

## Regulator Assessment: Qualifying Regulatory Provisions

<b>Title of proposal</b>	Copyright Notices
<b>Lead Regulator</b>	Intellectual Property Office
<b>Contact for enquiries</b>	Margaret Haig, 020 7034 2819 <a href="mailto:copyrightnotices@ipo.gov.uk">copyrightnotices@ipo.gov.uk</a>

<b>Date of assessment</b>	3 April 2017, reviewed 19 June 2017 <sup>1</sup>
<b>Commencement date</b>	Various: November 2015, January 2016, September 2016
<b>Origin</b>	Domestic
<b>Does this include implementation of a Cutting Red Tape review?</b>	No
<b>Which areas of the UK will be affected?</b>	All UK

### Brief outline of proposed new or amended regulatory activity

Copyright Notices were first introduced in July 2013 to provide basic guidance on copyright issues, either at the request of individuals or businesses, or on issues identified by the Intellectual Property Office (IPO). More background information, including our prioritisation criteria, is available at <https://www.gov.uk/guidance/copyright-notices>.

Six Copyright Notices have been published since July 2013, and some have been updated to clarify some of the guidance. Three Notices are in scope of this BIT assessment, two updated and one newly published:

- Digital images – published June 2014, updated Nov 2015 – 6 pages: <https://www.gov.uk/government/publications/copyright-notice-digital-images-photographs-and-the-internet>
- Performance of live music – published Jan 2015, updated Jan 2016 – 4 pages: <https://www.gov.uk/government/publications/copyright-notice-performance-of-live-music>
- Printed music – published Sep 2016 – 10 pages: <https://www.gov.uk/government/publications/copyright-notice-printed-music>

<sup>1</sup> Following initial review notice from Regulatory Policy Committee, 26 May 2017

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### Which type of business will be affected? How many are estimated to be affected?

Copyright Notices apply to individuals, businesses and organisations, if the area of copyright law is relevant to them. They do not entirely remove the need to obtain legal advice; rather, they are intended as general guides, bringing together information into one place.

Copyright Notice on digital images:

Businesses affected may be photographers and other businesses using digital images.

- Photographic activities, SIC 7420: 8125<sup>2</sup>
- Artistic creation, SIC 9003: 16,155

Copyright Notices on performance of live music and printed music:

Both individuals and groups performing music live may be affected.

- Sound recording and music publishing activities, SIC 5920: 3160

Total businesses potentially affected for three Copyright Notices = 27,440. NB although this is the possible number of businesses affected, we consider the number of downloads of Copyright Notices to be a more accurate assessment of the number of affected businesses because it shows actual use rather than projections. This is subject to the possible number of individuals also downloading the content – see below.

#### **Number of downloads on GOV.uk<sup>3</sup>**

- Digital images: 15,047
- Performance of live music: 366
- Printed music: 1672

Total downloads for three Copyright Notices = 17,085

Requests for Copyright Notices come from individuals as well as businesses on different areas of copyright law or policy; the IPO considers requests according to prioritisation criteria and does not necessarily publish a Copyright Notice for every request received. November 2015<sup>4</sup>-April 2017, 46 requests were received, of which 22 were individuals (48%) and 24 were from requesters with a business origin (52%).

### Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	2015	10	0	0	0	0

<sup>2</sup> Business numbers use SIC code taken from Office for National Statistics, *UK business; activity, size and location: 2016*

<https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation>

<sup>3</sup> Analytics from GOV.uk accessed 3 April 2017

<sup>4</sup> When the first Copyright Notice in scope of this assessment was updated.

**Please set out the impact to business clearly with a breakdown of costs and benefits**

Costs and benefits are considered one-off. This is because the Copyright Notices do not have a scheduled review date. Changes will only be made should an error be identified or the law change. A new BIT assessment will then be drafted.

**Key facts**

- Word count change of updated Copyright Notice on digital images = +349 (8% of total word count)
- Word count change of updated Copyright Notice on performance of live music = +34 (2% of total word count)
- Word count of new Copyright Notice on printed music: 3020

**Key assumptions**

- Costs considered to be one-off, as updates to guidance will be subject to new BIT assessments when they happen rather than to a specific timetable.
- 52% of downloads of Copyright Notices assumed to be businesses, as per calculation above on Copyright Notice request figures.
- £11.26 hourly arts sector wage from ASHE (£9.40 average arts sector wage, uprated by 19.8% for nonwage labour costs [Eurostat – UK % non-wage costs])
- Reading speed is 200 words per minute<sup>5</sup>
- A new Copyright Notice would save one hour of time for affected businesses, which may be researching, reading information or obtaining advice from colleagues or enquiring with the IPO. One hour is based on initial estimates from introducing the Copyright Notice service (set out in economic impact assessment RPC11-BIS-1056(3)), supported by information provided by requesters of Copyright Notices and general enquirers. This assumption is conservative, as some businesses may spend more time on research or resort to formal legal advice. Proportional calculations have been made for updated Copyright Notices based on percentage of Notice that has changed. For the updated notices on digital images and live music, a proportion of this benefit is applied based on the updated text proportion of the document (8% and 2%).

**Copyright Notice on digital images**

*Benefits – time saved by implementing guidance*

7824 businesses affected x 0.08 man hour saved x £11.26 average wage in arts sector = £7,049

*Costs – time spent reading guidance*

7824 businesses affected x 349 word count x 200 words per minute reading speed x £11.26 average wage in arts sector = -£2,562

**Copyright Notice on performance of live music**

*Benefits – time saved by implementing guidance*

190 businesses affected x 0.02 man hour saved x £11.26 average wage in arts sector = £43

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<sup>5</sup> Content is straightforward prose on a technical subject, so a central estimate from the acceptable ranges in RPC guidance on appraisal of guidance.

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*Costs – time spent reading guidance*

190 businesses affected x 34 word count x 200 words per minute reading speed x £11.26 average wage in arts sector = -£6

**Copyright Notice on printed music**

*Benefits – time saved by implementing guidance*

869 businesses affected x 1 man hour saved x £11.26 average wage in arts sector = £9,786

*Costs – time spent reading guidance*

869 businesses affected x 3020 word count x 200 words per minute reading speed x £11.26 average wage in arts sector = -£5,031

**Total net benefit**

<b>Copyright Notice</b>	<b>Time saved by implementing guidance</b>	<b>Time spent reading guidance</b>	<b>Net benefit</b>
Digital images	£7,049	-£2,562	£4,487
Performance of live music	£43	-£6	£37
Printed music	£9,786	-£2,463	£7,323
<b>Total</b>	<b>£16,878</b>	<b>-£5,031</b>	<b>£11,847</b>

As net benefit is below £50,000, BIT score has been rounded to zero.

**Please provide any additional information (if required) that may assist the RPC to validate the BIT Score**

n/a