

Attn: the Chair and the Members of the Scottish Affairs Select Committee,

Scottish Affairs Select Committee: Inquiry into Scotland's Creative Industries Written evidence submitted by DACS

DACS is the representative for rightholders of visual works and welcomes the opportunity to contribute to this inquiry into Scotland's Creative Industries. We support the submission of the Alliance for Intellectual Property (the Alliance), of whom we are a member. DACS strongly believes that:

- Arts funding from Creative Scotland should be bolstered to support the thriving Scottish arts scene
- There should be a unity between England and Scotland in providing rights and freedoms for artists and that geographical factors should not prejudice an artist's right to remuneration
- It should be recognised that intellectual property is essential to the creative industries and that artists, who are typically low-earners, rely heavily on royalties
- Enforcement strategies should be unified throughout the UK to create stability.

About DACS

Established by artists for artists, DACS is a not-for-profit visual artists' rights management organisation. Passionate about transforming the financial landscape for visual artists through innovative new products and services, DACS acts as a trusted broker for 90,000 artists worldwide. Founded over 30 years ago, DACS is a flagship organisation that has and continues to campaign for artists' rights, championing their sustained and vital contribution to the creative economy. In its support of artists and their work, DACS collects and distributes royalties to visual artists and their estates through Artist's Resale Right, Copyright Licensing, Artimage, and via Payback.

Artist's Resale Right provides artists and their estates with royalties when their works are resold on the art market for €1,000 or more. Artists and their estates can also receive royalties by exercising copyright either from primary use of reproductions (Copyright Licensing) or secondary use (Payback). DACS recently launched Artimage, which is a curated digital image resource that provides high resolution image files to clients together with a licence for the intended use, for example in a publication. More information can be found on the [DACS website](http://dacs.org.uk), in particular our latest annual review [here](#).

Creative Industries and Visual Arts in the UK

The UK is home to strong and lucrative creative industries, which in 2014 were found to be worth £71.4bn a year¹. The art market is a particularly thriving part of the creative industries: in 2014 it was valued at £9bn². Nevertheless, artists are frequently receiving a small return on their creative trade. In

¹ <https://www.gov.uk/government/news/creative-industries-worth-8million-an-hour-to-uk-economy>

² <http://tbamf.org.uk/>

2010 a study revealed that the median annual salary for fine artists stood at £10,000 – well below the UK median wage of £21,320³.

Of the members that DACS represents for Copyright Licensing and Artist's Resale Right, 9.8% reside in Scotland, which is a strong proportion of members since Scottish residents constitute only 8% of the UK's population⁴. It is also testament to the thriving Scottish visual arts scene, which relies on funding from Creative Scotland. It is vital that funding in Scotland for the creative arts is bolstered to ensure that artists can continue to make a living from their work, and that Creative Scotland's ten-year plan *Unlocking Potential, Embracing Ambition*⁵ is fully supported.

DACS has strong working relationships with clients in Scotland to whom we license artworks. To date DACS has licensed artworks for 182 different Scottish clients. Our long standing relationship with National Galleries of Scotland has resulted in them recently partnering with DACS to showcase their collection of images on Artimage, whereby they are accessible to a wider, international audience and generate important licensing revenue for the public collection. The revenue will also support the artists and estates who own the artistic copyright in their works and help them to sustain their practices and legacies.

Remuneration for Artists

Visual artists can receive remuneration from direct sales or commission of their works, but they also have rights under law to receive royalties on resale of their artwork (the Artist's Resale Right) or through copyright exploitation. These rights produce immensely valuable royalties which DACS exercises: in 2014 DACS distributed £15m to artists. In 2014 DACS surveyed artists and many told us that they use Artist's Resale Right royalties to pay for storing, restoration and preserving artists' work. Susanna Heron, an artist and beneficiary stated:

*"Insurance and storage of works are major expenses and form 70 % of estate costs. Other significant expenses are archival and documentary, including digitisation of photographic records, creating and updating database of works and information. I personally do the administration and answer queries and requests for information without reimbursement."*⁶

This is essential work that benefits museums and gallery exhibition programmes and supports the UK's position as a key destination for cultural tourism, such as the Edinburgh International and Fringe Festivals and London's Frieze Art Fair.

The benefit of a UK wide legal rights system ensures that artists can live anywhere in the UK in the knowledge that there is no derogation from their rights according to geographical factors. Against the

³ Kretschmer, Martin; Bentley, Lionel et al *Copyright contracts and earnings of visual creators: A survey of 5,800 British designers, fine artists, illustrators and photographers* 2011 CIPPM Bournemouth UK and CIPIL Cambridge UK

⁴ Office for National Statistics Statistical Bulletin *Annual Mid-year Population Estimates 2014* (25 June 2015), p.3

⁵ <http://www.creativescotland.com/what-we-do/the-10-year-plan>

⁶ DACS' response to the UK Government's Artist's Resale Right questionnaire, May 2014 p.14:

www.dacs.org.uk/getattachment/Knowledge-Base/DACS-response-to-IPO-questionnaire-on-Artists-Resale-Right-May-2014.pdf.aspx



backdrop of the European Commission's Digital Single Market Strategy, which has made it a clear priority to abolish geo-blocking and to fully harmonise legal principles across Europe, it is culturally and politically significant to foster a prosperous art scene across the UK and for Scottish artists to know they have the same rights and freedoms as English and European artists.

Enforcement

DACS supports the Alliance's submission in respect of enforcement and their call for stability in the UK's approach to protecting intellectual property. The UK Government recently proposed harmonising the penalty for online infringement of copyright under ss. 107(2A) and 198(1A) of the Copyright Designs and Patents Act 1988 with that of physical infringements: a move that DACS and the Alliance support.

DACS has also welcomed the extension of funding into the Police Intellectual Property Crime Unit (PIPCU), which the Government announced will run into 2017⁷. The Scottish Parliament's Anti-Illicit Trade summit in 2014 highlighted the need to bolster the Anti-Illicit Trade Group's resources and DACS agrees that this is essential to ensure intellectual property crime is tackled in a unified manner across the UK. It is very important that any derogated powers in Scotland are matched in the UK and vice versa so that no country becomes a safe haven for infringers due to 'soft-touch' enforcement.

For further information please contact

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⁷ <https://www.gov.uk/government/news/3-million-government-cash-boost-to-tackle-digital-piracy-and-fake-goods>