

From: [REDACTED]
Sent: 17 November 2017 17:15
To: industrialstrategy
Subject: Call for views - Input from the British Brands Group
Attachments: Memlist.pdf; Alliance for IP Industrial Strategy IP Call for Views Nov 2017.pdf

To the UK IPO

I am grateful [REDACTED] of the UK IPO for allowing us provide our input to the *Industrial Strategy: Intellectual Property Call for Views* after the deadline. I apologise for our delay.

As a member of the Alliance for IP, the Group supports its submission [REDACTED] notably the sections directly relevant to trade marks and brands. In addition, we'd like to make some brand-specific observations.

Brands, and the investment required to build them, are reliant on IP rights. There are two key reasons relevant to this call for views. Such rights: (1) allow consumers to identify and understand products on the market, quickly and accurately; and (2) allow companies to capture returns from the significant brand investments they make, incentivising further investment. Companies of all sizes and across many markets, both B2C and B2B, use branding as the core of their business model.

Brands and innovation

Brands and branding (the creation of a significant and differentiated presence in the market that attracts and retains loyal customers) are powerful forces for innovation and we wish to highlight two aspects:

- (1) Brands comprise a promise to the consumer (eg Gillette's "The best a man can get"). To deliver against such brand promises, companies must continually innovate, as consumer preferences evolve and change, technology develops and competitors bring out rival offers. Brands are therefore catalysts for innovation;
- (2) Where brands reassure and are trusted by consumers, they reduce the risks of those consumers participating in markets. Consumers can be confident that, if a new, unknown product is carrying a familiar brand, that product will not disappoint. Were it do so, the brand reputation would be damaged, something that companies are strongly incentivised to avoid. In this way, brands and branding help commercialise innovation by encouraging faster and wider take up of new ideas by consumers. This commercialising function is crucial to the success of innovation and the economic rewards that flow from it. We therefore strongly encourage any policy focused on innovation to incorporate its commercialisation.

To indicate the importance of brand-led innovation, a recent study of the UK grocery market found that 80% of new products in 79 categories came from brand-focused companies over a 3-year period (page 27).

British Brands Group

The Group represents its members and a membership list is attached (it should be noted that two thirds are SMEs). It also seeks to create in the UK a world class market for the creation and building of brands, bringing significant benefits for consumers, companies (and their employees), the economy and wider society. The Group also supports companies, whether members or not, that follow a brand-focused business model, with the positive implications for innovation that flow from that. Support includes:

- Free membership for companies with a turnover under £1 million;
- Free Guide to Brand Protection;
- Free Guide to Online Selling;
- Free studies and lectures that explain and bring insights on brands.

The Group has supported IPO-led training modules for Trading Standards Officers and stands ready to support the IPO further in the delivery of the Industrial Strategy in relation to brands and brand-led innovation.

Best wishes