

## Driving local growth through intellectual property

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The figures speak for themselves; Intellectual Property (IP) is the growth area of the UK economy in the 21st Century. In 2014, IP-intensive industries provided 7.8 million jobs in the UK and 37% of the country's GDP.<sup>1</sup>

In the next year local authorities will be required to make further difficult budgetary decisions that will directly impact upon efforts to drive growth. IP, which includes copyright, patents, designs and trademarks, may in this context seem a distant priority. However, local authorities are best placed to support business to derive the maximum economic benefit from their IP. The reward is **growth, jobs and safer communities**.

This strategy advises that you

- Place IP at the heart of local growth strategies and provide the resources to cover the wide range of IP issues.
- Support local business by actively pursuing IP crime which will protect legitimate business and the wider community.

IP in trademarks, copyright, brands, designs and patents are often businesses' greatest assets; they can be both tangible and intangible and exist in businesses both big and small.

This strategy is designed to provide actions to help you lay the foundations of IP support and enforcement in your local authority area.

### IP Support = GROWTH

*Enable IP creation and the local economy can flourish.*

*Neglect IP and local economies will fail.*

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Local authorities have the duty to ensure this crucial driver of growth is not neglected within their area. Small and medium size businesses do not have the resources to understand their IP's value to their business leaving them vulnerable. Trading standards professionals have the expertise and local knowledge to effectively support businesses and help drive local growth.

#### Action plan

- Build IP into local economic plans and set clear targets for identifying how many businesses with potential IP are in your area, what forms of IP they have, what are the opportunities for maximising growth in each form of IP, and identify threats that might undermine their IP.
- Local trading standards professionals should work with local business to make suggestions based on the assessment of their IP.

Without properly resourced and monitored strategies which put IP at their heart, businesses will not get the full opportunity to use IP to its full extent and may risk losing out to competitors or those actively attempting to copy legitimate products. This will threaten the jobs that rely on these businesses.

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<sup>1</sup> EU wide study by the European Commission agency, OHIM (Office for Harmonisation in the Internal Market).

## IP Protection = SAFER COMMUNITIES

*IP crime means losses to local business and our communities.*

*Ignore IP Crime and we all lose.*

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**The illegal copies that are peddled by counterfeiters are the soft face of organised crime and facilitate the international illegal trade in fakes.**

Who are the victims?

The consumer who bought goods of unknown manufacture with no guarantee of safety.

The legitimate business which loses trade because of the availability of cut-price illegal copies.

The local council that loses revenues in tax and rates as legal outlets are undermined by illicit trade.

The cost of IP criminality in terms of lost profits and taxes to the UK economy is around £1.3 billion per year.<sup>2</sup> Trading standards practitioners have the enforcement tools to protect local business from the criminals that are damaging the chances of business to thrive and jobs to be created.

### Action Plan

- Proactively identify locations, such as markets, that sell counterfeit goods.
- Identify local businesses that are being damaged by competing counterfeit trade to increase intelligence sharing and provide further opportunities to provide advice.
- Partner with local police to disrupt this trade and engage with the networks of partners tackling wider organised crime. IP crime is only one weapon in the criminals' arsenal. They will have a wide range of criminal enterprises and be on the radar of many other agencies.

Trade mark and copyright offences crimes are 'Scheduled Lifestyle Offences' under the Proceeds of Crime Act. The government's incentivisation scheme allows a percentage of assets to be recovered from counterfeiters, after enforcement action, to be reinvested to support local authority services.

### CASE STUDY: The National Market Group Public Private Partnership Working

The NMG is a multiagency partnership between rights owners, enforcement professionals and central government which has enabled local authority trading standards to combat criminalised market places and support market owners who want to drive criminal activity out. The Real Deal campaign has now signed up over 370 markets and 79 councils to its charter. Action has also been taken against sink markets where the proliferation of counterfeiting attracted other forms of crime into deprived areas such as Grey Mare Lane Market, Manchester. These markets have all closed as a result of the NMG's targeted approach, reducing crime in the local area and supporting legitimate businesses.

Remember that it is consumers who find themselves most at risk. Counterfeit goods are not safety tested or quality controlled. All goods are counterfeited including electrical goods, food and drink, and even safety equipment such as crash helmets. Their sale makes our communities unsafe.

### Notes

Further information on partner organisations and resources to support local authority IP action can be found in the CTSI Toolkit for Local Authority IP Enforcement.

This document has been produced by the Chartered Trading Standards Institute the professional body representing trading standards professionals in local authorities and businesses across the UK. For more details please visit our website [www.tradingstandards.uk](http://www.tradingstandards.uk) or contact [policy@tsi.org.uk](mailto:policy@tsi.org.uk)

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<sup>2</sup> IP Crime Report 2013/14, Intellectual Property Office.