

Supporting UK Business

Thank you for the introduction, and thank you Matthew (Bassiur) for your warm welcome this morning. My thanks too to the whole Alibaba Group, together with the government agencies and enforcement bodies, for arranging and hosting us today.

It's my pleasure to stand here today as the Minister for both innovation, and for intellectual property (IP) – a brief that puts me right at the heart of some of the most exciting things that are happening in the world today. Intellectual property is one of the foundations of innovation, which in turn is vital to the UK economy and to the prosperity of us all, so I'm delighted to be here, to open what I am sure will be a day of substantive and interesting discussions on approaches to online and offline IP rights protection.

And I'm of course glad that we can host this event here in the UK. It's always a point of pride for me to say that the UK has one of most celebrated IP regimes in the world, consistently ranked among the best in the Taylor-Wessing Global IP Index and US Chamber of Commerce International IP Index.

And having such a strong, balanced and transparent IP system, that is so well-regarded internationally, is really important for us as an economy. The UK invests more each year in intangible assets. In 2016, firms in the UK market sector are estimated to have invested almost £135 billion in knowledge assets, an increase of about £5 billion since 2015. This means that our modern economy depends on effective IP systems for our continued growth and prosperity as a nation. A strong IP system rewards and incentivises both innovators and those that invest in them.

But that's true for all of us; IP matters across national boundaries. Many of us here today know that innovation, and thus IP, are not matters of national concern, but are of international significance – not least as the world becomes more digitally linked.

IP rights are territorial, yet IP issues are inherently international; whether that be the songs and films enjoyed across the globe, the technologies impacting lives in different continents or the brands recognised worldwide. However, the challenges relating to IP also know no borders. Counterfeited goods, pirated content and knock-off technology are very real risks for businesses, regardless of which market they operate in. International markets create huge business and research opportunities, but they also bring with them challenges and uncertainty for UK businesses.

So in the UK, we have taken the approach that if we want to deliver excellent IP services for UK businesses, we need to think widely – to play our part in creating a world-leading IP environment. Collaboration – with businesses, organisations, and other governments – sits at the heart of innovation.

And that brings me on to China – the UK's 5th largest trading partner by

value, with total trade between us estimated at close to £70 billion a year. Our government partners in China also recognize the importance of IP, as a driver for economic prosperity and cultural enrichment.

China has made significant progress in developing its IP system, with the first modern intellectual property law passed just over 30 years ago. And it's worth pausing, at this point, and reflecting on the scale we're talking about here. China had 7.4 million trade mark applications last year. For reference, that's more trade mark applications than the UK, US, Japan and Korea combined. And that volume is driven from within China, by Chinese firms – who, just like their UK counterparts and potential trade partners, also want a strong and transparent IP framework.

Intellectual property cooperation is an important and welcome part of the UK-China relationship. Over the past few years in particular, the IPO's work with China's IP offices has deepened significantly.

Some highlights include raising UK business concerns regarding 'bad faith trade mark' applications, so we welcome recent changes to China's trade mark law, and look forward to seeing how this helps to tackle this problem known to us all. And we look forward to further developments on patents, and on copyright. For our part, we will continue to share our expertise and best practice in IP policy and enforcement with Chinese partners, so that through the UK IPO's engagement with China on IP, we will continue to see good progress.

But of course some challenges still remain, and one of those specific challenges is online. The world of retail is changing at a rapid pace, and China is at the cutting edge. China's e-commerce landscape has evolved beyond recognition since it emerged over a similar time frame to its IP framework while E-commerce has revolutionised global trade.

In turn, that means that IP protection has become a central concern for online retailers – like Alibaba Group, who host us today, and who have taken their own steps such as their Notice and Take Down, Proactive and Offline Investigations Programs.

Like traditional markets, online markets need protection from illegitimate trade. Protecting IP on e-commerce platforms is important to ensure consumer confidence in the products they buy online.

So we see protection of intellectual property as a complex global problem. Today, digital technologies have revolutionised the scale and complexity of the challenge. We recognise that this is a challenge which can only be met through collaboration. Government – and legislation – can only reach so far, and rights holders and industry also need to act to protect their assets.

So we welcome and support partnerships in industry – like the landmark IP agreement signed between the China-Britain Business Council and the Alibaba Group with support of UK Government.

Since 2016, that agreement has gone from strength to strength. It has led to

a number of benefits for British companies including, the dismantling of a network producing counterfeit engine lubricants – worth £1.5 million in one year alone. And there have been other successes from that agreement, such as pre-emptive blocking of copycat and infringing products from reaching consumers.

Of course, there is more to be done. We must ensure that the lessons learnt from such successes are incorporated into “business-as-usual”. And there are further things to tackle: how to make sure infringement notice-and-takedown procedures are as simple to use as possible, and how on and off-line enforcement can be linked as smoothly as possible.

Procedures such as these are key to reducing online IP crime and infringement. Today’s event is about looking to the future and tackling these together. So, my challenge to you for today would be to open up discussions and explore how you can contribute to the fight against infringement and IP crime by working with partners in the UK and internationally, to ensure we are using all available levers for change.

Perhaps the biggest challenge of all is beyond this room – to reach to those who don’t consider IP regularly, whether it’s the consumer buying counterfeit goods online, or the new business that hasn’t even thought about protecting their IP.

To succeed today, businesses need to understand how to manage and exploit their intellectual as well as their physical assets.

Managing and protecting IP proactively needs to become an automatic element of doing business and research. This is not just true of large commercial organisations; SMEs, charities, universities and researchers also need to be IP savvy, treating their IP with the same care and attention they would devote to any other element of their project or business.

IP management is broader than registering for IP rights. It permeates right through the innovative and creative process – from the way a researcher might do things in a lab, to how you negotiate a contract with a partner. It’s important that we start looking at IP as a crucial element of development, and not just an outcome. To support this, the UK IPO is working with schools, universities, and businesses of all sizes.

And there are lots of examples of this at work. Take resources like the Lambert Toolkit – a set of model legal agreements to support university-to-business collaboration on research and commercialisation projects. Or look at the IPO’s direct engagement with businesses, raising IP awareness and advising on IP issues – including through the IP attaché team based in China.

So in the UK we have set some pretty challenging objectives on IP. I’ve asked you to think about what your objectives are and what contributions you can make but working together is the only way to achieve sustainable progress. I’ve spoken at length about challenges, but I would like to end on a note of optimism.

There is a Chinese proverb which says:

When the winds of change blow, some people build walls and others build windmills.

So let's work together to build more windmills.

Thank you.