

The Patent Regulation Board and the Trade Mark Regulation Board

Agenda

Thursday 12 September 2024 at 1.00 pm

Gatehouse Chambers, Gray's Inn, 1 Lady Hale Gate, London WC1X 8BS

NB – this meeting will be observed by Independent Audit as part of the Board effectiveness review

1. Apologies
2. Notification of any conflicts of interest

Items for decision/discussion

3. Minutes of July 2024 meeting and matters arising
4. 2025 business plan and practising fees – outcome of consultation (FG/KD)
5. Education (no papers):
 - a. Education Working Group meeting on 18 July (GS);
 - b. Barriers to entry project (FG/SG);
 - c. Apprenticeships (FG/SE);
 - d. PEB Annual Report (GS);
 - e. PEB Action Plan implementation (GS);
 - f. PEB proposed changes to Final Diploma exams (FG/SE).
6. PII Sandbox application (FG/SE)
7. 2024 diversity survey results (SE)
8. Diversity Action Plan update (GS)
9. Continuing competence thematic review outcomes (SE)
10. Response to LSB information request on Internal Governance Rules (FG)
11. Response to LSB information request on Consumer Empowerment (VS)
12. Response to LSB information request on Regulatory Performance Assessment (VS)
13. Complaints update (SE)

14. CEO's report (FG)

15. IT system update (SE) – no paper

16. IPReg Limited – new Articles of Association (FG) – no paper

Items to note

17. Action Log (FG)

18. Red Risks (FG)

19. Regulatory Statement

Confirmation that, except where expressly stated, all matters are approved by the Patent Regulation Board and the Trade Mark Regulation Board.

Board Meeting 12 September 2024

2025 practising fee application to the LSB

Agenda Item: 4

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This paper will be published with Annex A. Annex B is a draft and will not be published. The final application to the LSB will be published on its website.

Summary

1. The consultation on the Business Plan, Budget and a 3% increase in practising fees for 2025 closed on 28 August 2024. We received 19 responses to the consultation. Analysis of the consultation responses and our response is at **Annex A** to this paper; this includes the full responses from CIPA, CITMA, IP Inclusive, the IP Federation and the Legal Services Consumer Panel (**LSCP**). Copies of the other responses are available on request but will not be published.
2. IPReg is required to make an application to the LSB under section 51 of the Legal Services Act 2007 for the approval of practising fees. The draft 2025 Practising Fee application including annexes is attached (**Annex B**). The draft uses the LSB application template and addresses all the requirements for the LSB's consideration of the level of the 2025 practising fees.
3. Following the Board discussion in July 2024, the following changes were made to the draft budget *prior* to consultation:
 - a. Increasing the proposed fee increase by 1% to 3% which resulted in an increase in income of £12,714;
 - b. Increasing the Communications budget from £3k to £10k to support stakeholder engagement on our education work;
 - c. Increasing Legal & Professional by £5k to cover potential costs for any follow up work on the transparency thematic review.

Recommendation(s)

4. The Board is asked to agree that we should:
 - a. Proceed with the application to the LSB to increase fees by 3% to finance the activities set out in the Business Plan and to abolish the category "sole trader employing others";
 - b. Submit a draft application to the LSB, subject to any changes discussed at this meeting including amendments to the 2025/26 Business Plan;
 - c. Delegate authority for finalising the formal application to the Chair and CEO once the LSB's comments on the draft submission have been received.

Risks and mitigations

Financial	Risk	If the LSB does not approve or delays the approval of the application, IPReg will be required to either resubmit an application or delay the collection of the 2025 fees. A reduction in the anticipated level of fees will mean that the budgeted operating deficit to be financed through Reserves will be higher or certain elements of the Business Plan will have to be postponed. Note: A delay in the collection of fees can be financed through the General Contingency Reserve.
	Mitigation	The submission of a draft application will enable the LSB to identify and communicate to IPReg any concerns which can then be addressed in the formal application.
Reputational	Risk	It will be reputationally damaging to IPReg if the application is refused or has to be resubmitted.
Resources	Risk	The draft application has been prepared by the Finance Officer and Chief Executive and has utilised approximately 3 days and 5 days respectively. If the LSB review requires significant changes to the application this will take additional resources. Responding to LSB queries once the formal application is submitted will also take additional resources.
	Mitigation	The submission of the draft application may help to ensure that the formal application is easier to finalise and enable a more simplified approvals process by the LSB.

¹ LSA s51(5)

Discussion

5. Key points from the consultation responses are:

Business Plan

- a. A range of views on whether apprenticeships are a suitable route for entry to the patent attorney profession. This shows the importance that good stakeholder engagement will play in the work that we are doing generally on education and, particularly, ensuring that we engage with those who are sceptical about our work;
- b. The importance of a clear timeline on mapping the current framework for exemptions from the Patent Examination Board's (PEB) FD2 and FD3 exams to provide certainty to candidates about their options for qualification;
- c. General support for our work on EDI;
- d. The continuing need to improve our understanding of consumers who use IP legal services.

Abolishing the category "sole trader employing others"

6. Of those that responded there was general support for this proposal. We will therefore include this in the application to the LSB.

The Equality Impact Assessment (EIA)

7. There were limited comments on the EIA. We have taken on board the IP Federation's suggestion that we should include data even if the data set from the 2024 diversity survey is limited. The EIA has been updated with data from that survey.

Increasing practising fees by 3%

8. For those individual registrants who opposed the increase, concerns focused on whether IPReg was doing too much work outside its core business as usual activities. There was also concern that for in-house attorneys, employers would not want to pay increased fees. Our analysis at Annex A explains that our work is, in the Board's judgement, the most appropriate way to meet the regulatory objectives in the Legal Services Act 2007 (**LSA**).
9. CITMA considers the proposed increase to be reasonable but wants to see the cost of regulation decrease in future. We understand that the cost of regulation is an issue in all regulated sectors and we will look for opportunities to reduce our costs wherever possible. However, the increases in the LSB levy in recent years (including a 12.5% increase in the indicative levy for 2024/25) makes a reduction in fees more difficult.

Proposed budget

10. CIPA was the main respondent on the budget and, as in previous years, queried the approach we take to estimating the net increase in attorneys each year. We have included a detailed explanation of how we do this at Annex A (paragraph 48).

Practising fee regulations

11. There were no comments on the proposed drafting.

Conclusion

12. Taking all these comments into account, together with the broad support for our planned programme of work and the impact of inflation on our costs, we consider that an increase of 3% remains appropriate in order to finance all the activities set out in the Business Plan. However, we have made the following changes to the Business Plan and Budget:

Business Plan

- a. Develop our work on first tier complaints (FTCs). Once we have the results of the thematic review on transparency (planned for Q1 2025) and have FTC information from firms' Annual Returns, we will consider whether we need to do additional work on FTCs. This will also be informed by our discussions with stakeholders on what type (if any) of quality indicators² might be useful to users of IP legal services;
- b. Building our evidence base. Provide further information about the work of the Technology and Innovation Working Group including its terms of reference;
- c. Diversity. Review whether we can and should capture diversity data on the CRM on admission to the registers and as part of the Annual Return process, including the cost.
- d. Education. As a result of changes that have been proposed by the Patent Examination Board (PEB) for changes to all its Final Diploma exams, it is likely that we will have to undertake a full reaccreditation assessment of those exams. We understand that the PEB will be conducting a further consultation in September 2024 at which point we will be able to establish with more certainty the nature of the proposed changes and what this entails for the accreditation process.

2025 Budget – post consultation

- a. An increase of £3,300 to the Legal Services Board (LSB) levy. When the consultation was published, IPReg had not received the indicative levy for 2024/2025 from the LSB. We therefore applied a 9.87% increase to the 2024/2025 levy (the increase between 2022/2023 to 2023/2024 levies) to estimate the levy to the year ended 31 March 2025. A similar increase was applied for the levy to 31 March 2025 and the prorated figures for both levy years were calculated to represent our financial year resulting in a levy charge of £95,150. The indicative levy for the year ended 31 March 2025 has now been confirmed by the LSB and represents 1.7% of all authorised persons across all Approved Regulators. The percentage of authorised persons remains the same as the figure used for the 2023/2024 levy however the levy is 12.5% higher. We have updated

² The provision of quality indicators is something that the Legal Services Board, Legal Services Consumer Panel and the Competition and Markets Authority want to see in the legal services sector.

the levy budget line using the indicative levy and applied a similar % increase for the following year resulting in an increase in the budget line to £98,450 (£3,300 increase);

- b. An increase in the budget for Legal Choices from £5,800 to £6,600 following clarification about the additional cost arising as a result of the work on the Regulatory Information Services (single digital register) required by the LSB;
- c. Corporation Tax is payable on bank interest received – the budget line has been increased by £500 to £1,000 to provide a more prudent estimate.

Budgeted expenditure has increased and the operating surplus is now reduced by £4,600 from the consultation figure of £51,101 to £46,501.

Background

- 13. The LSB provides [Guidance](#) to the application process and a proforma application to ensure that consistency from all regulators.
- 14. The approval process includes the provision for a draft application to be submitted for comment by the LSB. This will highlight the areas of concern that the LSB has, allowing for these to be addressed in the formal application, which may make the approval of the formal application a more simplified process within the statutory timeframe.

Next steps

- 15. The draft application with annexes will be submitted to the LSB for comment.

Supporting information

Links to strategy and business plan

- 16. Included in application.

Supporting the regulatory objectives and best regulatory practice

- 17. Included in application.

Impacts

- 18. Included in application.

Communication and engagement

- 19. Included in application.

Equality and diversity

- 20. Included in application.

Evidence and data

- 21. Included in application.

September 2024

Item 4 Annex A

Consultation Responses – Analysis and comments

Introduction

1. IPReg received 18 responses to the consultation from:

Respondent	Both Registers	Patent Register	Trade Mark Register
Single attorney firm	1		1
Sole Trader	1		
Sole Trader Employing others	1		
In house	1		
Not actively practising	1	2	
Small firm (< 10 attorneys)	1		
Medium firm (10 - 40 attorneys)			
Large firm (> 40 attorneys)	2		
Small firm employee			
Medium firm employee	1		
Large firm employee		1	
IP Inclusive		n/a	
CIPA		n/a	
CITMA		n/a	
IP Federation		n/a	
Legal Services Consumer Panel		n/a	

The responses from CIPA, CITMA, IP Inclusive, the IP Federation and the Legal Services Consumer Panel are at Annex A to this paper.

Question 1: What are your views on the proposed Business Plan?

2. There was generally broad support for the work set out in the Business Plan, in particular the work on education.
3. Of the registrant respondents who raised specific points:
 - a. A large firm on both registers made a number of comments on the proposed business plan:
 - i. Although it is neutral to keeping the current exemptions for the Patent Examination Board's (PEB) FD2 and FD3 exams from the European Qualifying Exams (EQEs), it would appreciate a review given the recent changes proposed by the PEB and the significant changes to the EQEs. The firm's view is that differences in format, syllabus and marking may render the exemption inappropriate. The firm stressed the importance of having clarity on these matters as soon as possible and also asked

that the exemptions currently available should be retained for those candidates sitting the EQEs in 2025 and 2026;

- ii. The firm questioned the need for the PII Sandbox which it considers is likely to be of minimal benefit to the profession;
 - iii. In terms of the work to widen participation in the patent attorney profession, the firm made the following observations:
 - The importance of engaging (together with CIPA) with the epi and the EPO given the academic restrictions placed on candidates to ensure that the bar to entry as an EPA is not increased;
 - The firm is not sure that an apprenticeship scheme would be “practicable, popular or of clear benefit to clients”. It would like to see a clear proposal of the type of scheme being developed and examples from schemes in other professions;
 - In terms of diversity, the firm considers that IPReg might be more successful in increasing diversity through “active support to regulated firms in their recruitment and training processes”;
 - iv. On the proposed review of the Accreditation Handbook, the firm raised concerns about two of the current providers;
- b. Two trade mark attorneys in private practice commented that there was not much planned work specifically aimed at the trade mark profession compared to that focused on the patent attorney profession. One of them suggested that we should include more work on different course options for trade mark litigators rights such as providing distance/on demand learning and encouraging the SRA to increase SQE exemptions for trade mark attorneys;
 - c. A trade mark attorney in private practice said that they did not consider that apprenticeships differed from the current practice of employing trainees. They did not consider that an apprenticeship route would be suitable for the trade mark profession;
 - d. A patent attorney who is not actively practising suggested that IPReg should consider in more detail the impact of “external influences” such as the Unified Patent Court. The same attorney also suggested that there should be more flexibility in the diversity survey to capture elements of socio-economic diversity;
 - e. A sole trader on both registers commented that although the aim of increasing the number of good quality education providers is a good idea, care is required to ensure that this does not result in making all providers uneconomic because there is only a small number of students each year and the investment needed to set up and run a course is considerable;
 - f. See also below at paragraph 33a the comments from an attorney on both registers in private practice.

2. **CITMA** said that it generally supported the proposed plan. The response also stated:
 - a. The importance of ensuring that, where applicable, any findings, advancements or beneficial changes are recognised and potentially realised in respect of the trade mark attorney qualification route. CITMA also queried whether the proposed timetable was realistic, especially given how long rule change applications to the LSB take;
 - b. IPReg should also consider new qualification pathways for trade mark attorneys including apprenticeships;
 - c. CITMA would like to work closely with IPReg on the review of the competency framework to align with its own work;
 - d. CITMA is pleased to see continuation of a ring-fenced reserve for EDI work;
 - e. Concern about the extensive amount of work involved responding to LSB consultations and related work and that the increase in the LSB levy is increasing the cost of regulation;
 - f. Concern that there is little to no reference to AI and future technology;
 - g. A suggestion that IPReg should include work to achieve net zero in future business plans.
3. **CIPA's** response:
 - a. Recognised that IPReg plays an important role in ensuring that routes to qualification are fit for purpose. It supports the proposal to undertake work to map the changes in the EQEs to the framework for exemptions from the PEB's final diploma (FD) exams. CIPA considers that consultation by IPReg on this will be vital;
 - b. Stated that it was important for IPReg and the PEB to work together to ensure that changes that the PEB is proposing to its FD exams are delivered on time with sufficient information provided to candidates at the earliest possible stage about any changes;
 - c. Recognises that an apprenticeship route to qualification as a patent attorney has the potential to improve access to the profession and improve social mobility, particularly given the cost of STEM degrees;
 - d. Commended IPReg for its continuing commitment to EDI and our commitment to share the outcomes of our 2024 diversity survey;
 - e. Expressed concern about the impact of the significant increase in the work that the LSB expects IPReg and other legal regulators to undertake noting that this is driving up the cost of regulation. It intends to raise this with the LSB.
4. **IP Inclusive** welcomed the fact that EDI continues to play a key part in IPReg's plans, in particular through the proposed work on education, training and qualification; it welcomes the provision of funding for diversity initiatives. It considers that many of the projects are "likely to improve diversity and inclusivity" in the professions which will

“have a positive impact on the regulated community”. It urged IPReg to continue to ensure that accredited education providers “offer accessible training and assessment systems, with reasonable adjustments for those who need them and a wide and inclusive range of qualification pathways wherever feasible”. IP Inclusive recommended that EDI data gathering should be incorporated into IPReg’s annual registration procedures.

5. **The Legal Services Consumer Panel** (the Panel) agreed with our decision not to add more work strands to the business plan. It considers that this will “ensure that the cohesive package of work [IPReg] has committed to delivers good outcomes for both consumers and the profession”. It also commented that it:
 - a. Would like to see additional information about the work planned on improving consumer knowledge and engagement;
 - b. Welcomes our commitment to finding alternative routes into the profession; it fully supports work on developing an apprenticeship;
 - c. Would like to understand the rationale behind a five-year timeframe for re-accrediting education providers;
 - d. Considers that the way in which information on transparency about costs is crucial to its effectiveness. For that reason, IPReg must retain some responsibility for ensuring that this information is presented in a way that is meaningful to consumers. It also expects IPReg to publish any monitoring an evaluation that it carries out;
 - e. Suggests that IPReg liaises with other regulators who have recently changed their PII requirements “to ensure that existing fragmentation across the sector is not exacerbated”;
 - f. Welcomes our commitment to building our evidence base and supports “the creative way it is beginning to do this”.

6. **The IP Federation:**
 - a. Strongly supports the work IPReg is doing on EDI;
 - b. Commends IPReg’s work to consider alternative routes to entering the patent profession, particularly given that the cost of higher education at university can be “prohibitively expensive”. IP apprenticeship pathways are therefore important to improving access to the professions. IPReg should include key learnings from other sectors (including solicitors) that have developed apprenticeships in its work;
 - c. Welcomes the work that IPReg is doing on mapping the changes to the EQEs to its exemption framework. To the extent possible, the IP Federation considers that duplication between the UK exams and the EQEs should be avoided and the UK exams should “focus on differentiating aspects necessary to test important domestic elements along with areas of domestic procedure” such as UK national litigation and infringement principles.

IPReg response

Education

7. We welcome the broad support of respondents for our planned activities and the recognition of the importance of the work we plan to do on education and its link to improving the diversity of the professions. The budget that we have allocated to the work on education and the recent recruitment to the new post of Head of Education Review is an indication of the importance that the IPReg Board places on this topic. We know that positive stakeholder engagement is vital to the success of our work and will continue to work closely a wide variety of other stakeholders as we progress, including those who are sceptical about the benefits of what we do. This will include providing clarity about timescales involved – particularly on the work on exemptions from FD2 and FD3. Given the breadth of the work needed, we envisage this work continuing over a number of years.
8. In terms of our work with other stakeholders on apprenticeships, we agree with the IP Federation that we should learn from the experience in other sectors. This will include consideration of how the solicitor, cost lawyers and legal executive apprenticeships work. We will also consider what issues the duplication between the EQE and UK exams raises and what an appropriate regulatory response is. It is important to note that development of apprenticeships has to be employer-led and we would be happy to work with CITMA and employers if there is interest in a trade mark apprenticeship.
9. We will contact the firm that has concerns about two education providers to understand the issues raised in more detail. Although IPReg would not get involved with firms' recruitment processes, the including of activities to improve diversity would be appropriate for including in continuing competency if attorneys reflected that this would be appropriate for their own practice.
10. We have previously discussed with CITMA the issue of exemptions that the SRA grants and are happy to continue those discussions if that would be helpful. Our view is the issue of the extent to which attorneys require litigation training is likely to be an element of the wider education review.

Transparency review

11. Our plan is to engage an external organisation to conduct the transparency review. We will publish its findings and recommendations. This will include anything that relate to consistency in the way that information is provided, bearing in mind that most users of regulated IP legal services are not individual consumers.

Other

12. LSCP's query on why we have a 5-year cycle for reaccreditation of education providers. We do have the discretion to reduce this period of time if we have concerns about the findings of an accreditation review. This is a discretion that we have exercised recently in relation to the Patent Examination Board where the recommendations of the independent assessors were so significant that the IPReg Board decided that a further review was necessary in 2025, two years after the findings of the most recent review.

Generally a five-year cycle is considered sufficient if there are no significant concerns about a provider's approach.

13. In terms of additional work on consumer engagement, we have added to the Business Plan that we will develop our work on first tier complaints (FTCs). Once we have the results of the thematic review on transparency (planned for Q1 2025) and have FTC information from firms' Annual Returns, we will consider whether we need to do additional work on FTCs. This will also be informed by our discussions with stakeholders on what type (if any) of quality indicators might be useful to users of IP legal services
14. When we evaluate how the PII Sandbox has worked in practice,¹ we will review other regulators' requirements and take them into account in any recommendations for change that we make.
15. Our Technology and Innovation Working Group has been established to advise the Board on its approach to changes in the way technology is being used to provide legal services in the regulated IP sector. This includes:
 - a. Conducting regular horizon scanning to identify emerging technologies and innovative practices relevant to IP legal services regulation;
 - b. Evaluating the potential impact of these technologies on the IP legal services sector and regulatory processes;
 - c. Considering whether to recommend changes to IPReg's regulatory arrangements to accommodate technological advancements.
16. Given the ambitious work that we have set out, which is likely to continue for a number of years, we do not currently plan to undertake work on net zero as it does not seem to have any direct nexus with the statutory regulatory objectives.
17. We will review whether we can and should capture diversity data on the CRM on admission to the registers and as part of the Annual Return process, including the cost of changes to the CRM.

Question 2: What are your views on the proposal to abolish the fee paying category "Registered attorney practising as a sole trader and employing other registered attorneys or other professionals"?

18. Of the **registrant respondents** who raised specific points:
 - a. Someone who works for the organisation directly affected by this proposal responded in a personal capacity but did not raise any objections to it;
 - b. A patent attorney who is not actively practising commented that the sole practitioner category should not be abolished.

¹ The timing of this will depend how many participants there are.

19. **CIPA** did not comment on this proposal.
20. **CITMA** stated that it had no objection to the proposal.
21. **The IP Federation** did not comment on this proposal.
22. **IP Inclusive** did not comment on this proposal.
23. **The LSCP** did not comment on this proposal.

IPReg response

24. We are not proposing to abolish the sole practitioner category – only the category “sole practitioner employing others”. IPReg has assured the organisation directly impacted by this proposal that it is happy to continue to help it navigate the regulatory requirements for any change in its structure. Our view continues to be that this category is not appropriate and we will therefore abolish it with effect from 1 January 2025.

Question 3: Do you have any evidence of the impact that each of these proposals will have on different categories of individuals or firms? In particular, do you have any evidence of the potential impact on the diversity of the profession? Do you have any comments on the EIA at Annex B?

25. Of the **registrant respondents** who raised specific points:
 - a. A patent attorney in private practice expressed surprise that there were no Black patent attorneys and the something should be done to address this;
 - b. A sole trader on both registers said that they did not consider that an EIA was necessary because those most affected by diversity concerns are employees who do not pay practising fees themselves;
 - c. A trade mark attorney in private practice observed that increasing participation in STEM activities requires very early intervention in schools. The same attorney commented that it is particularly difficult to establish cause and effect when evaluating diversity initiatives. IPReg would therefore not be able to claim success if diversity increased.
26. **CIPA** did not comment on this issue.
27. **CITMA** stated that it did not have any evidence on the impact of the proposals.
28. **The IP Federation** suggested that even if data sets from a diversity survey are limited, they should nevertheless be included in our EIA. It considers that a diversity survey every two years would be appropriate.
29. **IP Inclusive** noted that because the EIA was largely unchanged from the 2023 version, its comments on that stood. It welcomed the fact that data from the 2024 survey would be used going forward.

30. The **LSCP** did not comment on this issue.

IPReg response

31. The EIA is based on a template provided by the LSB as part of its requirements for consideration of practising fee applications. It includes all the protected characteristics but does not include other diversity measurements such as social mobility. However, the IPReg diversity data does include that information. We will continue to support IP Inclusive in its work by contributing to its operating costs. We will also continue to support organisations such as In2Science working with disadvantaged groups of young people. In 2023, we amended the EIA to take into account IP Inclusive's suggestions. We have amended the final EIA for the 2025 application to the LSB so that it now includes the findings from the 2024 diversity survey including those data sets with very small data sets (as suggested by the IP Federation). We will publish the findings of the 2024 survey and discuss with colleagues across the sector what work we need to undertake collectively to improve its diversity.
32. We recognise that the fee waiver process for hardship may not benefit all attorneys but we consider that it is a targeted and proportionate regulatory tool to help attorneys whose fees are not paid or reimbursed by their employer.

Question 4: What are your views on the proposal to increase practising fees by 3%?

33. Of the **registrant respondents** who commented that they did **not** support the increase:
- a. An attorney in private practice on both registers questioned why IPReg was conducting activities outside its core responsibilities. In particular the attorney questioned why we were carrying out work on widening participation in the patent profession (including on apprenticeships) and improving its diversity, continuing to build our evidence base and funding diversity initiatives. The attorney considers that practising fees should not be used to fund these activities which they consider fall within the remit of CIPA, CITMA and individual firms;
 - b. An in-house attorney on both registers commented that their employer would not want an increase and would not be concerned if the attorney was not regulated by IPReg but just practised as an EPA;
 - c. A patent attorney in private practice commented that the profession is already over-regulated and did not agree to any increase in fees "beyond the minimum that is legally required". They consider that using "vague terminology" such as funding diversity initiatives and building up an evidence base "provides no comprehensible information" about why an increase is needed;
 - d. A trade mark attorney in private practice considered that IPReg should only conduct business as usual activities and that would result in lower fees generally.
34. **CITMA** said that its overall position is, as in previous years, that it hoped that fees will be reduced in future years. This remains its position, but it appreciates the continued difficult economic climate and inflationary cost increases cannot simply be absorbed or ignored. It therefore considers the proposal by IPReg to increase fees by 3% to be a reasonable approach. CITMA hopes that for future years IPReg would be able to lower

fees or freeze fees to reduce the cost of regulation. It would welcome further information from IPReg before the next budget and practising fee cycle on how it will reduce the cost of regulation, given the increases it has seen year on year.

35. See **CIPA's** response on the budget below.
36. **IP Inclusive** did not comment on the proposed increase but emphasised the importance of the waiver for cases of hardship.
37. The **IP Federation** did not comment on this proposal.
38. The **LSCP** did not comment on this proposal.

IPReg response

39. At its July 2024 meeting, the IPReg Board considered different scenarios for setting the 2025 fees and the draft Business Plan. The fee options were: reducing fees by 2%; holding fees level; or increasing fees by 4%. These scenarios would have resulted in a projected operating deficit of between £0.8k (2% reduction) and operating surpluses between £24.9k and £75.8k for the respective increases. Any operating deficit would have to be funded from our reserves. The IPReg Board has considered the responses to the consultation, the need to ensure that the impact of inflation on expenditure is accounted for in the budget and to ensure that reserves are sufficient to deal with unexpected changes. The IPReg Board has determined that, in its judgement, an increase of 3% would enable it to achieve its Business Plan objectives which are, in its judgement, the most appropriate way for IPReg to meet the regulatory objectives in the Legal Services Act 2007 (LSA).
40. In terms of CITMA's desire to see the cost of regulation reducing and the comments from individual attorney who opposed the increase, IPReg always considers where it can reduce its costs. An example is the move to a smaller office from 1 October 2024 with an associated reduction in licence and service fees of £15,264. It is important to note that the LSB levy comprises 7.6% of IPReg's budget (estimated to be £98,450 for 2024/25). This is an increase of 13.6% in the budget over the previous year, which was itself an increase of 9.87% over the previous year. It is therefore difficult for IPReg to commit to reducing its practising fee in future years if the LSB levy does not decrease substantially in real terms.
41. In terms of the comments about the work that IPReg conducts beyond its core business as usual activities, many of these (including our work on education and diversity) are driven by the statutory obligations in the Legal Services Act 2007. In addition, there are activities that we have to carry out to comply with the LSB's statutory statements of policy, guidance and other documents.

Question 5: What are your views on the proposed 2025 budget?

42. None of the **registrant respondents** commented specifically on the proposed budget.
43. **CITMA** had no substantive comments.

44. **CIPA** re-stated its concerns from previous years that IPReg does not adequately factor the annual growth of the regulated community into its budget planning. It considers that without a detailed analysis of that growth it is difficult for CIPA “to comment positively on IPReg’s proposed 3% increase in practice fees”.
45. **IP Inclusive** welcomed the proposed increase in budget for diversity initiatives and the continuation of a specific diversity reserve. It also expressed its appreciation for IPReg’s continued provision of funding to support IP Inclusive’s running costs.
46. The **LSCP** did not comment specifically on this issue.
47. The **IP Federation** did not comment specifically on this issue.

IPReg response

48. In response to CIPA’s query about the way we factor into our budget calculations the expected net increase in attorney numbers, the budget methodology that we followed in this consultation is consistent with that applied in previous years. We estimate the number of attorney admissions based on data from previous years and we estimate the number of attorneys who will come off the register (mainly voluntary removals and suspension (followed by removal) for non-payment), again based on data from previous years. We do not estimate practice fees from registered and licensed bodies as it is not easy to quantify how many and what size of firm may apply and if any firms will leave the Register. Entity fees are a fixed fee for single attorney firms and based on a matrix for other firms, made up of the base fee, the fee per registered attorney and the fee per other professional and these variables are hard to quantify.
49. The admissions are reflected in the budget updates that we publish on our website. The 2024 budget estimated admissions of 170 admissions and 50 removals. In total 49 attorneys have been taken off the registers and as of 29 August 2024, we have admitted 159 attorneys and have a further 3 applications which are being processed and we anticipate that more trade mark applications are likely in October and we have included a small estimate for these in our calculations.
50. For the 2025 budget consultation, we used the average over the last three years for attorney admissions and removals for our projections: 186 admissions and 77 removals. Taking the net figure (attorney admissions less attorney removals) in the budget calculations, we then calculate the following year’s practice fees at the current fee levels and then then apply the proposed percentage increase. The projected practice fee income for 2025 if fees remained the same, would be £1.29m. This was uplifted by the proposed percentage increase and adjusted to account for not increasing the “not in active practice” fees.
51. If net admissions are higher than our best estimate based on the evidence that we have, then our income will increase from the projection used in the consultation. However, if net admissions are lower than our best estimate, we will have a shortfall and may have to use our reserves to cover it. In either case, the percentage increase in fees will have been the same.

Question 6: Do you have any comments on the draft Practising Fee Regulations?

52. There were no comments on the drafting.

IPReg response

53. No changes have been made to the Practising Fee Regulations other than to remove the “sole trader employing others” category, as proposed in the consultation.



Fran Gillon
Chief Executive
Intellectual Property Regulation Board
20 Little Britain
London
EC1A 7DH

27 August 2024

By email

Dear Fran,

Budget and Business Plan 2025/26

Thank you for the opportunity to respond to the consultation on IPReg's budget and business plan for 2025/26. The Chartered Institute of Patent Attorneys (CIPA) is responding in its capacity as the Approved Regulator for patent attorneys, as defined in the Legal Services Act 2007, and as the representative professional body for Chartered Patent Attorneys.

Business Plan

CIPA recognises that IPReg has an important role to play in ensuring that the route to qualification for patent attorneys in the UK is fit for purpose. We support IPReg's proposal to evaluate the changes to the European Qualifying Examination (EQE) in order to establish how the regulatory framework needs to evolve, particularly in relation to the current arrangements for exemptions and ensuring appropriate credit is given where there is overlap. We are pleased to see that IPReg is working with Julia Gwilt, Chair of the European Patent Institute's (epi) Professional Education Committee, to map the new EQEs onto the competency framework. Given the interplay between the EQE and the UK examinations, we believe that consultation with the profession will be vital should there be any proposed changes to the current exemption arrangements.

In relation to the accreditation of patent attorney examination providers, CIPA is currently engaged in a consultation with the Patent Examination Board (PEB) on proposed amendments to the Final Diploma (FD) examinations. We are pleased with the positive way the PEB has engaged with the profession on the proposed changes, which we understand are part of the ongoing work for reaccreditation. It is important that IPReg and the PEB work together to ensure that the UK patent attorney qualifying examinations are delivered on time and that candidates receive information at the earliest possible stage to enable them to make informed decisions. We will be monitoring the PEB FD examinations consultation and the response by IPReg.

CIPA notes IPReg's enthusiasm for working with stakeholders and potential providers to encourage new qualification pathway options, including apprenticeships. Under the stewardship of CIPA Vice-President Bobby Mukherjee, we are exploring apprenticeship pathways for IP paralegals, qualifying through CIPA's Introductory Patent Paralegal Course (IPPC), and for UK patent attorneys. The latter has the potential to create an alternative pathway to the conventional university route for young people who would otherwise be denied that opportunity. Given the cost of STEM degrees, those from challenging economic backgrounds will be presented with a route into the patent attorney profession, improving access to the profession and advancing social mobility.

CIPA welcomes IPReg's intention to review the effectiveness of the new regulatory arrangements, which came into force on 1 July 2023. We look forward to the publication of an updated impact assessment and the opportunity to comment on how the new regulatory arrangements are operating. The new requirements for demonstrating continuing competence, through a reflective practitioner approach to professional learning, have been a significant change in the regulatory landscape. We await IPReg's report on the learning that will come out of the thematic review of the new arrangements, in particular how attorneys can make the best use of technology to reflect on their professional practice, plan learning activities and record their progress against their learning aims.

CIPA commends IPReg for its ongoing commitment to equality, diversity and inclusion (EDI). We are pleased to see the maintenance of a ring-fenced reserve to fund diversity initiatives. We support IPReg's intention to develop a deeper understanding of the composition of the patent attorney profession in the UK, with a view to widening participation and developing career opportunities. In sharing its research and experiences, in particular the outcomes of the 2024 diversity survey, IPReg will enable IP organisations to work together to improve data gathering and analysis. This should reflect IP Inclusive's toolkit to support IP organisations in their EDI data gathering and align approaches and benchmarking across the sector.

CIPA is concerned to see that the Legal Services Board (LSB) has significantly increased the volume of work expected of IPReg and other legal regulators, and this has resulted in IPReg needing more resources to meet the LSB's demands. We note that IPReg has used historical data on the levy charged by the LSB, which saw a 9.87% increase in 2023-24. IPReg will have used its best intelligence to determine the increase in the levy for 2024-25. We are concerned that the LSB continues to drive up the cost of regulation through above inflation increases in the annual levy and we will challenge the LSB on this.

CIPA notes that the current IPReg Chair, Lord Smith of Finsbury, will complete his second term of office and step down from the Board in September 2025. We have very much enjoyed working with Lord Smith during his time in office and we have seen IPReg mature into a regulator we can take pride in under his leadership. We wish IPReg good luck in finding a successor who can match Lord Smith's enthusiasm, knowledge, experience and competence.

Budget

In CIPA's response to the 2024-25 budget consultation, we expressed concerns that IPReg did not factor the annual growth of the regulated community into its planning. We are disappointed to see that this has not been addressed. In the 2024-25 consultation, IPReg budgeted for £1.25m of income. In 2025-26, IPReg is budgeting for £1.33m of income. An increase of 6.4%. The business plan and budget do not provide a rationale for this level of increase. This is a result of IPReg not modelling the annual growth of the regulated community. For a 3% increase in practice fees to generate £1.33m income, the estimate of the final practice fee income for 2024-25 will be £1.29m, an annual growth in the regulated community of 3.2%.

If a similar growth in the regulated community happens in 2025-26, IPReg will generate income in the region of £1.37m, an increase of 9.6% on the 2024-25 budget and approximately 6.2% on the estimate of the final practice fee income for 2024-25. Without this detailed analysis of the growth of the membership community, it is difficult for CIPA to comment positively on IPReg's proposed 3% increase in practice fees. We appreciate that IPReg will not have data on student numbers and the expected growth in the regulated community through students becoming fully qualified. CIPA does have this data, and we would be prepared to share this information if this would be useful.

CIPA has no comment to make on the on the draft Practising Fee Regulations at Annex F of the consultation.

Yours sincerely



Lee Davies
Chief Executive

IPReg: 2025/26 Business Plan, 2025 Budget and Practising Fees consultation

1. The Chartered Institute of Trade Mark Attorneys (CITMA) is responding to the consultation by IPReg on their 2025/26 Business Plan, Budget and Practising Fees in its capacity as an Approved Regulator, as defined in the Legal Services Act 2007 (the Act) and as the representative body for Chartered Trade Mark Attorneys and the wider trade mark and design profession. We are grateful to IPReg for the opportunity to comment.
2. Our response answers the specific questions asked in the consultation.

Question 1. What are your views on the proposed business plan?

3. Many of the activities within the 2025/26 business plan are a continuation of the activities set out in the 2024/25 business plan and therefore we generally support the proposed plan.

Driving forward the work on education

4. We understand there is a need to continue to focus on aspects related to the route to qualification for Patent Attorneys (PA). As highlighted in our response to the 2024/25 business plan consultation, we encourage IPReg, throughout this piece of work, to give thought to the qualification route for Registered Trade Mark Attorneys (RTMA) to ensure that any findings, advancements or beneficial changes are recognised and potentially realised in respect of the RTMA qualification route (where applicable). It is important to ensure that there are no unintended consequences of changes to the PA qualification system on the RTMA qualification route or to RTMAs. Our only comment on the specifics in this area is whether the proposed timetable is realistic, especially given how long rule change applications can take.
5. We support the work on important issues concerning accredited attorney qualification providers which will help to ensure the standards of those qualifying remains high and the experience students have is a positive one.
6. We would encourage IPReg to also consider new qualification pathways for RTMAs, including apprenticeships. The business plan focusses on the patent attorney profession, but there may well be opportunities and a desire for apprenticeship schemes within the trade mark profession, therefore it should not be ruled out.
7. We support the proposal to review the competency framework for RTMAs and we had hoped work on this would have already commenced. We would welcome engagement from IPReg with CITMA and the profession in this piece of work. We would be happy to be involved to help IPReg with the resource and expertise needed. We have paused our own work to review the [Advanced Competency Framework for Chartered Trade Mark Attorneys](#) to ensure we align any review with the work IPReg undertakes in this area, therefore it would make sense to work closely with IPReg to ensure appropriate alignment.

Thematic reviews

8. We support the proposed thematic reviews to ensure the new regulatory arrangements are effective and achieving the intended aims. We look forward to seeing the updated impact assessment and learning outcomes from the review. We welcome the opportunity to comment on the findings and sharing views on what is working well and where adjustments may need to be made.

Diversity

9. We are pleased to see, once again, a ring-fence of reserves for diversity initiatives. It is important for IPReg to support and align with the broader work of the IP profession in this area.
10. We welcome the diversity survey carried out in 2024 and we look forward to seeing the results of the survey and to discuss any actions to be taken, particularly any findings which are relevant for the trade mark profession.

Responding to LSB consultations and related work

11. We note the extensive amount of work expected to take place in responding to LSB consultations and related work. We note from the Section 51 PCF application¹ last year that IPReg estimate 25% of its FTE policy resource is used on LSB activities. This appears to be a high percentage. This resource required to handle this growing volume of work, coupled with the increase in LSB levy is resulting in the cost of regulation rising.

Impact of Covid-19: IPReg's office and Board meetings

12. The proposal to move to a smaller office and reduce the licence fees seems a sensible move.
13. We note that Lord Smith of Finsbury will complete his second term as Chair of the Board in September 2025 and will step down. We would like to take the opportunity to put on record our gratitude to Lord Smith in the way that he has led the Board and helped IPReg to progress. His willingness to have open conversations and listen to the views of stakeholders has been appreciated and resulted in a positive and productive relationship between IPReg and CITMA.

Additional comments

14. In our response to the 2024/25 business plan consultation we identified two areas of work absent from the business plan.
15. Artificial Intelligence (AI) and future technology. In response to the consultation IPReg agreed with our suggestion and allocated £10,000 from reserves to support work initially. We are aware that IPReg has recently set up a working group to look further into AI, but we are surprised there is little to no reference of the work planned in this area within the 2025/26 business plan.
16. Net zero. In response to the consultation IPReg clarified that given the ambitious work set out in the 2024 plan there was no plan to undertake work in this area, but it would be kept under review. We are still keen to see IPReg progress action to achieve net zero.
17. In the absence of featuring in the 2025/26 business plan we urge IPReg to make a commitment for work to commence in 2026 and details set out in the 2026/27 business plan.

¹ [Section 51 PCF application - 2024](#)

Question 2. What are your views on the proposal to abolish the fee paying category “Registered attorney practising as a sole trader and employing other regulated attorneys or other professionals”?

18. We have no objection to the proposal based on the rationale provided in the consultation.

Question 3. Do you have any evidence of the impact that each of these proposals will have on different categories of individuals or firms? In particular, do you have any evidence of the potential impact on the diversity of the profession? Do you have any comments on the Equality Impact Assessment at Annex B?

19. We do not have any evidence of the impact that each of the proposals will have on different categories of individuals or firms or any comments on the Equality Impact Assessment.

Question 4. What are your views on the proposal to increase practising fees by 3%?

20. In previous responses to practising fee consultations we made it clear that we hoped for a reduction in practising fees, all things being equal, in future years. This was something the LSB supported through an expectation that the cost of regulation would reduce over time. This remains our overall position, but we appreciate the continued difficult economic climate and inflationary cost increases cannot simply be absorbed or ignored. We therefore consider the proposal by IPReg to increase fees by 3% to be a reasonable approach.
21. We would hope that for future years IPReg would be able to lower fees or freeze fees to reduce the cost of regulation. We would welcome further information from IPReg before the next budget and practising fee cycle on how it will reduce the cost of regulation, given the increases we have seen year on year.

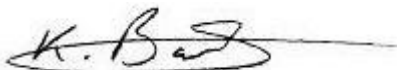
Question 6. What are your views on the proposed 2025 budget at Annex C?

22. We have no substantive comments to make on the proposed budget.

Question 6. Do you have any comments on the draft Practising Fee Regulations at Annex F?

23. We have no comments on the draft regulations.
24. We would be happy to discuss any of these points further with representatives from IPReg if it would be of assistance.

For and on behalf of the Chartered Institute of Trade Mark Attorneys



Keven Bader
Chief Executive

28th August 2024

IPReg's 2025/26 business plan and 2025 budget: IP Inclusive consultation response



IPINCLUSIVE

Working for diversity and inclusion in IP

1 Introduction

These submissions are made by the IP Inclusive initiative, in response to IPReg's July 2024 consultation on its 2025/26 business plan, budget and practising fee proposals.

They are made on behalf of the UK-based IP professionals – including many registered patent and trade mark attorneys – who support IP Inclusive in its efforts to improve equality, diversity, inclusion and wellbeing across the UK's IP sector.

2 The draft 2025/26 business plan

2.1 General comments

We are pleased to see that equality, diversity and inclusion (EDI) continue to play a key part in IPReg's proposed 2025/26 plans, in particular through its education-, training- and qualification-related activities. We note that IPReg intends to continue with projects begun under its 2024/25 business plan, many of which are likely to improve diversity and inclusivity in, and access to, the patent and trade mark professions and thus to have a positive impact on the regulated community. We applaud this work, for the reasons set out in our response to IPReg's 2023 business plan and budget consultation¹.

We particularly applaud the work being done (a) to ensure that routes to entry onto the patent and trade mark registers are varied as well as fit for purpose; (b) to encourage an increase in good quality providers of qualification pathways and examinations, in particular as a tool to increase diversity in the sector; and (c) to gather data about the diversity of the professions to inform IPReg's decision making: see our comments at 2.2 below.

We note IPReg's planned work concerning accredited attorney qualification providers. This we believe can also improve diversity in the pipeline of new recruits to the patent and trade mark professions. We urge IPReg to continue to ensure that accredited providers offer accessible training and assessment systems, with reasonable adjustments for those who need them, and a wide and inclusive range of qualification pathways wherever feasible.

¹ See <https://ipinclusive.org.uk/wp-content/uploads/2023/08/230818-ipreg-2024-budget-consultation-ip-inclusive-response.pdf>

As a more general point, we are pleased that “funding diversity initiatives” remains one of IPReg’s anticipated main areas of work. Increasing diversity is, we believe, beneficial for both the patent and trade mark professions and their clients, as well as one of the regulatory objectives under the Legal Services Act 2007. We remain ready to work with IPReg on its EDI-related projects, alongside our own ongoing efforts to improve diversity in the IP professions.

2.2 Diversity data gathering

IPReg states that it will continue to work with, and contribute to, cross-sector work on EDI, and in particular mentions working towards a collective approach to gathering data. IP Inclusive has been collaborating with CIPA, CITMA, The IP Federation and IPReg to develop an EDI data gathering toolkit that will support patent and trade mark professionals in their data gathering efforts and align approaches and benchmarking across the sector. We appreciate IPReg’s support for, and contributions to, this project, which we hope will continue. Ultimately we believe the toolkit will help us all to design, implement and evaluate EDI-related interventions, including at the points of entry to the patent and trade mark professions.

“Continuing to build our evidence base about the IP sector” also remains one of the anticipated main areas of work in IPReg’s proposed 2025/26 business plan. In this regard, we were delighted that IPReg ran a fresh diversity survey earlier in 2024. For the reasons given in our 2023 consultation response¹, we believe it was important for this work to be conducted as early as possible. We understand that response rates were better than in 2021 and we look forward to seeing the results.

We note that IPReg does not intend to repeat the survey in 2025 and appreciate that there are practical constraints to be considered in this context. However, in the longer term, we continue to recommend that an EDI data gathering process be incorporated into IPReg’s annual registration procedures. We remain of the view that for the patent and trade mark professions, it is the regulator that is best placed to gather this data and to provide accurate diversity benchmarks for its registrants, their businesses, their clients and other legal sector regulators. It therefore has a responsibility to do so. Moreover it is important that IPReg itself has up-to-date evidence, in order to evaluate the impact of its EDI-related regulatory arrangements and target future EDI initiatives more effectively. See the comments at 3.4 in our 2023 consultation response¹.

3 The proposed 2025 budget

We are pleased to see the inclusion, in the proposed 2025 budget, of an increased allowance of £12,500 for supporting diversity initiatives in the regulated community, underpinned by the continuing £20,000 diversity initiatives reserve.

We have very much appreciated and thank IPReg for using some of its previous diversity budgets to support IP Inclusive. This has allowed us to continue our work to promote equality, diversity, inclusion and wellbeing in the UK’s IP sector – a sector which embraces not only IPReg’s regulated community but also the other IP professionals who work alongside them for the benefit of their clients. We hope that this funding can continue during 2025.

Similarly we thank IPReg for its support in promoting and participating in IP Inclusive's work, in sharing relevant information and experiences, and in collaborating on projects where appropriate.

As ever, IP Inclusive – in particular through its communities² and Careers in Ideas outreach campaign³ and their respective contacts – would welcome the opportunity to work with IPReg to ensure that the 2025 diversity budget is appropriately spent on projects that will have a positive impact on EDI in the patent and trade mark professions.

4 The proposed 2025 practising fees

We have no comments on IPReg's proposed increase to the practising fees in 2025, other than to stress the importance of the discretionary waiver (sections 4 to 7 of the draft Practice Fee Regulations). We welcome the fact that IPReg intends to maintain the waiver and its availability in any case of hardship. This represents a proportionate way of ensuring the fee increase does not compromise inclusivity in the regulated professions. We believe it will help the professions to embrace and nurture a wider range of people, in turn contributing to the sector's independence, strength, diversity and effectiveness.

5 The equality impact assessment (EIA)

We note that this year's EIA is based on diversity data gathered in 2021, and are pleased that next year's will be informed by more up-to-date evidence from the 2024 survey: see 2.2 above.

As the 2024 EIA is largely unchanged compared to the 2023 version, our comments in response to the 2023 EIA (see section 6 of our 2023 submissions¹) largely still stand.

In particular, we are pleased that the discretionary fee waiver will continue to help reduce detrimental effects on groups for which IPReg has little statistically significant data.

6 About IP Inclusive

IP Inclusive is an association of individuals and organisations who share a commitment to improving equality, diversity, inclusion and wellbeing throughout the UK's IP professions. Its founding organisations were the Chartered Institute of Patent Attorneys (CIPA), the Chartered Institute of Trade Mark Attorneys (CITMA), the IP Federation and The UK Association of the International Federation of Intellectual Property Attorneys (FICPI-UK), with active support and involvement from the UK Intellectual Property Office. The founding organisations do not have any ownership or control of IP Inclusive.

² See <https://ipinclusive.org.uk/community/>

³ See <https://ipinclusive.org.uk/careers-in-ideas/>

Our supporters span the IP-related professions and include patent and trade mark attorneys and paralegals, their business support colleagues, IP solicitors and barristers, and other professionals who work in or with intellectual property. Many CIPA and CITMA members are actively involved in the initiative, as are their organisations, which support us as Charter signatories and/or donors.

Our work, which is overseen by the governing body IP Inclusive Management⁴, includes:

- A voluntary best practice Equality, Diversity and Inclusion Charter⁵, which currently has 157 signatories from across the IP professions, and an associated “Senior Leaders’ Pledge”⁶.
- The “Careers in Ideas”³ campaign, which raises awareness of IP-related careers in order to diversify the pool from which the professions recruit.
- Networking and support “communities”² for under-represented groups and their allies, which currently include our Women in IP community; IP & ME for professionals from minority ethnic backgrounds; IP Ability for disabled (including neurodivergent) professionals and carers; IPause for professionals affected by the (peri)menopause; IP Futures for early-career professionals; and IP Out for LGBTQ+ professionals.
- EDI- and wellbeing-related resources⁷, training, news⁸ and information, which we disseminate through our website, events⁹ and regular updates to our supporters.

Our Lead Executive Officer Andrea Brewster is a Chartered Patent Attorney, a former CIPA Council member and President, and now an honorary member of CIPA. In the past she has served on the Institute’s Education and Business Practice Committees. She is regulated by IPReg but not currently in active practice.

For more information about IP Inclusive, please visit our website at <https://ipinclusive.org.uk/>, or email contact@ipinclusive.org.uk.

23 August 2024

⁴ See <https://ipinclusive.org.uk/ip-inclusive-management/>

⁵ See <https://ipinclusive.org.uk/about/our-charter/>

⁶ See <https://ipinclusive.org.uk/the-ip-inclusive-senior-leaders-pledge/>

⁷ See <https://ipinclusive.org.uk/resources/>

⁸ See <https://ipinclusive.org.uk/newsandfeatures/>

⁹ See <https://ipinclusive.org.uk/events/>

Sent by email only to info@ipreg.org.uk



27 August 2024

The Intellectual Property Regulation Board Consultation on its 2025/26 Business Plan

The Legal Services Consumer Panel (the Panel) welcomes the opportunity to respond to IPReg's Business Plan for 2025-26.

We agree with IPReg's decision not to add more work strands to this year's plan, but instead, focus on the delivery and implementation of its previous Business Plan to ensure that the cohesive package of work it has committed to, delivers good outcomes for both consumers and the profession.

Given that we have commented on and engaged with IPReg's previous plans, our response is short and focuses on suggestions for further improvement.

Improving consumer knowledge and engagement

The Panel welcomes IPReg's narrative under this heading, but would have liked to see additional information about the activities or work strands that will be undertaken to give effect to the objectives described.

Driving forward work on education

The Panel welcomes this work strand and is impressed with the appointment of a Head of Education Review Project Manager to help IPReg progress this agenda.

We welcome IPReg's commitment to alternative routes into the profession and fully support the exploration of an apprenticeship programme.

We note the plans for re-assessing ongoing competence and support the plans. However, IPReg plans to re-accredit its regulated community every five years, without explaining how it arrived at this timeframe. The Panel would like to understand the rationale behind the timeframe.

Transparency

The Panel supports the move towards increased transparency as set out in the Business Plan. We agree that the new requirements will enhance consumer confidence and help consumers make informed decisions. However, it is important to emphasise that how

the information is presented is crucial to its effectiveness. Also, the information needs to be comparable, for it to be meaningful to consumers, and to give effect to both the letter and spirit of the Competition and Markets Authority's recommendations. Therefore, IPReg must retain some responsibility for ensuring that its regulated community presents information in a way that is truly meaningful for consumers. We also expect that IPReg will publish any monitoring and evaluation it does in this area.

Innovation Sandbox for Professional Indemnity Insurance

The Panel supports IPReg's plans for an innovation sandbox to help it consider how to respond and support its regulated community on Professional Indemnity Insurance (PII). We urge IPReg to liaise with other Approved Regulators who have recently reviewed their PII arrangements, to ensure that existing fragmentation across the sector is not exacerbated.

Finally, we welcome IPReg's commitment to building its evidence base and support the creative way it is beginning to do this.

Yours sincerely,

A handwritten signature in black ink that reads "Tom Hayhoe". The signature is written in a cursive style with a small flourish at the end.

Tom Hayhoe
Chair
Legal Services Consumer Panel



IP Federation response to the IPReg consultation on the 2025/2026 business plan (the “Consultation”)

Introduction

The IP Federation¹ welcomes the opportunity to respond to the [Consultation](#). It limits its comments to those concerning (1) the DEI initiatives raised in the Consultation; and (2) the assessment of the structural changes to the European qualifying examination (“EQE”).

Particularly, in relation to (1) the IP Federation strongly agrees with the work which IPReg commits to concerning (1) widening participation in the patent attorney profession and improving its diversity, and (2) IPReg’s feasibility assessment of developing an apprenticeship route to becoming a patent attorney.

In relation to (2) the IP Federation welcomes IPReg’s commitment to continue to liaise with the epi on this important topic. The IP Federation considers that the UK and European qualifications should be able to efficiently sit side by side with the UK examinations focusing on differentiating national principles and procedures.

IP Federation comments

Improving diversity in the patent profession

The IP Federation supports this goal. In the long term, the IP Federation considers that this goal will be achieved by attracting diverse candidates in education. The IP Federation therefore considers that coordination with organisations which are promoting diversity (including social mobility) in STEM education is vitally important to this work.

The IP Federation considers that such coordination must be targeted - for example, the same solutions and support may not be applicable to improving both racial diversity and diversity of sexual orientation. *Patent attorney apprenticeship*

The IP Federation supports the consideration of alternatives to entering the patent attorney profession, and commends IPReg in tackling this important issue. Despite the (understandable) significant level of technical expertise required to enter the profession the IP Federation does not consider that the sole route to obtain the necessary background level of technical competence must necessarily be through higher education at university.

Particularly, the cost of higher education at university can be prohibitively expensive, which may ultimately deter candidates with STEM interests and capabilities from entering the patent profession. The creation and development of new struc-

¹ The IP Federation aims to improve the IP framework to meet the needs of innovative industry by representing, nationally and internationally, the views of UK-based businesses. Its membership of influential IP-intensive companies has wide experience of how IP works in practice to support the growth of technology-driven industry and generate economic benefit. As a cross-sectoral industry organisation covering all technologies, the IP Federation is able to offer a viewpoint which is authoritative and balanced. Details of the IP Federation membership are given at the end of this paper.

tured IP apprenticeship pathways is therefore important to improve access to (and knowledge of) the patent profession (and inevitably the IP profession more broadly).

The work proposed by IPReg is in line with developments in the solicitor's profession, where a number of private practice firms have developed and embraced apprenticeship routes to allowing entry into the profession, with success. In addition, STEM degree apprenticeships are well-established in industry. To the extent possible it is recommended that key learnings from the development of these alternative routes are sought from the firms/companies which are involved in such schemes. Some IP Federation member companies may be able to contribute in this regard.

The IP Federation agrees that such proposals should be considered with a view as to how diversity in the IP profession can be improved, where applicable, and sustained. To the extent possible this may necessitate obtaining input from organisations who are actively promoting diversity in the IP profession or in STEM education (as above). For example, the IP Federation considers that diverse candidates should, at the relevant time, be able to easily access information concerning alternative routes in order to be able to make an informed decision as to their career choices.

Comment on Annex B - draft equality impact assessment

In the absence of the 2024 diversity data, the IP Federation considers it to be a suitable alternative to rely on the 2021 collected data. The IP Federation notes however that certain characteristics are recorded as follows in the draft equality impact assessment: "*Data for this characteristic is very limited and so we are unable to draw any conclusions from it.*" The IP Federation considers that, in the interests of transparency, even limited data sets should be included, where available (even if it is considered that conclusions cannot be drawn).

The IP Federation considers it to be important to continue to collect and analyse data on diversity in the IP profession to ensure that goals and objectives (and progress towards them) can be continually monitored. The IP Federation considers that diversity data collection, and analysis, every two years would be appropriate and reasonable.

Changes to the patent attorney EQE

The IP Federation welcomes IPReg's confirmation that it will continue to co-operate with the epi to analyse the extent to which overlapping examined topics can count toward both UK and European qualifications. The IP Federation considers however that to the extent possible duplication as between the two qualifications should be avoided, and that the UK examinations should focus on differentiating aspects necessary to test important domestic elements along with areas of domestic procedure (including, for example, UK national litigation / infringement principles).

Conclusion

The IP Federation supports the DEI objectives set out in the Consultation and some of its members may be able to assist in achieving such objectives.

The IP Federation hopes it will be given an opportunity to be consulted on any proposed regulatory arrangements concerning UK qualifications, in light of the broader changes to the European system, before a rule change application to the Legal Services Board is made.

IP Federation
27 August 2024



IP Federation members 2024

The IP Federation membership comprises the companies listed below. The UK Confederation of British Industry (CBI), although not a member, is represented on the IP Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. The IP Federation is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

AGCO Ltd
Airbus
Arm Ltd
AstraZeneca plc
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
Canon Europe Ltd.
Caterpillar U.K. Ltd
Cummins Ltd.
Cytiva
Dyson Technology Ltd
Eisai Europe Limited
Eli Lilly & Co Ltd
Ericsson Limited
HP Inc UK Limited
IBM UK Ltd
Johnson Matthey PLC
Merck Sharp & Dohme (UK) Ltd
Microsoft Limited
Mitsubishi Heavy Industries, Ltd.
NEC Europe
Nokia UK Limited
Nu Quantum Ltd
Ocado Group plc
Oxford Nanopore Technologies plc
Pfizer Ltd
Philips Electronics UK Ltd
Pilkington Group Ltd
Procter & Gamble Ltd
Reckitt
Regeneron UK Ltd
Renishaw plc
Rolls-Royce plc
Shell International Ltd
Siemens plc
Smith & Nephew
Syngenta Ltd
UCB Pharma plc
Unilever plc
Vectura Group plc
Vodafone Group

Registered Office 2nd Floor, Viaro House, 20-23 Holborn, London EC1N 2JD

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Board Meeting 12 September 2024

PII sandbox application

Agenda Item: X

Author: Fran Gillon, CEO (fran.gillon@ipreg.org.uk), Shelley Edwards (shelley.edwards@ipreg.org.uk)

This paper is for decision.

Annexes A – D to this Board paper will not be published – commercially confidential information.

Summary

1. IPReg has received a formal application from an unregistered body for an “in principle” decision to waive IPReg’s PII requirements for [MTC compliant insurance](#) and enter the PII sandbox in the event that the firm is admitted to the register. This paper sets out the application at a high level, with confidential information attached at Annexes A-D which will not be published. If the application is successful, the applicant, a regulated patent attorney intends to pursue an application for registration of the firm. If successful, the firm’s entry on the public facing register will be annotated to reflect that the waiver is in place.
2. The applicant wishes to use an epi (European Patent Institute) policy that has been modified specifically for the UK market following discussions between the IPReg Chief Executive and the epi over several years. The insurance is underwritten by Lloyds.
3. A paper was brought to the July 2023 Board meeting proposing that the Board consider the epi policy and agree in principle that the epi policy could be used by applicants wishing to enter the sandbox. The Board decided that further discussions with the epi should take place to resolve some outstanding issues including the inclusion of cyber-events and run off cover. These have now been resolved by way of optional Endorsements or policies to the modified epi policy (see recommendations below).

Recommendation(s)

4. The Board agrees:
 - a. To approve in principle the application to waive the standard PII requirements in relation to the applicant firm and permit entry to the PII sandbox with no expiry date;
 - b. To require the applicant firm to report to IPReg:
 - i. Any claims and the cause of those claims when they occur;
 - ii. Whether the claims will be covered under the PII policy;
 - iii. The outcome of the claim once settled;
 - iv. Any anticipated claims and the cause of those anticipated claims;
 - v. Whether the anticipated claim (if it materialises) will be covered under the PII policy;
 - vi. Any material changes to the stated risk assessment;
 - c. To require the applicant firm to take out the run-off cover policy in the event that it ceases to practise.

- d. To require the applicant firm to ensure that epi cover includes the cyber-risk endorsement

Risks and mitigations

	Risk	Mitigation
Financial	No direct financial risk to IPReg	N/A
Legal	No direct legal risk to IPReg	N/A
Reputational	IPReg may face criticism for waiving the requirement to have MTC-compliant PII if the proposed policy fails to protect consumers in the event of a claim.	The application has been assessed by the Head of Registration and the Chief Executive with frequent dialogue with the applicant and the epi, provider of the insurance. The epi is a well-known and respected organisation and its inclusion as part of this process is likely to increase the attention on how it operates in practice and could provide increased support for the concept of the PII Sandbox.
Resources	The waiver application has been processed and assessed internally with the consequent use of internal resources. No external costs have been incurred. There will be a cost of the ongoing monitoring of the sandbox and the reporting commitments made by IPReg.	Any internal cost should be considered in the context of the PII sandbox being a new initiative designed to encourage innovation and competition for the benefit of consumers and the public.

Background

- The applicant is a registered patent attorney, first registered in April 2007. He brings this application on behalf of ██████████ a company owned by ██████████ ██████████ is not registered by IPReg as it is unable to get professional indemnity insurance (“PII”) with PAMIA and the quote received from the only other participating insurer, Allianz Global & Corporate Specialty SE was deemed “prohibitively expensive” with premiums three times higher than that offered by the epi policy for commensurate terms. ██████████ ██████████ currently employs three IPReg regulated patent attorneys in addition to the applicant.
- The applicant applies for a waiver of the requirement to have IPReg Minimum Terms and Conditions (“MTC”)-compliant PII. The proposed policy is provided under the epi’s IPRISK scheme.
- As part of its application, the firm has submitted the information required at paragraph 9 of the IPReg [PII sandbox guidance](#) (“the Guidance”) and a copy of the proposed PII policy.

8. [REDACTED] is not on the register of patent attorneys. If this application is granted, [REDACTED] would meet the criteria required to apply to become a licensed body. It is only the matter of insurance that is preventing the application being made. If the application is not granted, [REDACTED] cannot be registered and IPReg will need to consider the ongoing position of the regulated attorneys working within the unregulated firm who would all need to have their own, individual policies of PII in place in order to provide patent attorney services to the public.
9. Annex A contains the [REDACTED] application, dated 12 July 2024.
10. Annex B contains a summary comparison of IPReg’s MTCs and the applicant firm’s proposed PII policy. This document was prepared by IPReg. This is commercially confidential information and will not be published.
11. Annex C is a copy of the proposed policy. This will not be published.
12. Annex D is a copy of the epi Fact Sheet submitted by the applicant. This will not be published.

Options

13. Approve the application with the reporting conditions set out above and no expiry date (recommended).
14. Approve the application but on a time-limited basis with the reporting conditions.
15. Refuse the application with reasons.

Discussion

16. The criteria set out in paragraph 9 of IPReg’s Guidance, together with the applicant firm’s response or assessment, is set out in Annex A. Additional information and clarification has been provided following email correspondence with the applicant; due to its length it has not been included but can be made available to Board members on request. As the initial application and subsequent email correspondence contains sensitive, commercial information, the response and assessment are set out in summary form below.

<p>9.a Why it is advantageous for the applicant firm to obtain alternative PII cover</p>	<ul style="list-style-type: none"> • The applicant has been unable to secure insurance with PAMIA • The cost of the only other IPReg participating insurer policy is prohibitive (an early indication of £[REDACTED] pa was quoted), particularly in the context of the value to the firm of UK services • The cost of the proposed policy would be EUR [REDACTED]
<p>9.b Nature of the applicant firm’s client base</p>	<p>At present, [REDACTED] sole client is its parent firm, [REDACTED]. The UK regulated attorneys provide UK patent services to the clients of [REDACTED].</p>

	<ul style="list-style-type: none"> • The clients are predominantly of [REDACTED] nationality/residence, together with other clients based elsewhere in the EU and Scandinavia. [REDACTED] has [REDACTED] UK based client currently, a [REDACTED] • Clients range from individual inventors and start-ups through to large corporate entities, government departments, learning and research organisations and global multinationals. • It is anticipated that once licensed, the firm will provide a full range of UK specific patent/IP strategy matters including filing and prosecution, advice in relation to ownership, Freedom to Operate, infringement, validity, licensing and enforcement, assignments and representation at the UKIPO
<p>9.c Assessment of risks involved in the services the applicant firm provides, and how these are adequately covered by the alternative PII policy or otherwise mitigated</p>	<ul style="list-style-type: none"> • The applicant firm has identified no particular risks that are unique to its practice (for example, a firm that is solely paper-less may be at a greater risk of harm arising out of a cyber event) and envisages the risks will be the same as any other firm in the UK providing IP services • While [REDACTED] is a new company (incorporated [REDACTED] [REDACTED] has had a presence in the UK since 2003 and its parent company, [REDACTED] is the longest standing IP firm in [REDACTED] in practice for around 80 years • The proposed policy is a specialised IP policy widely used in Europe (though modified to include extra protections for the UK market following discussions with IPReg) and will be familiar to clients of IP firms throughout Europe. It has been formulated by the epi who is the regulator (and representative body) of European Patent Attorneys and is therefore well placed to define appropriate scope of cover for the risks arising from professional practice • The proposed policy is worldwide in nature but the courts of England and Wales will retain jurisdiction in the event of a dispute
<p>9.d The level of cover the alternative policy will provide and why this is considered appropriate</p>	<ul style="list-style-type: none"> • The level of cover is EUR [REDACTED] in the aggregate. This policy will be in addition to other policies held by the [REDACTED] group but is particular to [REDACTED] • The level of cover is significant given the current size of the UK company
<p>9.e The information the applicant firm proposes to give to its client about its alternative PII arrangements</p>	<ul style="list-style-type: none"> • The applicant firm intends to advise clients that it is fully insured and although the PII policy in place is not a standard policy in terms of IPReg’s minimum terms and conditions, it has been assessed as broadly equivalent and acceptable. The applicant firm will provide to the client in writing, a document setting out the differences between its policy and that which meets IPReg’s MTCs

	<ul style="list-style-type: none"> As the firm is not yet registered, as is our standard practice, we will review its full Terms & Conditions at the point of application
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17. The main areas where the epi policy differs from the MTCs are set out in Annex B. In summary:

- a. Type of cover. The MTCs provide cover for civil liability but the epi policy coverage is narrower. However the MTCs appear to allow the exclusion of specific types of claims and this is an optional exclusion in the PAMIA terms of cover. We do not, of course, know how often (if at all) this exclusion is engaged;
- b. Restitution damages. These are excluded by the epi policy. In the MTCs, although civil liability would include restitution damages, there is a potential exclusion which is carried into the PAMIA terms;
- c. Dishonesty. The epi policy does not cover senior managers including directors and partners, whereas the PAMIA terms would. There may therefore be a slightly increased risk that there could be a claim on the compensation fund in the event that a senior manager in a firm that had an epi policy was dishonest or fraudulent. However, an individual consumer or micro-business that was affected by that dishonesty or fraud would still be able to make a claim on the compensation fund up to the maximum £25k;
- d. Breach of regulation or legislation. The epi policy excludes breaches that might result in criminal charges; this is not the case in the MTCs. However, the inclusion of this requirement in the MTCs seems to operate to the firm's benefit rather than being a clear consumer protection measure;
- e. Geographical vs jurisdictional limits. The epi policy restricts where a claim can be made to the 39 signatory countries including the UK. This seems unlikely to have an adverse effect on UK consumers;
- f. Costs and expenses. The epi policy limit includes costs and expenses. Under the MTCs, these are paid in addition to the policy limit, subject to reductions in the amount paid if the final settlement is over that limit. This provision in the MTCs clearly provides a potential benefit to the firm in the event of a claim that is near the limit of its cover and which incurs substantial costs and expenses. However, the epi's approach does not seem to lead to any direct consumer detriment in terms of the amount that they can claim or be paid in the event of a successful claim.

18. It is recommended that the Board does not impose a time limit on the sandbox to give the applicant firm certainty in planning its commercial and strategic activities. Should a significant

number of claims arise, IPReg would address these with the applicant firm to determine whether there is any relevance to the fact that the PII policy is not MTC-compliant and to ascertain any ongoing risk to clients.

Next steps

19. If the Board approves the application, the firm will proceed with a licensing application and IPReg will review its key policies and documents, including Terms & Conditions, explanation of its insurance arrangements and complaints policy. If licensed, the firm's entry on the online register will reflect that a PII waiver is in place so that potential clients are alerted to this fact.
20. IPReg will keep this application and any other approved application under review as part of its ongoing monitoring process, with a view to publishing an analysis including lessons learned in due course.

Supporting information

Links to strategy and business plan

21. Innovation: The PII sandbox is an innovative initiative to deal with the sector-wide issues around the lack of choice of professional indemnity insurance provider, and the associated costs. One of the aims of the PII sandbox is to facilitate innovation and competition in the provision of IP legal services. In its response to the 2025 business plan consultation, the Legal Services Consumer Panel expressed its support for the sandbox.

Supporting the regulatory objectives and best regulatory practice

22. The application engages or may engage the following regulatory objectives: improving access to justice, protecting and promoting the interests of consumers, promoting competition in the provision of legal services and encouraging an independent, strong, diverse and effective legal profession.
23. By approving the application to waive the usual PII requirements, the applicant firm will be able to become regulated, affording the additional protections that comes with regulation to its clients. It will also mean that clients will have the option to directly access patent services in the UK without the need to instruct the parent company, potentially avoiding unnecessary administration costs.

Impacts

24. The PII sandbox is a new initiative, representing a departure from standard regulatory arrangements that are familiar to consumers of UK legal services. This is the second application to be fully considered and we are aware that at least two other applicants are awaiting the outcome of this application before submitting their own application on the basis of the same UK-modified epi policy. While approval of this application would not amount to automatic approval of any other application (which must be practice-specific) it could create a viable

alternative in the IP sector which could help improve options for choice amongst the regulated community and drive down cost, ultimately benefitting the consumer.

Communication and engagement

25. N/A

Equality and diversity

26. N/A

Evidence/data and assumptions

27. IPReg has carried a comprehensive assessment of the differences between IPReg's MTCs and the proposed PII policy. The Chief Executive has had a number of conversations with the epi over the last few years to reach a mutual understanding of what is required in the UK and how the epi might modify its standard policy to meet the needs of the UK consumer.

28. The policy provider is a prominent insurer of European Patent Attorneys, which provides an additional level of confidence in the PII product and its provider.

Board Meeting 12 September 2024

2024 Diversity Survey

Agenda Item: 7

Author: Shelley Edwards, Head of Registration (shelley.edwards@ipreg.org.uk 020 7632 7175)

This paper is to note

Summary

1. From 2 – 30 July 2024, all currently registered patent attorneys and trade mark attorneys were invited to participate in the 2024 IPReg diversity survey. IPReg last ran a diversity in 2021 and the report and findings can be found on IPReg’s [website here](#).
2. The survey was conducted by Enventure Research who were appointed following a tender exercise. The questions asked were largely based on the 2021 survey in order to obtain a clear picture of developing trends. Some changes and additions were made following consultation with stakeholders including IP Inclusive, CIPA, CITMA and the UKIPO and discussion with Enventure Research.
3. A total of 1392 complete responses were received representing a 39% response rate. This is an increase of 2% from 2021. IPReg stakeholders including IP Inclusive, CIPA, CITMA and the IP Practice Directors’ Group are thanked for encouraging participation in the survey through their individual channels.
4. The report attached at **Annex A** analyses the 2024 results and provides a comparison with the 2021 data and also the LSB’s [benchmarking data](#) which uses UK Workforce demographic data.

Recommendation(s)

5. The Board agrees to note this paper and to publish the report once finalised.

Risks and mitigations

Financial	The 2024/25 Business Plan allocated £10,000 for this workstream. This project came within budget.
[REDACTED]	[REDACTED]
Reputational	No reputational risks have been identified.
Resources	The Head of Registration worked with Enventure Research to deliver this project. No additional resources have been required.

Key findings

- Three quarters of respondents are on the patent attorney register, slightly up from 2021. One fifth are on the trade mark attorney register. There is a slight fall of attorneys on both registers (down 2%)
- 87% practise in England, the majority in London and the South East. Much smaller numbers practise in Scotland (4%), Wales (1%) and Northern Ireland (1%) with 7% of respondents practising outside of the UK

- The age profile of attorneys has not significantly changed since 2021, with the bulk of registrants between 35 and 54 years old and 3% above the age of 65. The age profile is slightly older than the UK workforce
- The gender split represents a similar pattern to 2021, with 54% of registrants being male and 43% female. The number of women registered has increased significantly from 33% in 2017 though women are still under represented by 4% when compared with the LSB benchmark. This may change over time however, as the results show there are more women than men amongst the age groups below 55 years
- IPReg registrants continue to represent a slightly more diverse sexual orientation profile compared with the LSB benchmark
- IPReg registrants are almost in line with LSB benchmarks in terms of ethnic group, but greater representation of those with Black ethnicity is still required
- The proportion of those reporting they have a disability has increased from 1% to 7% since 2017, though this is still significantly under the LSB benchmark (18%)
- 13% of respondents consider themselves to be neurodivergent, with a slightly higher proportion among the patent profession. This is almost in line with the national average (15%)
- Almost half of respondents indicated they have no religion or are atheist, above the LSB benchmark
- The majority of attorneys continue to have been educated at a state-run, state-funded non-selective school, with almost one quarter attending an independent or fee paying school
- 43% of respondents reported they were part of the first generation of their family to have attended university, similar to results recorded in 2021. The LSB benchmark is 67%
- 70% of attorneys reported they are of a professional / higher socioeconomic background
- Those who attended an independent school were more likely to be working in very senior roles when compared with those with a state school education or who were educated outside of the UK
- 4% of attorneys reported redundancy within the last five years, which was more likely among trade mark attorneys. Attorneys working in-house within small departments and as sole practitioners were more likely to have been made redundant in the last five years.

Next steps

6. The Board should note the information in this paper. IPReg will use the data and information obtained from this survey to inform its activities in relation to the education review work and in considering requests for donations from charitable organisations relevant to the IP professions.

Supporting information

Links to strategy and business plan

7. An understanding of the diversity of the current regulated profession is central to our work on education and barriers to entry to the professions.

Supporting the regulatory objectives and best regulatory practice

8. IPReg must, so far as it is reasonably practicable, act in a way which it considers is compatible with the regulatory objectives and which it considers is the most appropriate way to meet them. Encouraging an

independent, strong, diverse and effective legal profession can only be achieved if IPReg understands the diversity of the profession and seeks to identify trends which might impact on this objective.

9. The data obtained from this survey will be used not just by IPReg, but also other stakeholders including the IPO and IP Inclusive in the context of their activities.

Impacts

10. There are no specific impacts on any type of regulated person, consumer or group.

Monitoring, Evaluation and Key Metrics

11. The LSB's benchmarking data is based on UK Workforce demographic data. There will be areas where IPReg will never achieve parity with this data (for example age; given the nature of the qualification pathway to be a registered attorney it is unlikely that IPReg's register will ever reach 11% in the 16-24 age group) but IPReg must constantly consider how its activities might influence other key metrics to bring it into line with national averages.
12. We will consider when best to launch another survey to monitor progress against the demographic data.

Communication and engagement

13. Key stakeholders were involved in the formulation of the survey questions, and IPReg is grateful for their support and assistance in encouraging engagement with this survey through their channels. 39% engagement is a statistically significant response rate which reflects the interest that regulated attorneys have in the diversity of their professions. Following finalisation of the report IPReg will email all attorneys and stakeholders with a link to the report which will be published on the IPReg website.

Equality and diversity

14. No specific equality and diversity issues were raised or identified in carrying out the survey.



IPReg

Intellectual Property
Regulation Board

Diversity Survey 2024

Research report

August 2024



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Research overview



Introduction from IPReg Chair

To follow



Background

IPReg is the independent regulatory body of Patent Attorneys and Trade Mark Attorneys, registering and regulating over 3,500 firms and attorneys across the UK.

IPReg is committed to encouraging an independent, strong, diverse and effective workforce. In 2021, IPReg conducted a survey to establish the diversity profile of its registrants and understand where greater diversity in the workforce needed to be encouraged. The diversity intelligence gathered also informed the development of IPReg regulatory arrangements, operational processes and other activities.

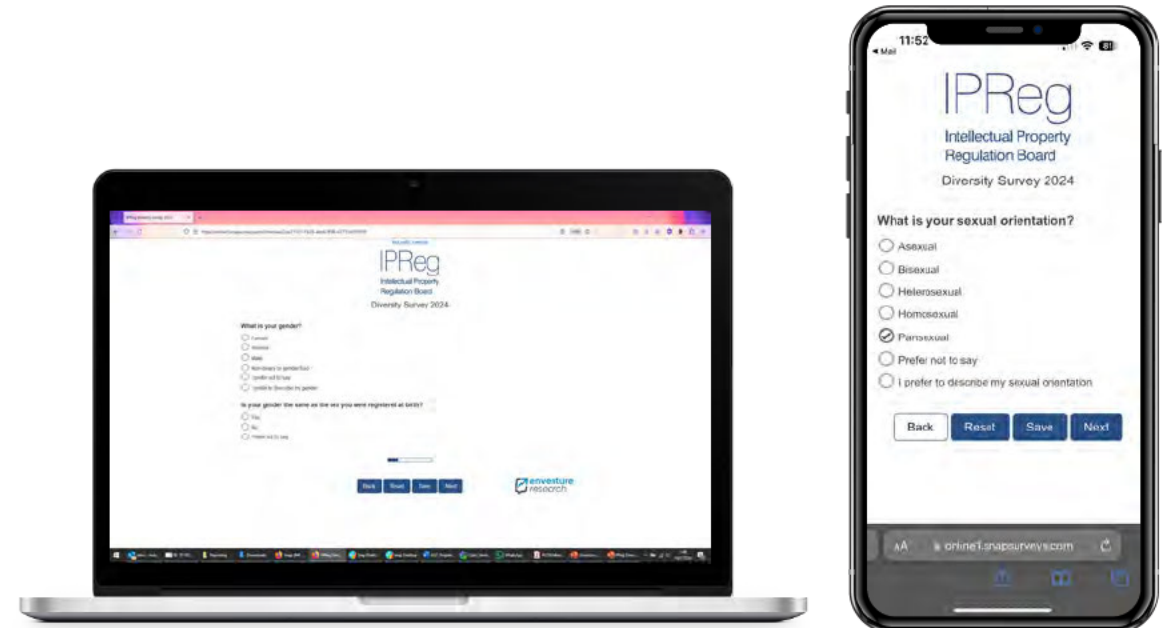
IPReg wished to conduct the same diversity survey again to establish an up to date profile of the profession and understand how the diversity of registrants may have changed since the survey was last conducted in 2021.

The survey was administered online to all IPReg registrants, with the aim of encouraging as positive a response rate as possible.



Survey methodology

- A questionnaire was designed by IPReg, with support from Enventure Research, covering a wide range of demographics and protected characteristics, including gender, age group, ethnicity, disability, and professional profiling questions.
- The survey could be completed online within 5 minutes and was open to all members.
- Email invitations with personalised links were sent to members, with follow-up reminders to encourage participation.
- The survey was also promoted via other channels such as social media, networks, and the IPReg website.
- The survey was open between 2 and 30 July 2024.



Survey response

A total of 1,392 responses were received, representing a 39% response rate – an increase of +2 percentage points from the 2021 survey.

Output	Result
Number in database provided by IPReg	3,633
Invitation emails successfully sent	3,606
Number of survey responses	1,392
Response rate	39%
Margin of error at 95% confidence level	±2%

Response rate: Number of completed surveys as a proportion of the number of invitations sent successfully

Margin of error: The “true” percentage of the whole membership population that would give a particular answer lies within these margins of the reported percentages 95 times out of 100

The average survey completion time (median) was 4 minutes



Interpreting the results

This report contains various tables and charts. In some instances, the responses may not add up to 100%. There are several reasons why this might happen:

- The question may have allowed each respondent to give more than one answer (multiple choice)
- Only the most common responses may be shown in the table or chart
- Individual percentages are rounded to the nearest whole number so the total may come to 99% or 101%
- A response of between 0% and 0.4% will be shown as 0%

Base sizes vary in some cases. For the analysis of some questions, 'don't know' and 'not applicable' responses have been excluded and some questions were not asked to all respondents. Base sizes are noted where applicable.

Statistical analysis has been used to explore differences in the results provided by key subgroup segments of members. Where base sizes for groups are not large enough, subgroups have been combined to create larger groups. Subgroup analysis is shown only where statistically significant differences between subgroups at the 95% confidence level have been found using the z-test.

Where possible, the following comparisons have been made:

- With data collected in the previous 2021 diversity survey and the IPReg CRM from 2017 to provide historical comparisons
- With the Legal Services Board's (LSB) Diversity Dashboard to provide comparison with the wider legal sector



Registration and location

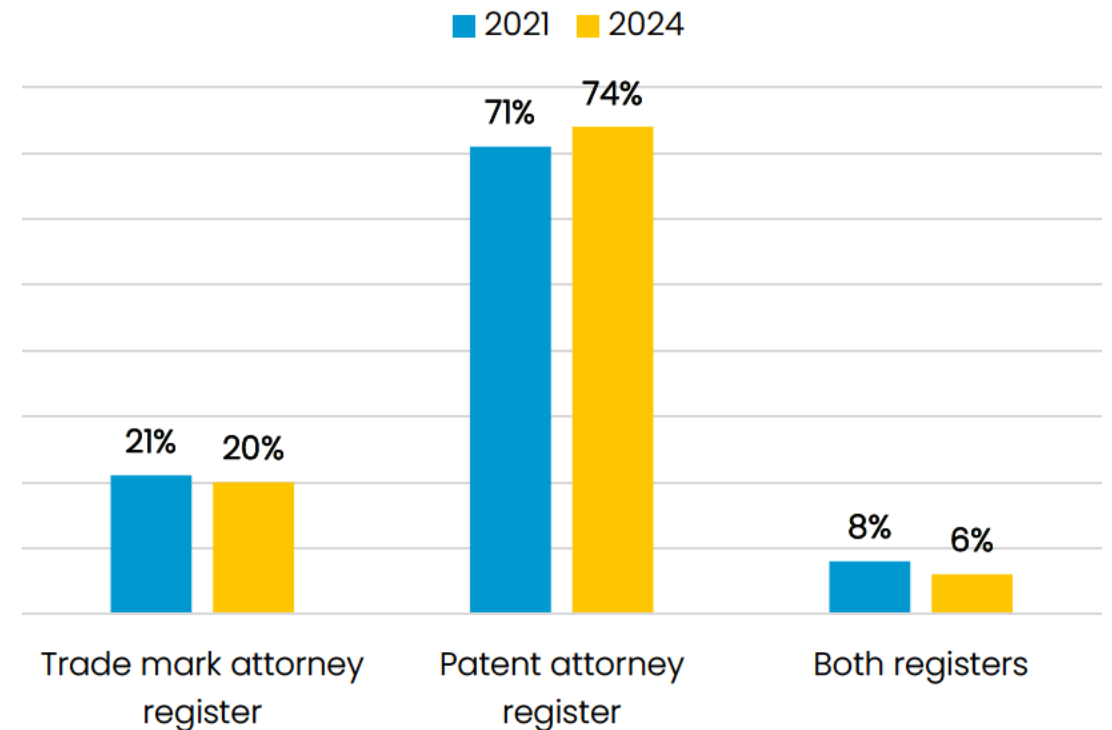
02.

Registration

Three quarters of registrants (74%) are on the patent attorney register and a fifth (20%) are on the trade mark attorney register.

Just 6% indicated that they were on both registers, a proportion which has fallen slightly since 2021 (-2%pts) as the proportion of those on the patent attorney register has increased (+3%pts).

Register	Number	Percent
Trade mark attorney register	285	20%
Patent attorney register	1,025	74%
Both registers	82	6%

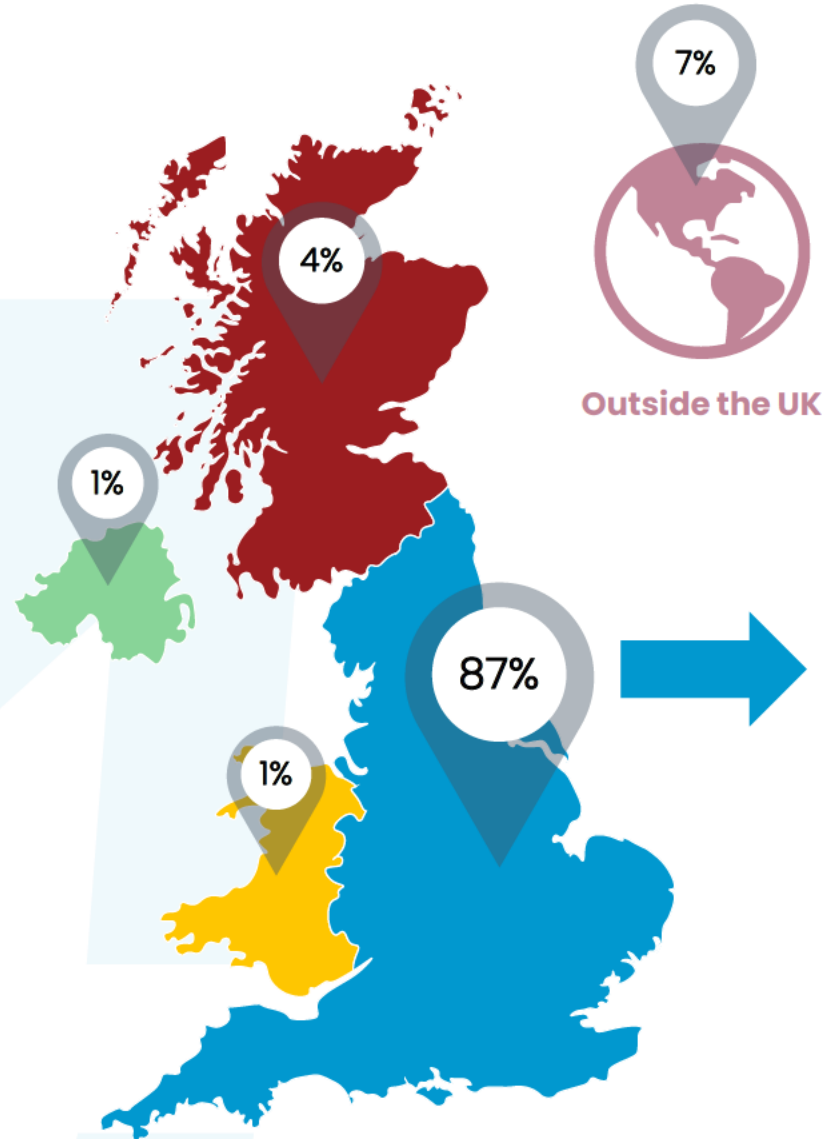


Question: Which register(s) are you on?
Base: All respondents 2021 (1,180); 2024 (1,392)

Location

The majority of survey respondents were practising in England (87%). Much smaller proportions were in Scotland (4%), Wales (1%), Northern Ireland (1%), or were outside the UK (7%).

The majority of respondents in England were based in the South, with 40% practising in Greater London and 21% in the South East.



Region	Percent
North West	5%
North East	1%
Yorkshire and Humber	6%
East Midlands	5%
West Midlands	5%
East of England	8%
Greater London	40%
South East	21%
South West	8%
Prefer not to say	1%



Question: Where do you practise?
Base: All respondents (1,392)

Age group

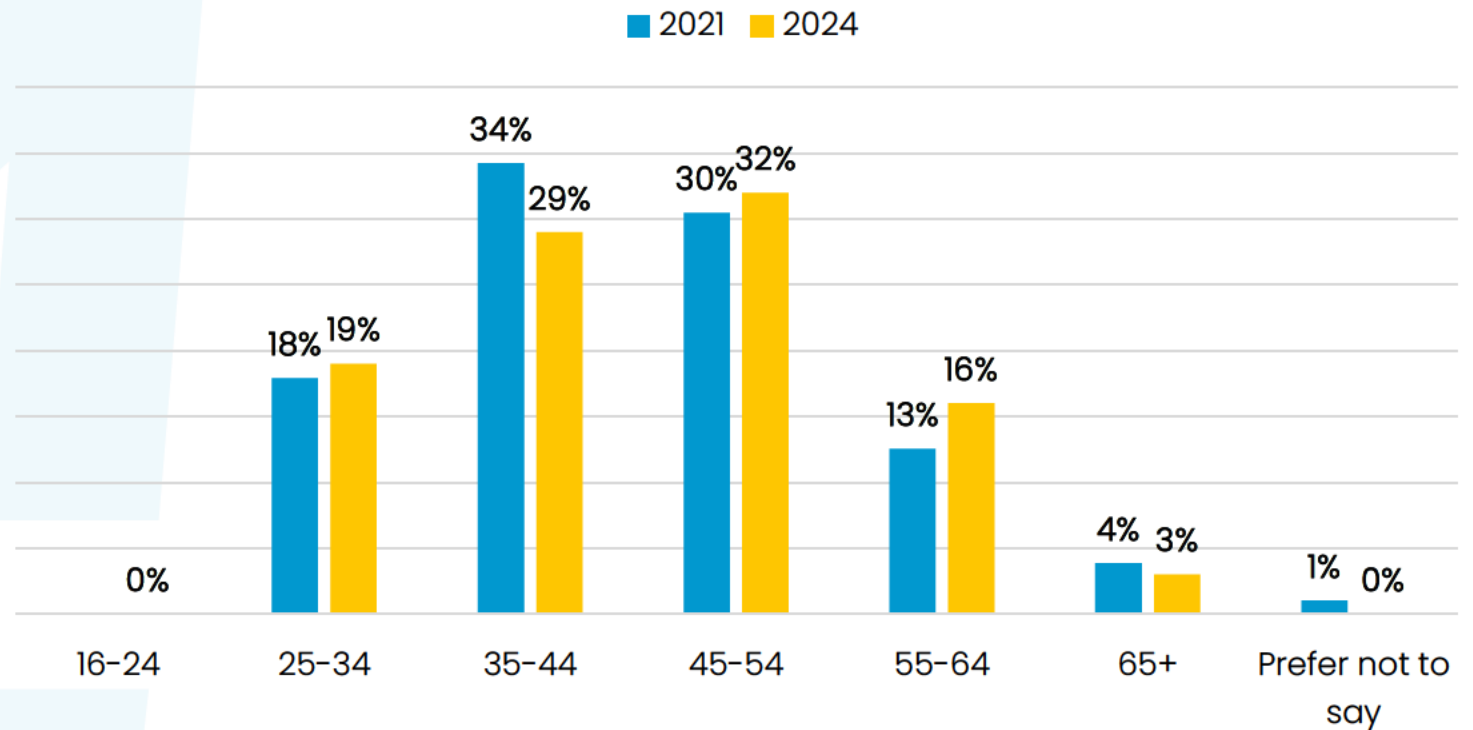
03.

Age group

The bulk of registrants are aged between 35 and 54 (a combined total of 62%).

The age profile is very similar to 2021, with a small increase in the proportion of registrants aged 55-64 (+3%pts) and decrease in those aged 35-44 (-5%pts).

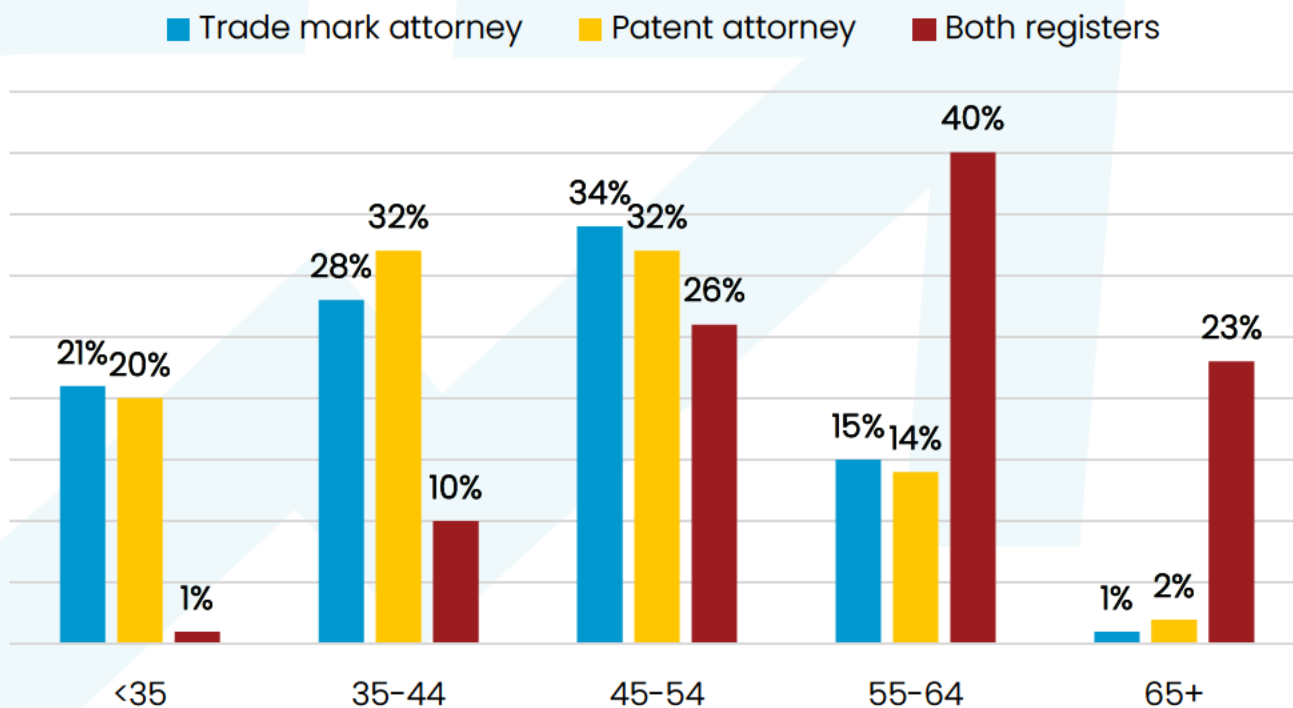
2024 results		
Age group	Number	Percent
16-24	1	0%
25-34	268	19%
35-44	410	29%
45-54	450	32%
55-64	216	16%
65+	41	3%
Prefer not to say	6	0%



Question: Which age group are you in?
Base: All respondents 2021 (1,172); 2024 (1,392)

Age group by register

The age profile of both professions is very similar, whereas those on both the trade mark and patent attorney registers were typically from older age groups.



Via indirect comparison to the LSB benchmark data (which uses slightly different age categories), the age profile of registrants is slightly older than the UK workforce, with a stark difference in the 16-24 year old category.

Age group	LSB benchmark	IPReg
16-24	11%	0%
25-34	23%	19%
35-44 (LSB = 35-49)	33%	30%
45-54		32%
55-64 (LSB = 50-64)	28%	16%
65+	4%	3%



Question: Which age group are you in?
 Base: Trade mark attorneys (285); Patent attorneys (1,025); Both registers (82)

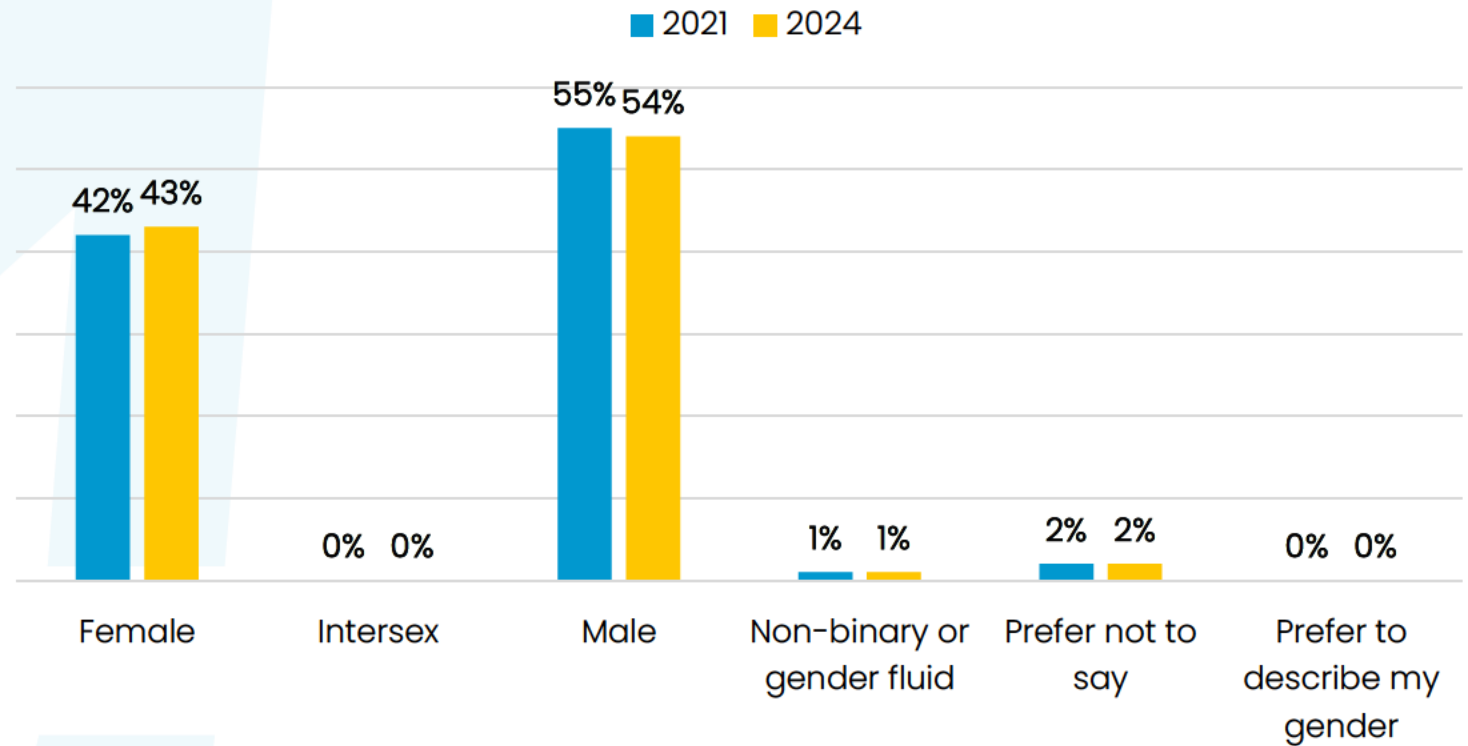
Gender

04.

Gender

A larger proportion of registrants are male (54%) than female (43%), and the split of gender is almost identical between 2021 and 2024. This result continues to represent an increased proportion of women working in the professions, up from 33% in 2017.

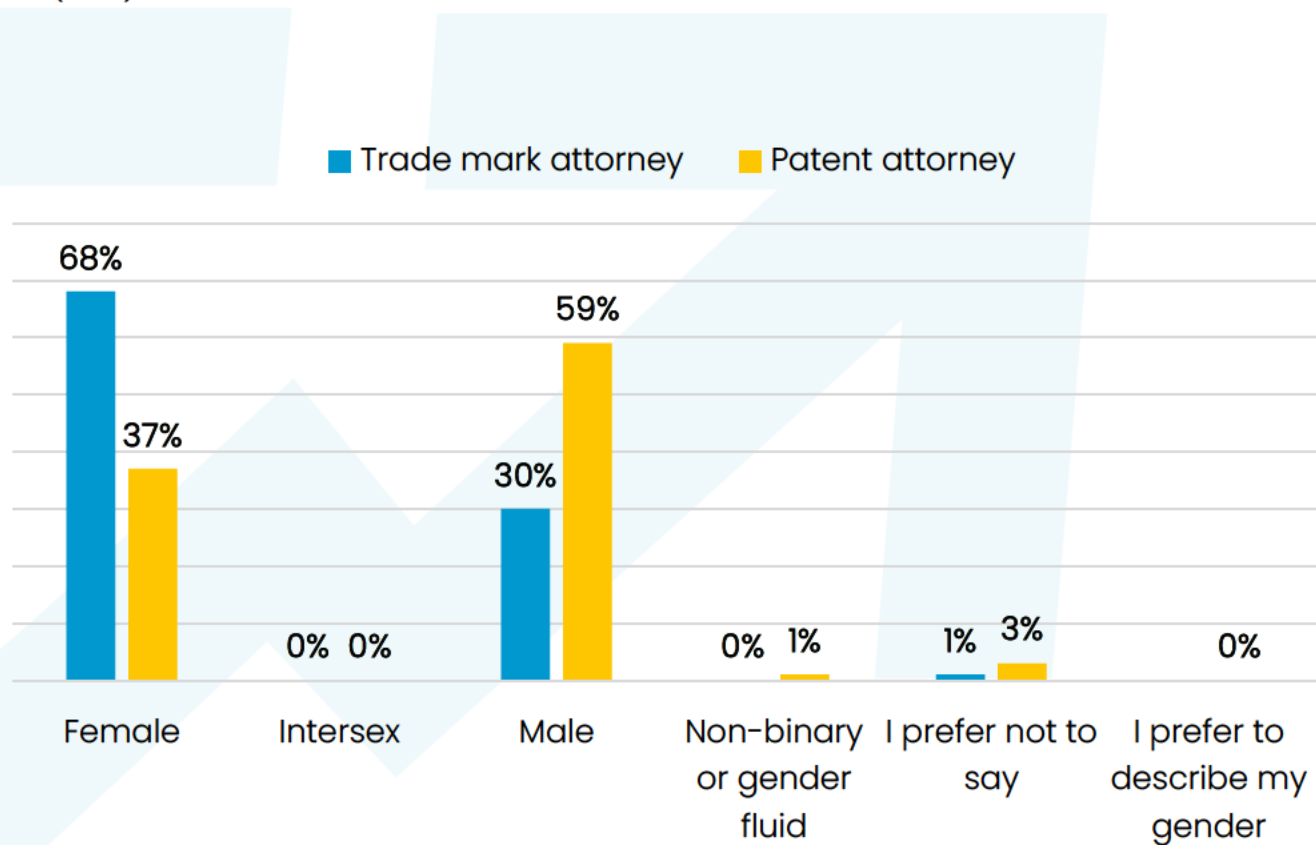
2024 results		
Gender	Number	Percent
Female	593	43%
Intersex	4	0%
Male	754	54%
Non-binary or gender fluid	7	1%
Prefer not to say	30	2%
Prefer to describe my gender	4	0%



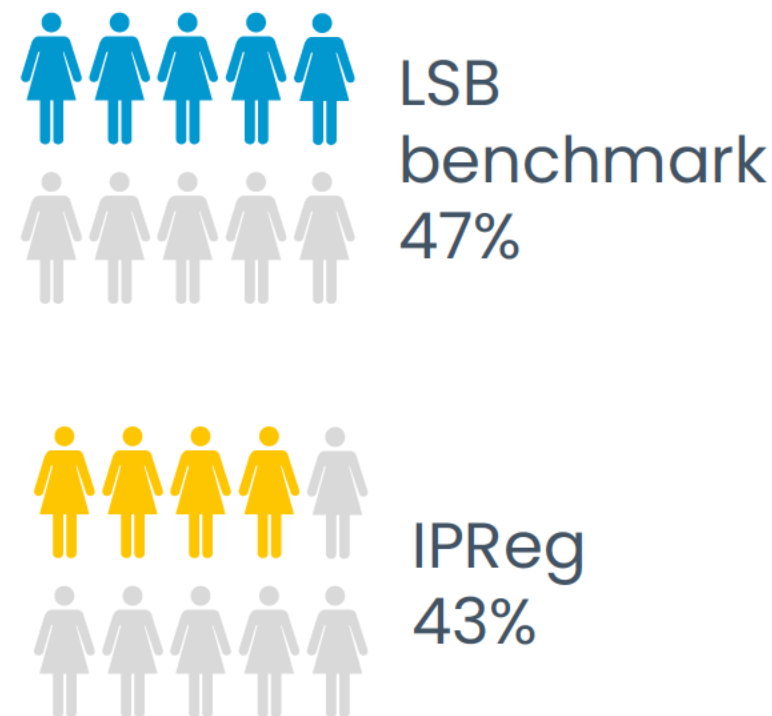
Question: What is your gender?
Base: All respondents 2021 (1,170); 2024 (1,392)

Gender by register

A greater proportion of trade mark attorneys are female (68%) than male (30%), whereas patent attorneys are more likely to be male (59%) than female (37%).



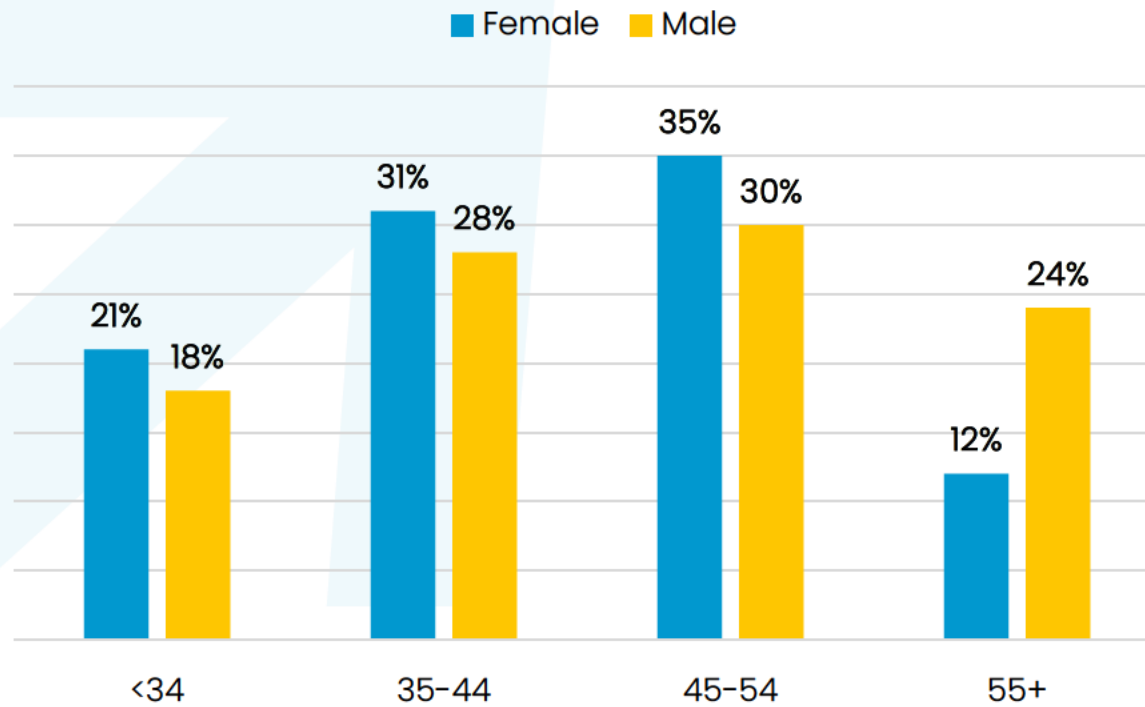
Comparison with the LSB benchmark highlights **under-representation of women** in the professions, although this is 1% closer than in 2021.



Question: What is your gender?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

Age group by gender

Female registrants are slightly better represented amongst age groups under 55, whereas a much larger proportion of male respondents are aged 55+.



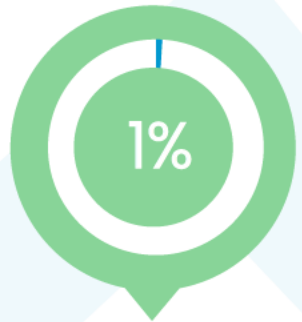
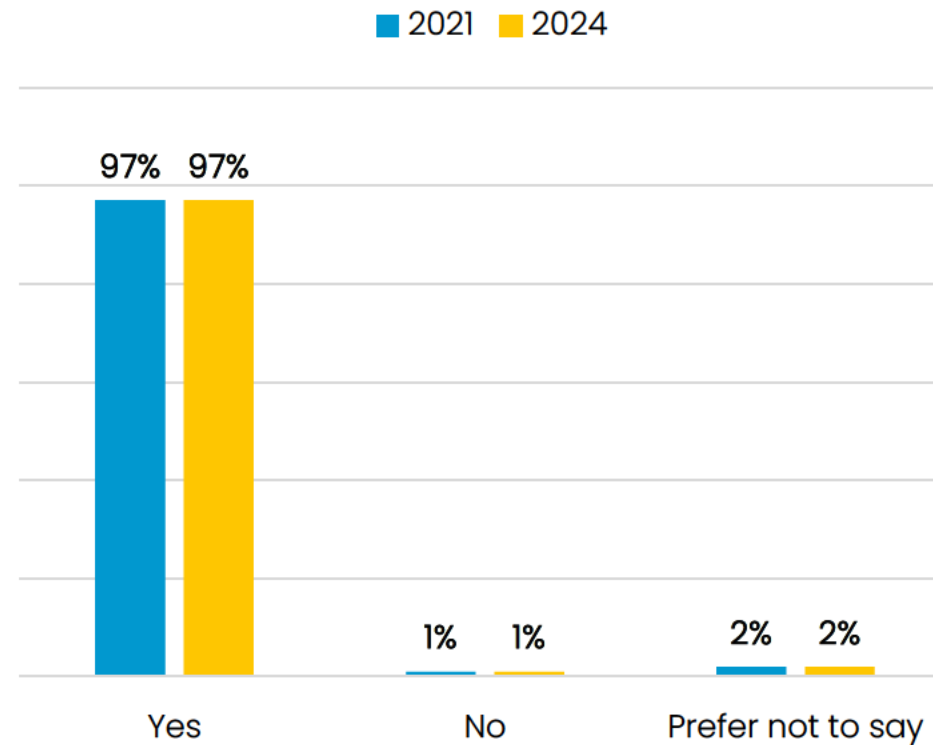
Question: Age group by gender
Base: <34 (269); 35-44 (410); 45-54 (450); 55+ (257)

Gender identity

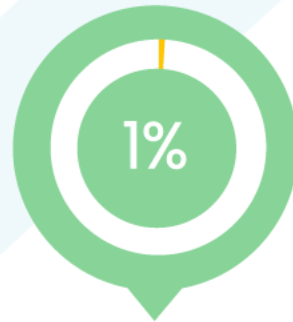
Just 1% of respondents indicated that their gender was different to the sex they were registered at birth, showing no change since 2021 and no difference between trade mark attorneys and patent attorneys.

This result is in line with the LSB benchmark (1%).

2024 results		
Response	Number	Percent
Yes	1,348	97%
No	11	1%
Prefer not to say	33	2%



LSB benchmark



IPReg

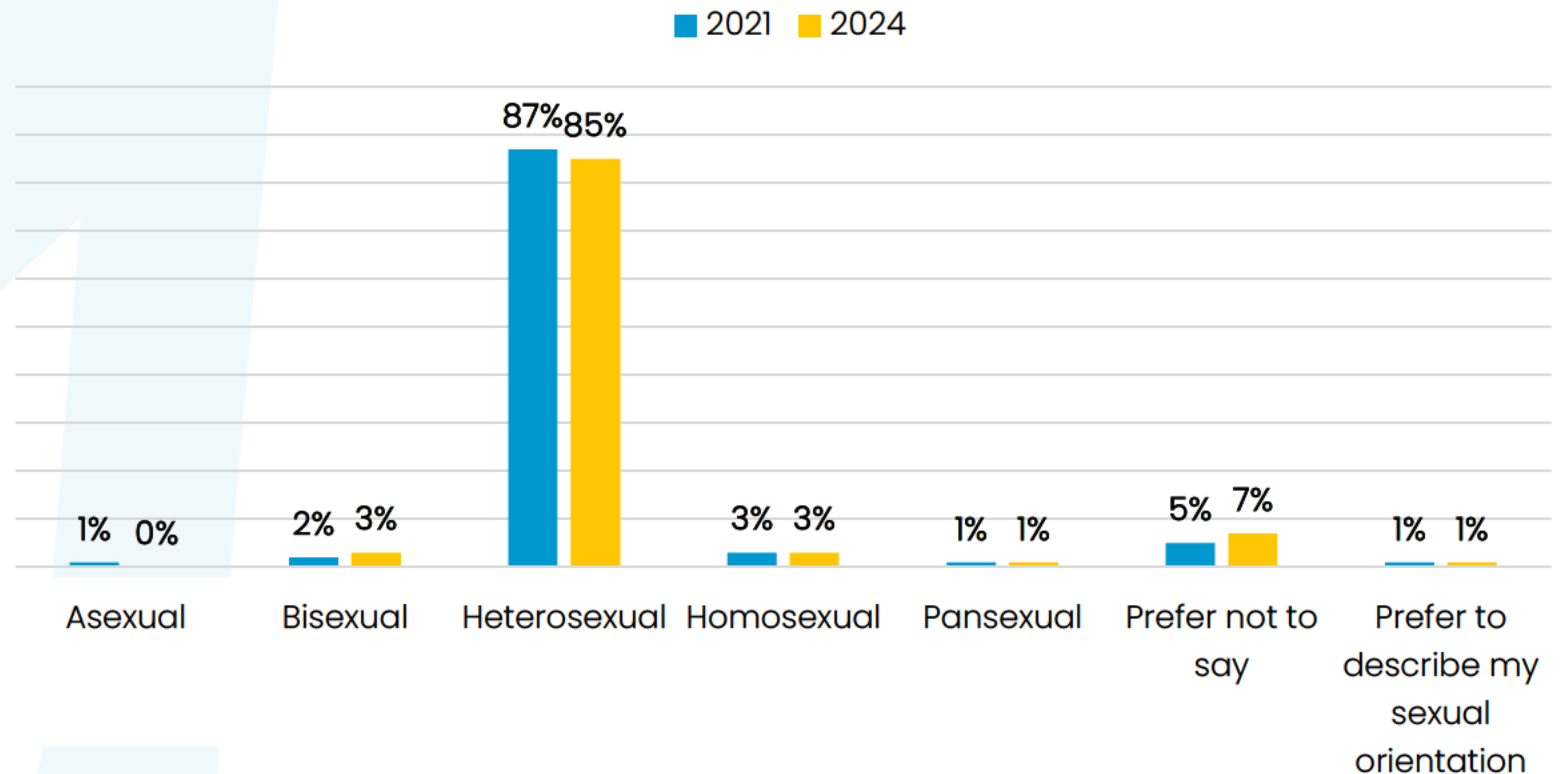
Sexual orientation

05.

Sexual orientation

The sexual orientation profile of registrants has remained broadly similar since 2021, with a small decrease in the proportion who described themselves as heterosexual (-2%pts), and an increase in the proportion who indicated that they preferred not to say (+2%pts).

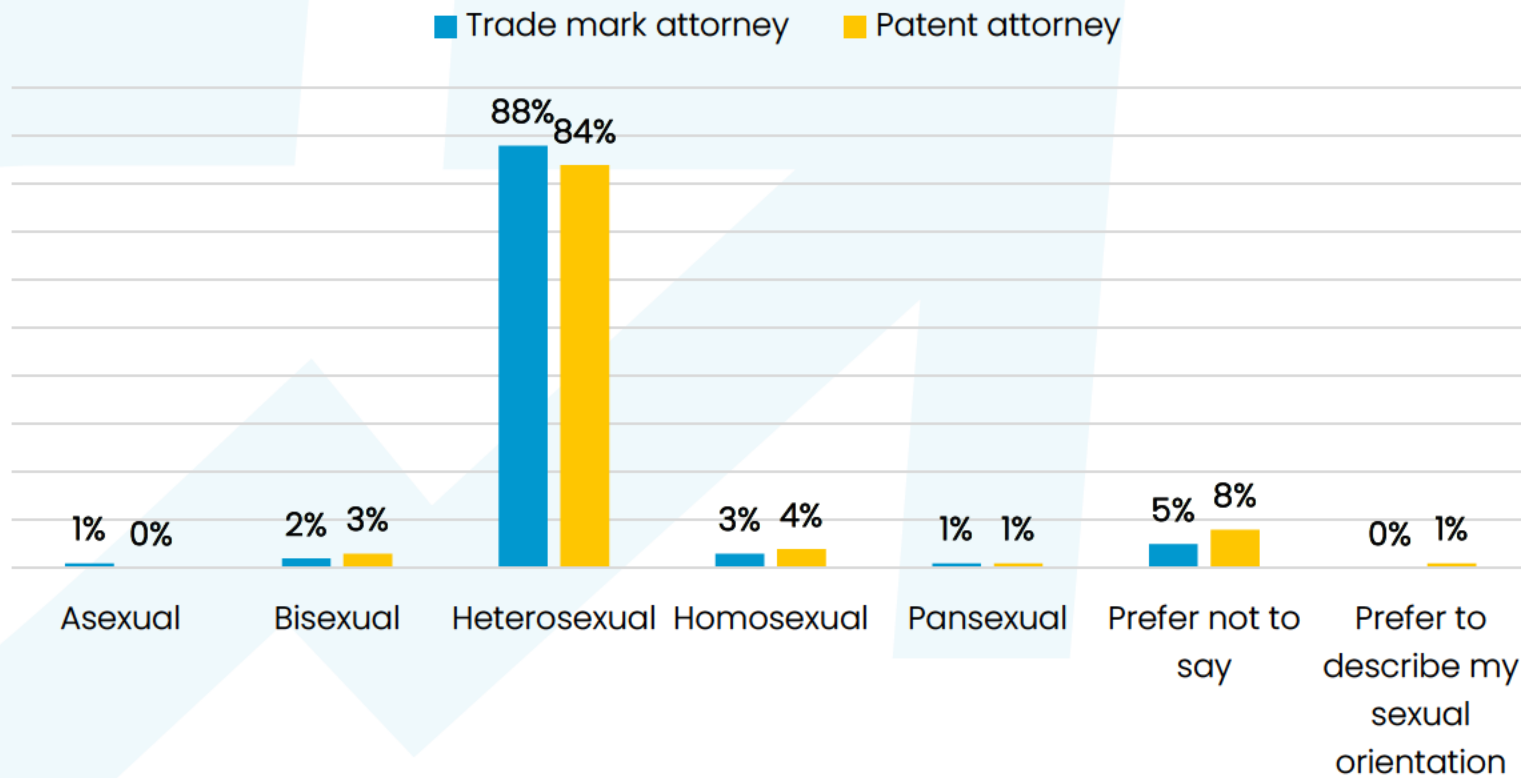
2024 results		
Sexual orientation	Number	Percent
Asexual	6	0%
Bisexual	38	3%
Heterosexual	1,185	85%
Homosexual	46	3%
Pansexual	11	1%
Prefer not to say	98	7%
Prefer to describe my sexual orientation	8	1%



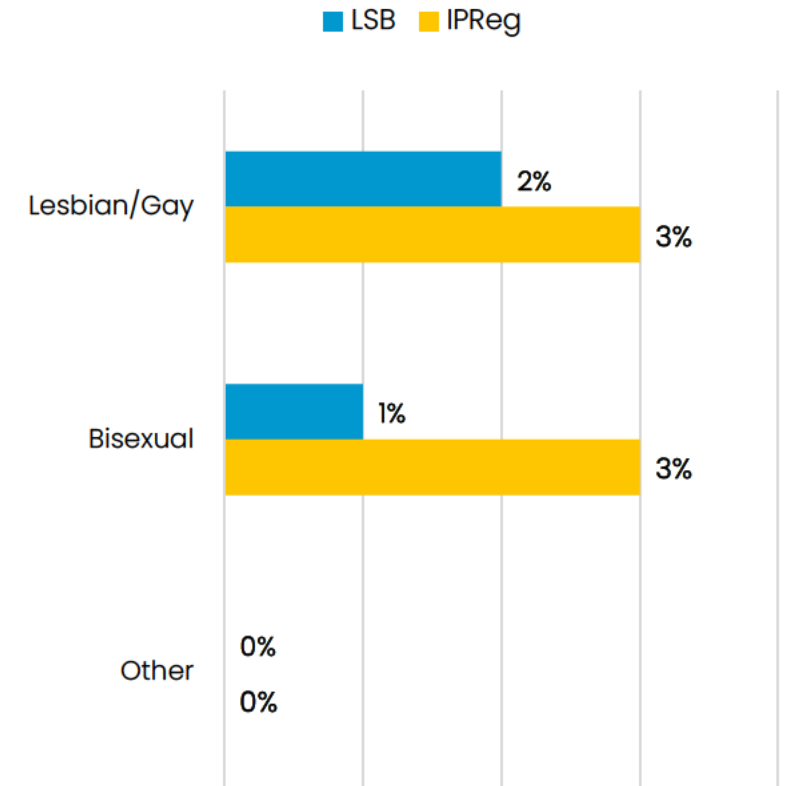
Question: What is your sexual orientation?
 Base: All respondents 2021 (1,152); 2024 (1,392)

Sexual orientation by register

A slightly larger proportion of trade mark attorneys described their sexual orientation as heterosexual (88%) when compared with patent attorneys (84%), who were more likely to answer 'prefer not to say' (8%).



As found in 2021, IPReg registrants represent a slightly more diverse sexual orientation profile when compared with the LSB benchmarks.



Question: What is your sexual orientation?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

Ethnic group

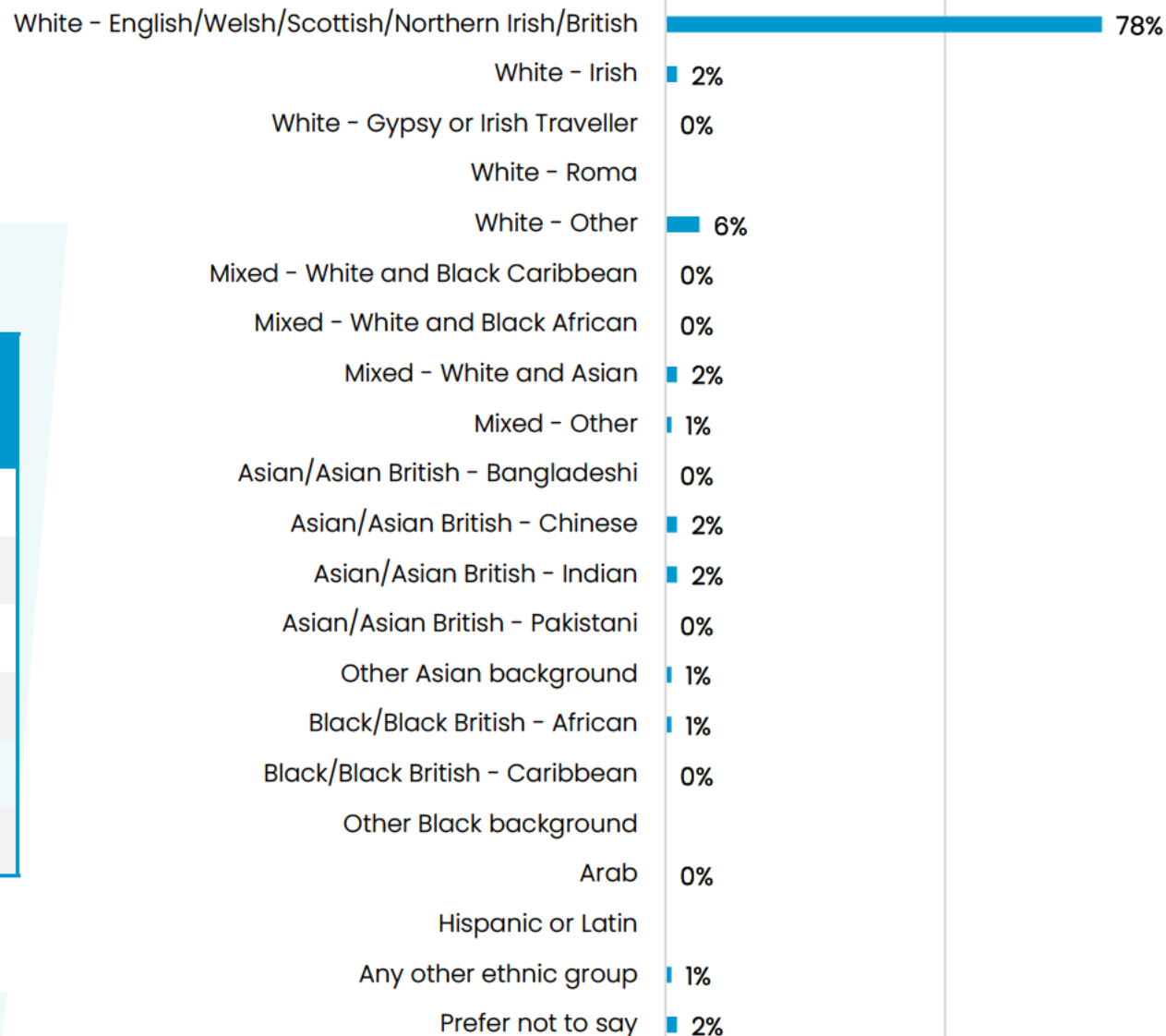
06.

Ethnic group

Over three quarters of registrants (87%) describe themselves as White (English, Welsh, Scottish, Northern Irish, British).

The table below shows the combined ethnic groups.

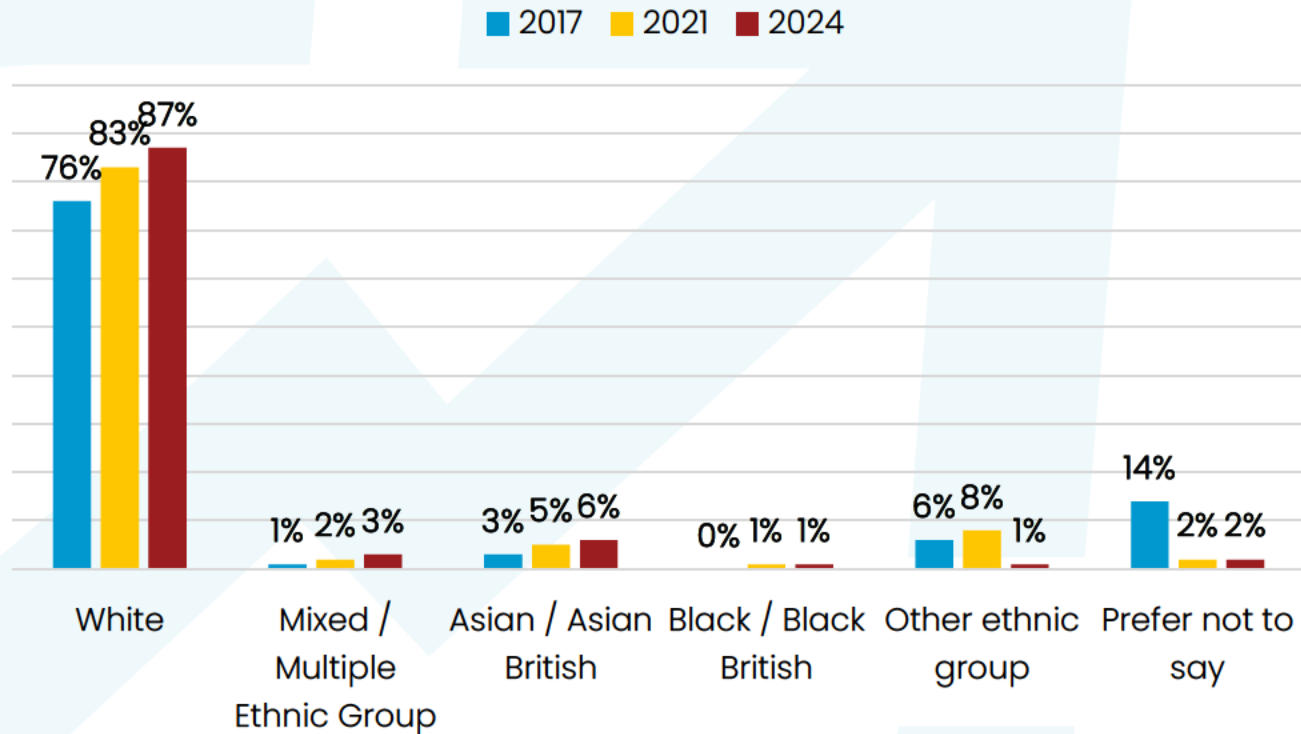
2024 results		
Ethnic group	Number	Percent
White	1,205	87%
Mixed / Multiple Ethnic Group	43	3%
Asian / Asian British	85	6%
Black / Black British	15	1%
Other ethnic group	16	1%
Prefer not to say	28	2%



Question: What is your ethnic group?
Base: All respondents 2024 (1,392)

Ethnic group

Analysis over time shows small increases in the proportions of registrants who describe themselves as being of Mixed/Multiple or Asian/Asian British ethnicity.

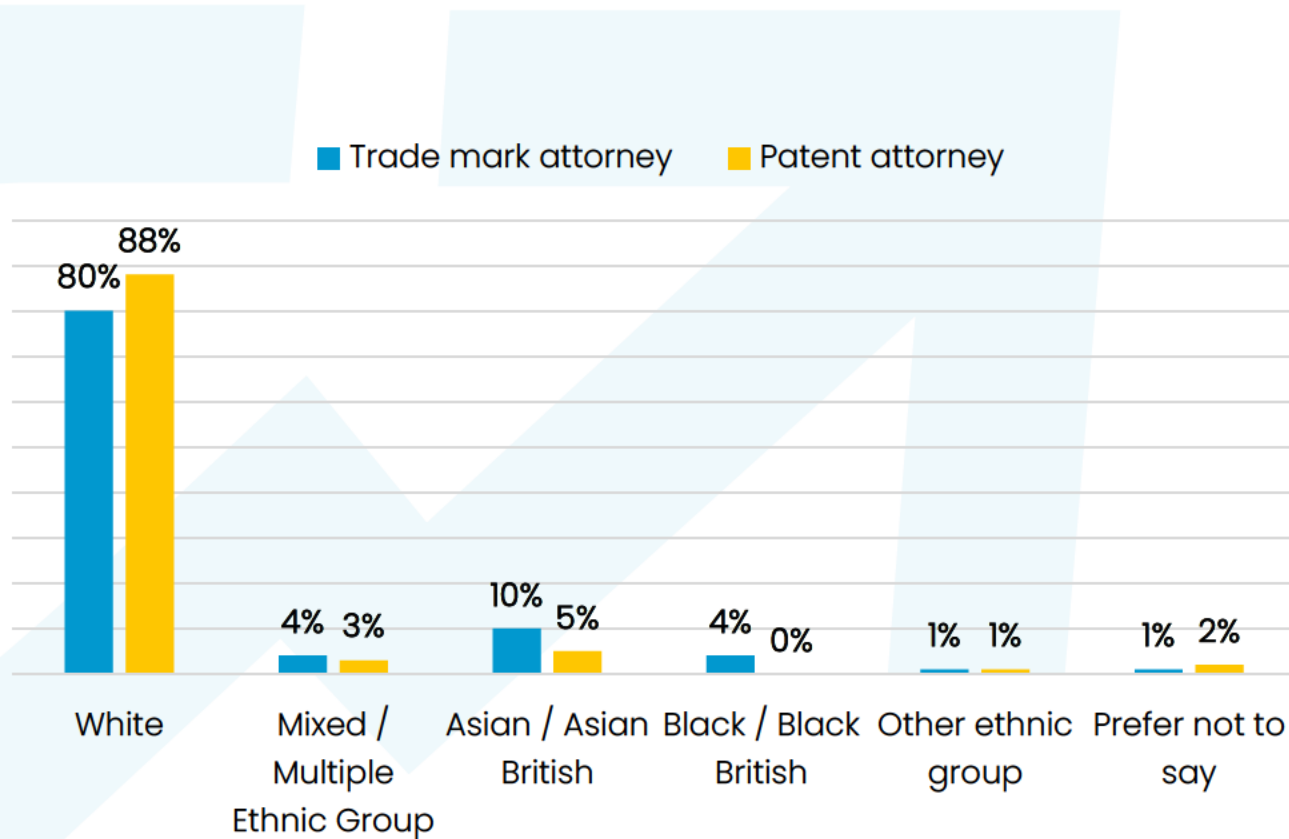


Question: What is your ethnic group?
 Base: All respondents 2017 (2,927 – IPReg CRM); 2021 (1,151); 2024 (1,392)

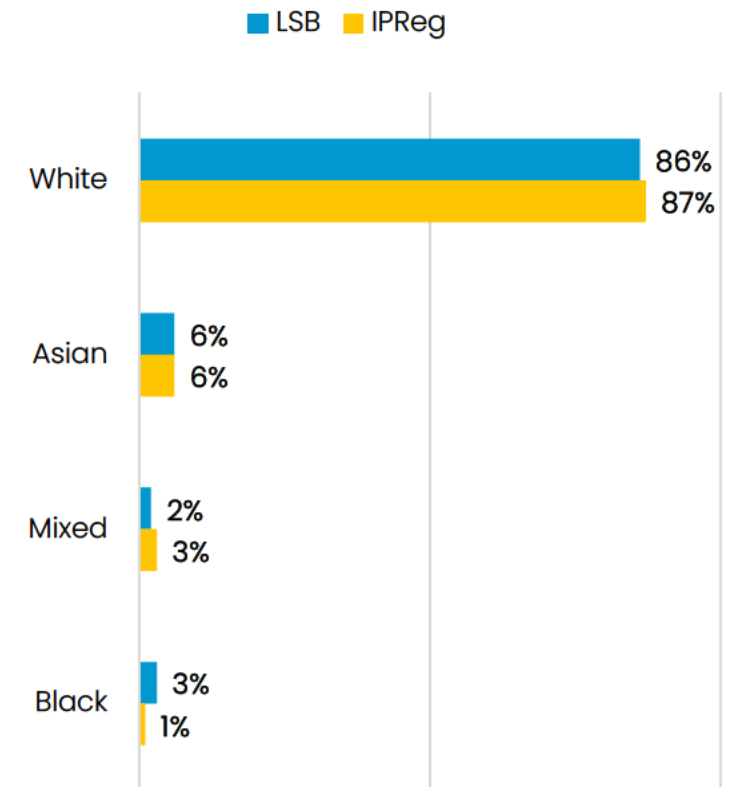
Ethnic group	2024 results	
	Number	Percent
White – English/Welsh/Scottish/Northern Irish/British	1090	78%
White – Irish	31	2%
White – Gypsy or Irish Traveller	1	0%
White – Roma	-	
White – Other	83	6%
Mixed – White and Black Caribbean	5	0%
Mixed – White and Black African	4	0%
Mixed – White and Asian	24	2%
Mixed – Other	10	1%
Asian/Asian British – Bangladeshi	3	0%
Asian/Asian British – Chinese	34	2%
Asian/Asian British – Indian	33	2%
Asian/Asian British – Pakistani	6	0%
Other Asian background	9	1%
Black/Black British – African	9	1%
Black/Black British – Caribbean	6	0%
Other Black background	-	
Arab	4	0%
Hispanic or Latin	-	
Any other ethnic group	12	1%
Prefer not to say	28	2%

Ethnic group by register

There is a slightly greater level of ethnic diversity amongst trade mark attorneys when compared with patent attorneys.



IPReg registrants are almost in line with LSB benchmarks in terms of ethnic group, but greater representation of those of Black ethnicity is still required.



Question: What is your ethnic group?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

Disability

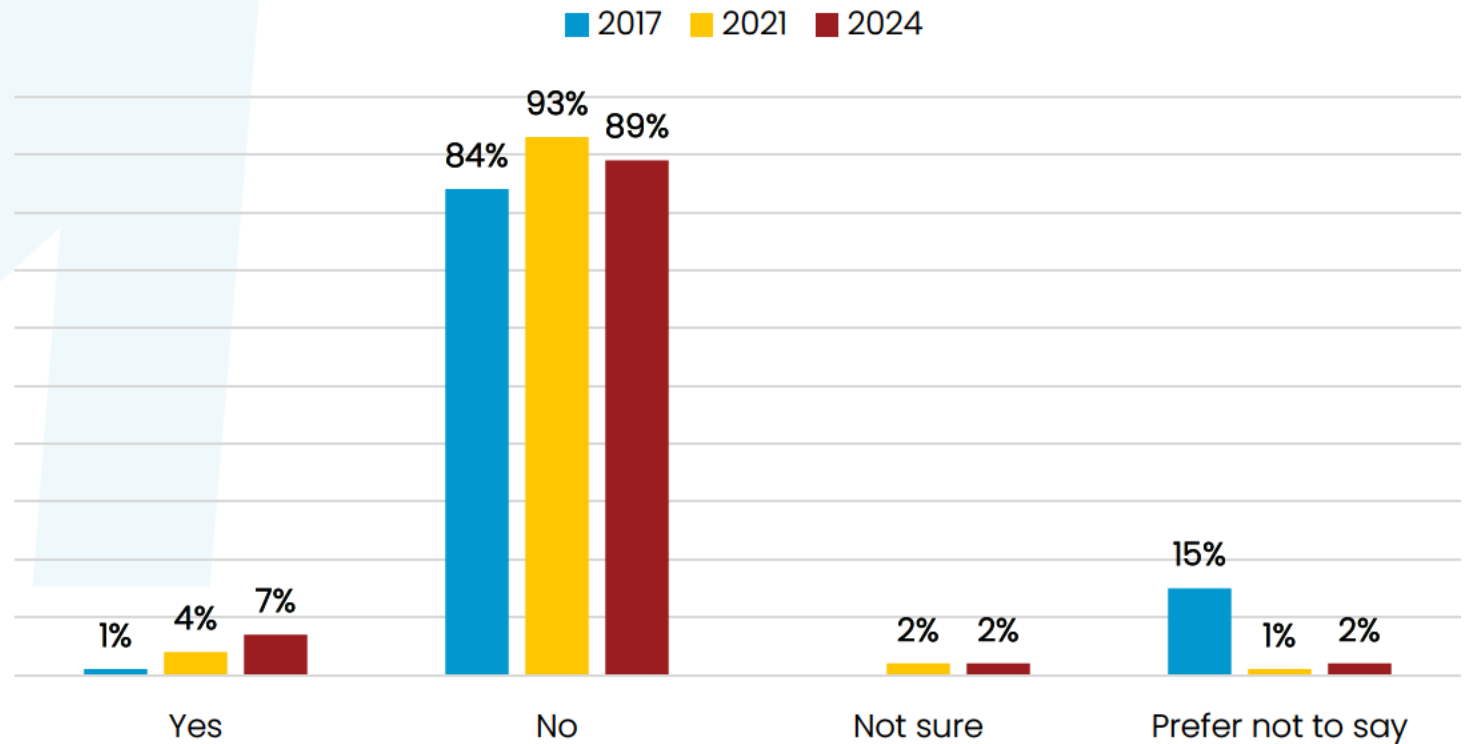
07.

Disability

One in fourteen registrants (7%) indicated that they had a disability as defined in the Equality Act 2010.

The proportion of those who had a disability has increased from 1% in 2017 to 7% in 2024 (+6%pts).

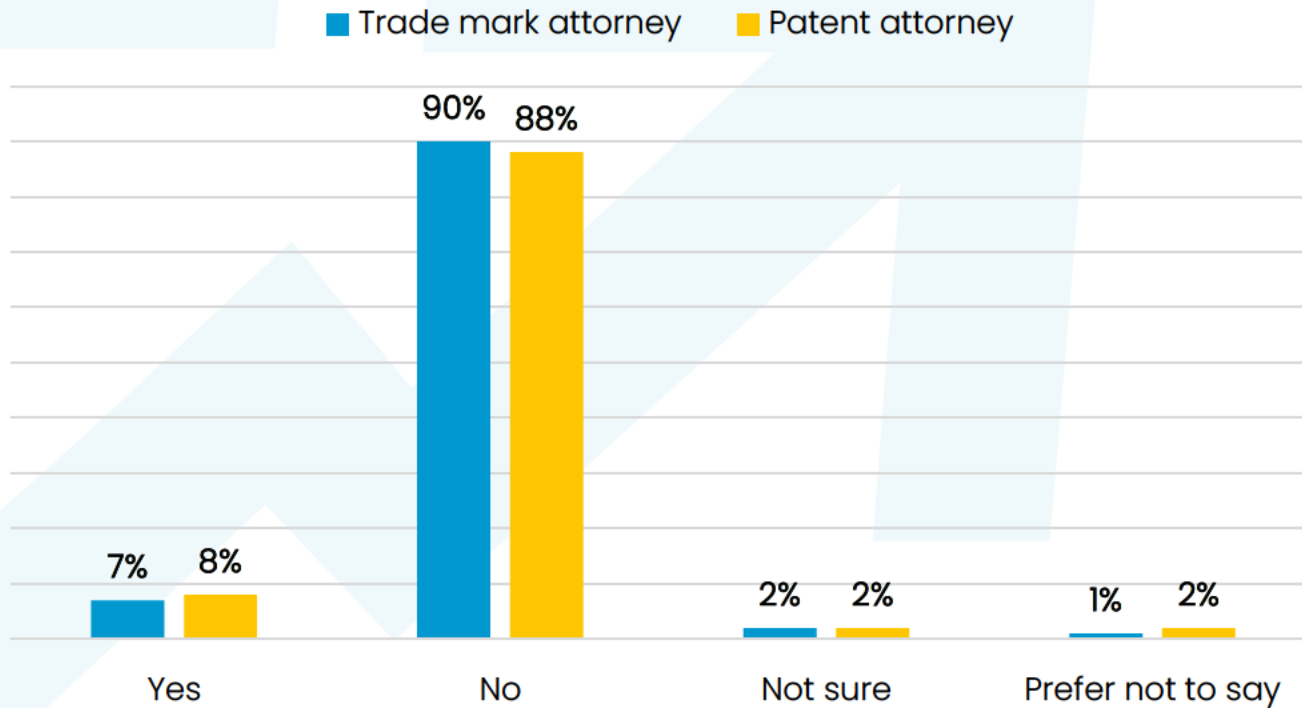
2024 results		
Response	Number	Percent
Yes	103	7%
No	1,235	89%
Not sure	26	2%
Prefer not to say	28	2%



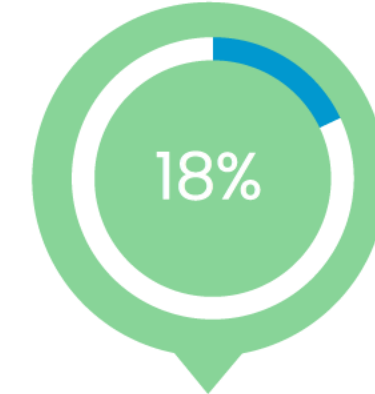
Question: Do you consider yourself to have a disability as defined in the Equality Act 2010?
Base: All respondents 2017 (2,927 – IPReg CRM); 2021 (1,150); 2024 (1,392)

Disability by register

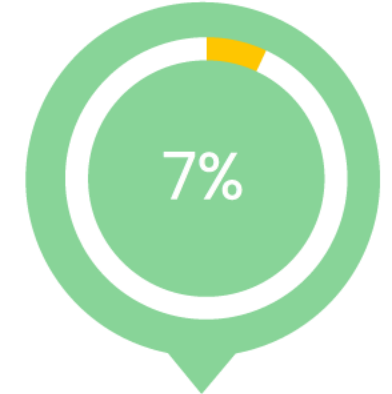
A similar proportion of trade mark attorney and patent attorney registrants indicated that they had a disability.



Comparison with the LSA benchmark highlights **under-representation of people with a disability** in the professions.



LSB
benchmark



IPReg



Question: Do you consider yourself to have a disability as defined in the Equality Act 2010?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

Neurodiversity

08.

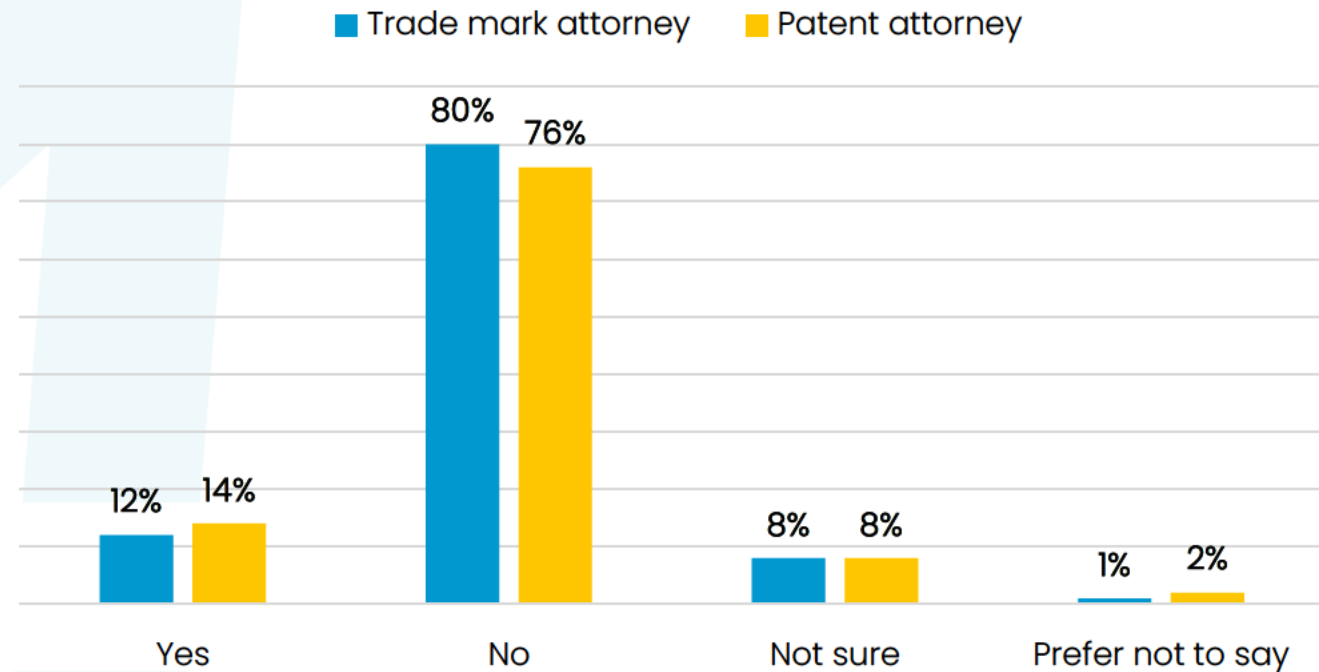
Neurodiversity

One in eight registrants (13%) considered themselves to be neurodivergent.

A slightly larger proportion of patent attorneys considered themselves to be neurodivergent (14%) when compared with trade mark attorneys (12%).

It is estimated that approximately 15% of the population are neurodiverse¹, highlighting that the IPReg registrant population is almost in line with the national average.

2024 results		
Response	Number	Percent
Yes	179	13%
No	1,078	77%
Not sure	107	8%
Prefer not to say	28	2%



Question: Do you consider yourself to be neurodivergent?
Base: All respondents 2024 (1,392); Trade mark attorneys (285); Patent attorneys (1,025)

¹ <https://adhdaware.org.uk/what-is-adhd/neurodiversity-and-other-conditions/>

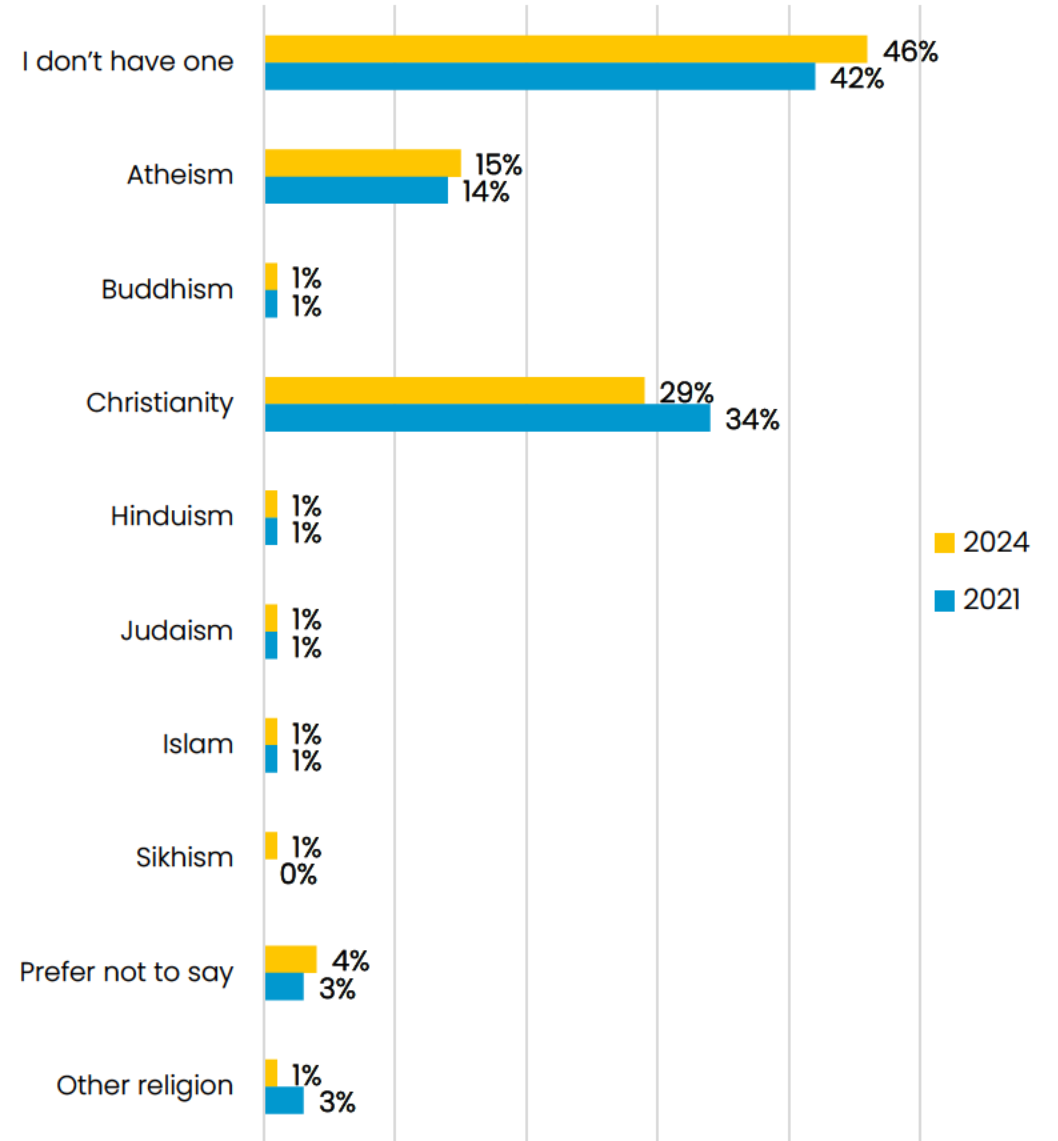
Religion

09.

Religion

Almost half of registrants (46%) said they did not have a religion, an increase since 2021 (+4%pts).

2024 results		
Religion	Number	Percent
I don't have one	638	46%
Atheism	206	15%
Buddhism	15	1%
Christianity	408	29%
Hinduism	13	1%
Judaism	18	1%
Islam	13	1%
Sikhism	11	1%
Prefer not to say	61	4%
Other religion	9	1%



Question: What is your ethnic group?
 Base: All respondents 2021 (1,148); 2024 (1,392)

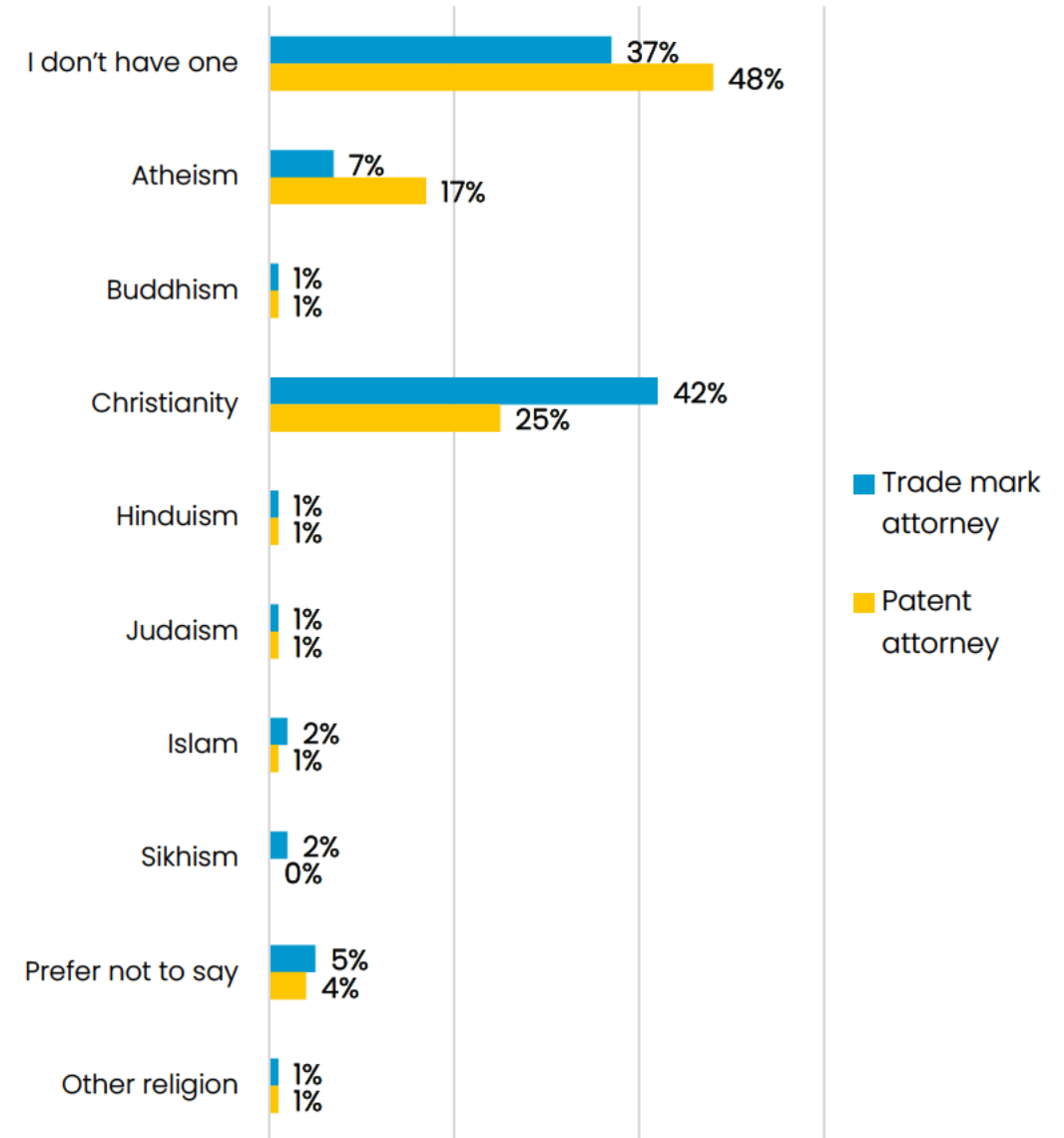
Religion by register

Patent attorneys were more likely to indicate that they had no religion or were atheist when compared with trade mark attorneys.

In contrast, a larger proportion of trade mark attorneys indicated that they were Christian.

In comparison with the LSB benchmark, IPReg registrants are more likely to have no religion or be atheist.

Religion	IPReg	LSB benchmark
I don't have one	46%	36%
Atheism	15%	-
Buddhism	1%	1%
Christianity	29%	41%
Hinduism	1%	2%
Judaism	1%	2%
Islam	1%	6%
Sikhism	1%	2%
Prefer not to say	4%	-
Other religion	1%	2%



Question: What is your ethnic group?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

Caring responsibilities

10

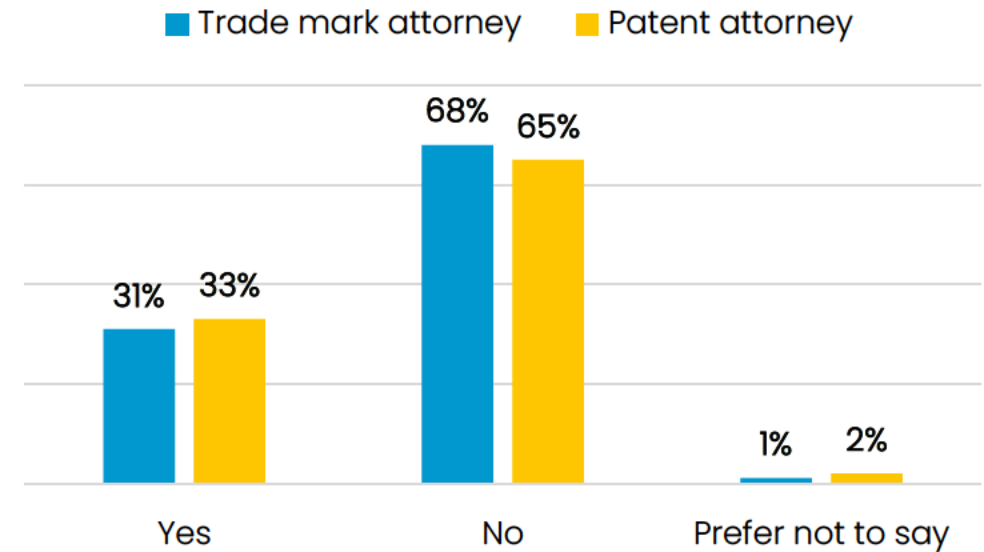
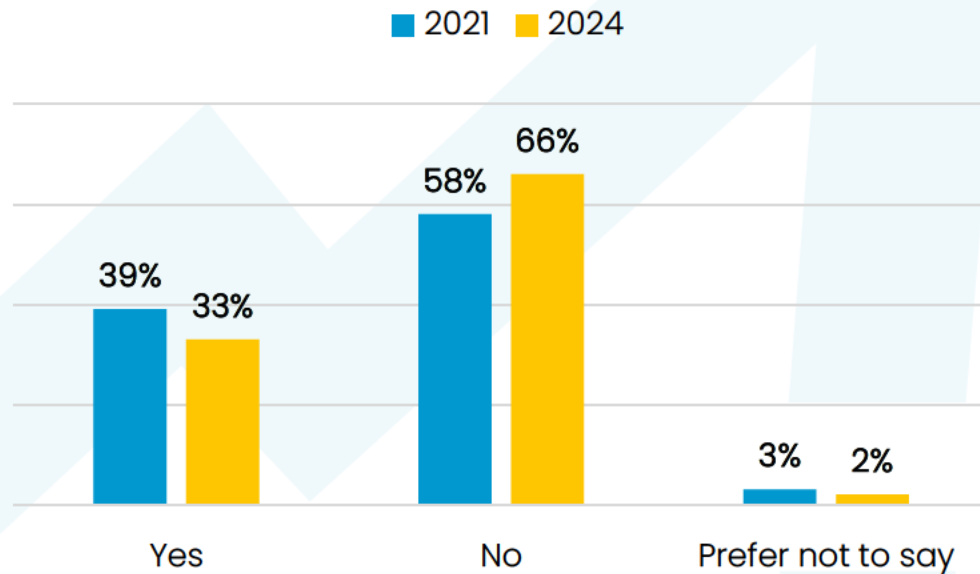
Caring responsibilities

A third of registrants (33%) said they had caring responsibilities for minors or otherwise look after, or give any help or support to anyone because they have long-term physical or mental health conditions or illnesses, including problems related to old age.

The proportion who said they have these caring responsibilities has fallen since 2021 (-6%pts). This year's question made the requirements of caring responsibilities clearer so not to be misinterpreted as being a parent, which may explain this difference.

Patent attorneys were slightly more likely to have caring responsibilities when compared with trade mark attorneys.

2024 results		
Response	Number	Percent
Yes	454	33%
No	912	66%
Prefer not to say	26	2%



Question: Do you have any caring responsibilities for minors or otherwise look after, or give any help or support to anyone because they have long-term physical or mental health conditions or illnesses, including problems related to old age?

Base: All respondents 2021 (1,148); 2024 (1,392); Trade mark attorney (285); Patent attorney (1,025)

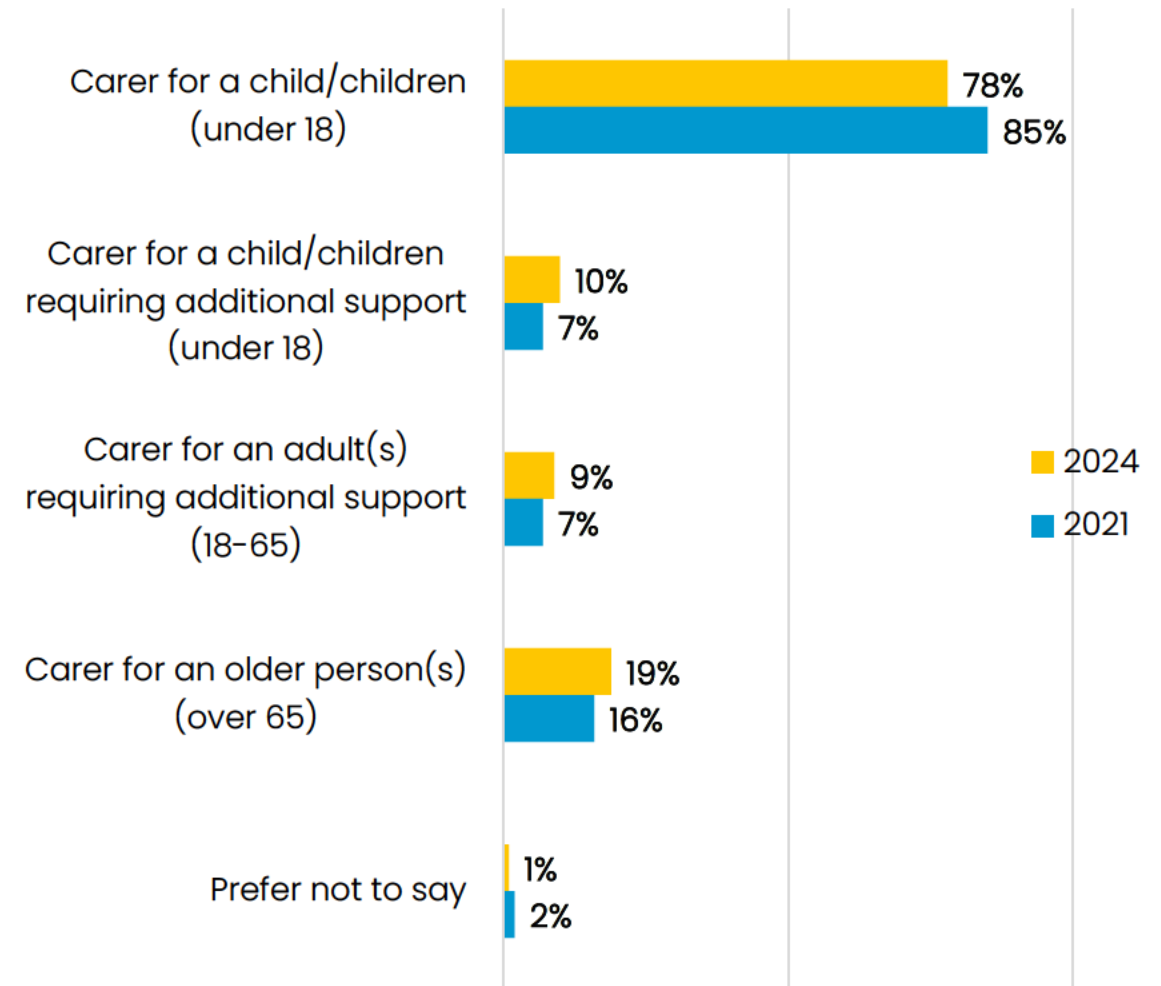


Type of caring responsibilities

Over three quarters of those with caring responsibilities (78%) specified that this was for a child/children under 18. This proportion has decreased since 2021, again highlighting the change in how the question was asked.

In total, 88% had caring responsibilities for a child/children and 28% had caring responsibilities for an adult(s).

2024 results		
Response	Number	Percent
Carer for a child/children (under 18)	353	78%
Carer for a child/children requiring additional support (under 18)	45	10%
Carer for an adult(s) requiring additional support (18-65)	41	9%
Carer for an older person(s) (over 65)	86	19%
Prefer not to say	6	1%

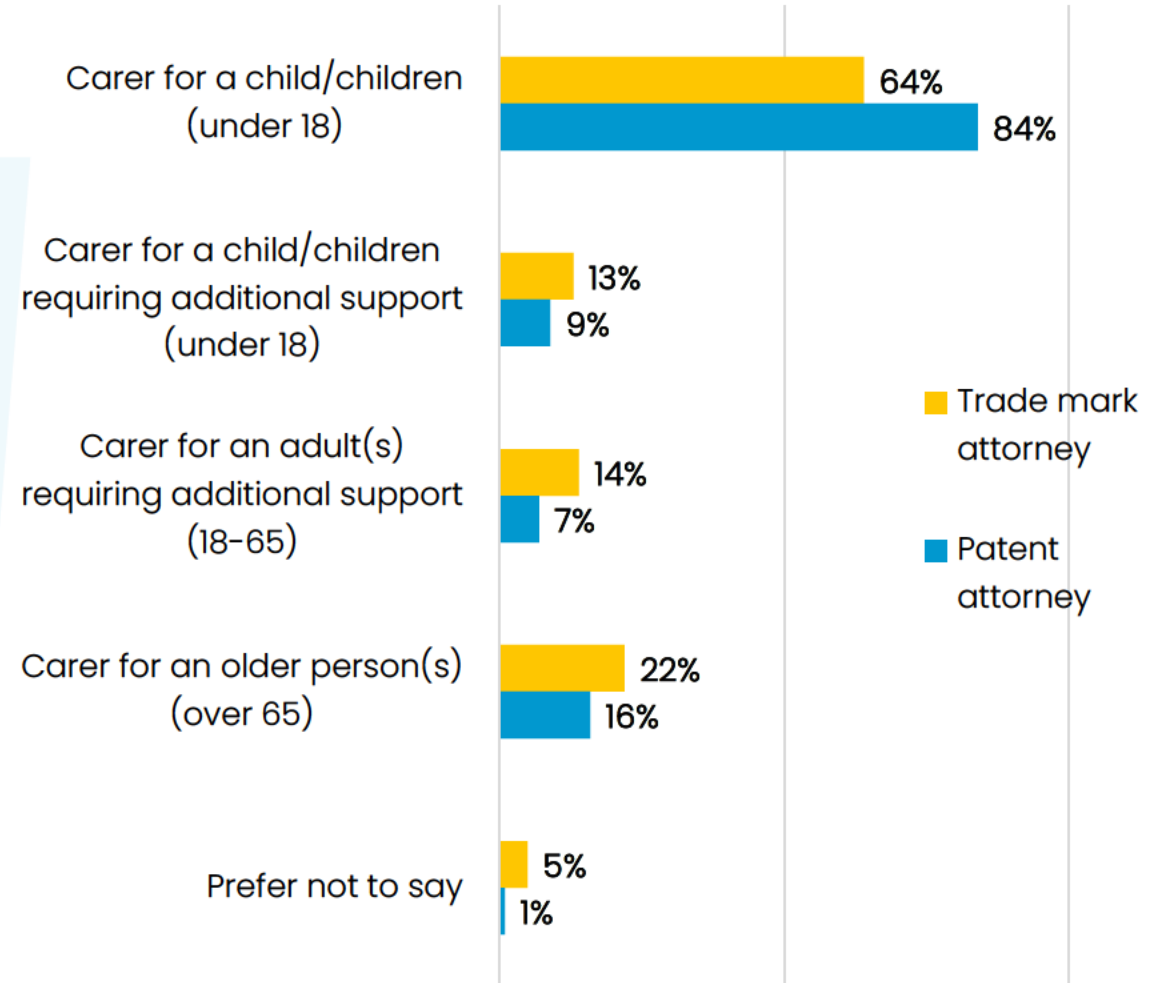


Question: Which, if any, of these caring responsibilities do you have?
 Base: Those with caring responsibilities 2021 (444); 2024 (454)

Type of caring responsibilities by register

Patent attorneys were more likely to have caring responsibilities for a child/children under 18 when compared with trade mark attorneys.

In contrast, patent attorneys were more likely to have caring responsibilities for an older person(s) over 65 when compared with trade mark attorneys.



Question: Which, if any, of these caring responsibilities do you have?
Base: Those with caring responsibilities Trade mark attorney (88); Patent attorney (340)

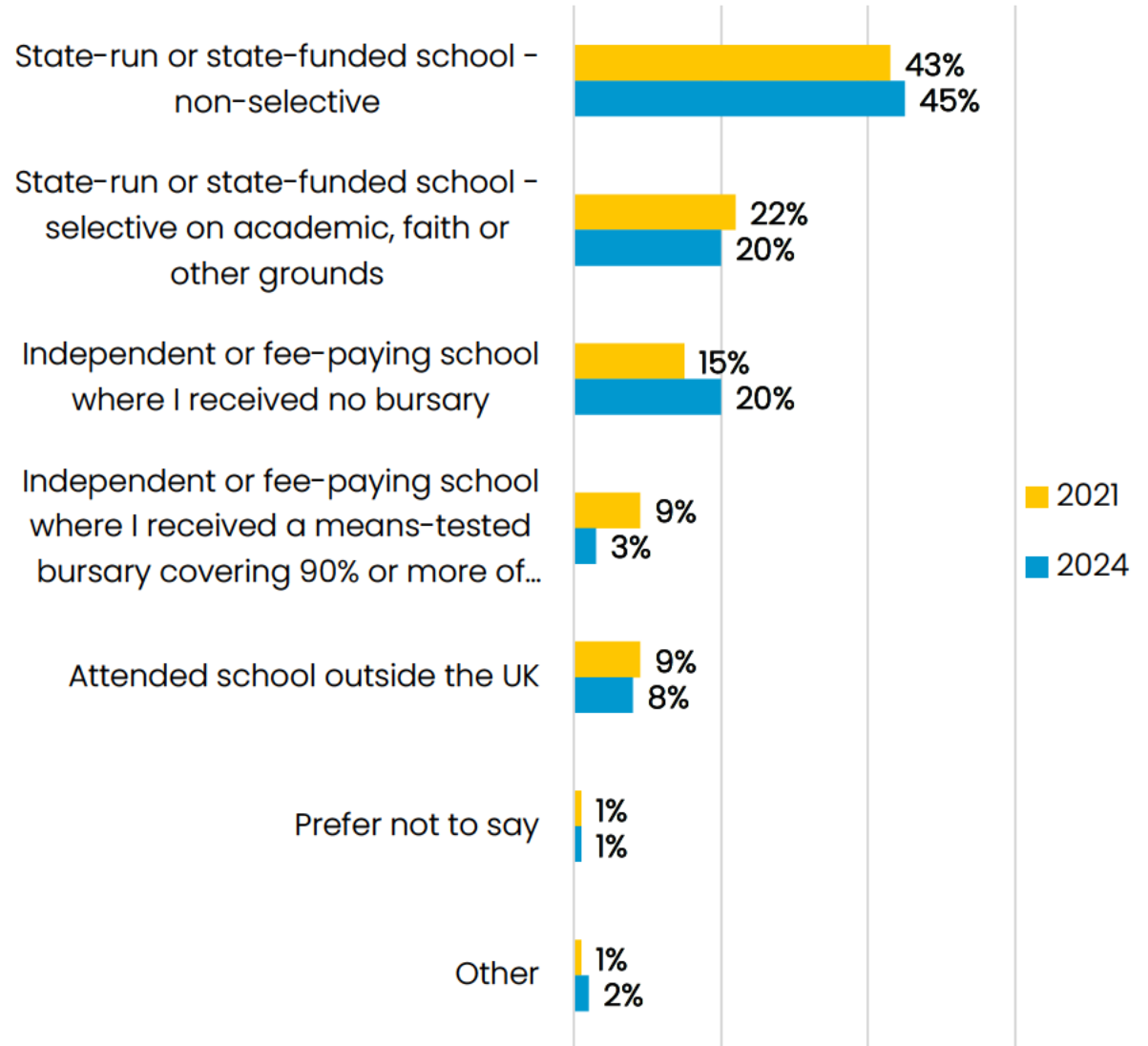
Social mobility



School type

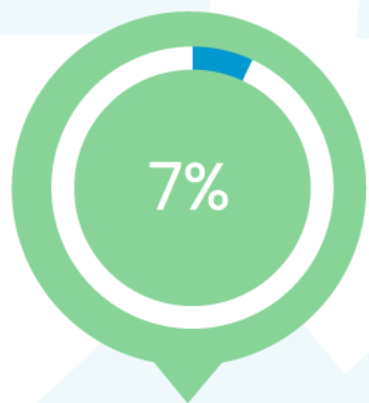
The majority of registrants (65%) attended a state-run or state-funded school. A total of 23% attended an independent school and 8% attended a school outside the UK.

2024 results		
Response	Number	Percent
State-run or state-funded school - non-selective	630	45%
State-run or state-funded school - selective on academic, faith or other grounds	280	20%
Independent or fee-paying school where I received no bursary	282	20%
Independent or fee-paying school where I received a means-tested bursary covering 90% or more of the overall cost of attending	38	3%
Attended school outside the UK	113	8%
Prefer not to say	18	1%
Other	31	2%

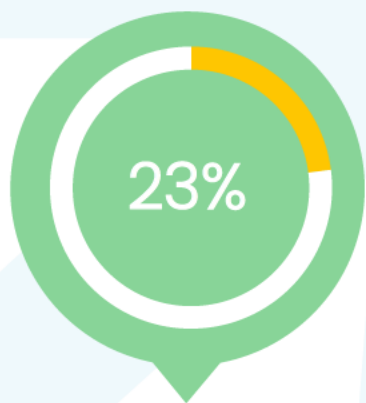


School type by register

Comparison with the LSB benchmark highlights over-representation of people who had attended a fee-paying school in the professions.

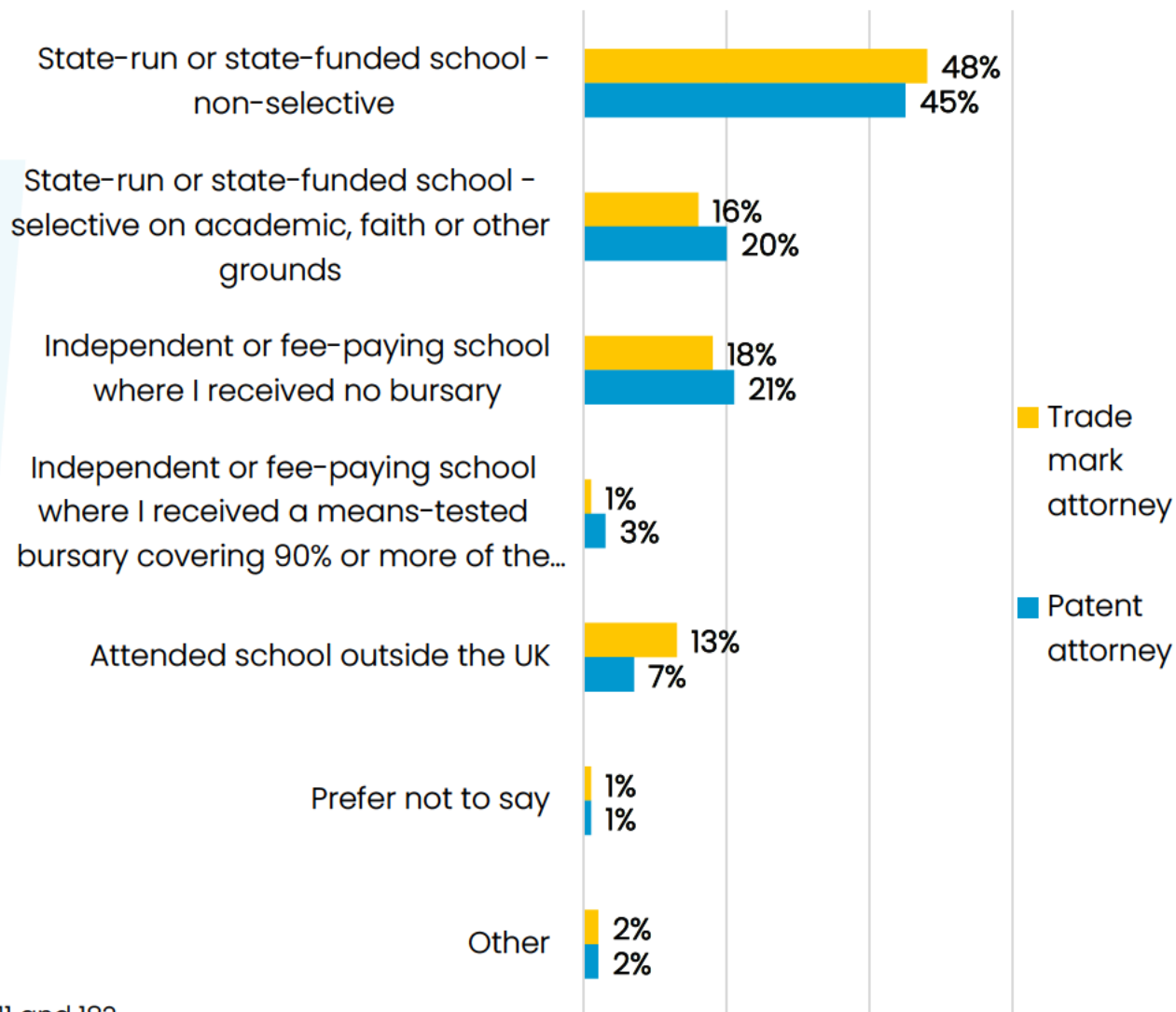


LSB
benchmark



IPReg

There is little difference between trade mark attorneys and patent attorneys in the type of school attended within the UK. However, a larger proportion of trade mark attorneys had attended a school outside the UK.

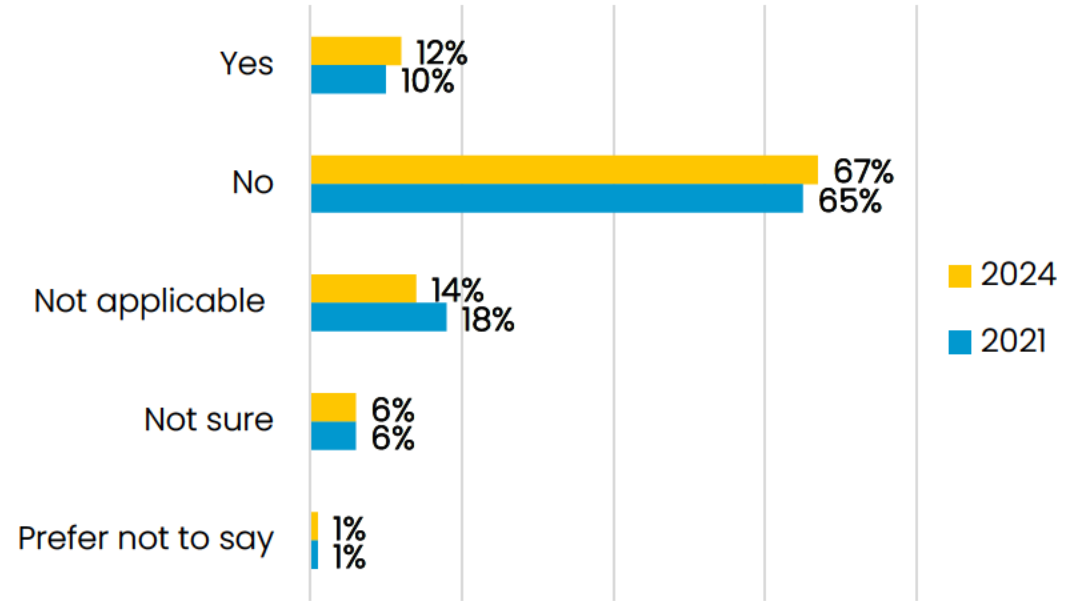


Question: What type of school did you mainly attend between the ages of 11 and 18?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

School meals

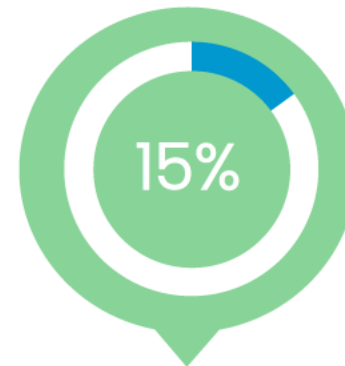
One in eight registrants (12%) said they were eligible for free school meals during their school years.

This result is very similar to that recorded in 2021, and the same proportion of trade mark attorneys and patent attorneys were eligible for free school meals (12%).

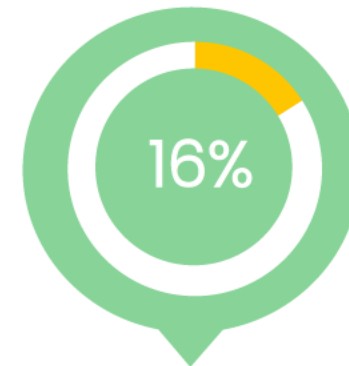


2024 results		
Response	Number	Percent
Yes	161	12%
No	935	67%
Not applicable (finished school before 1980 or went to school overseas)	191	14%
Not sure	86	6%
Prefer not to say	19	1%

To provide context to this result, 15% of pupils at state-funded schools are eligible for free school meals¹. 16% of registrants who attended a state-funded school said they were eligible, in line with the national-average.



National



IPReg



Question: If you went to school in the UK and finished school after 1980, were you eligible for free school meals at any point during your school years?
Base: All respondents 2021 (1,136); 2024 (1,392)

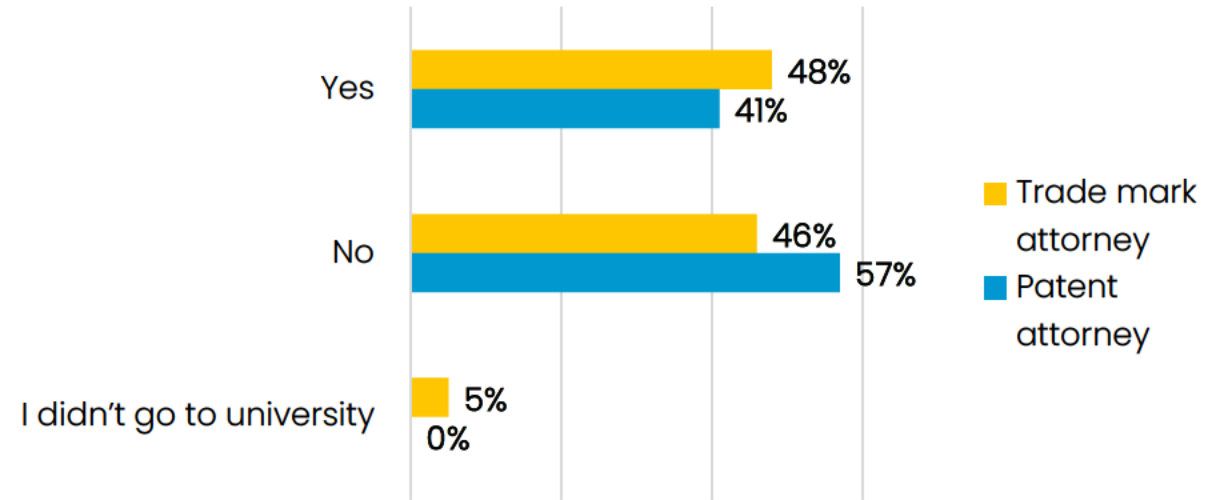
Attending university

Just over two in five registrants (43%) said they were part of the first generation of their family to go to university.

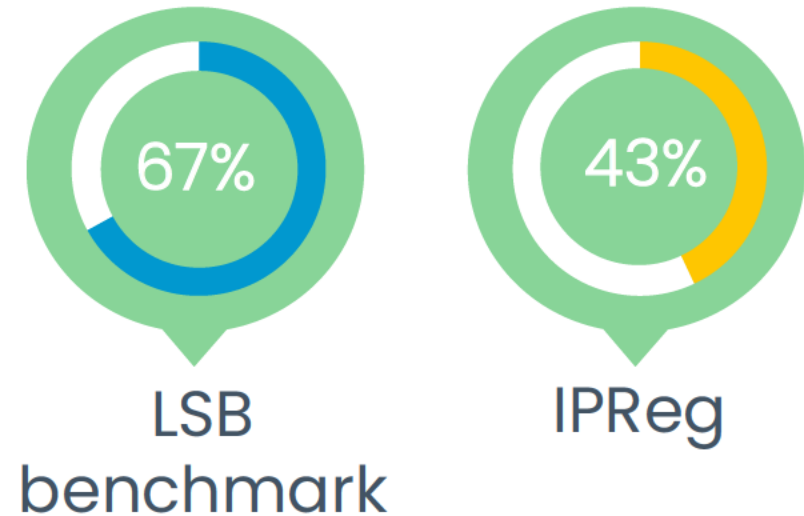
This result is very similar to that found in 2021.

Response	2024 results		2021 results
	Number	Percent	Percent
Yes	602	43%	45%
No	752	54%	52%
I didn't go to university	17	1%	2%
Not sure	4	0%	1%
Prefer not to say	17	1%	1%

Trade mark attorneys were more likely to indicate that they were part of the first generation in their family to attend university.



Comparison with the LSB benchmark highlights under-representation of people who were the first in their family to go to university in the professions.



Question: If you went to university, were you part of the first generation of your family to do so?
 Base: All respondents 2021 (1,134); 2024 (1,392); Trade mark attorney (285); Patent attorney (1,025)

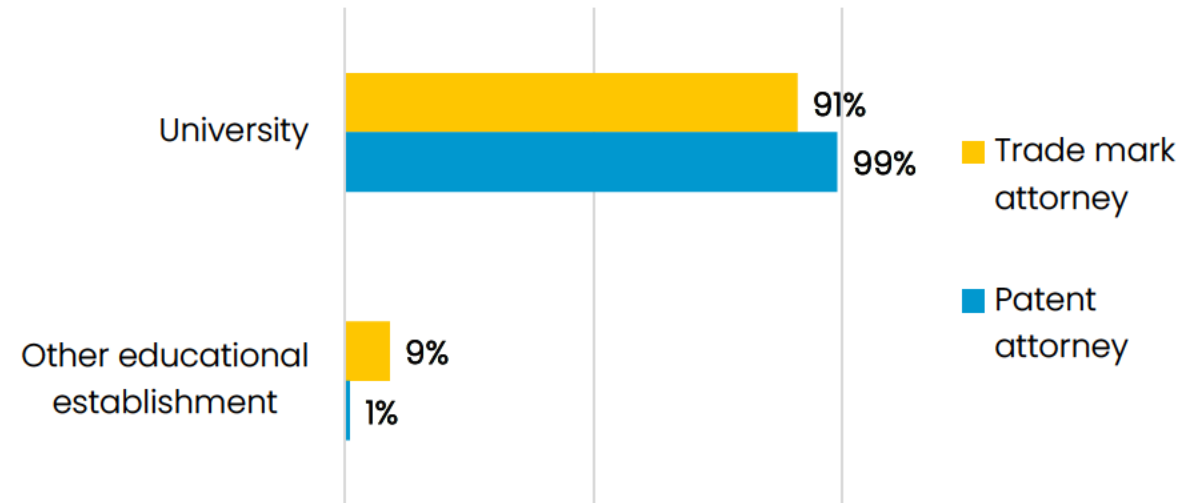
Highest academic qualification

Almost all registrants (96%) obtained their highest academic qualification from a university.

This result shows little change since 2021.

Response	2024 results		2021 results
	Number	Percent	Percent
School or sixth form college	12	1%	0%
College of further education	9	1%	1%
Polytechnic	12	1%	1%
University	1,338	96%	97%
Not applicable	1	0%	0%
Prefer not to say	15	1%	0%
Other	5	0%	0%

Trade mark attorneys were more likely to indicate that they had obtained their highest academic qualification at educational establishments that were not a university when compared with patent attorneys.



Question: From what type of educational establishment did you obtain your highest academic qualification (in the UK or another country)?
 Base: All respondents 2021 (1,131); 2024 (1,392); Trade mark attorney (285); Patent attorney (1,025)

Socio-economic background

Just over half of registrants (52%) indicated that, when they were aged about 14, their main householder earner had a professional occupation.

This national benchmarking question can be used to assess socio-economic background by grouping professions into three groups:

- Professional backgrounds – modern professional and traditional occupations; senior or junior managers or administrators
- Intermediate backgrounds – clerical and intermediate occupations; small business owners
- Working class backgrounds – technical and craft occupations; long-term unemployed; routine, semi-routine manual and service occupations

This analysis is presented on the next slide.

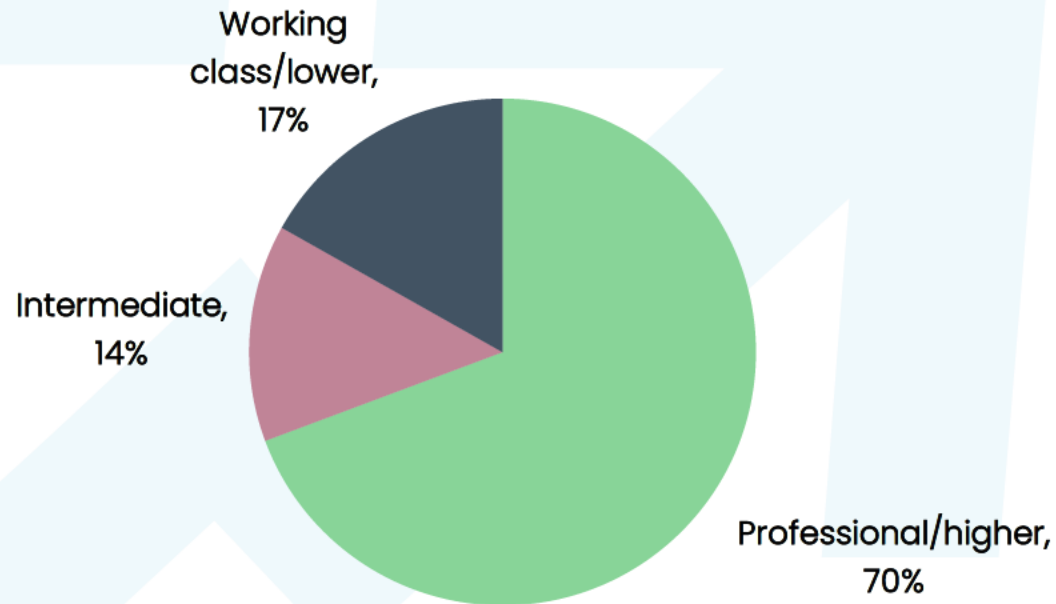
2024 results		
Profession	Number	Percent
Professional occupations such as accountant, solicitor, medical practitioner, teacher, police officer (sergeant or above), software designer, scientist, engineer	718	52%
Senior, middle or junior managers or administrators such as finance manager, chief executive, large business owner, office or retail manager	204	15%
Clerical and intermediate occupations such as personal assistant, secretary, clerical worker, nursery worker	70	5%
Technical and craft occupations such as mechanic, plumber, electrician, gardener, train driver	103	7%
Routine manual and service occupations such as postal worker, machine operator, farm worker, HGV driver, cleaner, bar staff	97	7%
Small business owners who were either sole traders or who employed fewer than 20 people such as small plumbing or building companies, retail store owners, single restaurant or café owners	112	8%
Long term unemployed	22	2%
Not sure	10	1%
Prefer not to say	32	2%
Other	24	2%



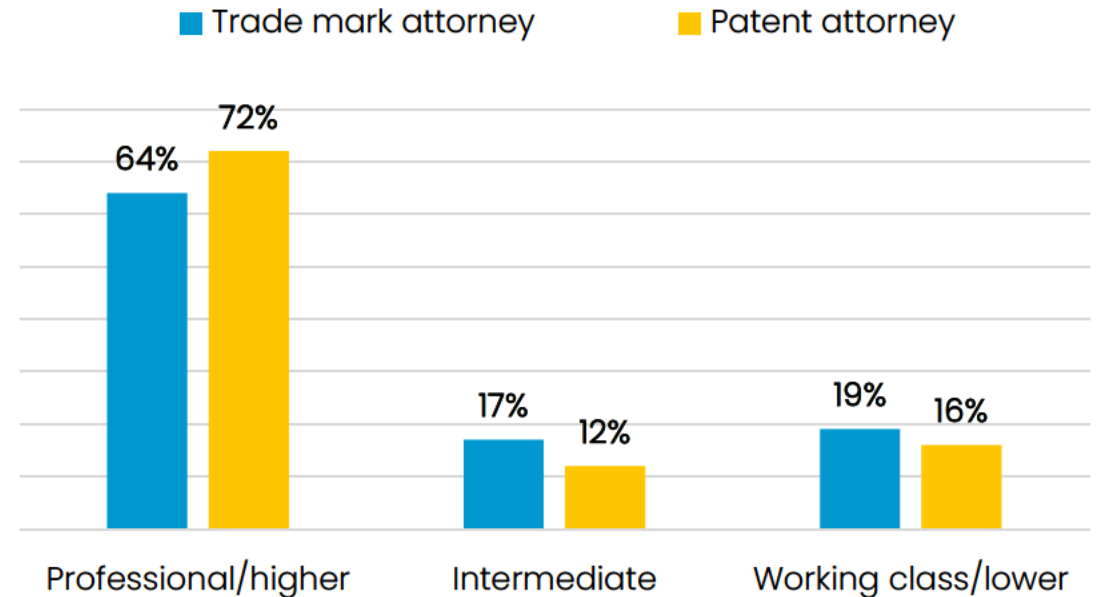
Question: What was the occupation of your main household earner when you were aged about 14?
Base: All respondents (1,392)

Socio-economic background by register

Grouping of occupations shows that 70% of registrants are of a professional/higher socio-economic background, with smaller proportions from intermediate (14%) or working class/lower (17%) backgrounds.



Patent attorneys are more likely to come from a professional/higher socio-economic background when compared with trade mark attorneys.



Professional role and career



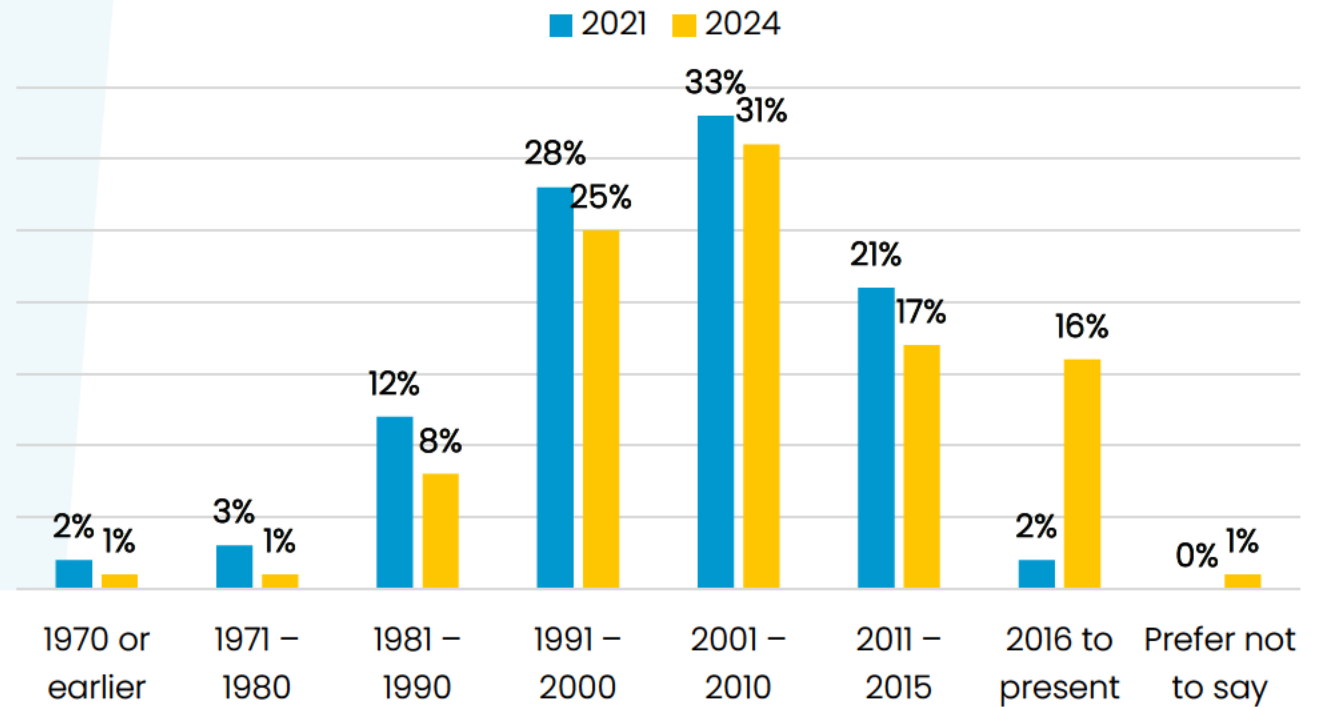
Joining the IP sector

The bulk of registrants had started their first job in the IP sector between 1991 and 2010 (a combined total of 56%).

One in six (16%) were relatively new to the IP sector, having started their first job since 2016.

In comparison to the 2021 results, there has been a large increase in the proportion who started their first job in the IP sector since 2016 (+14%pts), and smaller decreases in the proportions who joined before 2000.

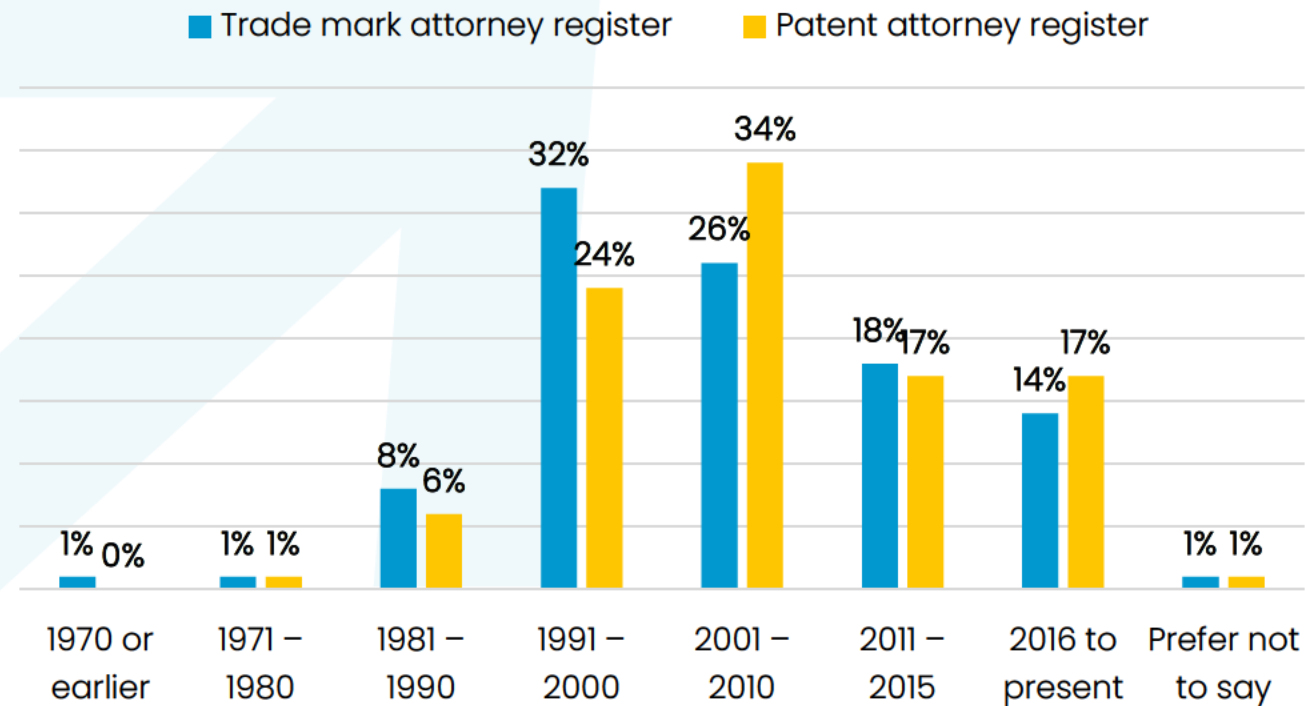
2024 results		
Date of first job in IP sector	Number	Percent
1970 or earlier	12	1%
1971 – 1980	17	1%
1981 – 1990	116	8%
1991 – 2000	353	25%
2001 – 2010	435	31%
2011 – 2015	231	17%
2016 to present	219	16%
Prefer not to say	9	1%



Question: When did you start your first job in the IP sector?
Base: All respondents 2021 (1,145); 2024 (1,392)

Joining the IP sector by register

A larger proportion of trade mark attorneys started their first IP sector job between 1991 and 2000 when compared with patent attorneys, whereas patent attorneys were more likely to have started between 2001 and 2010 when compared with trade mark attorneys.



Question: When did you start your first job in the IP sector?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

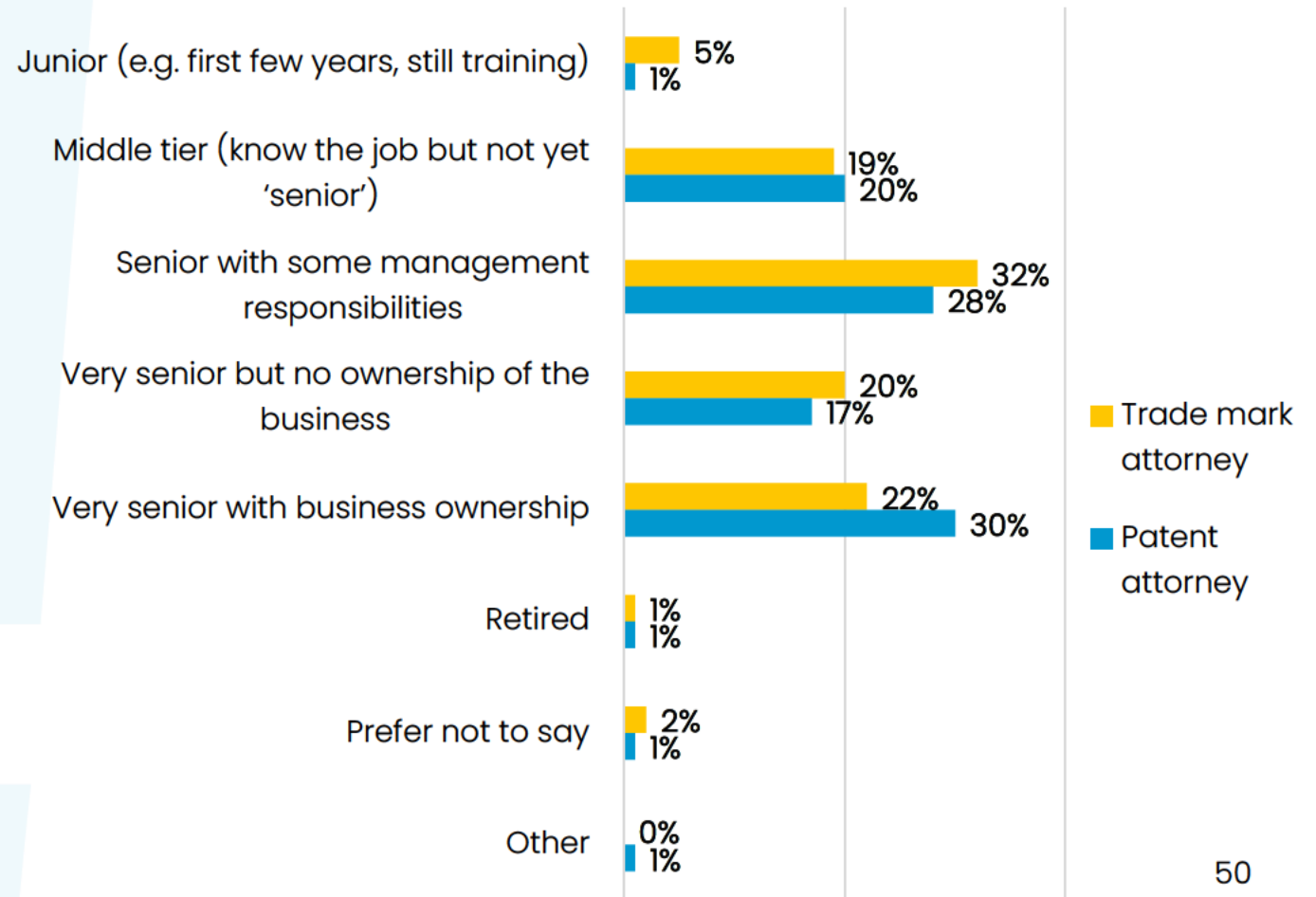
Career level

A variety of career levels were included in the survey sample. The largest proportion worked at a very senior level with business ownership (30%), closely followed by those who worked at a senior level with some management responsibilities (28%).

2024 results		
Career level	Number	Percent
Junior (e.g. first few years, still training)	21	2%
Middle tier (know the job but not yet 'senior')	263	19%
Senior with some management responsibilities	391	28%
Very senior but no ownership of the business	242	17%
Very senior with business ownership	417	30%
Retired	22	2%
Prefer not to say	17	1%
Other	19	1%

The results collected in 2021 and 2024 are almost identical, showing very little change in career level.

In terms of profession, there is a greater concentration of trade mark attorneys working in junior roles and senior roles with some management responsibility, and a greater proportion of patent attorneys working at a very senior level with business ownership.

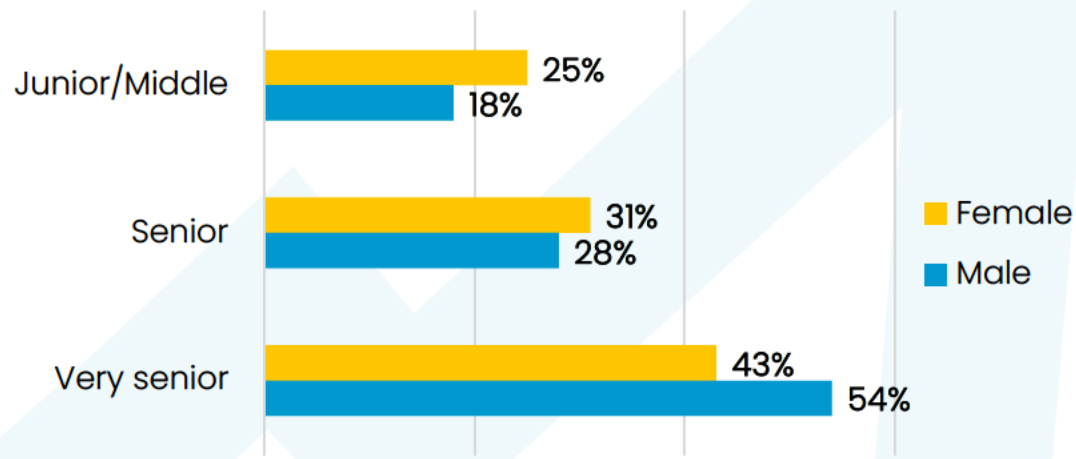


Question: Which of the following best describes your career level?
 Base: Trade mark attorneys (285); Patent attorneys (1,025)

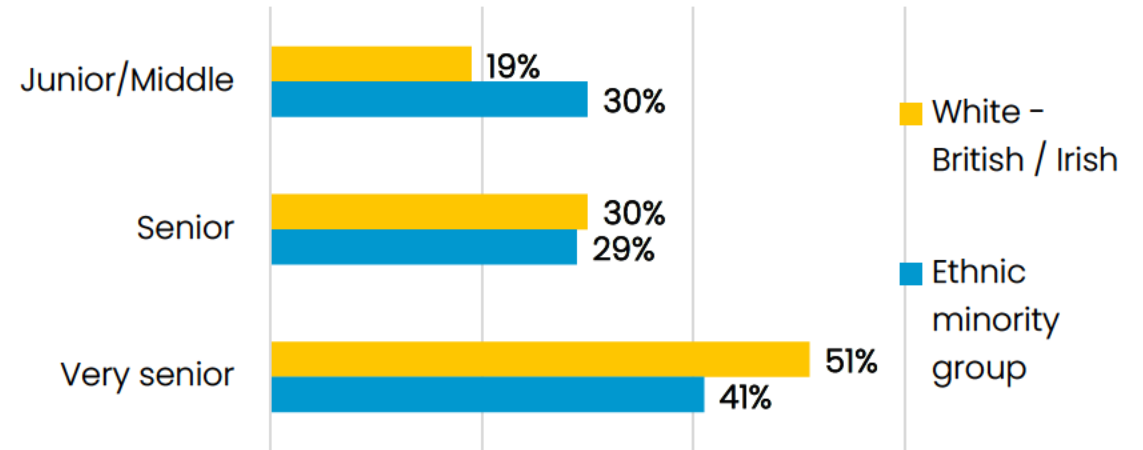
Career level by gender, ethnicity and sexuality

Demographic subgroup analysis highlights several differences at career level.

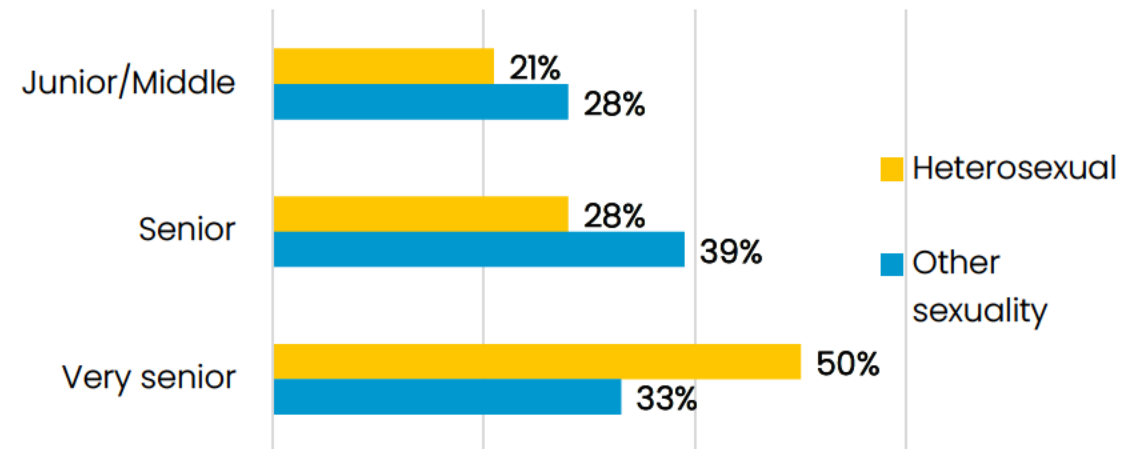
Male registrants are more likely to be in very senior positions when compared with female registrants, who instead are more likely to be working at junior or middle tier level.



A greater proportion of those working at very senior levels were of White British or Irish ethnicity, whereas those from ethnic minority groups were more likely to be working at a junior or middle tier level.



Those working at a very senior level were more likely to be heterosexual, whereas those of other sexualities were more likely to be working at a senior level.



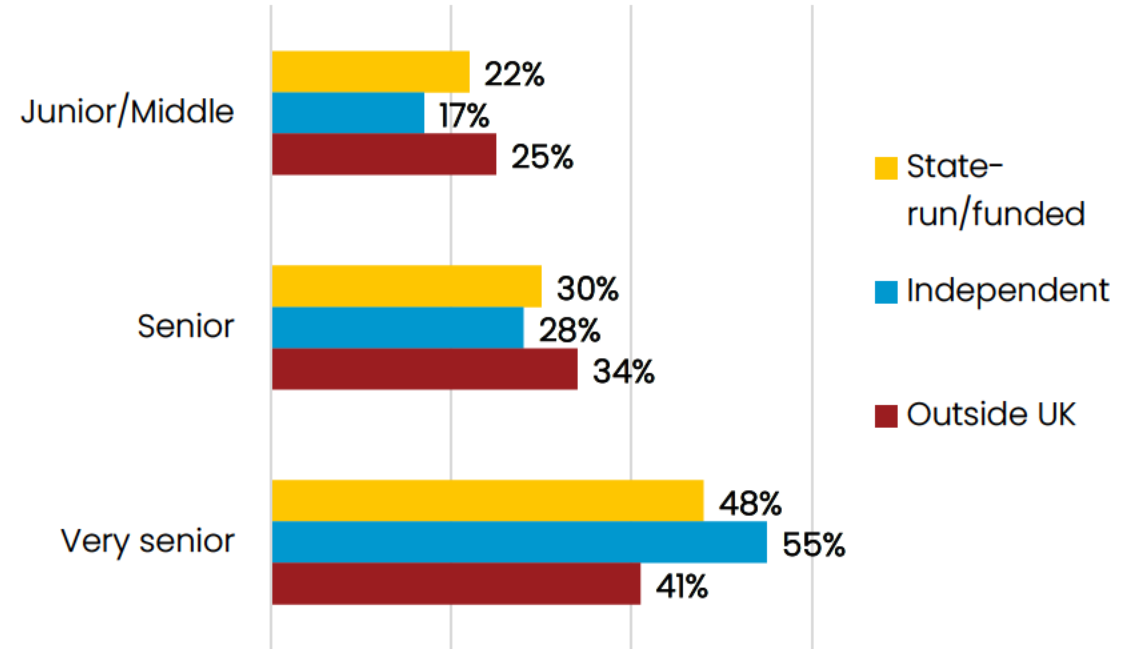
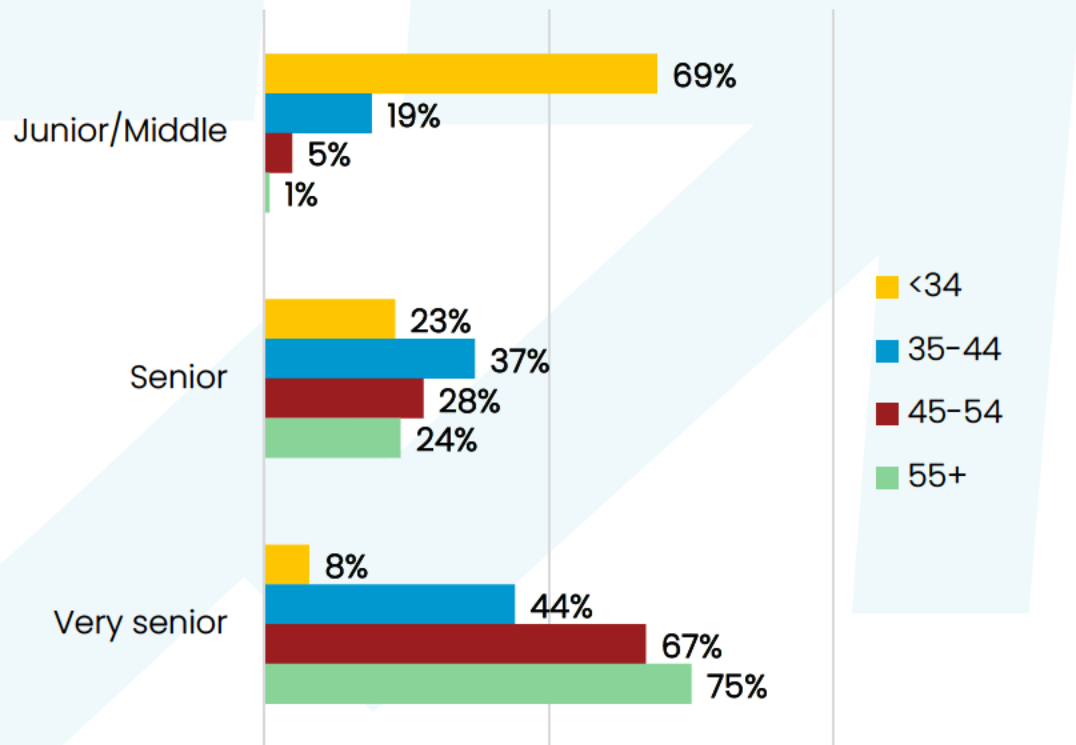
Question: Which of the following best describes your career level?

Base: Female (593); Male (754); White British/Irish (1,121); Ethnic minority group (243); Heterosexual (1,142); Other sexuality (106)

Career level by age group and school type

Analysis by age group highlights the concentration of older registrants working in very senior roles, and that those aged 25-34 are much more likely to be working at junior/middle tier level.

In relation to social mobility, those who attended an independent school were more likely to be working in very senior roles when compared with those who attended state-run/funded schools or schools outside the UK.



Question: Which of the following best describes your career level?

Base: <34 (266); 35-44 (405); 45-54 (433); 55+ (228); State run/funded (884); Independent (305); Outside UK (108)

Sector

In total, 75% of registrants work in private practice and 18% work in-house.

The majority of registrants (54%) work in private practice for a large firm with over 80 employees, partners, members or directors. This proportion has increased slightly since 2021 (+4%pts).

In contrast to 2021, this year a smaller proportion of registrants work in private practice for a small firm with 1-20 employees, partners, members or directors (-5%pts).

There is little other change between 2021 and 2024.

Sector	2024 results		2021 results
	Number	Percent	Percent
Consultant	29	2%	3%
Educational establishment	3	0%	0%
In-house (includes government agencies and charities) Small department (1-20 employees)	108	8%	7%
In-house (includes government agencies and charities) Medium department (21-80 employees)	67	5%	4%
In-house (includes government agencies and charities) Large department (>80 employees)	78	6%	7%
Not in active practice	16	1%	1%
Private practice Small firm (1-20 employees/partners/members/directors)	131	9%	14%
Private practice Medium-sized firm (21-80 employees/partners/members/directors)	156	11%	11%
Private practice Large firm (>80 employees/partners/members/directors)	746	54%	50%
Sole practitioner (working alone or employing others)	40	3%	3%
Virtual professional network	4	0%	0%
Prefer not to say	10	1%	0%
Other	4	0%	1%



Question: In which sector do you mainly work?
Base: All respondents 2021 (1,140); 2024 (1,392)

Sector by register

Patent attorneys are more likely to work in-house within a small department when compared with trade mark attorneys.

In contrast, trade mark attorneys are more likely to work in private practice within a medium sized firm and as sole practitioners when compared with patent attorneys.

2024 results		
Sector	Trade mark attorney	Patent attorney
Consultant	1%	2%
Educational establishment	-	0%
In-house (includes government agencies and charities) Small department (1-20 employees)	3%	9%
In-house (includes government agencies and charities) Medium department (21-80 employees)	4%	5%
In-house (includes government agencies and charities) Large department (>80 employees)	8%	5%
Not in active practice	1%	1%
Private practice Small firm (1-20 employees/partners/members/directors)	8%	8%
Private practice Medium-sized firm (21-80 employees/partners/members/directors)	15%	10%
Private practice Large firm (>80 employees/partners/members/directors)	55%	56%
Sole practitioner (working alone or employing others)	5%	2%
Virtual professional network	-	0%
Prefer not to say	1%	1%
Other	-	0%



Question: In which sector do you mainly work?
Base: Trade mark attorneys (285); Patent attorneys (1,025)

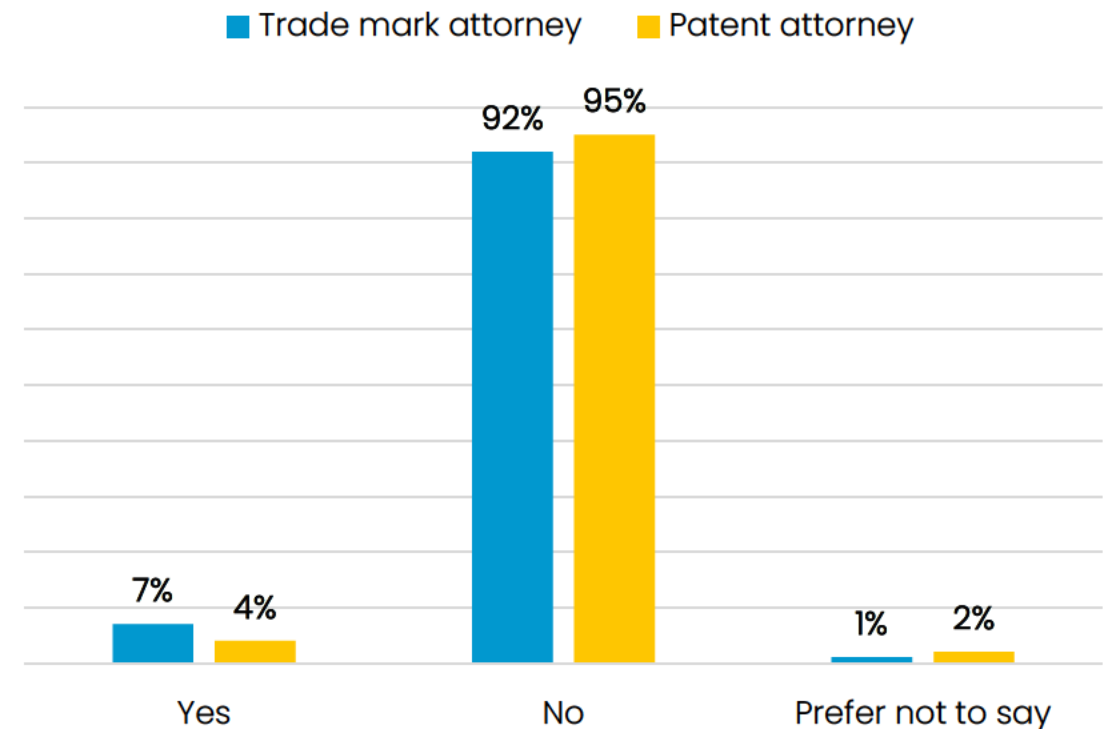
Redundancy

Just 4% of registrants indicated that they had been made redundant or accepted voluntary redundancy in the last five years. This was more likely amongst trade mark attorneys when compared with patent attorneys.

2024 results		
Redundancy	Number	Percent
Yes	60	4%
No	1,312	94%
Prefer not to say	20	1%

Analysis by sector highlights that those working in-house within a small department (10%) and as sole practitioners (10%) were more likely to have been made redundant or accepted voluntary redundancy in the last five years.

Analysis by ethnicity finds that those from ethnic minority groups were more likely to have been made redundant or accepted voluntary redundancy (9%) when compared to White British/Irish registrants (3%).





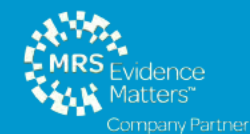
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Board Meeting 12 September 2024

Diversity Action Plan Update – For Information

Agenda Item: 8

Author: Gurdas Singh Sually, Education and Diversity Policy Officer (Gurdas.Sually@ipreg.org.uk)

To be published

Summary

1. Update on the activities set out in the Diversity Action Plan

Recommendation(s)

2. This update is for noting.

Risks and mitigations

	Risk	Mitigation
Financial	No financial risks as a result of this update.	N/A
Reputational	There may be reputational damage as a result of failing to deliver diversity actions set out in IPReg’s Diversity Action Plan.	Regular updates to the Board on the progression on our diversity workstreams enables us to keep on track to deliver the actions set out in the Diversity Action Plan.
Resources	There are no risks to resources as a result of this update.	N/A

Background

3. Following the approval of the EDI Policy and Action Plan at the IPReg Board meeting in January 2024, we committed to providing an update on the Action Plan every six months. The Action Plan (below) covers general EDI work, stakeholder engagement and EDI data.

Discussion

At the last Board meeting, it was requested that clearer timescales for completing each action be included in the update. The following update includes these timescales and provides further updates on work that has been completed since the last Board meeting.

Diversity Action Plan Update:

<u>Action</u>	<u>Update from 11 July 2024</u>	<u>Update</u>	<u>Date for Completion</u>
<i><u>General</u></i>			
Review the IPReg website to ensure that information on about our approach to EDI is consistent and up to date	<p>Information on the IPReg website has been reviewed and is up to date regarding our current policies and approach to EDI, setting out the recent Diversity Action Plan and EDI Policy and Strategy, and our work with other IP stakeholders.</p> <p>The results of the diversity survey held in 2021 is also available on the website, and when the 2024 survey is complete, that will also be added to the website.</p>	The results and report from the latest Diversity Survey will be uploaded to the website when the report is finalised.	By End of September or when the Final Report is approved.
Hold annual mandatory training for the Executive Team and Board on EDI	This is to be arranged.	We have identified a company to deliver the diversity training to staff and Board Members, and we are currently canvassing availability to set a date for the training	<p>Date of training TBC once availability of staff and Board Members is known.</p> <p>Likely to be held in October or November 2024.</p>
Continue to sponsor and support organisations working to improve EDI in the IP and STEM sectors	We continue our sponsorship and support of IP and STEM Sector organisations such as IP Inclusive, Generating Genis and In2Science. We attended IP Inclusive's AGM & Annual conference on 16/04/2024. We shared the work we are planning, including the diversity survey. We joined break-out groups where discussions focused diversity data; participants shared the differing	No further update since last meeting.	Ongoing

	challenges of collecting data in different sized firms and organisations. We also joined IP Inclusive’s workshop on how to start conversations on EDI in firms.		
Consider how EDI could be included in the planned thematic reviews on CPD, transparency and the PII sandbox	To be completed We are due to embark on the thematic review of CPD. Over the next few weeks we set out a how the EDI implications of the changes to CPD can be assessed.	<p>The thematic review of CPD is currently underway. However, an early look at the results have highlighted that there is a significant awareness of EDI, particularly in relation to topics like menopause awareness. Activities are being undertaken to promote diversity within the profession, and individuals are aware of where there may be gaps in their knowledge or understanding.</p> <p>Once the final report is produced we will be reviewing it to see if there are any actions we need to undertake to help promote EDI as a part of CPD. This may also help inform our wider work on our EDI Data Collection policies.</p>	Awaiting Final Report. Review of report completed by end of October (subject to report being finalised).
Consider how EDI could be included in the Review of regulatory arrangements post- implementation impact assessment,	To be completed	Review to be undertaken in Q4 2024 or Q1 2025	By end of Q1 2025

planned for Q4 2024 - Q1 2025.			
<u>Stakeholder Engagement</u>			
Increase our stakeholder engagement on EDI issues including identifying organisations that we have not worked with previously	<p>We have been engaging with new organisations to explore how we might be able to work together to further EDI initiatives for the sector.</p> <p>We have met with organisations to make contacts and build networks for both our specific EDI workstreams as well as the work linked with other aspects of the Business Plan, such as Education.</p> <p>O-Shaped – Met with on 02/02/2024. O-Shaped is an organisation that aims to improve the legal sector for those working in it, and those entering the profession. To date they have worked with a number of organisations and firms using research they have undertaken to outcomes for individuals as well as for firms. Their work has predominantly focused on the solicitor’s profession, but there could be space for collaboration on the EDI aspects of our Education workstreams.</p> <p>Good Fridaze – this is a relatively new organisation that has recently got in touch. They are exploring</p>	<p>We met with the founder of Fridaze on 23 August 2024. Their work is to raise awareness on the impact of socialising around alcohol as a workplace, and how there are problematic links between alcohol, work place stress, mental health issues and alcohol abuse. Fridaze are looking to partner with firms to better understand workplace culture and attitudes to alcohol as well as providing information on how to promote inclusivity and awareness of issues of alcohol misuse.</p> <p>We have agreed to put Fridaze in touch with IP Inclusive, and potentially Jonathan’s Voice, to see if they might be able to partner in the work they do.</p>	Ongoing

	<p>ways to increase inclusion in the workplace by raising awareness on issues such as socialisation around alcohol, as well as raising awareness of mental health issues related to drinking culture. We have been in communication with them and will meet with them in the next few weeks to explore what they are wishing to achieve and where we might be able to collaborate.</p>		
<p>Collaborate with other stakeholders on EDI issues.</p>	<p>We have engaged with the Senior Leader’s Diversity Think Tank, which is hosted by IP Inclusive. The meeting on 27/02/2024 was attended by IPReg, CIPA, CITMA and the UK IPO and diversity leads from the IP Practice Directors Group. The group has been working to produce a diversity survey template that can be used by the sector, as well as producing guidance to go alongside the survey template.</p> <p>We continue to engage and collaborate with the Legal Regulators EDI Forum. Meetings with the forum on 12/03/2024 and 28/05/2024 where discussions and communications have focussed on data collection and reporting across the sector, sharing how each regulator currently collects</p>	<p>We met with the Legal Regulators EDI Forum on 16 July 2024. The meeting was solely used to present research sponsored by the LSB into Neurodiversity in the legal profession. The research was undertaken by Neurodiversikey. They surveyed law students and professionals.</p> <p>Some of the key findings includes:</p> <ul style="list-style-type: none"> • 51.4% of professionals experienced discrimination in respect to their neurotype • Only 0.4% agreed that the legal 	<p>Ongoing</p>

	<p>and analyses data against previous surveys and national benchmarks. Regulators have also shared experiences, challenges and successes in trying to increase participation in data gathering. Regulators have also discussed how each has 'customised' their surveys and the questions so we can explore why we collect data, what aspects may not be as relevant and what additional questions have been asked in order to gain useful data sets.</p> <p>The LSB has appointed a new EDI lead, who we met with on 04/04/2024. At the Regulators EDI Forum the LSB has proposed hosting a wider discussion about diversity monitoring and reviewing its current EDI expectations it has for regulators. However, the initial discussion was pushed back after the announcement of the election given the MoJ have also been discussions with the LSB. It is expected this will be picked up after the election.</p>	<p>sector was neuroinclusive</p> <ul style="list-style-type: none"> • Only 2% agreed that legal education and training is neuroinclusive • 42% of professionals have been refused or not provided with reasonable adjustment in respect to their neurotypes <p>The session was taken up by the presentation of the report, but regulators, and the LSB have said we will include a discussion on what more could be done by regulators to support neuro-inclusion.</p> <p>The LSB was asked about its proposals on hosting a wider discussion about diversity monitoring and its review of EDI expectations. This hasn't yet been progressed by the LSB, but regulators agreed to share the questions they ask in their diversity surveys.</p>	
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<u>Data</u>			
<p>Develop an EDI data collection policy which makes clear the reasons for data collection and the outputs from that process. This will include a greater understanding of why we collect data on protected characteristics and why some protected characteristics may not be relevant to our work as a regulator</p>	<p>We have been holding discussions with stakeholders in the IP sector and the wider legal sector around EDI data collection policies.</p> <p>When working to produce our Diversity Survey, these discussions helped focus what areas might be particularly relevant to the IP sector, where we might wish to gain more insight, and areas that might not be as pertinent. It was highlighted that it would be useful to have more information on the prevalence of neurodiversity in the profession, and to have a greater insight into the educational background of attorneys.</p> <p>These discussions are helping to shape our thinking about a specific EDI Data Collection Policy.</p>	<p>Following the production of the report from our diversity survey, we will be looking at the results and undertaking a mapping exercise to evaluate how the results might inform our diversity policies moving forward.</p>	<p>Mapping exercise to be completed by end of September 2024</p>
<p>Conduct regular surveys of registered attorneys and publish information from them about the diversity of the professions</p>	<p>IPReg committed to conducting a diversity survey in the 2024/25 business plan. At the May Board Meeting, the Board approved the appointment of Enventure Research to assist in running the survey and analysing the survey results.</p> <p>Since the last meeting, a contract has been agreed</p>	<p>We have completed the diversity survey. The draft report has been produced and we are awaiting approval of the final report.</p>	<p>This item will be completed on the approval of the Final Report.</p>

	and signed with Enventure, including a timetable for the project. The table below sets out the project milestones, dates, and confirmation the milestone has been completed		
Adapt the CRM to enable appropriate diversity data to be captured securely: (a) on registration and (b) as part of the annual return process	Following the completion of the Diversity Survey, we will look to see how best to include the diversity data capturing during the annual return process. It was decided that this year we should complete a full diversity survey, rather than attach it to the annual returns completed by attorneys this time round.	No further update since last meeting.	Ongoing
Identify other sources of data on EDI in the legal sector to provide a source of information for IPReg and others	The Legal Regulators EDI forum has been a useful starting point for accessing data collected by other regulators in the legal sector. The group has also been discussing sources of EDI data that could be useful for IPReg to utilise. In addition, we have looked into EDI research conducted by others in the STEM fields, e.g. research by O-Space and Stem Returners, to see what insights can be extrapolated for use by IPReg.	No further update since last meeting.	Ongoing

Diversity Survey 2024 – Project Plan

<u>Action</u>	<u>IPReg/Enventure</u>	<u>Date</u>	<u>Completed</u>
Project set up meeting	IPReg & Enventure	6 June	Completed

Contract and Data Sharing Agreement signed	IPReg & Enventure	w/c 10 June	Completed
Confirmation/finalising of questionnaire and email invitations	IPReg & Enventure	By 21 June	Completed
Supply of registrant contact database	IPReg	w/c 24 June	Completed
Online testing	IPReg & Enventure	w/c 24 June	Completed
Provision of open survey link for promotion	Enventure	1 July	Completed
Survey launce (starting with soft launch)	Enventure	2 July	Completed
Three targeted reminders	Enventure	Staged throughout survey duration	Completed
Survey close	Enventure	30 July	Completed
Quality checks and data preparation	Enventure	31 July	Completed
Provision of final topline report	Enventure	1 August	Completed
Analys of survey data and report writing	Enventure	1-16 August	Completed
Provision of draft survey report	Enventure	w/c 19 August	Completed
Confirmation of research report	IPReg	ASAP	Awaiting approval of draft report before Final Report is produced

Supporting information

Links to strategy and business plan

7. The 2024/25 Business Plan sets out three major themes:

- a. Developing our approach to data gathering/ research with stakeholders in the IP sector
- b. Conduct a diversity survey of the profession
- c. Continue our cross-sector work on EDI with other in the legal profession

Supporting the regulatory objectives and best regulatory practice

8. This work supports the following regulatory objective(s):

- a. Encouraging an independent, strong, diverse and effective legal profession
- b. Protecting and promoting the public interest
- c. Protecting and promoting the interests of consumers

Impacts

9. This work will have a positive impact on the diversity of the profession and should help to increase awareness of the benefits of a diverse profession. The results from the diversity survey will be able to be compared to the 2021 survey to identify any changes.

Monitoring, Evaluation and Key Metrics

10. Diversity Action Plan updates will be presented to the Board every six months.

Communication and engagement

11. Ongoing communication and engagement with stakeholders. There will be additional communication and engagement with the profession in relation the diversity survey, as set out above.

Equality and diversity

12. This work is expected to have a positive impact overall on equality and diversity.

Evidence/data and assumptions

13. We will use the results of the diversity survey (and those of other organisations) to inform our work. In addition to the analysis that Enventure will provide, we will consider asking David Bish to conduct further analysis of the survey data.

Board Meeting 12 September 2024

Continuing Competence thematic review

Agenda Item: 9

Author: Shelley Edwards, Head of Registration (shelley.edwards@ipreg.org.uk 020 7632 7175)

This paper is to note

Summary

1. On 1 July 2023, the way IPReg expected attorneys to approach the requirement to ensure their competence remained up to date, changed. Previously, IPReg required all attorneys to complete no less than 16 hours continuing professional development (CPD) activities per practice year. This was pro-rated where an attorney came onto the register part way through the year or where they spent some time out of active practice. Attorneys were required to confirm as part of the registration renewal process that they had met IPReg's CPD requirements.
2. From 1 July 2023, attorneys are now required to undertake a more reflective approach to maintaining their competence. Rather than a strict hours' requirement, attorneys are required to:
 - a. Reflect on their practice and identify areas for improvement, development or refresher training;
 - b. Plan how to achieve those needs through appropriate training, research or other learning activities;
 - c. Record the activities undertaken and evaluate how those activities met the needs identified.
3. This approach to CPD is now common place amongst most regulated professions, inside and outside of the legal sector. The approach is outcomes-focussed, placing more emphasis on how continuing learning can address individual development needs, develop the practitioner and improve their performance rather than input-focussed which places value on the time the practitioner spent doing an activity.
4. When we introduced the new regulatory arrangements, we recognised that this change was potentially going to be challenging for some attorneys and might take some time to bed in. We therefore advised that we would not take enforcement action in relation to any attorney that had not fully understood the new requirements or implemented them in the expected way following the 2023 annual return (2024 practice year renewal) process.
5. IPReg undertook to carry out a thematic review of new requirements by selecting a random sample of attorneys to provide their continuing competence records to check compliance and consider how well the new process is understood. Depending on the results of the review, IPReg would then take consider whether more time was needed for the professions to adapt to the new arrangements or whether from the 2024 annual return (2025 practice year renewal) process all attorneys would be expected to be in full compliance with the requirements with a view to considering enforcement action in appropriate cases of non-compliance.
6. IPReg engaged Dan Hill, Legal Education Consultant to undertake the review and to prepare a report (**Annex A**) which would:
 - a. Address how well the selected attorneys appear to have understood the new arrangements;
 - b. Identify examples of particular good practice that might be shared with the rest of the profession;
 - c. Identify ways in which IPReg could help the profession better understand what is required of them in order to meet our desired outcomes.

7. The report is in draft with some amendments and clarifications to be made. This draft will not be published as part of the IPReg board papers.

Recommendation(s)

8. The Board agrees:
 - a. To note this paper and to publish the report once finalised;
 - b. IPReg should amend its guidance in accordance with the recommendations made by Dan Hill;
 - c. Those attorneys that did not demonstrate full compliance with the new requirements should be contacted and directed to provide evidence of compliance as part of the 2024 annual return (2025 registration renewal) process;
 - d. The new arrangements appear to have been sufficiently understood and embedded and all attorneys should therefore be in full compliance with regulatory arrangements going forward;
 - e. A follow up thematic review should be undertaken in 3 – 5 years.

Risks and mitigations

Financial	Dan Hill's fee currently stands at [REDACTED] representing three days' work reviewing the records and preparing the report. Implementing the suggested recommendations would be done internally and will not incur additional costs.
[REDACTED]	[REDACTED]
Reputational	There is a reputational risk to IPReg if it was considered by its stakeholders, including the professions, that the changes made to IPReg's regulatory arrangements were not fit for purpose or achieve the desired outcomes. Consumers of IP legal services should be able to expect that in instructing regulated attorneys, they will receive a high quality service provided by a qualified attorney that has maintained their competence. If attorneys are not able to demonstrate that they are maintaining their competence appropriately then IPReg should take appropriate regulatory action to ensure compliance.
Resources	The Head of Registration will review IPReg's current guidance and make changes as appropriate. No additional resources are required.

Key findings

- The majority of attorneys understand and have complied with IPReg's new regulatory arrangements in relation to continuing competence. There is nothing to suggest that one profession is complying with the requirements more than the other
- A number of examples of good practice have been identified, where the reader can clearly understand the links between the area the attorney has identified they need to develop in, the activities chosen to address the lack of knowledge or understanding and how the carrying out of the learning activity has resulted in the desired outcome
- Around 19% of attorneys did not provide any evidence that they had reflected on their practice when selecting their CPD activities. Of that number however, some did go on to evaluate the

activities undertaken and reflected on how the learning from those activities would impact on their practice going forward

- Some attorneys remain unsure of what is required of them or the amount of detail involved in recording continuing competence activities. Some attorneys have indicated they consider the time spent complying with IPReg's continuing competence requirements to be disproportionate and burdensome
- Attorneys are undertaking appropriate activities in both technical and key softer skills areas (such as professional ethics and EDI) suggesting a balanced approach to continuing competence

Next steps

9. If the Board agrees with the recommendations, IPReg will amend its published guidance and review the accompanying templates. Those attorneys who have fallen short of IPReg's expectations will be written to directly with tailored feedback. They will be asked to provide their records as part of their 2024 annual return (2025 registration renewal).

Supporting information

Links to strategy and business plan

10. The carrying out of this thematic review was part of the 2024/25 business plan.

Supporting the regulatory objectives and best regulatory practice

11. IPReg must, so far as it is reasonably practicable, act in a way which is compatible with the regulatory objectives and which it considers is the most appropriate way to meet them. By having in place requirements that attorneys should continue to develop their skills and knowledge throughout their career, IPReg is seeking to encourage an independent, strong, diverse and effective legal profession that adheres to professional principles.
12. By sharing examples of best practice, IPReg will encourage attorneys to engage more effectively with the continuing competence requirements which will provide a high level of assurance to stakeholders, including consumer groups, that regulated attorneys will provide legal services to a high professional standard.

Impacts

13. There are no specific impacts on any type of regulated person, consumer or group.

Monitoring, Evaluation and Key Metrics

14. The move to a reflective model of maintaining professional competence is by definition qualitative rather than quantitative.
15. IPReg will monitor ongoing compliance with random sampling of continuing competence records and by completing a follow up thematic review within 3-5 years.
16. To date IPReg has received very few complaints about the competence of IPReg attorneys, and no complaints have warranted a full disciplinary hearing.

Communication and engagement

17. All attorneys that provided their records as part of this thematic review will be thanked for participating. Some have specifically asked for individual feedback on their records, and this has been given on a case

by case basis. Those that have not demonstrated full compliance with the new arrangements will be written to and asked to provide evidence of compliance for the 2025 registration renewal process.

18. All attorneys will be emailed with a link to the finalised report which will be published on IPReg's website.

Equality and diversity

19. No specific equality and diversity issues were raised or identified in carrying out this review.

Board Meeting 12 September 2024

LSB information request - evaluation of Internal Governance Rules (IGRs)

Agenda Item: 10

Author: Fran Gillon, CEO (fran.gillon@ipreg.org.uk)

This paper is for decision

This covering Board paper will be published.

Annex A will be published. The final version of Annex B will be published on the website on the [response to consultations page](#).

Summary

1. On 18 July, the LSB sent an information request (**Annex A**) to frontline regulators and the approved regulators (in our case CIPA and CITMA) for evidence about how the [current IGRs](#) have worked in practice since their introduction in 2019 and the impact of any challenges that may have arisen in respect of the IGRs.
2. The LSB has requested a response by 6 September but the LSB has agreed an extension until w/c 16 September to allow for consideration by the Board at this meeting.

Recommendation(s)

3. The Board discusses the draft response at **Annex B** and delegates finalisation to the CEO.

Risks and mitigations

	Risk	Mitigation
Financial	There are no financial risks. The practising fees are collected by IPReg; CIPA and CITMA collect their own membership fees. There are no shared services.	N/A
█	█	█
Reputational	Proper functioning of the IGRs provides a positive reputational benefit for IPReg, CIPA and CITMA.	N/A
Resources	No additional resources have been required for this response. If the LSB decides to consult on changes to the IGRs, this will require time from the Director of Policy.	N/A

Background

4. The IGRs set out the framework for the separation of representation and regulation. IPReg, CIPA and CITMA have implemented the IGRs through [Delegation Agreements](#) which set out the powers that have been delegated to IPReg and an Information Sharing Protocol which sets out the information we will provide to each organisation to enable them to fulfil their residual statutory duties as Approved Regulators. These have been in force since 8 July 2020. The IPReg Chair and CEO meet their CIPA and CITMA counterparts on a quarterly basis at the Regulation Forum. The three CEOs usually meet on a monthly basis. Reports from both meetings are provided to the Board.

Discussion

5. The Delegation Agreements, Information Sharing Protocols and regular meetings have all worked well in practice. This is reflected in the draft response to the LSB at Annex B.

Next steps

6. The CEO will finalise the response and send it to the LSB.

Supporting information

Links to strategy and business plan

7. Responding to LSB requests for information is an element of the business plan.

Supporting the regulatory objectives and best regulatory practice

8. The IGRs support all the regulatory objectives by delegating regulatory functions to the frontline regulators.

Impacts

9. Nothing specific for this issue.

Monitoring, Evaluation and Key Metrics

10. We reviewed the functioning of the IGRs at the Regulatory Forum on 7 September 2023. We will provisionally schedule a further review for September 2026 unless any issues arise with their implementation before then.

Communication and engagement

11. The LSB's request has been discussed with CIPA and CITMA who have also been asked for their views by the LSB.

Equality and diversity

12. Nothing specific for this issue.

Evidence/data and assumptions

13. Nothing specific for this issue.

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18 July 2024

Dear Fran

Evaluation of Internal Governance Rules – request for evidence

At its meeting on 30 April, the LSB Board agreed the scope of the evaluation of the Internal Governance Rules (IGR). The evaluation will focus on how, and the extent to which, the IGR:

- a) enhance the separation and independence of regulatory functions within the current legislative framework;
- b) provide more clarity to decrease the number of independence-related disputes; and
- c) are readily enforceable for speedier resolution of issues.

I am writing to you now to seek evidence of how the current IGR have worked in practice since their introduction in 2019, and the impact of any challenges that may have arisen in respect of the IGR. Your responses will provide valuable insights into the application of the IGR and inform our evaluation and any changes we may wish to propose. In conducting the evaluation we will also take into account feedback received from Approved Regulators and Regulatory Bodies in response to our letter of 21 February.

In responding to this request, I would be grateful if you could provide information about the following:

- 1) Any specific examples, with evidence, of where the IGR have worked well in respect of the independence of regulatory functions, independence-related disputes or the speed with which any issues have been resolved. Please provide evidence, and clarify which rule(s) each example relates to.
- 2) Any specific examples of where the IGR have failed, or been ineffective, in respect of the independence of regulatory functions, independence-related disputes or the speed with which any issues have been resolved. Please provide evidence of any failure or lack of effectiveness, evidence of the impact that this has had, and information about which rule(s) this relates to.

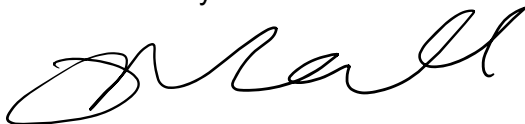
- 3) Information about how you have met each of the required actions summarised in Annex A, and whether you have encountered any challenges in meeting these. Please use the prompts in the annex in answering these questions.
- 4) Anything else you would like to tell us about your experience of the IGR in respect of the independence of regulatory functions, independence-related disputes or the speed with which any issues have been resolved.

The LSB already has some evidence relating to the scope of the evaluation, including information provided by Approved Regulators and Regulatory Bodies in response to the letter from Matthew Hill of 21 February, and any other information which has been provided to us since the introduction of the current IGR. This will be taken into account in the evaluation.

I would be grateful for your answers to the questions above by **Friday 6 September**. Your responses will provide the evidence base for the evaluation of how the IGR are operating in practice.

Should you have any questions or wish to discuss the evaluation further then please contact Clare Brown (clare.brown@legalservicesboard.org.uk)

Yours sincerely



Danielle Viall

General Counsel and Interim CEO (Regulatory Operations)

Specific actions required under the Internal Governance Rules (IGR)

The [Internal Governance Rules](#) and associated [Guidance](#) include certain specific actions that Approved Regulators and/or Regulatory Bodies are required to take. These are summarised in the table below.

Please provide information under each prompt (where applicable to your organisation) about how you have approached each of these actions. If no action has yet been taken, please advise when you intend to carry this out.

Rule	Action	Prompt
1	<p>THE OVERARCHING DUTY</p> <p>(3) Each approved regulator must periodically review and, if reasonably practicable, improve its arrangements under sub-rule (2).</p> <p>Guidance:</p> <p>1.12. It is a matter for each AR to determine the frequency of reviews, but the requirement that the reviews be periodic means that each AR must review its arrangements regularly and consistently. Where an AR and/or regulatory body identify that there is an issue in any particular arrangement, i.e. that it is not fit for purpose, the review should take place as soon as possible after the issue is first identified.</p>	<p>Please provide information about how and when you have reviewed your arrangements under sub-rule (2).</p>
3	<p>PROVISION OF ASSURANCE TO APPROVED REGULATOR</p> <p>(2) The approved regulator with a residual role:</p> <p>a. may only require further information from the regulatory body if it has reasonable grounds to do so; [and]</p> <p>...</p>	<p>Please provide information about:</p> <ul style="list-style-type: none"> ▪ any further information you have required from the Regulatory Body, and ▪ the safeguards you have put in place to prevent the misuse of information received for assurance purposes.

	<p>c. must not use the information it receives for the representation, protection or promotion of the interests of the persons it represents unless and until it receives that information for that purpose or that information is made publicly available.</p> <p>Guidance:</p> <p>3.30. In pro-actively monitoring compliance, the LSB expects each AR to be able to evidence the safeguards put in place to prevent the misuse of information received for assurance purposes.</p>	
5	<p>PROHIBITION ON DUAL ROLES</p> <p>Guidance:</p> <p>5.6. The starting point for compliance is to identify those individuals who are involved in decisions relating to regulatory functions, and then ensure that those persons do not become involved in representative functions (including by joining the board which controls those functions).</p> <p>5.7. In order to assess whether an individual is affected by this provision, the AR should consider each role on a case-by-case basis.</p> <p>5.10 Records should be made of the decisions in relation to each role and how those decisions were reached.</p>	<p>Please provide information on how you have identified individuals involved in decisions relating to regulatory functions, and how you have ensured that these individuals do not become involved in representative functions.</p>
6	<p>INDIVIDUAL CONDUCT</p> <p>Each approved regulator must ensure that any individual...is aware of and complies with these Rules and the arrangements in place under Rule 1.</p> <p>Guidance:</p>	<p>Please provide information on:</p> <ul style="list-style-type: none"> ▪ the systems you have put in place to ensure that relevant individuals are aware of the IGR and comply with them;

	<p>6.6. Whilst this rule is focused on individual knowledge and conduct, responsibility for ensuring compliance rests with the AR. It is for the AR to put in place effective systems to ensure that relevant individuals are: firstly, aware of the IGR and arrangements and, secondly, comply with them.</p> <p>6.11. The LSB expects each AR to identify which individuals are caught by this rule, and keep this under review as their roles and responsibilities change.</p> <p>6.14 In proactively seeking assurance of compliance with this rule, the LSB would expect the AR to be able to produce training materials and logs of dates when the courses were provided, and of the attendees.</p> <p>6.16 The Guidance under Rule 13: Candour about compliance, addresses what is likely to be required for each AR to remedy or report issues of non-compliance. This includes having arrangements in place for individuals to internally report such issues which come to their attention.</p> <p>6.18 With respect to Board members or other office-holders, the AR must give careful consideration to how it can enforce compliance. The LSB expects this will involve either inclusion of appropriate and enforceable provisions in the organisation or board's constitution or terms of appointment for the individuals, or an equivalent enforceable procedure which applies to these provisions.</p>	<ul style="list-style-type: none"> ▪ how you have identified which individuals are caught by this rule; and ▪ whether you have produced any training materials and kept logs of dates and attendees at training sessions.
11	<p>SHARED SERVICES</p> <p>Guidance:</p> <p>11.7 In order to comply with this section, the LSB would expect an assessment of the three tests set out in Rule 11 (1) (a) to (c) to be undertaken regularly.</p>	<p>Please provide information on which, if any, services have been reviewed, and how and when you have carried out the assessments referred to in Guidance 11.7.</p>

13	<p>CANDOUR ABOUT COMPLIANCE</p> <p>(1) Each approved regulator must respond promptly and fully to all requests for information by the Legal Services Board made for the purposes of assessing and assuring compliance with these Rules.</p> <p>Guidance:</p> <p>13.6. This rule requires the AR to monitor its own compliance with the IGR so that it is in a position to respond promptly and fully to a request for information from the LSB at any point.</p> <p>13.8. In devising the arrangements under the IGR, ARs must have regard to this. Systems should be in place for logging and recording compliance matters so that the information is accessible and can be provided when required.</p> <p>13.9. This would include but may not be limited to:</p> <ul style="list-style-type: none"> a. protocols setting out: delegation agreements; the separation arrangements and the justification for choosing these arrangements; protocols for information exchange between the regulatory body and AR; agreements for any shared services between a regulatory body and AR. b. logs of any referrals to the LSB for clarification including the efforts made internally (including between an AR with a residual role and its regulatory body, where relevant) to resolve the issue c. records of any disputes referred to the LSB and the discussion between the regulatory body and AR prior to the referral d. logs of non-compliance issues, action taken and result e. logs of training provided to relevant individuals <p>13.10. In order to comply with sub-rule (2), each AR must maintain a record of all noncompliance issues with their remedy. It must also ensure that it is notified of all noncompliance issues by its regulatory body together with details of how each was</p>	<p>Please provide information on the systems you have in place for logging and recording matters relating to compliance with the IGR.</p>
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	<p>remedied if possible within a reasonable time. The AR and the regulatory body will therefore need to put in place a system for the internal reporting of issues arising under the rules. It is expected that this would require robust procedures which are clearly understood by all individuals covered by Rule 6: Individual conduct. The procedures should include a record of all non-compliance instances and the actions taken to remedy the issue which the LSB may call for from time-to-time.</p>	
14	<p>DISPUTES AND REFERRALS FOR CLARIFICATION</p> <p>Guidance:</p> <p>14.10. A disagreement between an AR and regulatory body is not a dispute unless, and until, all reasonable efforts at resolution have been exhausted. Each AR and its regulatory body should therefore agree a system for resolving issues as and when they arise. This may involve an informal discussion, followed by a formal negotiation, followed by referral to an external source for advice. The AR and regulatory body should recognise that urgency may curtail the time available and tailor their resolution process to be as expedient as possible where the circumstances necessitate this.</p> <p>14.11. All persons with a role in regulatory functions or which may reasonably be considered likely to affect regulatory functions must be aware of and follow this process in accordance with Rule 6: Individual conduct. The AR and its regulatory body should ensure that their resolution process is formally set out and available to all such persons, such as by publication on its website(s) and in training documentation.</p>	<p>Please provide information on:</p> <ul style="list-style-type: none"> ▪ your protocol for handling disputes; ▪ what, if any, disputes you have considered and how these were resolved.

Board Meeting 12 September 2024

Legal Services Board Consumer Empowerment Policy Statement – IPReg implementation review

Agenda Item: 11

For discussion and decision

Author: Victoria Swan (victoria.swan@ipreg.org.uk)

The paper will be published, the Annex will not be published as it is a draft document.

Summary

1. The [LSB Statement of Policy on Empowering Consumers](#)¹ seeks to ensure that regulated legal services providers offer useful information to consumers to empower them. This includes providing information about the cost and quality of their services, the opportunities for redress and the requirements of regulation. It requires the frontline regulators to pursue the following outcomes:

- a) i) Consumers have the knowledge and capability to recognise when their problem is a legal issue and know how to get legal assistance where necessary;*
- a) ii) Consumers have the knowledge and capability to engage effectively with the legal services market;*
- a) iii) When choosing a legal services provider, consumers can access, as a minimum, useful information about a provider's services, price, quality, regulatory status and access to resolution of complaints that enables them to make an informed choice as to the provider most suited to meet their needs.*
- b) Ensure compliance by those they regulate with the regulatory arrangements they put in place to pursue these outcomes, including through effective measures to address non-compliance;*
- c) Have appropriate mechanisms in place to evaluate and report on the effectiveness of the steps they have taken in pursuit of these outcomes and make changes where these have not been met.*

On 17 June 2024, the LSB issued to the regulators a request for assurance by 30 September 2024 that they meet the requirements of the Statement of Policy.

2. We have approached this through an assurance review (**Annex**) which provides 4 sections:

- an introduction which summarises our achievements and continuing direction of travel;
- an assessment against the specified outcomes of the statement;
- an assessment against the specified expectations of the statement;
- progress review against the consumer empowerment action plan we provided to the LSB in July 2022.

¹ Published in April 2022.

3. A draft assurance review was considered at the July 2024 Board meeting. Any changes made to the assurance review (**Annex**) since that discussion, are highlighted in **turquoise**.

4. The assurance review (**Annex**) illustrates how IPReg has implemented all the action plan commitments scheduled for completion by September 2024. Additionally, it provides updates on planned commitments beyond September 2024, as well as details about other initiatives that we have implemented. It demonstrates that IPReg has taken the LSB’s statement into account when exercising its regulatory functions, through its comprehensive regulatory arrangements review, regular horizon scanning/benchmarking exercises, its new disciplinary processes and its collaboration work with the other regulators on the Regulatory Information Service (single digital register).

Recommendation(s)

5. The Board is asked to endorse, subject to any amendments it suggests, the assurance review (**Annex**) for submission to the LSB.

Risks and mitigations

	Risk	Mitigation
Financial	Both the LSB and the Legal Services Consumer Panel (LSCP) want the frontline regulators to implement a Regulatory Information Service (RIS – referred to previously as a single digital register). An RIS will have a financial impact on the frontline regulators because it will be them that sets it up and runs it (it will not be funded by the LSB). It may take the form of an evolved version of the Legal Choices website, which we run together and which provides regulatory status information (such as disciplinary findings) about our regulated attorneys. There is the potential for future work to have very significant costs for all the regulators. As soon as potential costs are known these will be brought to Board.	IPReg actively participates in both the LCGB ² and the Steering Group (LCSG) ³ for the Legal Choices website. This has included actively contributing to the recently completed discovery phase for the RIS project. That phase was looking at the functional requirements that each frontline regulator could contribute. In turn this has set the course for the current design scope phase. Ultimately, it is the LCGB which will consider the RIS specification options within a cost benefit analysis and determine the way forward.

² Typically attended by the CEO

³ Typically attended by the Director of Policy

Reputational	The LSB is particularly focused on: a) Quality Indicators (QIs) b) creation of a Regulatory Information Service.	The July 2024 Board meeting discussed the approach to QIs.
Resources	<p>Consumer engagement can be difficult given the predominantly business-to-business nature of the IP sector.</p> <p>Consumer engagement can be difficult given the predominantly business-to-business nature of the IP sector.</p>	<p>We use proxies for consumer input such as engaging proactively with the Legal Services Consumer Panel and seeking their input as appropriate.</p> <p>We have contracted with Cut-Through Consulting to provide support on data and evidence gathering and analysis and they are actively participating in the regulators’ research/risk groups.</p> <p>We have budgeted £30,000 for the thematic review of how well the new transparency provisions are being complied with. This will enable us to obtain external advice on the best way to structure the review, to analyse the information we obtain and evaluate the effectiveness of the requirement. We will probably use an independent party to undertake the review to provide reassurance to firms about its impartiality.</p> <p>The new Stakeholder Engagement Strategy outlines our approach to continue building and maintaining positive relationships with stakeholders. The strategy will enable us to improve the way we consult, collaborate with and inform our stakeholders.</p>

Background

6. The [LSB Statement of Policy on Empowering Consumers](#) aims to deliver better information about the service and quality of legal services providers. The statement outlines how the regulators should ensure that individual consumers and small businesses in need of legal advice have the

information to shop around and choose the provider most suited to their legal needs. The frontline legal services regulators⁴ are expected to be compliant with the statement by September 2024.

7. The July 2022 Board meeting considered an analysis which assessed the extent to which our approach was consistent with the statement and what actions needed to be taken in the IP sector. The Board agreed the gap analysis and the action plan was submitted to the LSB on 18 July 2022. The LSB discussed this with us on 5 October 2022. The January 2023 Board meeting considered an update on progress. Progress across the sector was discussed throughout 2022 and 2023 via meetings of the LSB’s Market and Transparency Coordination Group (MTCOG).

8. On 8 June 2023, the LSB issued a regulatory performance assurance information request to the frontline regulators. This covered the period October 2022- May 2023 and included a request regarding progress on compliance with the policy statement. Our proposed submission to the LSB was considered by the July 2023 Board meeting and our response was submitted to the LSB on 27 July 2023. The response referenced our successful regulatory arrangements review rule change application which included [new transparency requirements](#) as well as [Transparency and Costs Guidance](#) and a [Consumer Transparency Leaflet](#)⁵. On 20 February 2024, the LSB published its [Regulatory Performance Assessment Report](#) informed by the regulatory performance information provided by IPReg. That report mentioned IPReg’s “evidence of progress in meeting the LSB’s consumer empowerment policy statement, including its new transparency arrangements and its work to produce consumer facing information, including a transparency leaflet”⁶. Its Good Practice section mentions our “approach to producing a consumer facing leaflet, including proactively reaching out to the Legal Services Consumer Panel”⁷.

9. On 17 June 2024, the LSB issued a letter to the frontline regulators, requiring assurance about how they have pursued the consumer empowerment outcomes:

a) i) Consumers have the knowledge and capability to recognise when their problem is a legal issue and know how to get legal assistance where necessary;

a) ii) Consumers have the knowledge and capability to engage effectively with the legal services market;

a) iii) When choosing a legal services provider, consumers can access, as a minimum, useful information about a provider’s services, price, quality, regulatory status and access to resolution of complaints that enables them to make an informed choice as to the provider most suited to meet their needs.

⁴ The Bar Standards Board (BSB), Chartered Institute of Legal Executives (CILEx), Cost Lawyers Standards Board, Council of Licensed Conveyancers (CLC), IPReg, Institute of Chartered Accountants of England and Wales (ICAEW), Master of Faculties, Solicitors Regulation Authority.

⁵ These new arrangements went live on 1 July 2023.

⁶ Page 55, paragraph 13

⁷ Page 59, paragraph 27 (4 Good Practice Indicators for IPReg were identified – the others related to the governance review, regulatory arrangements review rule change application and the regulatory sandbox enabling innovation).

b) Ensure compliance by those they regulate with the regulatory arrangements they put in place to pursue these outcomes, including through effective measures to address non-compliance;

c) Have appropriate mechanisms in place to evaluate and report on the effectiveness of the steps they have taken in pursuit of these outcomes and make changes where these have not been met.

10. The LSB also has expectations about public legal education and information about price, quality, service, redress and regulation and how information is made available to consumers. It also expects an explanation and evidence about how we have adapted our approach to address the needs of individuals and small businesses or specific practice areas within it. It seeks evidence on how proposed measures have been tested with consumers and evaluated for their effectiveness. It also expects to see how we have collaborated with other regulators to work more efficiently and effectively. Our proposed assurance review (**Annex**) lists these items and the activities undertaken to provide assurance, as well providing an update on the IPReg consumer empowerment action plan submitted to the LSB in July 2022.

11. New measures, not identified in that 2022 action plan, include our [Stakeholder Engagement Strategy](#) and the May 2024 Board meeting which considered a benchmarking exercise against the [LSCP Consumer Focused Regulation Good Practice Indicators](#). Additionally, we are an active member of the [Legal Choices](#) Steering Group and Governance Board, which is taking forward the Regulatory Information Service (RIS) work, with the aim of providing a single digital register. The most recent meeting of the RIS group (24 May 2024) reviewed the functional requirements for RIS. This included whether RIS should set out providers' costs information; the meeting decided that signposting to items such as IPReg's Consumer Transparency Leaflet rather than actual services costs was a targeted and proportionate approach.

Quality Indicators (QIs)

12. The Competition and Markets Authority⁸ (CMA), the Legal Services Consumer Panel (LSCP) and the LSB all want to see QIs in place in the legal services sector. The LSCP issued a [letter](#) to the CMA on 16 January 2024, which is clear in its disappointment, that it considered the regulators were not making progress on implementing quality indicators. On 7 June 2024, the IPReg CEO had a positive introductory meeting with the new Chair of the LSCP, Tom Hayhoe. In that meeting we were told that the CMA had advised the LSCP that it could only take enforcement action at the end of a formal investigation and that it is waiting to see the result of the LSB's assessment of regulators' compliance with the LSB's Policy Statement before deciding whether it needs to review the situation.

13. The LSCP [letter](#) suggests the following provisions against which we provide our current practice:

⁸ [Review of the legal services market study in England and Wales - GOV.UK \(www.gov.uk\)](#)

“Beyond digital comparison tools and the consumer reviews that may be found within them, we are unaware of any other quality indicator being actively explored by the Approved Regulators. The Panel has made the following suggestions:

a) the publication of first tier complaints data – IPReg position: we capture FTC data through the annual return process and aggregate by complaint category. We do not publish data by firm given the low numbers of complaints generally and there is no evidence that consumers in the IP sector would find this information a useful or reliable indicator of quality. We do we capture performance against the 8-week timeframe for resolving a complaint but since no complaint relating to an IPReg regulated person/firm has ever been accepted by the Legal Ombudsman⁹ it seems doubtful that this information would be a useful of quality to consumers in the IP sector;

b) the publication of full ombudsman decisions by the Legal Ombudsman – IPReg position: there have been no full Legal Ombudsman complaints to publish. We publish full information about disciplinary decisions and the registers indicate if there has been disciplinary action against an attorney. The evidence we have indicates there are very few individual consumers and small businesses who use regulated IP legal services;

c) the commissioning of mystery shopping research by the bigger regulators in one or two high risk areas – IPReg position: intellectual property is not considered a high-risk area which would warrant this (and neither the CMA, LSB nor the LSCP provided any specific concerns about consumer detriment in the IP sector); and

d) the need for smaller regulators to be proactive e.g. the Council for Licensed Conveyancers could publish quality information on licenced [sic] conveyancing work focusing on speed, accuracy and registration timeliness” – IPReg position: we do not regulate conveyancing; we proactively seek the LSCP’s thoughts on consumer facing items, such as the [Consumer Transparency Leaflet](#), and an independent research horizon scanning update is brought to each meeting of the Board.

13. On 16 May 2024, the LSB issued new Requirements, Guidance and a Statement of Policy on [First-Tier Complaints](#)¹⁰ (FTC) which regulators must comply with by November 2025. The new provisions include publication of first-tier complaints data for individual firms which the LSB considers will provide consumers with a key source of information about legal services providers’ quality *“which will in the longer term contribute towards meeting the Empowering Consumers Statement of Policy requirements”*¹¹. It proposes that regulators apply what might be considered a quality indicator proxy; that is, to publish firms’ performance against the FTC handling timeframe of 8 weeks prior to potential escalation to the Legal Ombudsman.

⁹ The Legal Ombudsman can only accept a complaint once a regulated person/firm has had 8 weeks to resolve the individual’s (or small business) complaint to the individual’s (or small business) satisfaction.

¹⁰ Regulators need to comply by November 2025.

¹¹ Page 3 of the LSB’s 17 June 2024 letter – see Annex B.

14. On 10 July, the Executive Team met with our independent research consultant, to discuss the challenges that were likely to arise with publishing FTC information in a way which is both useful to consumers and fair to firms¹². The 0 FTCs reported by all 107 sole traders in their 2023-24 annual returns, and the 0 FTCs reported consistently by one of the largest bodies regulated by IPReg, were discussed and agreed as areas worthy of analysis with the relevant parts of the regulated community. In the event that a complainant is not satisfied with how their FTC was dealt with, and/or it was not processed within 8 weeks of receipt, they can complain to the [Legal Ombudsman](#). No complaints about IPReg regulated persons or firms were made to the Ombudsman in 2023, nor has the regulated company ever had any complaints subject to a full Ombudsman investigation. Whilst this could indicate that IPReg regulated persons and firms are dealing with FTCs to the satisfaction of the complainant, and within the 8 weeks timeframe –we do not directly require this information from regulated persons and firms. The Legal Services Board’s Statement of Policy on [First-Tier Complaints](#) requires regulators to include a speed of resolution measure. It will be important for IPReg to consider what is proportionate to apply/measure in the context of no complaints being accepted by the Legal Ombudsman as well as all data available indicating that the majority of consumers of IP services are not eligible to complain to the Legal Ombudsman.

16. We review the FTC data annually. We will be doing more work in 2025 to understand firms’ approach to recording FTCs to ensure the information they provide is accurate. The most frequently reported complaint theme remains costs (either that the costs were excessive or there was deficient information relating to costs). In the 2023-24 annual return process, firms reported that 60 FTCs had been received about costs; this is a reduction from the 78 complaints reported in the previous year’s exercise. The Core Regulatory Framework introduced new requirements about the need for transparency on costs to help consumers to understand the fees they would have to pay. Focus on this issue might have helped firms to improve their approach to providing information which could have led to these reductions. The second and third most frequent complaint themes in 2023 were failure to keep the client informed (32 complaints received) and failure to follow instructions (28 complaints).

17. The Board meeting in July 2024 discussed the approach to QIs and decided that in addition to the regular independent research horizon scanning report provided to each Board meeting of the Board, the publication of thematic FTC data (through the Annual Report) and transparent [disciplinary decisions](#) and [decision-making guidance](#) that we should ask relevant firms¹³ to see what (if any) QIs they consider their clients do, or might, find useful, and the relevance of the 8-week FTC deadline as an indicator of quality in the context of IP legal services. The Board also agreed to the Executive Team’s proposals to change the FTC categories with the intention of gathering richer data. These changes to be implemented from 1 January 2025, with guidance on what constitutes a

¹² The small numbers involved mean comparisons may not be meaningful. For example, a sole trader could be disproportionately impacted by 1 FTC (versus a larger firm with just 1 complaint (and could create a perverse incentive for firms not to record all complaints numbers)).

¹³ Those which have clients who are individual consumers and small businesses who can complain to the Legal Ombudsman.

complaint (in accordance with the LSB definition) and the reporting categories. We will be contacting firms imminently regarding this.

Next steps

18. Submit the response (**Annex**) to the LSB.

Supporting information

Links to strategy and business plan

19. The first of our (three) current strategic priorities is:

“to improve consumer knowledge and empowerment among users of IP legal services:

- increasing the public profile of IPReg to the regulated community and the users of IP legal services;
- increasing our understanding of the needs and expectations of users of IP legal services;
- providing targeted and proportionate information to enable those users to make informed choices about their legal adviser; and
- increasing our understanding of the needs and expectations of all types of regulated attorneys/firms and disseminating information about best practice.”

Supporting the regulatory objectives and best regulatory practice

20. The transparency work supports the regulatory objective of protecting and promoting the consumer interest, placing consumers at the heart of regulation, alongside the interests of the public and the profession.

Impacts

21. The work in this area is designed to have a positive impact on individual consumers and small businesses who use regulated IP legal services.

Monitoring, Evaluation and Key Metrics

22. The thematic review scheduled for Q4 2024/Q1 2025 will gauge how well the regulated community have embedded the new transparency requirements.

Communication and engagement

23. The benchmarking exercise at paragraph 10 of this paper resulted in the May 2024 Board meeting endorsing 4 commitments¹⁴ which included a Complaints FAQ. This has been developed and published and would seek to communicate clearly the options available to a consumer who is not satisfied with the service received from a regulated IP legal services provider.

¹⁴ As at paragraph 1.4 of Annex A.

Equality and diversity

24. Our [EDI Policy and Action Plan](#) has an explicit commitment to encourage a range of perspectives in our operations and decision making.

Evidence/data and assumptions

25. The draft response to the LSB (**Annex**), as with the original action plan provided to it in July 2022, is based on our evidence that the IP sector has a predominantly business-to-business profile (rather than individual consumers). As identified in this paper and our attached action plan review, we will be looking at how to build on this evidence base.

Board Meeting 12 September 2024

Regulatory Performance Assessment – LSB information request

Agenda Item: 12

Author: Victoria Swan (victoria.swan@ipreg.org.uk)

This paper is for gaining feedback on the draft regulatory performance assurance mapping.

Annex A and Annex B are for internal purposes and are not for publication.

Summary

1. This paper relates to the (imminently pending) Legal Services Board’s (LSB) regulatory performance information request to be issued¹ to all regulators. This will be based upon the LSB’s [Regulatory Performance Framework](#) and will cover the period of June 2023 - September 2024. It will include a requirement for an assurance mapping assessment against the LSB’s 3 Regulatory Standards (RS):

- RS1 Well-Led
- RS2 Effective approach to regulation
- RS3 Operational delivery

and the 20 Characteristics which underpin the RSs. IPReg’s first draft of this assurance mapping is provided at **Annex A**. Ultimately, the LSB will provide a red, amber, green (RAG) traffic light rating for each regulator against each of the RSs². The Board is asked to endorse (or not) that it has green/full assurance that IPReg meets each of the Regulatory Standards.

2. The LSB’s [Regulatory Standards and Characteristics Sourcebook](#) provides numerous examples of potential evidence sources, “The LSB will expect regulators to provide assurance that they meet the standards. We have provided non-exhaustive examples to illustrate the types of evidence they may provide as assurance, which is material that should be available in supporting the decision-making of regulators’ own boards and/or publicly available”³. We have undertaken a high-level benchmarking desktop exercise against the Standards, LSB-cited examples and our own evidence sources (**Annex B**). The Executive views this as a proportionate way in which to document in one place the evidence sources which our assurance mapping takes account of. It would not seek to replicate the LSB’s examples where there is not an identified need to do so.

3. It is anticipated that the LSB’s performance information request will include questions specific of IPReg, such as progress against commitments, such as implementation of the governance action plan, Equality, Diversity and Inclusion policies and action plan, thematic reviews and the reviewing the Accreditation Handbook and Competency Frameworks (see items 7 and 8 for more detail). It is

¹ The specific information requests are due to be issued by the LSB in mid-September with regulators expected to respond by mid-November.

² They do not RAG-rate, or comment on, any of the 20 underpinning Characteristics.

³ Page 2 of that document.

also expected that it will seek information on the 3 common themes which its February 2024 [Regulatory Performance Report](#) identified as areas in need of development by several regulators. These relate to transparency of decision-making, use of evidence base and skills sets. Upon receipt of the full information request, we will draft a regulatory performance assurance narrative to answer all the LSB’s questions, as well as summarising the findings of the updated assurance mapping. Both documents will be brought to the 7 November 2024 meeting of Board for review ahead of their submission to the LSB.

Recommendation(s)

4. The Board endorses the assurance mapping (**Annex A**) subject to any amendments it may have.

Risks and mitigations

	Risk	Mitigation
Financial	Previously our approach to building our evidence base led to criticism from the LSB that we have not allocated sufficient priority to this area. Use of evidence is one of the three common themes identified by the LSB’s February 2024 report .	We have contracted with Cut-Through Consulting to provide support on data and evidence gathering and analysis and he is actively participating in the regulators’ research/risk groups.
Reputational	Previously the LSB has criticised specific aspects of IPReg’s work and raised questions about the Board’s approach to governance.	We adopted, published and delivered , a detailed Governance Action Plan.
Resources	Compilation of the assurance mapping process and regulatory performance information request response take a significant amount of resources (not least because they are time period specific and so much of the text does not lend itself to being directly transferred).	The Director of Policy has focused on this area of work, having undertaken the previous regulatory performance assurance mapping.

The last regulatory performance assessment

5. The new LSB [regulatory performance framework](#) which went live on 1 January 2023, focuses on 3 Regulatory Standards:

- “RS1 Well-Led: regulators are well-led with the resources and capability required to work for the public and to meet the regulatory objectives effectively (8 underpinning Characteristics);

- RS2 Effective approach to regulation: regulators act on behalf of the public to apply their knowledge to identify opportunities and address risks to meeting the regulatory objectives (7 underpinning Characteristics);
- RS3 Operational delivery: regulators' operational activity (e.g. education and training, authorisation, supervision, enforcement) is effective and clearly focused on the public interest" (5 underpinning Characteristics).

6. Later that year, the LSB issued a regulatory performance information request of all regulators, relating to October 2022 - May 2023, focused upon an assurance mapping against RS1 and RS2 and their underpinning Characteristics. Additionally, it asked questions of all regulators related to items such as consumer empowerment and ongoing competence, the public interest, use and deployment of evidence and proactiveness in supervision, examples of innovation. These were accompanied by specific questions for each regulator. IPReg's questions related to progress in areas such as our implementation of the new core regulatory framework, and scheduled reviews of the Accreditation Handbook, and Competency Frameworks.

7. The LSB's February 2024 [Regulatory Performance Report](#) informed by these self-assessments, and other documentation, was published in February 2024. It stated that the LSB had amber/partial assurance⁴ that we met RSs 1 and 2. In keeping with our self-assessment, it identified that we would gather information on the impact of our new core regulatory framework and that we need to develop our evidence base and our work on Equality, Diversity and Inclusion. It recognised the significant work programme undertaken by IPReg and our positive trajectory, "IPReg has worked hard to build on the progress we identified last year and has introduced tangible actions to improve its regulatory activities. These should enable it to provide sufficient assurance against all three standards by the time of our next assessment".

8. It gave clear indication of some of the areas in which it would like us to provide assurance going forward 'proactivity alongside meaningful engagement with the profession and other stakeholders on a consistent basis in pursuit of the regulatory objectives in the coming year'. It advised that it will continue to monitor our progress on the following: implementation of the governance plan, the evidence we will gather as part of our thematic reviews and what we will do with the information, and further examples of our proactive approach to regulation. "IPReg considers that it demonstrates active encouragement of innovation through its membership of the Law Tech Regulatory Response Unit and its own PII Sandbox. We consider that both are important measures to encourage innovation. However, we consider IPReg can do more to proactively engage with innovators to help address concerns about perceived regulatory barriers to innovation". We asked the LSB for the evidence of perceived regulatory barriers in the IP sector but have not been advised of any. Our regulatory performance narrative assessment will look to provide examples of

⁴ Our own assurance mapping had full assurance on RS1 (well-led) on the basis of our comprehensive governance review and implementation and related direction of travel commitments; and we had also proposed, as the LSB ultimately did, that there was partial assurance on RS2 (effective approach to regulation) on the basis of Equality, Diversity and Inclusion [EDI] work needed)).

innovation, such as through regulatory waivers granted in the timeframe to which the assessment will cover.

9. In that 2022-23 round, the LSB did not request an assurance mapping against RS3 (Operational delivery), though it had asked targeted questions to gain an idea of our progress in relation to activities such as reviewing the Handbook and Competency Frameworks and that it will look forward to seeing progress over the next year regarding: tangible progress on our planned reviews, our use of evidence obtained through the supervision of our new regulatory arrangements to ensure that authorised persons. This round, covering June 2023- September 2024, the assurance mapping requirement is expected to cover all 3 Regulatory Standards. The [14 March 2024](#) meeting of the IPReg Board considered a draft assurance mapping self-assessment against RS3. Feedback at that meeting included interest in the Evidence Source examples provided by the LSB. **Annex B** provides a benchmarking longlist which sets out the LSB's evidence examples and our own evidence sources which support the Regulatory Standards. The RS longlist approach removes the many duplications presented by the LSB's [Regulatory Standards and Characteristics Sourcebook](#) which documents evidence sources Characteristic by Characteristic and so repeats those sources as and when they are appropriate to more than one Characteristic. The longlist is judged to be proportionate given the LSB evidence sources are examples only and are not prescriptive requirements.

10. The broader LSB review identified three common themes that the LSB considered legal regulators needed to address:

- **Transparency** – some regulators are not open enough 'about how they make decisions affecting consumers, the public and their regulated communities' – the LSB identified our Board paper template as good practice;
- **Skills** – some regulators 'need to do more to ensure they have the right skills, expertise and systems in place' – we have proactively reviewed systems, such as risk management and governance, and have brought in specialist resources as appropriate;
- **Use of evidence** – 'several regulators need to do more to show how they use evidence to make decisions and evaluate the impact of their work' – we are actively working on this, including the research/horizon scanning update provided to each meeting of IPReg Board.

June 2023 – September 2024 regulatory performance information request

11. On 28 May 2024, the LSB issued a [letter](#) to all regulators regarding the next regulatory performance information request which it advised would cover all 3 RSs, and a time period of June 2023 until September 2024, "We intend to send you our request for assurance and specific information in mid-September. Your response will be due in early November". Part of our response to that information request will take the form of an assurance mapping against all 3 Regulatory Standards and their underpinning 20 Characteristics. **Annex A** provides the first draft of this assurance mapping for consideration by the Board. As with our last assurance mapping exercise, where there are plans to further an item, which are necessarily outside of the June 2023 – September 2024 timeframe to which the mapping applies, these *planned actions are italicised*.

12. In the timeframe⁵ to which this assurance mapping applies, there have been some significant pieces of work for IPReg, including:

- a) implementation of the new regulatory arrangements on 1 July 2023, promoted through three webinars - one covering the arrangements as a whole, one relating to the new Continuing Professional Development (CPD) requirements, the other on transparency of costs information to potential clients - delivered with CIPA and CITMA;
- b) the new arrangements include: a broad range of [guidance](#) and a [costs transparency leaflet](#) designed to help new or sophisticated consumers understand different sorts of information, new disciplinary processes, and reflective CPD regulatory responsibilities;
- c) we undertook a review, consultation, and successful [rule change application](#) in relation to our compensation arrangements;
- d) a thematic review of how well the new CPD arrangements have been implemented;
- e) a risk working group was created to review the organisation's approach to risk, resulting in both a new [Risk Management Policy](#) and a revised risk register;
- f) successful implementation of the comprehensive [governance](#) review action plan;
- g) development and publication of an [Equality, Diversity and Inclusion](#) policy, strategy and action plan, as well as a diversity profiling exercise of the regulated community.

The regulatory performance assessment narrative which will introduce the assurance mapping to the LSB will include these achievements. Please see items 14 to 17 for more information on what the narrative will likely cover. The narrative, as informed by this meeting's discussions, and the LSB's specific information requests when issued, will be brought to the 7 November meeting of the Board alongside the updated assurance mapping.

13. The October 2022-May 2023 assurance mapping saw the Executive and IPReg Board award each of the 20 Characteristics with a RAG rating. The version provided at **Annex A** does not do so, in keeping with the LSB's approach to RAG rating only at the higher level of the 3 Regulatory Standards. For reference, the IPReg Board in that previous exercise determined it had partial assurance only with 4 Characteristics rated as amber:

Characteristic 8 – Has fit for purpose governance systems that align to best practice;
Characteristic 12 – Obtains and makes effective use of data, including by making it available to others, to inform how it meets the regulatory objectives;
Characteristic 14 – Committed to improving the diversity of, and reducing inequalities in, the profession at all levels and implements actions to reduce barriers to equality and inclusion; and
Characteristic 15 – Committed to improving, and reducing inequalities in, access to services for the public and consumers.

14. The planned actions provided in that assurance mapping, as well as other developments and features, relating to these Characteristics have been delivered, and are reported in the new assurance mapping **Annex A**. A headline summary of each follows:

⁵ June 2023-September 2024

Characteristic 8 (best practice governance) – a significant work programme delivered, including developing the [Governance Handbook](#). The [11 July 2024 meeting](#) of the Board agreed to appoint an organisation to take forward the Board effectiveness evaluations.

Characteristic 12 (effective data use) – Board paper template now includes explicit consideration of consideration of monitoring, evaluation and key metrics. First Tier Complaint data reference may be updated in light of the Consumer Empowerment Policy Statement item elsewhere on this agenda. Our [Compensation Arrangements rule change application](#) included a very broad range of data. External research specialist market scanning updates are brought to each Board meeting. Verification of economic sanctions data. Amended annual returns to require information on client money to inform IPReg’s risk assessment process.

Characteristic 14 (EDI, profession): new [EDI Policy and Strategy Action Plan](#) the commitments of which are significant and include reviewing the EDI information on the [website \(done\)](#), holding mandatory annual EDI training, continuing our sponsorship and support of EDI organisations, considering how to include EDI in the thematic reviews and post-implementation impact assessment, increased stakeholder engagement on EDI (in progress), developing an EDI data collection policy (in progress), conduct and publish regular surveys (undertaken, see elsewhere on the agenda), and adapt the CRM to enable secure capture and storing of diversity data, and identify other sources of EDI information. New regulatory arrangements include EDI expectations and new disciplinary processes which seek to alleviate the risk of potential impact on the mental health of those undergoing a disciplinary process.

Characteristic 15 (EDI, public and consumers): new [transparency provisions](#) to provide clarity about financial charges etc. The new [consumer facing leaflet](#) may encourage clients to raise and clarify directly conditions which will have the greatest impact on them such as foreign exchange uplifts, disbursements that may be payable beyond the attorney’s fees and whether the client could do any of the work themselves to save money. The [What to do when things go wrong](#) sets out opportunities, and channels, for making a complaint. Disciplinary information is published to inform consumer choice. Working with other regulators towards a Regulatory Information Service. The [Professional Indemnity Insurance Sandbox](#) seeks to enable greater diversity of providers to enter the market which will increase competition which is beneficial to consumers.

Regulatory performance narrative assessment

15. The 28 May [letter](#) from the LSB to all the frontline regulators, advised the pending regulatory performance request will cover the common themes (see item 10 above – transparency of decision-making, skills sets and use of evidence). It takes transparency as its focus, setting out its expectations of the regulators:

“Board papers should be published. They should include sufficient descriptions of evidence used to (1) inform regulatory activities and (2) support policy development to provide stakeholders with a clear understanding of the evidence regulators are relying on and their analysis of it. In this regard any redactions in Board papers should be carefully considered, clearly reasoned and minimised wherever possible, having regard to legal and other obligations.

Regulatory matters such as consultations on proposals for changes to regulatory arrangements, responses to consultations and decisions on changes to regulatory arrangements, should be considered at Board meetings and minuted so it is clear how decisions have been reached.

Any decisions taken outside of a Board or a committee meeting should be clearly noted in the next set of minutes.

Minutes of Board and other committee meetings should record key points of discussion. Where personnel, finance or other restricted matters are discussed, the minutes should describe the substance of the discussion in general terms.

Minutes of Board and other committee meetings should be published promptly once approved with any redactions carefully considered.

Regulators should publish consultation documents, non-confidential responses to consultations and decision documents”.

16. The regulatory performance narrative which will introduce the assurance mapping will include a review of our processes against these transparency features (as well as skills sets, and use of evidence, the other two common themes). Please note that the LSB’s February 2024 report identified as good practice both our governance plan and our Board papers clearly setting out the evidence, data and assumptions in all proposals brought to Board, as well as our “significant Board engagement” and independently taken minutes.

17. It is expected that the LSB’s performance information request of IPReg will also include updates on our progress in areas such as our implementation, and assessment of the impact, of the new core regulatory framework, and scheduled reviews of the Accreditation Handbook, and Competency Frameworks; developing our evidence base; our work on EDI; proactivity alongside meaningful engagement, implementation of the governance plan. These, alongside any other specifics raised by the LSB in its mid-September performance information request, will be included in our regulatory performance narrative to be brought to the 7 November meeting of the IPReg Board for review.

Options

18. Assurance mapping content and structure: considered inclusion of a RAG rating, and text summary to each of the 20 Characteristics, as with the last assurance mapping, as well as the lengthy sum-up provided at the outset of each RS. Decided instead to focus discussion on the substance of each, and restricting one page per Characteristic so easier to reference, as well as reflecting the LSB’s approach to the exercise, which provides a RAG rating against the 3 Standards only. Either, or both, features, can be applied to the version to be brought to the 7 November meeting of Board, if considered useful.

Discussion

19. The Board is asked to discuss whether the assurance mapping document is clear and if the case for RAG green/full rating for each of the Regulatory Standards is well-made:

- RS1 (Well-led),
- RS2 (Effective approach to regulation), and
- RS3 (operational delivery),

or whether another rating – or other evidence - would be appropriate.

Next steps

20. Both documents are for internal assessment purposes. Feedback provided in the Board meeting will inform both the revised assurance mapping, and s regulatory performance narrative, to be brought to the 7 November 2024 meeting of Board ahead of their submission to the LSB in keeping with their anticipated mid-November deadline.

Supporting information

Links to strategy and business plan

21. The evidence set out in the assurance mapping document draws from all the work we are doing as set out in the business plan and strategic priorities.

Supporting the regulatory objectives and best regulatory practice

22. This work supports all the regulatory objectives including, to a limited extent, the new regulatory objective relating to promoting the prevention and detection of economic crime. This in the form of the economic sanctions work undertaken by the Data Working Group, the client money query in the most recent annual return, and the dedicated staff training on 11 September 2024.

Impacts

23. There do not appear to be any impacts on specific types of regulated persons.

Communication and engagement

24. Not directly relevant at this time.

Equality and diversity

25. We were clear in our 2022-23 regulatory performance assessment that this was an area in need of development. To that end, we are able to provide evidence of progress in this area, in particular the new [Equality, Diversity and Inclusion](#) Action Plan, and the very recently undertaken Diversity Survey (elsewhere on the agenda).

Evidence/data and assumptions

26. There are no specific issues for this paper. We continue building our evidence base as set out in the assurance mapping (and as will be set out in the regulatory performance narrative to be brought to the 7 November meeting of Board.

Board Meeting 12 September 2024

Complaints Update

Agenda Item: 13

Author: Shelley Edwards, Head of Registration (shelley.edwards@ipreg.org.uk 020 7632 7175)

This paper is to note

Summary

1. This paper stands as an update on complaints received and processed by IPReg. From 1 July 2023, the complaints process is governed by Chapter 4 of the [Core Regulatory Framework](#) and the Investigation and Disciplinary Requirements [Standard Operating Procedure](#).
2. Annex A contains case-specific updates which are confidential and will not be published.

Recommendation(s)

3. The Board agrees to note this paper.

Risks and mitigations

	Risk	Mitigation
Financial	We have allocated a budget of £35,000 for costs associated with processing complaints and conducting disciplinary hearings. There is a risk that an unanticipated increase in cases will cause us to exceed the budgeted figure	It is IPReg's policy to seek the external costs incurred in bringing disciplinary cases before a tribunal from the respondent, and recover any debt as appropriate.
Reputational	There may be a risk to IPReg's reputation if it were considered that IPReg was not conducting its investigation and enforcement process appropriately - pursuing cases with no evidential basis, not taking enforcement action where there is a clear breach of regulatory arrangements, poor decision-making at hearings etc.	IPReg has developed, in conjunction with legal advisers, a comprehensive decision-making policy to underpin its new enforcement and disciplinary procedures which form part of the regulatory arrangements review. A new Joint Disciplinary Panel has recently been appointed following a comprehensive recruitment campaign, and all new members have received training and induction.

Resources	IPReg manages the initial triage and investigation of cases internally, between the Assurance Officer and Head of Registration. There is a risk that a significant increase in cases will outstrip the internal capacity of the team	Analysis of complaints data over the last 6 years shows that whilst the number of complaints received seems to be increasing, IPReg has become more efficient at resolving these cases, resulting in cases being closed more quickly and the number of open cases in any given month holding steady or reducing
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Background

- The Board has routinely been updated on Complaints information, including the number of new complaints received and closed per month with a focus on the nature of individual complaints and the anticipated timetable for resolving them. The Board has not, to date, received information about the subject of the complaint due to IPReg’s former disciplinary process which may have resulted in Board members sitting as decision makers on the Complaint Review Committee.
- The Board has indicated it would find it useful to understand how cases are being monitored and advanced, to ensure timeliness of case progression.

Discussion

- The Board should note the information in this paper.

Next steps

- The Board should note the information in this paper.

Supporting information

Links to strategy and business plan

- The investigation and enforcement of complaints made about regulated persons is an integral part of IPReg’s remit.

Supporting the regulatory objectives and best regulatory practice

- A robust investigation and enforcement process protects and promotes the public interest by demonstrating that regulated persons who breach any of IPReg’s regulatory arrangements are appropriately investigated and taken through a fair and transparent disciplinary process. IPReg’s process supports the constitutional principle of the rule of law in that justice must be done and be seen to be done in accordance with the principles of natural justice. Publishing decisions about disciplinary matters, protects and promotes the interests of consumers, promotes competition within the regulated community and increases public understanding of their legal rights by allowing consumers to make fully informed choices about their legal representatives. A clear, transparent and proportionate enforcement policy encourages an

independent, strong, diverse and effective legal profession by creating a deterrent to poor practice or professional misconduct.

10. IPReg follows best regulatory practice in the identification, investigation and processing of complaints and disciplinary hearings. Internal decision makers have backgrounds in regulation and professional discipline, and one is a practising solicitor. Members of the [Disciplinary and Interim Orders Tribunal](#) receive regular training on best practice in decision making, and are supported by legal advisers with a regulatory and professional discipline specialism. Best regulatory practice is therefore at the forefront of all decisions across all aspects of investigation and the running of disciplinary hearings.

Impacts

11. There are no specific impacts on any type of regulated person, consumer or group.

Monitoring, Evaluation and Key Metrics

12. In addition to headline information reported in this paper, case progression information is reported at every Board meeting in a confidential annex (to ensure ongoing investigations are not prejudiced). The Board has oversight of the number of complaints made, how long they are open, case status, next steps and anticipated timeframes on ongoing investigations. Departures from timescales set out in the Investigation and Disciplinary Requirements [Standard Operating Procedure](#) are reported in the confidential annex.

Communication and engagement

13. Disciplinary decisions are published on IPReg’s website [here](#) and, where applicable, against the name of the attorney or firm on the [online register](#).

Equality and diversity

14. There are no specific equality and diversity issues.

Evidence/data and assumptions

Cases by numbers

As at 5 September 2024

- Total open cases 4
- Cases opened since last meeting 0
- Cases closed since last meeting 4
- Change (from last meeting) -4

Year to date (from 1 January 2024)

- Total cases received 7
- Total cases closed 11

Legal Ombudsman

Complaints received in last month 0

Cases open 0

Timeliness

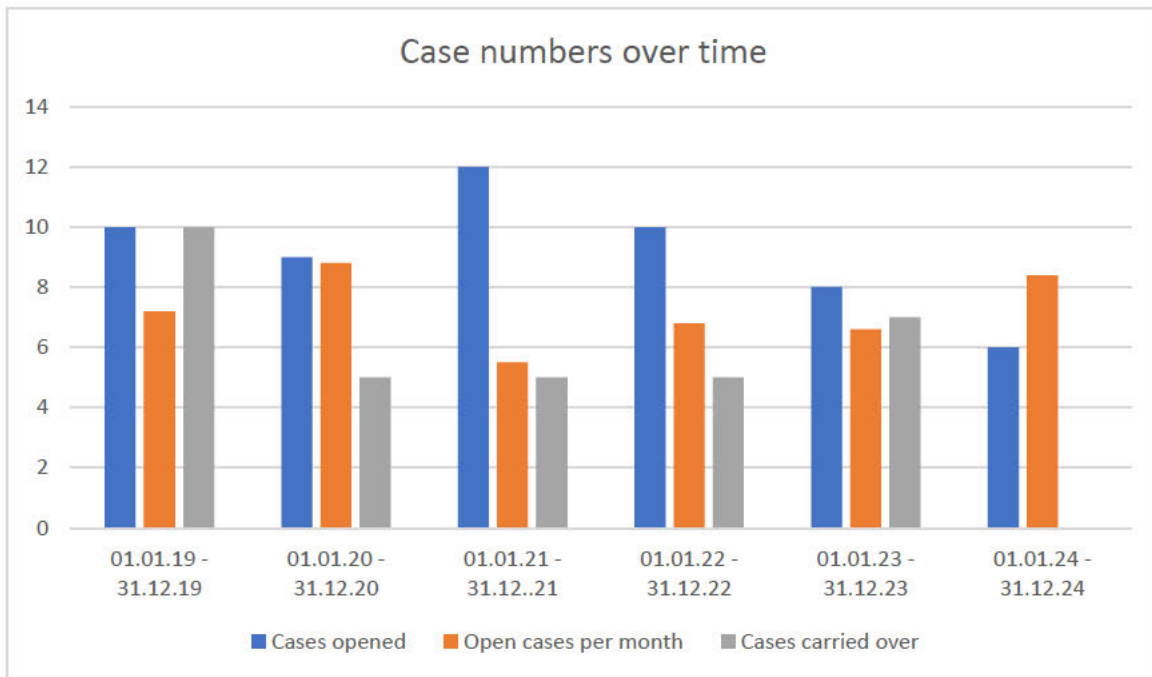
Oldest open case 77 weeks

Newest open case 9 weeks

Mean 36.5 weeks

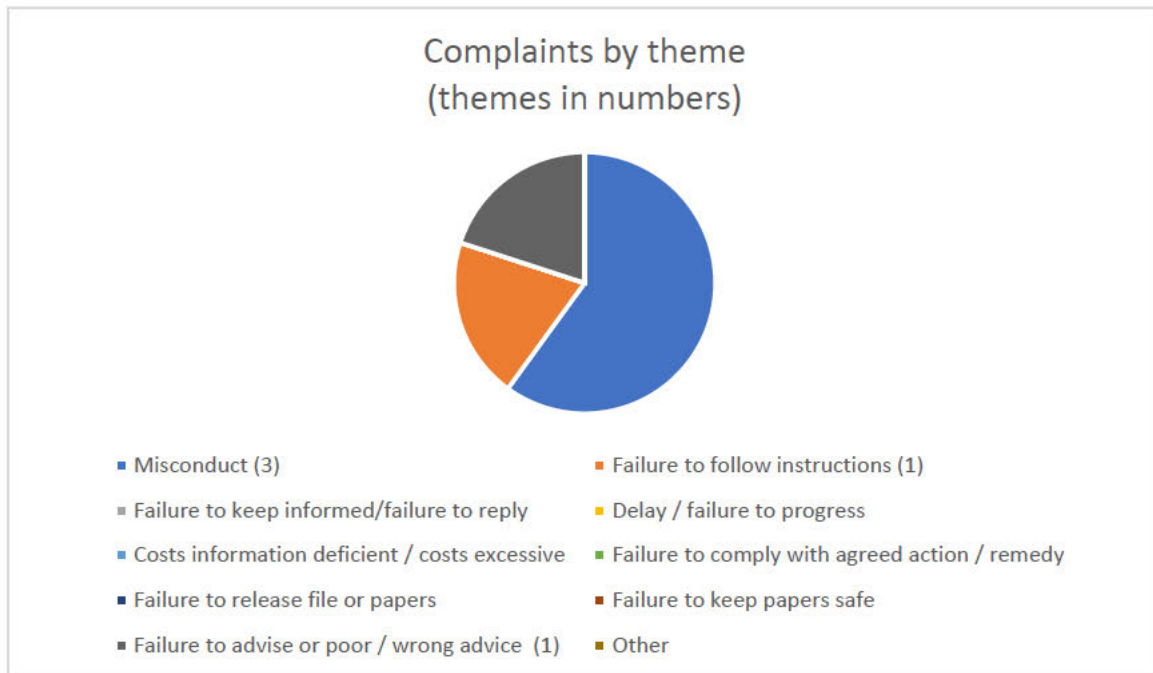
Median 30 weeks

Analysis and trends (12 month periods)



	01.01.19 – 31.12.1 (4 cases carried over from previous period)	01.01.20 – 31.12.20	01.01.21 – 31.12.21	01.01.22 – 31.12.22	01.01.23 – 31.12.23	01.01.24 - 31.12.24
New cases opened / received	10	9	12	10	11	6
Total open cases during period	14	19	17	16	17	15
Overall case numbers open per month (range)	5 - 9	5 - 12	3 – 8	6 - 9	5 - 9	4-10
Overall case numbers open per month (avg)	7.2	8.8	5.5	6.8	6.3	8.4
Cases carried over to next period	10	5	5	5	8	
Cases closed/resolved within 12 weeks*	10%	44%	50%	50%	60%	55%
Cases closed/resolved within 26 weeks*	50%	50%	58%	60%	70%	55%

*Of cases closed this calendar year

Open complaints by theme**Misconduct includes:**

- Misappropriation / mismanagement of funds (1 case)
- Unprofessional / inappropriate conduct with a third party (1 case)
- Conviction (1 case)

Board Meeting 12 September 2024

CEO report

Agenda Item: 14

Author: Fran Gillon, CEO (fran.gillon@ipreg.org.uk)

This paper is for discussion.

All the Annexes will be published except Annex C (advice to Board).

Summary

1. This report sets out information about IPReg’s activities that are not covered elsewhere in today’s agenda.

Recommendation(s)

2. The Board is asked to note this paper.

Risks and mitigations

	Risk	Mitigation
Financial	No specific financial risks	N/A
████	████████████████████	████
Reputational	No specific reputational risks.	N/A
Resources	No specific resourcing risks	N/A

Progress on the 2024 Business Plan

3. Although the Board receives regular updates on our work through the Board papers on specific policy areas and business as usual, one of the suggestions from the governance review was to provide specific updates on progress against the business plan. I have therefore drawn out the main areas of work set out in the 2024/25 plan and updated them – **Annex A**. These are the areas of work over which we have control; I have not included the work involved in responding to the LSB’s consultations and related work, or our business as usual activities.

Meetings

CIPA and CITMA

4. The 3 CEOs met on 1 August and 30 August. They discussed:
 - a. Consultation on our 2025/26 business plan and practising fees;
 - b. IPReg Articles of Association – advice from Kingsley Napley;
 - c. LSB information request on Internal Governance Rules;
 - d. MoJ work on expanding eligibility for judicial roles;

- e. IPReg's new approach to risk management;
 - f. IPReg 2024 diversity survey update;
 - g. Red risks – update from IPReg;
 - h. IPReg Board effectiveness review;
 - i. Head of Education Review recruitment;
 - j. Artificial Intelligence – opportunities for collaboration;
 - k. IPReg's guidance on its regulatory arrangements.
5. The quarterly Regulatory Forum will be held on 12 September. This is attended by the Chair and me with CIPA and CITMA Presidents, Vice-Presidents and CEOs. The agenda for the meeting was:
- a. IPReg Articles of Association – update;
 - b. IPReg diversity survey update;
 - c. IPReg new risk policy and updated red risks;
 - d. Practising fees 2025 – consultation outcome;
 - e. IPReg Board effectiveness review – next steps;
 - f. Report from LSB Chairs' meeting on 9 September;
 - g. LSB review of IGRs – IPReg response;
 - h. Education:
 - IPReg Head of Education Review – new appointment;
 - Patent Examination Board;
 - i. Artificial Intelligence – opportunities for collaboration.

An oral update will be given at the meeting.

LSB engagement

- *Relationship management meeting*

6. The relationship management meeting was due to be held on 6 September to discuss:
- a. Regulatory performance:
 - delivery against expectations from last assessment;
 - 2024 regulatory performance assessment process;
 - b. Updates about LSB activities including request for IPReg, consultations and LSB publications:
 - LSB's First-Tier Complaints Policy Statement;
 - Financial protection policy paper paragraph 36, "A single register of regulatory information that is updated more regularly would help insurers and brokers to track higher-risk individuals more easily and at lower cost. This could result in

lower premiums for those providers without any high-risk individuals. The LSB is leading the development of a ‘regulatory information service’ in collaboration with the regulators, which could support this aim”;

- c. IPReg feedback from July Board meeting;
- d. IPReg applications to the LSB for changes to regulatory arrangements;
- e. IPReg letter to LSB, dated 25 April 2024, relating to ‘LSB requirements for applications to alter regulatory arrangements’;
- f. PCF application;
- g. IPReg CPD thematic review;
- h. Publication of consumer legal needs data sets – does the LSB have a date for this yet?
- i. Timing of LSB deadlines for responding to its information requests.

An oral update will be given at the meeting.

- *Information requests*

- 7. The LSB requires an update on our compliance with its statement of policy on consumer empowerment by 30 September (see agenda item 11).
- 8. On 18 July the LSB sent an information request about the Internal Governance Rules – the response is due next week (see agenda item 10).
- 9. The response to the LSB’s information request on its regulatory performance assessment is also due this month (see agenda item 12).

- *All Chairs’ meeting on 9 September*

- 10. The Chair and Head of Registration attended this meeting at the LSB’s offices. **An oral update will be given at the meeting.**

- *Correspondence*

- 11. Nothing to note for this meeting.

IP Practice Directors' Group (IPPDG)

12. The next meeting is scheduled for 2 October.

IP Federation

13. Adrian Howes has been elected IP Federation President (**Annex B**). I had an introductory meeting with him on 1 August. We discussed:

- a. Priorities for his term of office;
- b. PII Sandbox and its potential use for *pro bono*;
- c. Development of an apprenticeship route to qualification as a patent attorney;
- d. IPReg business plan and practising fees consultation.

MoJ – increasing judicial diversity – expanding opportunities for attorneys

14. Following the discussion at the previous Regulatory Forum about whether there might be any interest from patent attorneys and trade mark attorneys in applying for judicial roles beyond those for which they are already eligible (Chair or Deputy Chair of the Copyright Tribunal and Appointed Person in the Trademarks Registry Tribunal the CITMA CEO is contacting MoJ for an update.

Conferences/webinars attended by Team and Board members

15. None to report.

Regulatory Performance

16. See agenda item 12.

Waivers

17. PII Sandbox – see agenda item 6.

Technology, innovation and artificial intelligence

18. No report for this meeting.

IPReg Limited – Articles of Association

19. CITMA is expecting to discuss withdrawing as a guarantor at its meeting on 24 September. CIPA has already confirmed that it no longer wishes to remain in this role. A paper will be brought to the November Board.

Horizon scanning and research

20. The External Market Update report is at **Annex C**. In terms of the recommendations in the report:

- a. We will consider as part of our work on diversity how we should consider the SRA's research on potential causes of differential outcomes by ethnicity in legal professional assessments;
- b. A training session to consider the new regulatory objective on economic crime has been arranged for IPReg Team members on 11 September.

Impact of European Qualifying Exams (EQE) changes

21. Nothing specific for this meeting.

Contracts and other expenditure (commercially confidential information about contracts will be redacted)

22. As agreed at the July Board meeting, I signed contracts for:

- a. Independent Audit for the Board effectiveness review at a cost of £[REDACTED] + VAT. As requested by the Board, I asked Independent Audit whether there were any additional services that it could provide. It is going to provide an analysis of the information received by the Board and facilitate a workshop with paper drafters on how to position and draft good board papers.

Other matters

Legal Services Consumer Panel (LSCP)

23. Nothing specific for this meeting.

Diversity survey

24. Please see agenda item 7.

Press reports and other published information

25. The [latest developments](#) in the possible regulation by the SRA of CILEx members.

26. The latest edition of the SRA's [LawTech Insight](#) has been published.

27. [Feryal Clark MP](#) has been appointed [Parliamentary Under Secretary of State](#) for AI and Digital Government in the Department for Science, Innovation, and Technology; this includes responsibility for the Copyright Tribunal and the IPO.
28. The OLC has published its [2023/24 Annual Report and Accounts](#).
29. Information about [In2Science activities](#) on the IP Inclusive website.

CEO report September 2024 – Annex B – update on 2024/25 business plan

Education			
Policy area	What we said we'd do	Timescale	Progress/plans to date
Overall risk rating = red			
Barriers to entry	It is likely that this project will start formally with a Call for Evidence	Q1 or Q2 of 2024.	Head of Education Review starts on 10 September Discussion with Hook Tangaza on 20 June re project support
Barriers to entry	Review the Competency Framework - patent	As part of barriers to entry project	See above on recruitment
Barriers to entry	Review the Competency Framework – trade mark	Links to work on patent competency framework. Need to ensure consistency where appropriate and also reflect the requirements of the new Core Regulatory Framework	See above on recruitment
Accreditation recommendations	Working with providers to ensure that accreditation recommendations are taken forward	As necessary in 2024/25	PEB – meeting took place on 26 June to discuss approach to implementation of some recommendations
New providers	Working with providers to ensure that online delivery of courses and examinations meets the required standards	During 2024/25	Discussions were held with one potential entrant in 2023, no further progress to date
New qualification pathways	Working with stakeholders and potential providers to encourage new qualification pathway options	During 2024/25	Likely to be included in barriers work. Apprenticeships – further meeting of stakeholders arranged for 25 September.

Reaccreditation	We will continue to undertake reaccreditation assessments (typically every 5 years) of qualification providers	During 2024/25	Following discussion in May we have developed specifications for the assessors who will evaluate the PEB foundation exams
Impact of EQE changes	Consider the outcomes of the European Qualifying Examinations Modernisation Discussions and Proposals and the extent to which any changes impact on our qualification requirements (e.g. in relation to exemptions).	During 2024/25	EPO approved changes on 20 December 2023. Will be introduced in 2025. Discussion with Julia Gwilt on 28 August. Timeline for project being developed.
Review Accreditation Handbook	Start a review of the Accreditation Handbook	During 2024/25	Not yet commenced. Links to apprenticeship work and development of what skills, knowledge and behaviours an apprentice needs.

Thematic Reviews			
Policy area	What we said we'd do	Timescale	Progress/plans to date
Overall risk rating = green			
Continuing competence	Conduct random sampling of attorneys' records or other material to assess how well the new requirements have been embedded and identify any barriers to compliance with them.	Q1 or Q2 2024 conduct review July 2024 – report to Board on the findings and lessons learned. [NB May Board meeting agreed that this should be considered in September]	Results will be considered by the September 2024 Board meeting.
Transparency	Develop our approach and conduct the review	Q2 2024 develop our approach Q3 2024 conduct the review Q4 2024 or Q1 2025 report on findings	CEO will approach firms who have had experience with this type of work.

Pll Sandbox	We will monitor closely how the sandbox is working throughout 2024 and report on it in the Annual Report for 2024. A wider thematic review is likely to be conducted in 2025 once the sandbox has been operational for at least 18 months, depending on the nature and extent of applicants and entrants.	2025 – but depends on nature and extent of entrants	
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Building our evidence base			
Policy area	What we said we'd do	Timescale	Progress/plans to date
Overall risk rating = green			
Data and evidence gathering	In addition to the data and evidence gathering work that we plan to undertake for the thematic reviews on continuing competence and transparency, we will continue to gather data and evidence about the nature of the IP legal sector.	Ongoing with support from external adviser	Ongoing

Website redevelopment			
Policy area	What we said we'd do	Timescale	Progress/plans to date
Overall risk rating = green			
Redevelop website	Move from Drupal 7 to Drupal 10 and associated changes	2024	No further update since July 2024 meeting. Status has been changed to green

Diversity			
Policy area	What we said we'd do	Timescale	Progress/plans to date
Overall risk rating = green			
Stakeholder engagement	Develop our approach to data gathering/research with other stakeholders in the IP sector	2024	No further update since May Board meeting
Diversity survey	We will conduct a diversity survey	2024	Report to September 2024 Board meeting
Diversity Action Plan	Review the plan every 6 months ¹	Next review due in July 2024	Board agenda item at September 2024 meeting

¹ Note that this was not in the Business Plan but was agreed by the Board in January 2024.



PRESS RELEASE

The IP Federation elects new President, Adrian Howes

The IP Federation is pleased to announce that Adrian Howes has been elected as the new President of the Federation, effective 12 July 2024.

Adrian is a UK qualified solicitor, with nearly 20 years of experience in intellectual property law in both private practice and industry. Adrian has worked in various fields including pharma, IT and telecoms, and has advised primarily on patent-related issues, but also on competition, licensing, copyright, trade secret and design concerns. He has a degree from the University of Cambridge in law, and a master's in chemistry from Durham University.



Adrian is currently Head of IP and Standards in Nokia's IP policy group, having previously been part of its litigation team. His work at Nokia presently encompasses policy and regulation on IPR issues, mainly in relation to open standards and software. This includes active involvement in cross-industry discussions on IPR and its place in the next generation of communications technology and industry standards.

Adrian enjoys social running, cycling away from London with friends (ideally finding a gastropub *en route*) and discovering new countries and cultures - if he can find somewhere to scuba-dive on the way too, then he is doubly happy.

Adrian will be assisted by Immediate Past President, Danny Keenan

Danny is a European patent attorney with 20 years of practical experience with managing patents, designs, trade secrets and technology-related agreements. Danny joined Unilever in the UK after completing a DPhil in physical chemistry and worked for seven years as a research scientist and technical project leader before moving to the IP department. Danny has worked on IP across all of Unilever's business groups, including personal care, nutrition and ice cream, and helped build the Unilever patent group in China.



Danny heads Unilever's global nutrition patent team, leads the technology agreements group and is responsible for the patent group at Unilever's UK R&D sites. He has represented Unilever on the IP Federation since 2016, during which time he also chaired the copyright & design committee.

With a grown-up family, Danny now has increased time to devote to other passions outside work including watching lower and non-league football, travelling, learning languages and volunteering with a local charity.

He was President of the IP Federation from 2023 to 2024.

They will both work with newly elected Vice-President, Sarah Vaughan.

Sarah is a UK Chartered Patent Attorney, European patent attorney and UPC representative with almost 15 years of experience in IP matters. She joined the profession after completing her PhD in mechanical engineering. After spending some time in private practice, Sarah joined Rolls-Royce's in-house IP department.



Sarah is a Senior Patent Attorney at Rolls-Royce and has represented Rolls-Royce in prosecution matters and oppositions at the European Patent Office. Sarah takes the lead on projects involving multiple patent families with multi-disciplinary teams. She also focuses on process developments and improvements.

Sarah has two young children, and outside of work likes nothing more than exploring the outdoors with her family.

IP Federation, 12 July 2024



IP Federation members 2024

The IP Federation represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. The CBI, although not a member, is represented on the Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

AGCO Ltd
Airbus
Arm Ltd
AstraZeneca plc
BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
Canon Europe Ltd.
Caterpillar U.K. Ltd
Cummins Ltd.
Cytiva
Dyson Technology Ltd
Eisai Europe Limited
Eli Lilly & Co Ltd
Ericsson Limited
HP Inc UK Limited
IBM UK Ltd
Johnson Matthey PLC
Merck Sharp & Dohme (UK) Ltd
Microsoft Limited
Mitsubishi Heavy Industries, Ltd.
NEC Europe
Nokia UK Limited
Ocado Group plc
Oxford Nanopore Technologies plc
Pfizer Ltd
Philips Electronics UK Ltd
Pilkington Group Ltd
Procter & Gamble Ltd
Reckitt
Regeneron UK Ltd
Renishaw plc
Rolls-Royce plc
Shell International Ltd
Siemens plc
Smith & Nephew
Syngenta Ltd
UCB Pharma plc
Unilever plc
Vectura Group plc
Vodafone Group

IPReg Board Meeting Actions Log - New and Outstanding Actions

Item XX

September 2024 Board meeting

Date of Meeting in which action arose	Agenda Item	Action	Responsibility	Status	Notes/Update
July 2024 Board Meeting					
Jul-24	Presentation of IPReg Limited 2023 Accounts	Finance Officer to file relevant documents at Companies House	KD	Completed	
Jul-24	2025 Business Plan, Budget and Practising Fees	CEO to finalise consultation document and publish	FG	Completed	Consultation published on 15 July
Jul-24	Diversity Action Plan 6-month Review	Education and Diversity Officer to update the action plan with dates prior to September Board meeting	GS	Completed	Further update presented at September 2024 Board Meeting
Jul-24	Risk Working Group - New risk policy and risk register	Director of Policy to finalise the risk register and publish the risk policy on the website	VS	Completed	New policy published on 16 July
Jul-24	IPReg 2023 Annual Report	Director of Policy to arrange for the report to be finalised and published	VS	Completed	Annual Report redesigned and published 24 July
May 2024 Board Meeting					
May-24	Education – Barriers to entry project	CEO to take forward recruitment with Thewlis Graham	FG	Completed	Contract signed

IPReg Board Meeting Actions Log - New and Outstanding Actions

May-24	Education	Education and Diversity Office to arrange a meeting with IPReg Chair and PEB Chair	SE	Completed	Meeting took place 18 July 2024
May-24	CEO's Report – Decisions	CEO to write to the LSB on LSA s167	FG	Open	
March 2024 Board Meeting					
Mar-24	Education	Education and Diversity Officer to arrange a high-level conversation with the PEB following receipt of that advice	GS	Completed	Meeting held on 18 July
Mar-24	Education	Education and Diversity Officer to seek someone new to conduct the assessment, with appropriate preparation	GS	Ongoing	Role descriptions for assessors being prepared.
January 2024 Board Meeting					
Jan-24	Complaints Update	Head of Registration to review sole traders' PII information	SE	Completed	
Jan-24	CEO's Report – New regulatory objective	CEO to consider how to conduct a sectoral risk assessment with external support	FG	Underway	Training on ECCTA arranged for 11 September
December 2023 Board Meeting					
Dec-23	CEO's Report – Articles of Association	CEO to take forward discussions with Kingsley Napley	FG	Open	Kingsley Napley have provided draft Articles which are being reviewed. Awaiting final decision from CITMA at its 24 September Council meeting.