



Brexit And The DSM: What Are The Implications For The UK?

The Current Picture

- UK has been a hub for creativity for decades.
- UK digital sector worth about £118 billion a year - 43% of UK digital exports go to the EU.
- *“The process of leaving the European Union is one of the greatest challenges that the United Kingdom faces today. The creative industries and tourism are two of the most important sectors in our economy, and we have to make sure that Brexit can become a success for them”*
- (MP Damian Collins, Chair of the Culture, Media and Sport Committee)

Why Successful?

- Language
- Ease of UK regulatory regime
- Exporting access to other EU countries
- Influence – UK has played a key part in DSM negotiations to date



General Impact

- Uncertainty for businesses?
- Loss of influence over DSM negotiations and development?
- Loss of opportunity going forwards? - DSM still at an early stage
- UK less attractive as a location for digital industry?
- Movement of headquarters from UK to other (EU) countries?

In Focus: Geo-Blocking Regulation

What is it?

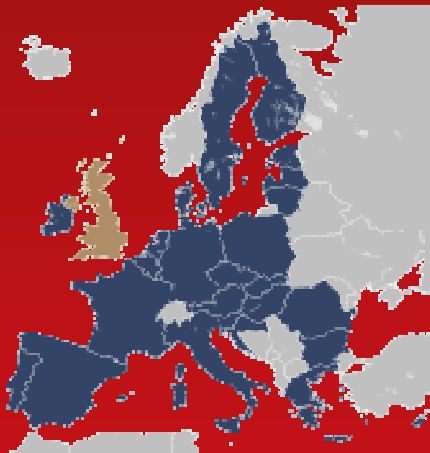
Online traders cannot prohibit the sale of their goods / services (except for audio-visual and copyright protected items) to customers because of the:

- nationality
- place of establishment; or
- place of residence of customers

Aimed at targeting forms of geographical discrimination, e.g. blocking access to websites / re-routing customers from one country version to another.

Impact: Geo-Blocking Regulation

- Depends on negotiations.
- “Hardest” Brexit scenario – UK geo-blocked from the rest of the EU/EEA?
- Businesses would still need to comply with geo-blocking regulation if trading with EU/EEA.



In Focus: Portability Regulation

What is it?

- EU device users can access online content from their device when away from the EU Member State that they usually reside in
- E.g. if present for short periods in another Member State for work or holiday



Impact: Portability Regulation

- Depends on negotiations.
- “Hardest” Brexit scenario – service providers don’t need to ensure that UK users can access their online content when they visit the EU, or vice-versa.
- Businesses would still need to comply with portability regulation if they target customers travelling across different EU countries.

In Focus: Copyright Directive

What is proposed?

- Removal of cross-border rules on copyright for non-commercial (e.g. research / cultural heritage) use:
 - New copyright exceptions for works such as scientific publications, digital museum archives, text and data mining results.
 - Affecting universities, research organisations and schools.
- New licensing structure for certain works to promote their accessibility across borders e.g. on video-on-demand platforms.
- New right of press relating to the digital use of publications.
- New obligation on ISPs to ensure integrity and security of data they hold.

Specific Impact: Copyright

- Depends on negotiations
- Will UK firms be able to access EU markets post-Brexit?
- Would UK-produced works be classed as “European works”?
- Automatic loss of EU-negotiated exemptions for the UK under international treaties (e.g. GATT/GATS /TTIP – exemptions relating to radio/TV/film)?
- Directive – so not automatically binding before UK “Brexit”

Current UK Government Plans?

- New domestic legislation would need to be developed quickly to keep up with the EU legislative agenda
- On 1 March, UK government released an executive summary, outlining its digital strategy for the UK:

“to create a world-leading digital economy that works for everyone. It is part of this government’s Plan for Britain, strengthening our economy for the long term as we take advantage of the opportunities that leaving the European Union provides.”

(Rt Hon Karen Bradley MP Secretary of State for Culture, Media and Sport)

- Not yet clear how aligned the UK position will be in relation to the EU

Questions?



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