Rt Hon Chloe Smith MP Secretary of State for Science, Innovation and Technology 100 Parliament Street London SW1A 2NH

Rt Hon Kemi Badenoch MP Secretary of State for Business and Trade Sanctuary Buildings 16-20 Great Smith Street London SW1P 3BT

Rt Hon Lucy Frazer KC MP Secretary of State for Culture, Media, and Sport 100 Parliament St London SW1A 2BQ

> CC Rt Hon Sir John Whittingdale OBE MP, Minister of State for Media, Tourism and Creative Industries Viscount Camrose, Minister for AI and Intellectual Property Adam Williams, Chief Executive, Intellectual Property Office

> > $7^{\rm th}$  July 2023

Dear Secretaries of State,

## Uphold UK copyright exhaustion regime to defend UK creators and creative industries

We are writing to urge you to back the UK's creative industries and support UK readers, authors, and publishers on the urgent matter of copyright exhaustion. You will also be in receipt of a letter co-ordinated by the Alliance for IP, which underlines that this is an issue of deep concern for IP-rich businesses operating across the whole economy.

UK publishing is a global success story. Publishers and their authors together generate £6.9 billion for the economy and export more books than any other country. Publishing is critical to achieving the government's welcome commitment to grow the creative industries by an additional £50 billion by 2030 and drive world-leading creative exports.

In this context, we are deeply concerned about any change to the UK's current copyright exhaustion regime. The success of UK publishing is built on our gold-standard copyright and intellectual property regime, of which copyright exhaustion is a crucial part. The UK's copyright exhaustion regime prevents the unauthorised parallel import of international copies of books to the UK, which safeguards the domestic market, motivates global exports, and protects UK creativity.

As you know, the government consulted through the Intellectual Property Office (IPO) on changes to the UK's copyright exhaustion regime last year, including considering a move to an 'international exhaustion regime'. This would cause a projected loss of up to £2.2 billion to the publishing industry alone, disincentivise the UK's thriving book exports, and flood the UK with international copies of books tailored to other international audiences. The creative industries and leading UK brands were delighted when the government retained the current regime.

As the government looks to conclude this matter, we are deeply concerned by reports that overlook the profound economic importance of the current regime and erroneously ascribe benefits to the international regime. Far from delivering benefits to an independent UK and its consumers, an international regime would undermine UK-originated content and destabilise the UK creative industries. In publishing specifically, it would lead to a short-term flood of the market by content created for other markets, and a long-term reduction in or relocation of the industry.

The UK used its welcome new IP legal freedoms to bring in temporary legislation to fix this issue and this position needs to be upheld. Our legal freedoms should be used to strengthen our points of global competitive difference. Our world-leading creative industries – which are recognised by government as a key growth sector – is clearly one of those.

The UK publishing sector and creative industries are global success stories. As the government looks to grow the creative industries by a further £50 billion and drive world-leading creative exports, we ask you to back a UK copyright regime that underpins one of the most dynamic parts of our economy, protects UK exports, and promotes British culture.

Yours sincerely,

Jully

Dan Conway Chief Executive, Publishers Association

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Barbara Ann Hayes Chief Executive, Authors' Licensing and Collecting Society

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Nicola Solomon Chief Executive, Society of Authors

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Catherine Clarke President, Association of Authors' Agents