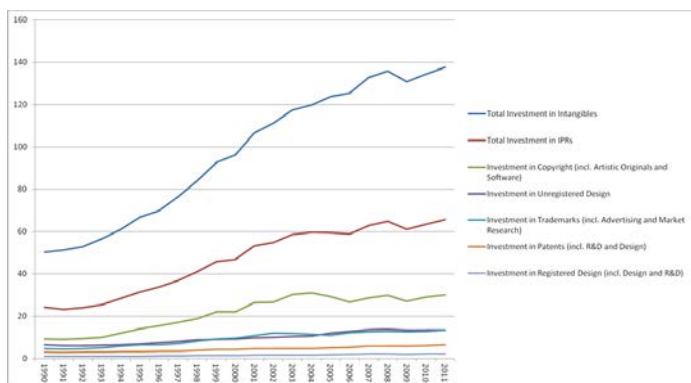
"This is why I am so pleased to see so many innovative applications to the Fast Forward competition. The competition this year was tough. I would like to congratulate this year's winners on their success and I will follow their progress with interest."

The Fast Forward competition encourages universities and Public Sector Research Establishments to work collaboratively with businesses and local communities to maximise the benefits of innovation and Intellectual Property. The competition has been running for the past four years and has now given more than £2.7 million in funding to 44 projects.



# UK knowledge investment continues to grow

New figures published on 31 March show that UK business is building success through knowledge and creative assets. Investment in intangible assets has increased by more than 10% to £137.5 billion from 2009 to 2011 and nearly half of this investment was protected by formal Intellectual Property Rights. Of this, 46% was protected by copyright, 21% by unregistered design rights and 21% by trade marks.



## UK business investment in Intangible Assets and IPRs; £billion at current prices

Data shows investment in intellectual property and 'intangible' assets is growing and continues to outstrip investment in tangible assets, such as buildings and machinery, which fell slightly from £93 billion to £89.8 billion. The figures signal the growing value UK businesses attach to knowledge, innovation and creativity.

A second report also published on 31 March outlined the Government's response to improving the understanding of IP assets and their value to help use them more effectively when accessing the finance needed for business growth.

IP Minister Lord Younger said: "These investment figures show the strength and value of the UK's creative and knowledge-based industries. Continued growth in investment in 'intangible assets', along with the fact that nearly half are protected by formal intellectual property rights, demonstrates that some UK firms do understand their real value."

Despite these positive figures, as the economy grows a real challenge remains for firms to understand their intellectual property and how it can help them to access funding to invest in the first place.

The Government has set out an action plan, to help address the missed opportunities and help businesses, and the lending community, to realise and maximise intellectual property assets.

The Government's response, to the Intellectual Property Office commissioned 'Banking on IP?' report sets out a range of recommendations for government and industry to take forward. These recommendations are designed to break down the barriers to access for finance for businesses who want to protect their IP.

The recommendations include:

- building understanding of IP in businesses and financial services sector through improving bankers' training, and using existing tools and new case studies, to increase awareness
- supporting a productive dialogue between sources of finance and IP-rich firms by developing an IP Finance toolkit, and
- creating a system to increase lenders' confidence in assessing the value and risks of IP assets through developing appropriate insurance policies, assessing existing IP trading platforms and reducing risk through better IP focused credit scoring.

The estimates of investment in IP rights were produced by Jonathan Haskel, and Peter Goodridge of Imperial College, London and Gavin Wallis of the Bank of England. They build on work commissioned by NESTA to estimate intangible investment by UK business as part of the 'Innovation Index'. The "Estimating UK investment in intangible assets and Intellectual Property Rights" and 'Banking on IP: an active response' reports are available on [research pages](#) of the Intellectual Property Office (IPO) website.

## International

### IP Attachés

### CBBC/ CBI Seminars in China



The UK's IP Attaché to China Tom Duke, recently held seminars with the China Britain Business Council (CBBC) and the Confederation of British Industries (CBI) in Beijing and Shanghai. These seminars updated British companies on the latest IP policy

trends in China and highlighted IP support and resources for companies doing business in China.

Key points to watch in 2014 include the implementation of the revised Chinese Trademark Law from 1 May 2014 and the 2nd UK-China IP Symposium to be held in Beijing in September. British companies were invited to get involved in our IP policy project work in China, contributing to the development of the Chinese IP system. For more information please contact Tom Duke at [Tom.Duke2@fco.gov.uk](mailto:Tom.Duke2@fco.gov.uk). Factsheets and newsletters produced by the Embassy on IP in China are available online [here](#).

## Visit from International Federation of Intellectual Property Attorneys China branch

The IPO held seminars with members from the Chinese and UK branches of the International Federation of Intellectual Property Attorneys (FICPI) on the Chinese utility model system and recent amendments to the Chinese Trademark Law and Patent Law.

Much of the afternoon focused on discussion of utility model patents. Unlike the UK, China has both invention patents and utility model patents. The most significant difference between them lies in the fact that utility model patents do not undergo a significant examination and can therefore be granted faster and more cheaply. They are only valid for 10 years and have a lower inventiveness requirement. Despite these advantages, foreign applicants very rarely use the utility model system.

FICPI China also presented on the new provisions in the revised Chinese Trademark Law which will come into force on May 1st 2014. These include some significant additions to the law; sound marks will now be included, multiple class applications will be accepted, office actions have been introduced and time limits for examination have been formally set. Other important changes relate to trade mark opposition and enforcement procedures.

During 2014 the amendments to the Chinese Patent law will also continue. The power of administrative enforcement bodies to award damages and to crack down on infringement will be increased among other changes.

## UK-China Judicial Visit March 2014

In early March the UK welcomed a large delegation of Chinese judges, academics and senior lawyers to hold a series of detailed workshops with their UK counterparts. The visit was part of a long term project to support reforms to the Chinese judicial system and strengthen the links between the UK and Chinese judiciary.



A key part of the visit was to create opportunities for Chinese and UK judges to exchange views on elements of the UK IP and legal system. With Mr Justice Arnold the meeting focused on interim injunctions. China recently changed its legislative framework for interim injunctions – moving provisions into the Civil Procedure Law. The visit enabled the delegation to better understand the UK approach as the Chinese courts work on implementation guidelines for the new provisions.

The visit included sessions on the structure of the UK IP and legal systems. Justice Birss outlined the overall structure of the UK legal system including historical details relating to the evolution of the court structure. His Honour Judge Hacon explained the IP Enterprise Court (IPEC) and IPO officials clarified the IPO tribunals system and preparations for the new European Unitary Patent Court (UPC).

The delegation also held a seminar on damages calculations in civil IP trials during a workshop with Sir Robin Jacob at University College London (UCL). Sir Robin discussed the approach to damages calculations in the UK and highlighted the key principles of awarding comprehensive and accurate damages which are not punitive or based on a statutory maximum.

Legal professionals and rights owners also met with the delegation to discuss these issues from the perspective of users of the court system. This session – hosted by the IP Federation – allowed the opportunity for detailed questions and a comparison of experience from different countries.

# Enforcement

## Suspected counterfeit gang dismantled in joint PIPCU raids



The Police Intellectual Property Crime Unit (PIPCU) has dismantled a suspected criminal group believed to be importing and selling a wide range of fake fashion goods, in a **joint operation** with the Intellectual Property Office (IPO) and the National Crime Agency (NCA).

Two men were arrested and their Merseyside homes searched, in a series of raids on 25<sup>th</sup> March by the unit based at the City of London Police - the National Lead Force for Fraud, with support from Merseyside Police.

The investigation was launched by PIPCU, following a referral from an international law enforcement partner. The two men, aged 43 and 48, are believed to be part of a criminal operation involved in the importation and distribution of high-end counterfeit products.

Trading Standards Officers from Liverpool City Council and brand protection officers from brands believed to be affected, accompanied detectives on the investigation and a large number of counterfeit goods including; cosmetics, sunglasses, boots and handbags, were seized from two storage containers and a further commercial property.

The suspects were taken to a local Merseyside police station for questioning and were later released on bail. Enquiries into the investigation are still ongoing.

DCI Andy Fyfe, Head of PIPCU said, "Our joint operation yesterday successfully disrupted what is believed to be an Organised Crime Group, profiting from the hard work of well known and established brands.

"Crime like this is costing the UK economy hundreds of millions of pounds each year and is putting legitimate businesses in danger. Together with our partners in both the UK and overseas, PIPCU will continue to tackle IP crime and those who break the law."

The NCA's David Hounsome said, "Intellectual Property crime can put consumers in danger from substandard or unsafe goods, as well as impact on businesses' revenues and reputations which can in turn lead to job losses. This is organised criminality with real victims. With its partners, the NCA is taking

action to fight those seeking to profit at the expense of the UK public and legitimate industry."

## City of London Police call on advertising and brand sectors to help tackle cyber crime

The Police Intellectual Property Crime Unit (PIPCU) based in the City of London Police has called upon advertisers and brand holders to continue to support its work to tackle Intellectual Property crime following the **launch** of its Infringing Website List (IWL). The IWL, the first of its kind to be developed, sets out to disrupt the advertising revenues on illegal websites globally.

This unique initiative forms part of the unit's ground-breaking Operation Creative, designed to disrupt and prevent websites from providing unauthorised access to copyrighted content, in partnership with the creative and advertising industries.

The IWL is an online portal providing the digital advertising sector with an up-to-date list of copyright infringing sites, identified by the creative industries and evidenced and verified by the City of London Police unit, so that advertisers, agencies and other intermediaries can cease advert placement on these illegal websites.

Disrupting advertising is a vital part of Operation Creative, as advertising is a key generator of criminal profits for websites providing access to infringing content. A recent report by the Digital Citizens Alliance estimated that in 2013 piracy websites generated \$227million from advertising.

Detective Chief Inspector Andy Fyfe, Head of PIPCU, said "If an advert from an established brand appears on an infringing website not only does it lend the site a look of legitimacy, but inadvertently the brand and advertiser are funding online crime. Therefore the IWL also serves as a safety tool, ensuring the reputation of advertisers and brands are not discredited through association with illegal websites."

The introduction of the IWL follows a three month pilot that took place last year in collaboration with the Operation Creative partners; the British Recorded Music Industry (BPI), the Federation Against Copyright Theft (FACT), the International Federation of the Phonographic Industry (IFPI), The Publishers Association, the Internet Advertising Bureau UK (IAB UK), the Incorporated Society of British Advertisers (ISBA) and the Institute of Practitioners in Advertising (IPA).

The pilot saw a clear and positive trend, with a 12% reduction in advertising from major household brands on the identified illegal websites. The pilot also



revealed that almost half (46%) of ads served to the sites clicked through to fraudulent scams.

## Tackling Intellectual Property Crimes in Sports

With just four months until the Football World Cup, the issue of counterfeiting and piracy in the sports industry took centre stage at a major **conference** organised by the Office for Harmonization in the Internal Market (OHIM) through the European Observatory on Infringements of Intellectual Property Rights, and Europol.



Experts from sports companies, experienced investigators and enforcement officers from across the EU (including the UK) and major European and international authorities, including the Brazilian National Council on Combating Piracy, were represented at the event.

The event aimed to raise awareness of the phenomenon, exchange best practices through case examples and enlarge the network of participants.

The sports industry and related activities contribute EUR 294 billion to the EU's GDP every year and supports more than 4.5 million jobs across Europe and counterfeiting of sports articles and piracy of sport intellectual property (IP) rights bring substantial illegal benefits to criminal networks.

Rob Wainwright Europol Director said: "Consumers need to be aware that a counterfeit sports product is a substandard product which will most likely not last long and may even cause physical discomfort due to the non-tested materials they contain. Furthermore, consumers risk supporting criminal organisations that use the profits to invest in other crime areas such as drugs and trafficking in human beings. By purchasing fake merchandise online, consumers also run the risk of having their credit card details stolen and used for other transactions."

## Launch of survey on third country protection and enforcement of Intellectual Property Rights

The European Observatory on Infringements of Intellectual Property Rights, on behalf of the EU Commission (DG Trade), has **launched** a survey on the protection and enforcement of Intellectual Property Rights (IPR) in third countries. The survey is open until 10 June 2014 and the IPO encourages interested parties to complete it for each country where they have an interest.

The survey will help in building up a picture of IPR protection and enforcement in various third countries. DG Trade will use this information as part of its evidence when compiling analyses of the situation in various third countries, and for negotiations and discussions with those countries. The survey should be easy to complete, but **email** the Observatory for any assistance or queries.

Previous **surveys** have helped in preparing reports on the situation of IPR protection and enforcement in third countries, so your input is valuable.

## Creating Movie Magic

As part of our educational outreach activities the IPO have been working in partnership with The Industry Trust and Into Film. In March we **launched** a new copyright focussed teaching resource aimed at engaging thousands of young people across the UK to build awareness and understanding of Intellectual Property.

The new initiative, **Creating Movie Magic** is a powerful, innovative and wide-reaching copyright education resource, which uses film as a memorable teaching tool. The resource encourages students to use Design and Technology skills to explore and help young people to take positive and legal decisions when accessing and watching films.

Through the resource students will also get an opportunity to put their new knowledge into a storyboard competition. Aardman Animations will produce a 35-second film inspired by the winning storyboard, which will then be screened to hundreds of thousands of young people in cinemas across the UK at the Into Film Festival 2014. This year's competition closes on the 9th May.

# Unified Patent Court

## *Preparatory Committee News*

The Preparatory Committee meeting celebrated its first anniversary at its fifth meeting on 18 March. The revised roadmap was agreed and it was acknowledged that the Court would not be ready before the end of 2015. Despite a lot of ground work already underway, the Committee recognised it was better to ensure quality rather than speed. A revised roadmap will now be published in the coming weeks.

The Committee also heard that the first regional division of the UPC has been agreed. Estonia, Latvia, Lithuania and Sweden have signed an agreement to form the regional Nordic-Baltic division of the Unified Patent Court. It will sit in Stockholm but will be flexible on the location of oral hearings.

On the 13 March 2014 the dedicated Training Centre for the UPC was officially opened in Budapest. This is a significant milestone for the project and more information on speakers and presentations can be found on the [UPC website](#).

## *Domestic News*

The IPO intends to launch its consultation on the draft secondary legislation which will make changes to the Patents Act relating to the Unitary Patent and the UPC in late May/early June.

## Coming up...

The Government is conducting a limited review of the Consumer Protection Regulations from Unfair Trading Regulations 2008. The review will consider the case for granting businesses a civil injunctive power in relation to copycat packaging. Look out for the link to a call for evidence in the Statement of Issues due to be published on the BIS and the IPO websites shortly.





# Events Calendar

Below is a list of forthcoming IP events which may be of interest to you or your clients/members.

<http://www.ipo.gov.uk/events>

8 April 2014	10:00 - 16:00	<b>Explore Support</b>	Birmingham	<b>New!</b>
9 April 2014	08:00 - 11:30	<b>Free workshops for SMEs about Government support for R&amp;D and Innovation</b>	Plymouth	
9 April 2014	09:00 - 15:00	<b>Innovation Matters – from ideas to exports</b>	Chelmsford	<b>New!</b>
9 April 2014	09:30 - 13:30	<b>IP for Business event</b>	Belfast	<b>New!</b>
9 April 2014	15:00 - 17:30	<b>IPO customer meeting for small firms and sole practitioners</b>	London	
10 April 2014	09:30 - 12:30	<b>Companies House Information Day</b>	Belfast	
10 to 11 April 2014	10:00 - 18:00	<b>Elite Business</b>	London	
11 April 2014	09:00 - 13:00	<b>Funding For International Growth Event</b>	Cambridge	<b>New!</b>
22 to 23 April 2014	09:30 - 12:40 or 14:30 - 17:40	<b>OHIM website seminar</b>	London	
23 April 2014	09:30 - 12:30 or 14:00 - 17:00	<b>Companies House Information Day</b>	Norwich	<b>New!</b>
24 April 2014	09:30 - 12:30 or 14:00 - 17:00	<b>Companies House Information Day</b>	Ipswich	<b>New!</b>
25 April 2014	12:00 - 14:00	<b>ILG - World IP Day 2014 Conference</b>	Edinburgh	#
28 to 30 April 2014		<b>IP Master Class</b> Fully booked	Newport	
29 April 2014	17:00 - 18:30	<b>Ignite Networking Event</b>	Lincoln	#
29 April 2014	18:00 - 20:00	<b>The value within: an introduction to Intellectual Property</b>	Cardiff	
30 April 2014	08:00 - 11:30	<b>Free workshops for SMEs about Government support for R&amp;D and Innovation</b>	Oxford	
1 May 2014	10:45 - 12:30	<b>How Intellectual Property affects your websites and marketing</b>	County Durham	



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