<u>Press release: Illegal streaming</u> <u>threatens copyright progress</u>

Streaming giants such as Netflix and Spotify have helped keep online infringement in check with innovative new streaming models, however new threats are beginning to challenge recent progress.

- streaming giants such as Netflix and Spotify are keeping infringement levels stable
- consumers accessing exclusively free content at an all-time low
- approximately 7 million internet users still accessing some illegal content
- infringers turning to illicit streaming devices and stream ripping websites
- confusion amongst consumers regarding the legitimacy of some streaming sites

The Online Copyright Infringement (OCI) Tracker, commissioned by the UK Intellectual Property Office (IPO), has revealed that 15 per cent of UK internet users, approximately 7 million people, either stream or download material that infringes copyright.

Legitimate streaming has grown in popularity once again with Spotify seeing a noteworthy 7% increase in user numbers since 2016.

However illicitly adapted set top boxes, which allow users to illegally stream premium TV content such as blockbuster movies, threaten to undermine recent progress. 13 per cent of online infringers are using streaming boxes that can be easily adapted to stream illicit content. In an effort to understand where further action might be necessary to address this problem the IPO has also published a call for views. The Government response is due to be published later this summer.

Legal streaming of music is also under threat. Stream-ripping, by which internet users remove and store content away from its original advertising-revenue generating platform, is becoming a significant problem.

A report commission by the IPO and PRS for Music has revealed that 15% of internet users have been involved in stream-ripping. It also reveals that nearly a quarter (24 per cent) of "stream-rippers" believe that their action were not infringing IP rights.

The use of stream-ripping websites increased by 141.3% between 2014 and 2016. In a survey of over 9000 people, 57% of UK adults claimed to be aware of stream-ripping services. Those who claimed to have used a stream-ripping service were significantly more likely to be male and between the ages of 16 to 34 years.

Ros Lynch, Copyright and IP Enforcement Director at the IPO, said:

It's great that legal streaming sites continue to be a hugely popular choice for consumers. The success and popularity of these platforms show the importance of evolution and innovation in the entertainment industry.

Ironically it is innovation that also benefits those looking to undermine IP rights and benefit financially from copyright infringement. There has never been more choice or flexibility for consumers of TV and music, however illicit streaming devices and stream-ripping are threatening this progress.

Content creators deserve to be paid for their work — it is not a grey area. This government takes IP infringement extremely seriously and we are working with our industry partners and law enforcement to tackle this emerging threat.

Robert Ashcroft, Chief Executive, PRS for Music:

We hope that this research will provide the basis for a renewed and re-focused commitment to tackling online copyright infringement. The long term health of the UK's cultural and creative sectors is in everyone's best interests, including those of the digital service providers, and a co-ordinated industry and government approach to tackling stream ripping is essential.

Notes to editors

- 1. The Online Copyright Infringement tracker spoke to a UK universe aged 12+ years, using a mixed methodology of online (CAWI) and face-to-face (CAPI) approaches to ensure that we represented the full population including lighter and none internet users. Fieldwork was run in March 2017 speaking to a total of 5,267 individuals.
- 2. The stream-ripping survey spoke to a UK universe aged 16+ years, using a mixed methodology of online (CAWI) and face-to-face (CAPI) approaches to ensure that we represented the full population including lighter and none internet users. Fieldwork was run mid-November to early December 2016 speaking to a total of 9,112 individuals.
- 3. The UK Intellectual Property Office is responsible for Intellectual Property (IP) rights in the United Kingdom, including patents, designs, trade marks and copyright.
- 4. PRS for Music represents the rights of over 125,000 songwriters, composers and music publishers in the UK. As a membership organisation it ensures creators are paid whenever their music is played, performed

or reproduced, championing the importance of copyright to protect and support the UK music industry. The UK has a proud tradition of creating wonderful music that is enjoyed the world over and PRS for Music has been supporting the creators of that music since 1914.