

IPReg

**The Intellectual Property Regulation Board -
Annual Report 2021**

April 2022

Introduction

The Intellectual Property Regulation Board (IPReg) regulates individual patent attorneys and trade mark attorneys and many of the firms that they work in. Our work covers a broad range of activities including:

- education and training requirements for qualification as an attorney;
- requirements for admission to the register for attorneys and firms;
- keeping the registers of attorneys and firms;
- setting the requirements for continuous professional development so that the knowledge, skills and expertise of attorneys is maintained at an appropriate level;
- setting and enforcing rules and regulations which set out the standards required of those we regulate; and
- handling complaints of misconduct made against an attorney or firm regulated by IPReg.

IPReg's strategic direction is set by its Board which comprises a lay (non-lawyer) Chair, four other lay members, two patent attorneys and two trade mark attorneys, this to ensure the Board has the lay majority as required by the Legal Service Board's (LSB) [Internal Governance Rules](#). In setting its strategic priorities the Board wants to be more externally focused to ensure that its regulatory framework encourages and supports innovation:

- a. In the provision of services that providers are able to offer consumers and the ways in which those services are provided, including the use of law tech. We will do this by ensuring that our review of regulatory arrangements focuses on setting reasonable standards but does not 'gold plate' them;
- b. By encouraging the entry of new providers of education courses (at both the foundation and advanced levels) so that those who want to become trade mark attorneys and patent attorneys have a variety of routes to entry into the profession (including apprenticeships) that are provided using different delivery methods and that introduce new subjects (e.g. law tech). Our aim is that this will help to increase diversity, improve quality and lower costs;
- c. By ensuring that its requirements for continuing competence, in addition to protecting consumers, are relevant to the changing way in which legal services are provided and the commercial requirements of regulated individuals and entities.

The IPReg executive team which takes forward IPReg's day-to-day operational work is a small team led by the Chief Executive Officer, Fran Gillon and Head of Registration, Shelley Edwards. These roles are in turn supported by a Chief Finance Officer, an Assurance Officer, an interim Authorisations Officer, a Director of Policy, an Administrative Officer and a Head of Regulatory Review.

This report sets out some key information about IPReg's regulatory activities during 2021 and where relevant, how the activity is linked to the duty to promote the [Regulatory Objectives](#) (ROs):

- RO1 – Protecting and promoting the public interest
- RO2 – Supporting the constitutional principle of the rule of law
- RO3 – Improving access to justice
- RO4 – Protecting and promoting the interests of consumers
- RO5 – Encouraging an independent, strong, diverse and effective legal profession
- RO6 – Increasing public understanding of the citizen's legal rights and duties
- RO7 – Promoting and maintaining adherence to the professional principles.

1. Chair's Foreword, Lord Chris Smith

Two years ago, just as Covid was starting to wreak its havoc and we were all going into the first lockdown, I wrote (optimistically) about what might happen as we emerged “back into something resembling normality”. That has of course been rather a long time coming, and is still not yet fully here. But one thing does seem to have become clear – and that is the enduring importance of patent and trade mark activity for our nation’s economy. Arguably this will be even more important in a post-pandemic world, because it is creativity and ingenuity, especially in science and engineering, that will lead the way to economic recovery. Our role as a regulator is to ensure that attorneys provide the best and most professional service to their clients, we do so in a sensible and proportionate way, and thereby to sustain the success and importance of the whole intellectual property sector.

Through the whole two years of pandemic, our staff have been working hard – primarily from home – and I want to pay special tribute to the dedication, enthusiasm, and skill with which they have performed, in exceptionally difficult circumstances. A big “thank you” to them all. During the course of the year, we have said goodbye to four long-standing and greatly valued members of the IPReg Board: two lay members, Nick Whitaker and Steve Gregory (Steve gave particularly important service as Acting Chair before I was appointed), one patent attorney, Keith Howick, and one trade mark attorney, Alicia Chantrey. We are very grateful for their service. We have been delighted to appoint three new members, Samantha Peters, Victor Olowe, and Justin Bukspan. We are now a slimmer Board than we were, with an overall majority of lay members, but with a balanced representation as well for patent and trade mark professionals.

The major task we have for this year and next is the completion of our comprehensive Review of Regulatory Arrangements. We launched a major consultation for this Review at the start of the year, and we are keen to hear from those in the profession as well as from the wider world of consumers and stakeholders with their proposals and views, so that we can shape the best set of rules and procedures that we possibly can. This will continue to form a significant and vital part of our work in the months ahead.

2. Chief Executive's Foreword, Fran Gillon

I would like to start this report with a huge “thank you” to all the IPReg Team. They have managed all the challenges of working from home during a pandemic for a second year. As this report shows, we have achieved a huge amount during 2021 thanks to the hard work of the team and the support of the Board. I look forward to our return to the office to benefit from the face to face discussions that I am sure we have all missed.

Early on in the year, we ran a survey to gather information about the diversity of the trade mark and patent attorneys that IPReg regulates. I am grateful to all those who responded. We have published the results of the survey and you can see the report on our [website](#).

Throughout the year, we continued to build on our productive working relationship with CIPA, CITMA and IP Inclusive. We will be discussing with them – and others – how to progress a sector-wide approach to diversity monitoring.

We were very pleased to be invited to join Tech Nation’s [Lawtech Sandbox](#) along with other legal regulators. This provided a way for innovators to get direct access to regulators to provide advice, assurance and support quickly.

Our ability to work at pace was also shown by the intense work we did to implement changes to our compensation arrangements when Royal Sun Alliance decided at short notice to withdraw from providing our underlying insurance policy.

The Review of our regulatory arrangements was key area of work for us and has involved all the Team members at various points over the course of the year. Our external advisers to the project have provided invaluable support and thought-provoking challenges to help us develop our policy proposals. As we progress towards finalising our new regulatory arrangements, I look forward to working with our registrants to ensure that their implementation (no earlier than Spring 2023) goes smoothly.

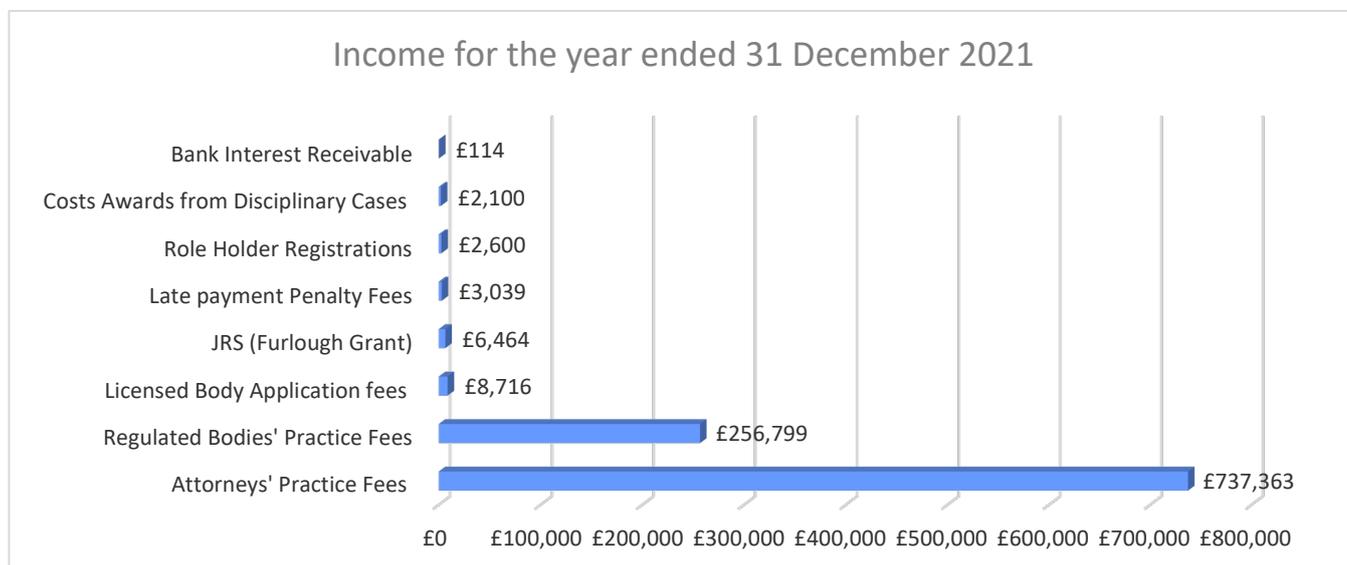
3. 2021 – Key Facts and Figures

3.1 Financial - Income

IPReg’s income derives mainly from practice fees paid by registered attorneys and firms. Some limited additional income is derived from (for example) application fees from firms applying to be licensed or registered with IPReg. IPReg is financially independent. Since January 2010, IPReg has received no financial assistance from either CIPA or CITMA, nor does IPReg remit any practising fees to either CIPA or CITMA. A breakdown of Income for the year ended 31 December 2021 is shown below.

Figure 1 – Breakdown of Income for 2021

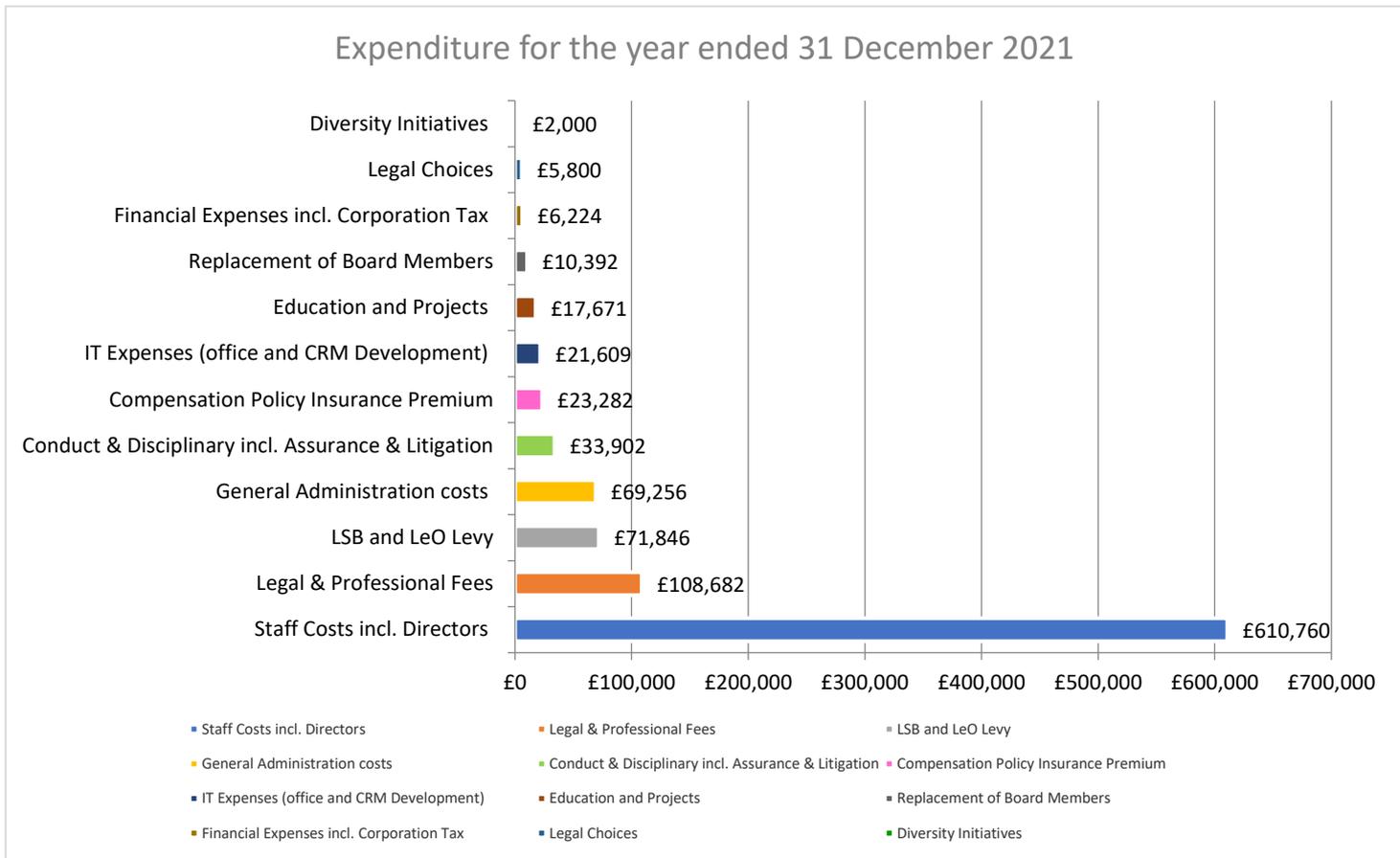
Due to the uncertainty of the impact upon income owing to the Covid-19 pandemic and/or Brexit, the Board had budgeted for a 5% reduction to simulate a potential fall in the regulated community and therefore in practice fees. In fact, attorney numbers remained stable throughout the year.



3.2 Financial - Expenditure

Figure 2 – Breakdown of Expenditure for 2021

Staff Costs : includes salaries, directors’ remuneration, employer’s National Insurance, staff benefits and pension costs and costs for the cover for the furloughed post as well as recruitment costs although it has not yet been filled permanently.



Legal and Professional Fees

Customary costs relating to legal advice on areas such as audit and accountancy services and contracts, as well as costs such as insurance, Practical Law and Westlaw subscriptions; and practising fees for the professionally qualified members of staff. Additionally, this includes costs relating to the actuarial and legal fees in relation to the new compensation fund (see item 5.1); and costs associated with the review of regulatory arrangements project (see item 4.2).

Legal Services Board and Legal Ombudsman Levy

IPReg pays a levy towards the costs of the [Legal Services Board \(LSB\)](#), the body with statutory oversight of all of the legal regulators. IPReg’s levy contribution is in proportion with to the total number of regulated lawyers which the LSB oversees the regulation of.

The running costs of the [Legal Ombudsman](#) are met by regulated lawyers using a three-year reference period ending 31 March to calculate the average number of complaints it receives relating

to that legal regulator's regulated community. IPReg's levy contribution was the minimum cost of £5,000 which applies when a sector has 10 complaints or less in the rolling three-year period.

General Administration Costs

General office costs such as licence fee and services. This expenditure line also includes an adjustment to the provision for the recoverability of costs award from disciplinary cases. In 2020, provision was made for the recoverability of a costs award of £26,391. By the end of 2021 £17,000 of the award had been recovered and the same amount was written back. At the same time the provision was increased in respect of the recoverability of a costs award made in 2021 of £2,100. These two adjustments resulted in a write back of £14,900.

Conduct & Disciplinary incl. Assurance and Litigation

Relates to external legal costs and internal costs associated with assurance and disciplinary matters, includes Board member fees, expenses for committee hearings as well as associated costs such as photocopying.

Compensation Policy Insurance Premium

For several years, IPReg maintained an insurance policy under which grants could be made to compensate consumers for losses or hardship suffered due to fraud or dishonesty of a registered attorney or an employee/manager of a registered firm.

Royal Sun Alliance gave notice that they would not renew the policy (see item 5.1 for more detail) with the policy terminated at the end of October. A Compensation Scheme was introduced to continue to provide consumer protection (though a claim was never made on the Compensation Policy Insurance).

IT Expenses (office and CRM)

Largely made up of costs relating to maintenance of the Customer Relationship Management (CRM) system which administers registrant interactions such as annual renewal of registration. Costs shown include those to support and maintain the office IT platform and software licences.

Education and Research Projects

Includes the costs of the Board's Education Working Group (see item 4.4), cost of research on patent filings in the UK and the diversity survey (see item 4.5.2).

Replacement of Board Members

Costs associated with the recruitment of three Board members, two lay (non-lawyer) and one trade mark attorney.

Financial Expenses including Corporation Tax

This includes bank charges, card provider service charges and corporation tax on bank interest.

Legal Choices

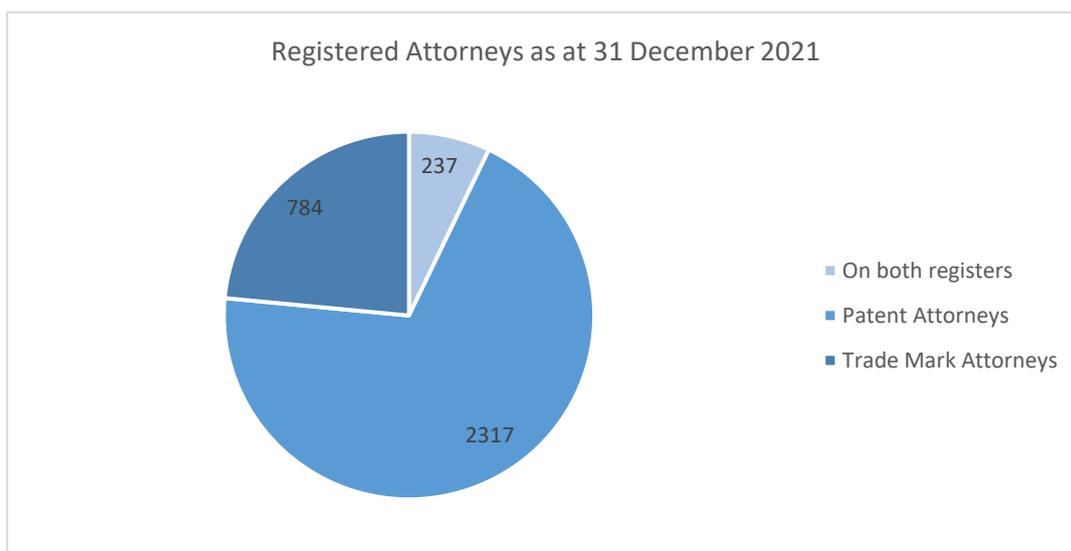
Funding for the [Legal Choices website](#) (a joint information project undertaken by legal regulators with the aim of helping consumers make informed decisions when choosing legal services providers).

Diversity Initiatives

IPReg has a statutory objective to encourage a diverse legal profession and accordingly supports initiatives aimed at promoting this objective. Item 4.5 of this Report provides information on diversity initiatives funded by IPReg.

3.3 Who we regulate: as at 31 December 2021 there were 3,338 registered attorneys of which: 237 were registered as both a patent and a trade mark attorney, 2,317 registered as patent attorneys and 784 registered as trade mark attorneys.

Figure 3 – Breakdown of attorneys by type



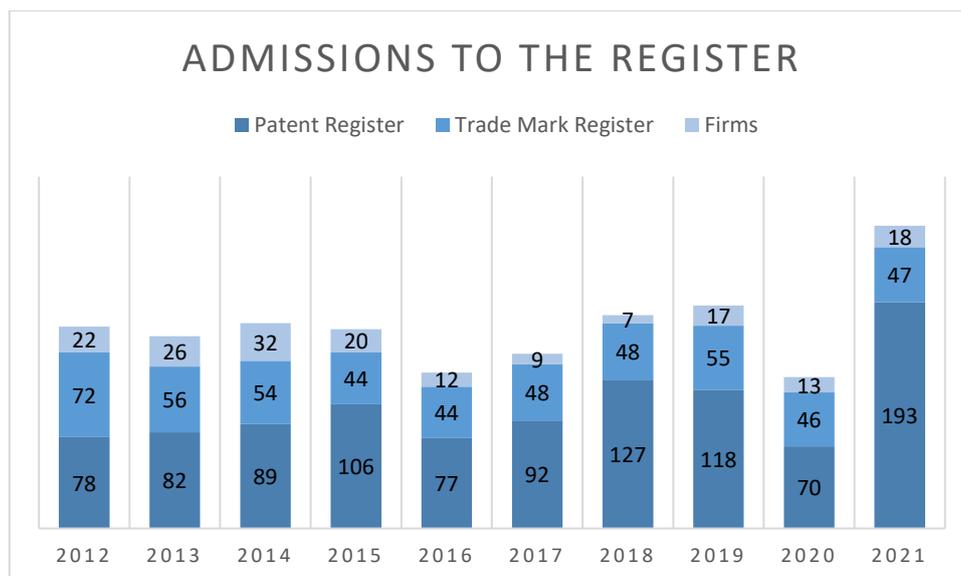
Patent attorneys make up just over two-thirds (69.4%) of registered attorneys, trade mark attorneys represent 23.5% and those who are both a patent attorney and trade mark attorney comprise 7.1%.

3.4 Admissions

3.4.1 To be admitted to the register, attorneys must complete a rigorous examination and training programme and to remain on the register, attorneys must undertake further professional training, known as Continuing Professional Development, each year. Successful admission to the patent and/or trade mark attorney register means that an individual or firm is registered with and regulated by IPReg and is subject to its rules and regulations. From a consumer protection perspective, using an IPReg-regulated attorney or firm affords consumers the confidence that in the event of any problem arising from the work carried out they, the consumer, will be protected by professional indemnity insurance and can in some cases complain to the Legal Ombudsman and/or IPReg. In addition, there are certain types of work (e.g. the conduct of litigation) that only attorneys and firms registered with IPReg or another legal regulator can carry out.

3.4.2 In 2021, there were 258 admissions to the attorney register, 193 of these were patent attorneys and 47 were trade mark attorneys. There were 18 new admissions (and 2 firm structure reconversions) to the firms register.

Figure 4 – Breakdown of Admissions to Register 2021



3.4.3 The bar chart above sets out the number of admissions to the patent attorney register and the trade mark attorney register, as well as the number of firms admitted entry on to one or both registered by IPReg. The large increase in the number of patent attorneys is likely due to the European qualifying examinations (EQE) – which provide an element of exemption from the IPReg accredited final examinations offered by the Patent Examination Board – not taking place in 2020, leading to a fall in new entrants that year; those people then took the EQE examinations in 2021 and entered the register when they passed those exams.

3.4.4 There were 89 removals from the register. A total of 85 attorneys (40 patent attorneys, 27 trade mark attorneys and 18 patent and trade mark attorneys) were removed from the register: 55 of whom had applied for voluntary removal, 24 removed due to failure to pay fees, 3 deceased, and 2 unable to demonstrate compliance with Professional Indemnity Insurance requirements. One attorney was removed following disciplinary proceedings but was subsequently restored to the register. A total of 4 firms were voluntarily removed from the register.

3.5 Enquiries Report 2021

Regulatory Objectives

We catalogue and categorise regulatory enquiries made to us. This enables us to identify areas where stakeholders are most seeking advice and to update, accordingly, our standard regulatory enquiry response templates which can then be applied and tailored to the individual enquiry (where necessary), and [Frequently Asked Questions](#), helping the IPReg office to reply in a timely and consistent manner. This regulatory activity seeks to promote the following Regulatory Objectives:

- RO4 – Protecting and promoting the interests of consumers;*
- RO5 – Encouraging an independent, strong, diverse and effective legal profession;*
- RO6 – Increasing public understanding of the citizen’s legal rights and duties;*
- RO7 – Promoting and maintaining adherence to the professional principles;*

through transparent, accountable, consistent, and timely dialogue with consumers of intellectual property legal services, members of the public, trainees and attorneys, who have logged a regulatory enquiry with us. 97.4% of regulatory enquiries were dealt with within 5 working days.

3.5.1 This section analyses the 453 regulatory enquiries received in 2021. By regulatory enquiries, we mean the subject relates to aspects of regulation and the legal sector, rather than administrative enquiries. There are a number of categories which the enquirer can choose and they can select more than one category at a time.

Figure 5 – Breakdown of Regulatory Enquiries received in 2021

Enquiry Theme	Frequency
Qualification/Registration as an Attorney	247
Attorney Rules of Conduct	85
Attorney Continuing Professional Development	55
Miscellaneous	46
Attorney looking to take a leave of absence	16
Research	4

3.5.2 Qualification/Registration with IPReg: of the 453 regulatory enquiries received, the majority, as with previous years, concerned qualifying and registering as an attorney, with 247 enquiries relating to this. Within this 247:

- the most frequent enquiry related to qualifying as a patent attorney - 74 enquiries;
- closely followed by qualifying as a trade mark attorney - 72 enquiries;
- registering a firm/entity - 42 enquiries;
- individuals who had qualified as attorneys overseas and wanted to know if their qualification could be recognised by IPReg – 25 enquiries;
- solicitors wanting to qualify as a trade mark attorney – 12 enquiries;
- looking to be on both registers (both trade mark and patent) – 8 enquiries;
- relating to readmission to the register – 7 enquiries; and
- those who had sat a historic course or examination (after seeing the sunset clause consultation/decision (item 4.4.6) mentioned in this report).

3.5.3 Attorney Rules of Conduct: of the 85 Rules of Conduct enquiries received:

- Other – 35 enquiries;
- members of the public wanting to know particulars about attorneys’ regulatory responsibilities – 16 enquiries;
- entity structure - 9 enquiries;
- conflicts of interest - 8 enquiries;
- client monies – 6 enquiries;
- Professional Indemnity Insurance - 6 enquiries;
- client information sharing – 2 enquiries; and
- relating to difficulties with a client, fees charged to client and insolvency administration of a client firm – each had 1 enquiry.

The 35 queries recorded as ‘Other’ covered a broad range of subject areas including:

- drawing up a contract;
- equity in lieu;
- attorney not showing on public online register (they had been removed from the register);
- information in correspondence footers;

- developing an Anti-Money Laundering Policy;
- intellectual property assignment documentation;
- suggestion that a suspended attorney is still practising;
- whether/who needs to disclose a historic academic offence;
- concern regarding protected legal title;
- client inadvertently sending privileged advice; and
- being requested to sign a declaration to resolve a mistake.

3.5.4 Attorney Continuing Professional Development (CPD): 55 attorneys enquired whether a particular activity could be counted as CPD, how and/if to log CPD, or if a CPD waiver request might be appropriate (for example in instances of long-term absence from active practising such as parental leave or illness) and if so, how to apply for it (a specific request function within attorney online user accounts).

3.5.5 Miscellaneous: these 46 enquiries are wide ranging, though there is some commonality amongst them:

- whether an attorney/firm is actively practising/on register or a certificate of good standing request (we have now added a new category to the CRM relating to this) - 11 enquiries;
- whether their circumstance means they can make a CPD waiver request (there is a dedicated facility for this process) - 3 enquiries;
- taking a prolonged leave of absence (there is a dedicated facility for this process also) - 3 enquiries;
- Professional Indemnity Insurance - 3 enquiries;
- who can be members of a firm - 2 enquiries; and
- how to register firm – 2 enquiries.

Other subject matters included:

- qualifying;
- diversity data;
- voluntary removal ramifications;
- a dispute between client and competitor firm;
- whether the firm needs to report to IPReg when it reports an issue to Information Commissioner's Office;
- UPC representation post-Brexit; and
- firm structure.

3.5.6 Taking a leave of absence: 16 attorneys enquired about the implications and process relating to taking a leave of long-term absence from active practising.

3.5.7 Research: of the 4 enquiries, 2 related to employment screening (a Certificate of Good Standing request), 1 to rights of audience and another requested a press statement.

3.6 First Tier Complaints – complaints made by clients to IPReg registered attorneys/firms

Regulatory Objectives

Our [Rules of Conduct](#) require IPReg registered attorneys and firms to have effective procedures in place to deal with complaints. At the point of a client engaging service, the registered attorney or firm, is required to inform them of the process for making a complaint and a written details of the

complaints procedure must be provided to the client on request. A client who makes such a complaint to the registered attorney or firm has made a “first tier complaint”.

As part of the annual renewal of registration, all registered attorneys in private practice, and all registered firms, are required to provide us with information about the first-tier complaints they received the previous calendar year. This regulatory activity seeks to promote the following Regulatory Objectives:

RO4 – Protecting and promoting the interests of consumers

RO5 – Encouraging an independent, strong, diverse and effective legal profession

RO7 – Promoting and maintaining adherence to the professional principles

by aiding our understanding of any areas of potential consumer dissatisfaction in intellectual property legal services, to determine if we may need to investigate further, or areas where advice or guidance, or other, may be beneficial.

3.6.1 Complaints statistics for the reporting year ended 31 December 2021, were collected from:

- Firms – 242 firms reported on the number of complaints received, with 38 of those firms declaring receipt of one or more complaints; and
- Sole practitioners – 111 sole practitioners reported on the number of complaints received, with 2 sole practitioners declaring receipt of one or more complaints.

3.6.2 The most frequently reported complaint theme remains:

- Costs information deficient/costs excessive – 71.5 (77 total complaints in 2020).

(followed by Delay/failure to progress – 26 (18 total complaints in 2020) and Failure to advise – 24.5 (22 total complaints in 2020).

3.6.3 The comparative frequency of complaints relating to costs information continues to reinforce the importance of providing clear information to consumers. Our regulatory arrangements review consultation (item 4.2) includes proposals to make the price and service information requirements in our transparency guidance mandatory.

3.7 Complaints made to IPReg

Regulatory Objectives

Regulated persons are subject to the [IPReg Rules of Conduct for Patent Attorneys and Trade Mark Attorneys](#) and to the [IPReg Litigator's Code of Conduct](#) relating to conducting litigation and representing clients in court.

IPReg registered firms and sole traders are required to have a complaints handling process. If a client/consumer of their legal services is unhappy with the service received they should first raise the issue with the legal service provider under their complaints process. If that does not resolve it, a poor service complaint can be escalated to the [Legal Ombudsman](#). IPReg can accept complaints relating to breaches of the Rules of Conduct and the Litigator's Code of Conduct (as above).

This regulatory activity seeks to support the following Regulatory Objectives:

RO4 – protecting and promoting the interests of consumers

RO7 – promoting and maintaining adherence to the professional principles

through proportionate, accountable, consistent, transparent, targeted and timely, handling of conduct complaints.

3.7.1 IPReg can consider complaints about “regulated persons”; this includes registered attorneys, registered firms (including alternative business structures), as well as managers and employees of registered firms. Where we receive information that a regulated person may not have met the standards of professional practice set out in the [Rules of Conduct](#), or where we have information that a registered attorney’s character and suitability to be on the register has been called into doubt, we consider taking action under the [Disciplinary Procedure Rules](#). We can also initiate complaints where it appears to us that a regulated person has breached one or more of the Rules of Conduct or has otherwise been non-compliant with any of our regulatory conduct requirements.

3.7.2 In 2021, IPReg received or initiated complaints against 12 regulated persons, and 1 previously regulated person:

Figure 6 – Breakdown of Complaints to IPReg about regulated persons

- Other – 5 complaints;
 - (designer rights v inventor rights;
 - loss of opportunity to acquire intellectual property [URLs];
 - private dispute with an attorney not related to IP;
 - respondent no longer on the register misusing professional title; and
 - unspecified allegation lacking evidence to support)
- Misconduct - 4 complaints;
- Costs information deficient/misconduct – 1 complaint;
- Failure to advise or poor/wrong advice – 1 complaint;
- Failure to comply with agreed action/remedy – 1 complaint; and
- Failure to keep informed/delay – 1 complaint.

3.7.3 Where it appears that one of our regulatory arrangements has been breached, we can refer it to the Complaints Review Committee (CRC) which will consider whether there is a *prima facie* (on first impression) case to be answered. The CRC may close the case if it considers there is no case to answer, or may deal with it summarily if it would be disproportionate to refer it to a full disciplinary hearing before the Disciplinary Board. The Disciplinary Board is an independent Board made up of lay and professional members of the Joint Disciplinary Panel and has a wide range of sanctioning powers up to, and including, imposing fines of up to £5 million on individuals (£25 million on registered bodies and £250m on an ABS) and removal from the register(s).

3.8 Regulatory Action

Regulatory Objectives

Suspension, or removal, from the register, of those who do not meet their regulatory responsibilities, helps promote the Regulatory Objectives of:

RO2 – Supporting the constitutional principle of the rule of law

RO4 – Protecting and promoting the interests of consumers

RO5 – Encouraging an independent, strong, diverse and effective legal profession

RO7 - Promoting and maintaining adherence to the professional principles

by protecting the interests of the public, consumers, the law, as well as those of registered attorneys who do meet their regulatory responsibilities.

3.8.1 In 2021, IPReg suspended from the register:

- 68 registrants (34 patent attorneys, 24 trade mark attorneys, 9 on both registers, 1 registered body);
- 65 of which were for failing to renew their registration in a timely manner; and
- 3 due to failure to provide evidence of compliant Professional Indemnity Insurance;

and ultimately removed from the register:

- 89 registrants (40 patent attorneys, 27 trade mark attorneys, and 18 from both registers and 4 registered bodies);
- 55 of which had made voluntary removal applications;
- 24 for failure to pay fee/renew registration;
- 3 deceased;
- 2 due to failure to provide evidence of compliant Professional Indemnity Insurance; and
- 1 removed following disciplinary proceedings (subsequently removed from register).

3.9 Covid-19 Pandemic

Regulatory Objectives

For the 2021 annual registration renewals, registered attorneys were able to make a fee waiver request. This regulatory measure seeks to promote the Regulatory Objective of:

RO5 – Encouraging an independent, strong, diverse and effective legal profession

by offering the opportunity to attorneys who have lost their job as a result of the pandemic, to remain on the register, without having to pay their annual practising fee.

3.9.1 In 2020 we introduced a waiver process, which continued into 2021. This enabled attorneys to remain on the register without having to pay their annual practising fee. Overall, it does not appear that the pandemic has impacted the regulated intellectual property sector as badly as some other

parts of the legal services market. In 2021, 3 waiver applications were made on the basis of the attorney having lost their job due to the pandemic, 2 of which were granted.

3.9.2 Along with millions of other workers, the IPReg team continued with a hybrid of working from home, as well as a socially distanced attendance at the office, when Government guidance permitted, and Board (and other) meetings taking place virtually. The 2021 Board meetings in January, March, May, July, September and December took place by Zoom. The November 2021 Board meeting and Strategy session took place in person, at a larger meeting room facility, to enable social distancing.

3.10 Regulatory Performance

Regulatory Objectives

Each year we review our regulatory performance, based upon a financial year 1st April until 31st March dataset. This regulatory activity supports all the Regulatory Objectives:

- *RO1 – Protecting and promoting the public interest*
- *RO2 – Supporting the constitutional principle of the rule of law*
- *RO3 – Improving access to justice*
- *RO4 – Protecting and promoting the interests of consumers*
- *RO5 – Encouraging an independent, strong, diverse and effective legal profession*
- *RO6 – Increasing public understanding of the citizen’s legal rights and duties*
- *RO7 – Promoting and maintaining adherence to the professional principles*

as it helps us determine any areas where improvements are needed and to be transparent and accountable in publishing this regulatory performance information.

3.10.1 IPReg’s performance management datasets can be found [here](#). The [2020-21 Performance Management Dataset](#) had a small number of items of difference with the [2019-20 Performance Management Dataset](#):

Attorney admissions: an increase in the number of patent attorney admissions to 108 (81 in the previous dataset) with trade mark attorney admissions remaining similar at 53 admissions (57 in the previous dataset); additionally there were 11 applications to be admitted to both registers;

Enquiries: 97.5% of enquiries were responded to within the 4-5 working days target time, compared to 96.8% in the previous dataset, with over half (51.8%) of enquiries responded to within 1 working day;

Levels of compliance in annual renewal process: the Customer Relationship Management (CRM) database does not permit annual renewal and/or payment of practising fees unless the attorney provides information about their Professional Indemnity Insurance (PII) policy;

Complaints handling: a slight increase to 20 open cases (16 open cases in the previous dataset), and a significant decrease in the longest time taken from receipt of initial complaint to final decision at 561 days (1461 days in the previous dataset) with the median time taken was 221 days (560 days in the previous dataset).

3.11 Promotion of IPReg and its regulatory approach

Regulatory Objectives

The IPReg Board and Executive network actively with other stakeholder organisations. This regulatory activity helps to promote the Regulatory Objectives:

RO1 – Protecting and promoting the public interest

RO2 – Supporting the constitutional principle of the rule of law

RO3 – Improving access to justice

RO4 – Protecting and promoting the interests of consumers

RO5 – Encouraging an independent, strong, diverse and effective legal profession

RO6 – Increasing public understanding of the citizen’s legal rights and duties

RO7 – Promoting and maintaining adherence to the professional principles

as it helps a wider audience understand the regulatory approach of IPReg, its value as an independent specialist regulator as well as helping IPReg gain market insights.

3.11.1 In 2021, the Chair and Chief Executive together represented IPReg at 7 online events, the Chair an additional event and the Chief Executive another 40 and other representatives of the Board attended 6 events. Events attended included student induction days and multi-stakeholder meetings with regulatory, business and industry representatives (events recorded for these purposes do not include the regular CEO meetings between IPReg, CIPA and CITMA or the regular meetings with the LSB, the oversight regulator).

4. Review of progress against 2020/2021 Business Plan activities

4.1 Introduction

4.1.1 IPReg is currently reviewing its regulatory arrangements and how its core regulatory activities are undertaken. This is in addition to our “business as usual” core activities, which include;

- considering applications from individuals and entities for registration;
- providing advice on our regulatory arrangements;
- investigating complaints and taking disciplinary action where necessary;
- dealing with enquiries via both the new online contact form and the “Info” email box;
- a rolling accreditation process of qualification agencies and considering applications from new entrant agencies;
- responding to LSB consultations and requests for information (e.g. regulatory performance data);
- gathering data about the IP sector; and
- policy development.

4.2 Regulatory arrangements review - improving our regulatory arrangements

Regulatory Objectives

IPReg’s regulatory arrangements cover the full range of activities undertaken by registered individuals and firms. They span the requirements from qualifying as a patent or trade mark attorney, the process for admission to the register(s), conduct and other requirements while on the register(s), complaints and disciplinary matters and removal or retirement from the register(s).

These arrangements have been in place for a number of years and will benefit from amendment, clarification or modernisation. This regulatory activity seeks to promote all the Regulatory Objectives:

RO1 – Protecting and promoting the public interest

RO2 – Supporting the constitutional principle of the rule of law

RO3 – Improving access to justice

RO4 – Protecting and promoting the interests of consumers

RO5 – Encouraging an independent, strong, diverse and effective legal profession

RO6 – Increasing public understanding of the citizen’s legal rights and duties

RO7 – Promoting and maintaining adherence to the professional principles

by having in place Rules, Regulations and Guidance which focus on the issues that really matter, facilitate innovation, maintain proportionate consumer protections whilst reducing the burden of regulation, are based upon principles rather than prescriptive rules (unless evidence demonstrates rules are necessary), are streamlined, consistent and resilient to change.

4.2.1 IPReg is reviewing the regulatory arrangements in their entirety to ensure they are fit for purpose and actively promote the regulatory objectives. We are particularly keen that our regulation of the intellectual property sector supports innovation and disruption as well as understands and takes into account how regulatory measures affect new entrants and innovation. The review is a significant piece of work and was a key focus for IPReg in 2021 (and continues to be so in 2022).

4.2.2 The [Call for Evidence](#), asking for views on the matters that IPReg should consider, closed in February 2021. A total of 31 responses were received, coming from a wide range of attorneys, firms and other stakeholders. Focused discussions took place with two of those firms.

4.2.3 In December 2021, we launched our [consultation](#) on proposed changes. We have tried to keep the drafting of the proposed regulatory arrangements simple and clear, removing prescriptive requirements where unjustified, and relying on broadly stated principles wherever possible. The consultation closed in March 2022 and its responses will inform the way forward.

4.3 Accreditation and monitoring of qualification providers

Regulatory Objectives

IPReg must be confident that course/examinations to be taken on the qualification pathway to becoming a registered attorney meet appropriate standards and cover appropriate syllabi. Any agency seeking for their offer to be approved is assessed against the requirements of the [IPReg Accreditation Handbook](#). This regulatory activity seeks to promote the Regulatory Objectives:

RO4 – Protecting and promoting the interests of consumers

RO5 – Encouraging an independent, strong, diverse and effective legal profession

RO7 – Promoting and maintaining adherence to the professional principles

by accrediting qualifying pathways which are diverse, cater for different circumstances and learning needs, are fit for purpose and help develop registered attorneys who are professional, competent, efficient, ethical, and act in a principled manner.

4.3.1 New Annual Reporting Requirements on accredited qualification providers: an agency, such as a university, or examination provider, which seeks to offer an element of the attorney qualification pathway is required to make an application for accreditation based on the requirements set out in the [IPReg Accreditation Handbook](#). The application is assessed by two independent assessors. The lead assessor is a legal education specialist, and the other assessor provides specialist professional practitioner input. The decision to accredit or not is made by the Board. The assessment report is considered first by the Education Working Group (a sub group of the IPReg Board), which will make a recommendation to the Board. Typically, accreditation status is awarded for five years, at which point, should the agency wish to remain part of the attorney qualification pathway, they will need to make a new application for IPReg reaccreditation and this will be assessed and determined as outlined above.

4.3.2 During the accreditation period, accredited qualifying pathway agencies are required to report annually to IPReg, how the most recent cohort of students/candidates performed, and was supported. In 2021, both the [IPReg Accreditation Handbook](#) and the annual reporting requirements, were subject to a desktop review and consultation with the accredited qualification pathway providers. The updated Handbook went live in August 2021 and included new diversity profiling information requirements as well as quality assurance arrangements relating to online delivery of learning and/or assessments (qualification pathway providers had to tailor their offers in light of pandemic restrictions and some have chosen to continue to provide an element of online provision); both of these items are reflected in the annual reporting requirements.

4.3.3 Higher Courts Advocacy Certificate Accreditation: litigation relates to the process of taking a case through a court of law for a judgement; and advocacy relates to representing the client's case within that court. There are three levels of Litigation and Advocacy Certificates which can be issued to registered attorneys upon having successfully completed an accredited course and application to IPReg. These enable the practising of litigation and rights of audience (advocacy) at different court levels:

- *Intellectual Property Litigation Certificate* – issued upon passing a Basic Litigation Skills Course, affording the holder Rights to Litigate (and limited Rights of Audience) in specified courts;
- *Higher Courts Litigation Certificate* – issued upon passing the Litigation and Advocacy Course, affording the holder Rights to Litigate (and some Rights of Audience) in specified courts;
- *Higher Courts Advocacy Certificate* – historically issued upon passing a Higher Rights of Audience (HRA) Assessment approved by the Solicitors Regulation Authority (SRA), or being qualified as a solicitor advocate or barrister; affording the holder Rights of Audience in the Higher Courts.

4.3.4 At the beginning of 2021, an [SRA rule change application](#) to the LSB included excluding, from 1st April, non-solicitors from taking the SRA Higher Rights of Audience (HRA) assessments. The application was approved, meaning, with no action by IPReg, only solicitor advocates and barristers on the IPReg register could apply to IPReg for a Higher Courts Advocacy Certificate. As a result, IPReg's Board made the policy decision for IPReg to invite the two providers of IPReg accredited litigation and advocacy courses, CPD Training UK and Nottingham Law School (Nottingham Trent University), to offer a course to attorneys which would result, upon successful completion, in the issuing to attorneys of a Higher Courts Advocacy Certificate. As at 4.3.1, the application is assessed by two independent assessors. The lead assessor is a legal education specialist, and the other

assessor provides specialist professional practitioner input. Their assessor report endorsed both for accreditation, which, following reviews by the Board's Education Working Group and then the wider Board, were successful, the CPD Training offer approved by May 2021 Board and the Nottingham Law School offer approved by July 2021 Board. Both organisations now offer [Higher Courts Advocacy courses](#).

4.3.5 Sunset Clause to transitional arrangements: the sunset clause seeks to ensure the integrity of the attorney register(s) so that applicants to it are not able, typically, to rely on stale and aged qualifications. Following successful application to the LSB, IPReg triggered an [18 months sunset clause](#) to historic qualifications. This means that as of 1 February 2023, neither IPReg accredited Intellectual Property qualifications obtained from the universities of Bournemouth, Brunel, Manchester, Queen Mary London prior to and including 2013 cohorts, nor the historic Joint Examination Board examinations prior to and including 2011 passes (or 2012 resits), will be deemed equivalent to elements of the Qualifying Examinations. Individuals holding those qualifications who have been unable, due to extenuating circumstances, such as illness or caring responsibilities, to apply for entry on to the register prior to 1 February 2023, may apply to the Registrar to continue to recognise those qualifications in their specific case. Information on the factors for consideration by the Registrar in such circumstances will be provided on the IPReg website.

4.3.6 Mercer Review: in 2019, the Council of the Chartered Institute of Patent Attorneys (CIPA), announced the Mercer Review. The review had been triggered by a consistently low pass rate, and marking concerns, about the FD4 (Final Diploma) Invalidity and Infringement Examination set by the Patent Examination Board (PEB). The [Mercer Review Report](#) was published in October 2021. The extent of IPReg's involvement in this review, as the independent legal regulator, was to make a submission to the review's Call for Evidence at the beginning of 2020, however a number of prescriptive recommendations in the final report are explicitly designated to IPReg. The [IPReg response to the Mercer Review](#), and [IPReg Position Table](#) which accompanies it, submitted to CIPA in December 2021, sets out the IPReg position as determined by the IPReg Education Working Party and wider IPReg Board.

4.3.7 Other 2021 workstreams of the IPReg Education Working Group and team: working with Queen Mary University London (QMUL) continued, with the aim of ensuring necessary improvements are being made to the QMUL course administration, structure, content and delivery.

4.4 Diversity Funding

Regulatory Objectives

Gathering information on the diversity profile of the attorney profession seeks to promote the Regulatory Objective:

RO5 – Encouraging an independent, strong, diverse and effective legal profession

by enabling the targeting of funding upon initiatives which target under-represented groups, such as STEM (Science, Technology, Engineering and Mathematics) recruitment initiatives aimed at girls and/or those from ethnic minorities.

4.4.1 IPReg spent £2,000 on sponsorship of IP Inclusive's 2021 operating costs. [IP Inclusive](#) is an award-winning network of IP professionals, working to make the profession more equal, diverse and inclusive and has formed communities working for diverse groups.

4.4.2 Having worked closely with [IP Inclusive](#) throughout 2020 to determine the appropriate timing, mechanism and questions of a diversity questionnaire for registered attorneys, we appointed an external organisation to conduct the [diversity survey](#) which commenced in January 2021. There were 1121 full responses to the Diversity Survey request, a statistically significant response (overall confidence interval of +/-2.26 at a 95% confidence level). IPReg spent £5,676 on the Diversity Survey and related training/discussion sessions. The next diversity survey will likely take place in 2023.

4.4.3 The following diversity policy decisions were made in 2021:

- Appointment of a Board Member as the Equality, Diversity, Inclusion and Belonging Ambassador – Sam Funnell appointed as EDIB Ambassador;
- Continue to work closely with IP Inclusive and other stakeholders to improve the diversity of the profession. IP Inclusive publishes a significant amount of resources to help promote EDI in the workplace and the profession - IPReg's work with IP Inclusive includes the funding of IP Inclusive's annual operating costs and development, as well as timing, of the diversity survey;
- Continue to encourage applications from organisations who are actively working with under-represented groups to increase diversity in those students studying STEM subjects;
- Explore with senior managers and recruiters in our larger regulated firms whether there is an opportunity for money that they pay in the apprenticeship levy to be used in a more targeted way – desktop review of apprenticeship scheme and discussions with CIPA and CITMA indicate there are limited opportunities and appetite for such;
- Ensure that consideration of EDI matters are integrated into its review of regulatory arrangements to ensure that they do not present unnecessary barriers to increasing diversity – this has included working with an external expert on diversity issues and development of an Equality Impact Assessment;
- Encourage firms to consider all the data we have published and how it may help increase diversity in their workforce;
- Developed an Inclusive Language Policy.

4.5 Law Tech

The [LawtechUK Sandbox](#) seeks to fast track new ideas, products and services with the potential to transform how the legal needs of businesses and society can be best met. IPReg is part of the Regulatory Response Unit (RRU), contributing expertise to LawTechUK's regulatory sandbox pilot. This regulatory representation seeks to promote the regulatory objectives:

RO3 – Improving access to justice
RO4 – Protecting and promoting the interests of consumers
RO5 - Encouraging an independent, strong, diverse and effective legal profession

by working with other stakeholders to potentially restructure and reinvent legal services.

4.5.1 [LawTechUK](#) is a targeted work programme seeking to transform UK legal services through technology, it is delivered through a collaboration between [TechNation](#), the [LawTechUK Panel](#) and the [Ministry of Justice](#). Throughout 2021, IPReg continued to contribute to the Regulatory Response Unit of the [LawtechUK Sandbox](#).

5. Introduction of new compensation arrangements

5.1 Compensation Arrangements

Regulatory Objectives

In the event that an individual consumer or small business is the victim of negligence, fraud or dishonesty on the part of a person registered with IPReg, it is vital that there are compensation arrangements in place to protect them. This regulatory measure seeks to promote the regulatory objective:

RO4 – Protecting and promoting the interests of consumers

through ensuring that appropriate compensation arrangements are in place to provide appropriate protection for consumers of IP services provided by a person registered with IPReg.

5.1.1 For six years, IPReg’s compensation arrangements were provided by an insurance policy underwritten by Royal Sun Alliance (RSA). In May 2021, RSA notified IPReg that it would not be renewing this insurance policy when the existing cover ended on 30 June 2021. At the request of IPReg, RSA initially granted a 60 day extension to 31 August and then subsequently a further extension to 30 October. Despite there not having been a claim ever made under the compensation insurance policy, IPReg’s insurance broker was not able to find another insurer willing to provide a similar policy. Compensation arrangements are a vital consumer protection measure and accordingly IPReg needed to ensure appropriate protections were in place and launched a [Consultation on Compensation Arrangements](#) (which closed in early September 2021) proposing to establish a compensation fund. The proposal was informed by actuarial advice about the appropriate size of that compensation fund and the limits that should be applied to grants made from it based on an interim risk model.

5.1.2 The subsequent [IPReg compensation arrangements rule change application](#) submitted to the LSB in September 2021 was [approved by the LSB](#) in October 2021, for a time-limited period. The LSB required a sunset clause for IPReg to review and to provide new long term arrangements by 2024 and IPReg will therefore be consulting on any changes it needs to make during 2023.

5.1.3 IPReg spent £45,529 in actuarial and legal costs to set up these new arrangements.