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DESIGNS

**The Intellectual Property
Regulation Board**
Annual Report 2022

April 2023

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About IPReg

The Intellectual Property Regulation Board (IPReg) regulates individual patent attorneys and trade mark attorneys and many of the firms that they work in. This report sets out some key information about IPReg's regulatory activities during 2022. Our activities are carried out within the framework of the Legal Services Act 2007 (LSA). In particular the regulatory objectives in the LSA. These are:

- Protecting and promoting the public interest;
- Supporting the constitutional principle of the rule of law;
- Improving access to justice;
- Protecting and promoting the interests of consumers;
- Promoting competition in the provision of legal services;
- Encouraging an independent, strong, diverse and effective legal profession;
- Increasing public understanding of the citizen's legal rights and duties;
- Promoting and maintaining adherence to the professional principles.

IPReg's work covers a broad range of core activities including:

Setting Registration Requirements

- Setting, maintaining and reviewing the examination and training requirements for qualification as an attorney;
- Considering applications for entry on to the register(s);
- Setting, maintaining and reviewing the requirements for admission to the register for attorneys and firms;
- Keeping the registers of attorneys and firms;
- A rolling accreditation process of agencies providing attorney qualifying examinations and considering applications from new entrant agencies.

Ensuring Ongoing Competence

- Setting the requirements for continuous professional development so that the knowledge, skills and expertise of attorneys is maintained at an appropriate level.

Standards, Rules and Regulations

- Setting, maintaining, reviewing and enforcing rules and regulations which set out the standards required of those we regulate;

- Providing advice on our regulatory arrangements;
- Answering regulatory and administrative enquiries through the Customer Relationship Management online platform and the info@ipreg.org.uk email address;
- Investigation and handling of complaints of misconduct made against an attorney or firm regulated by IPReg and taking disciplinary action where necessary.

Strategy, Policy and Reviewing Performance

- Development of strategies and policies to continue evolving and improving regulation and mitigation of regulatory risks;
- Monitoring of our regulatory performance;
- Engaging with the consultations and work programme of, and information and data requests from, the oversight regulator, the Legal Services Board.

The IPReg Board

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 (non-lawyer) majority required by the Legal Service Board's (LSB) **Internal Governance Rules**. More details about Board members are on page 33.

In setting its initial strategic priorities the IPReg Board wanted to be more externally focused to ensure that its regulatory framework encourages and supports innovation:

- 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;
- 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;
- 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.

In January 2023, the IPReg Board set new priorities for the next 3-4 years:

- To carry its regulatory activities in a more proactive way and to perform well. In order to do so, we will ensure that IPReg has the necessary staff, IT, external expertise and other resources;
- Increasing the range of good quality education providers accredited by IPReg, in particular as a tool to increase the diversity of the trade mark and patent attorney professions;
- Increase the public profile of IPReg to the regulated community and users of IP legal services.

The IPReg Team

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 Authorisations Officer (these roles have now been combined), a Director of Policy and an Administrative Officer. We have established a new post – an Education and Diversity Officer; the post holder will start at the end of March 2023.

Chair's foreword: Lord Smith of Finsbury

In introducing last year's Annual Report, I observed that "the major task for this year and next is the completion of our comprehensive Review of Regulatory Arrangements". This was indeed the principal task we had, and I'm delighted to be able to report that we have achieved our ambition. It was one of the things I was determined to give priority to, when I became Chair of IPReg – to set about simplifying and clarifying and bringing up to date all our rules and procedures. They weren't well drawn up, there were too many overlaps and anomalies, and I was certain we could do better. So over a two-year period we've now been working hard to produce something better. We started with a Call for Evidence, and then conducted a detailed consultation; we held a range of discussions with key stakeholders, we analysed evidence gleaned from across the IP sector, and we submitted a draft application for initial comment to the Legal Services Board. In November 2022 we submitted the final application for LSB approval; and we secured their broad agreement to our submission a few months later.

We are now able to set out in one place the new regulatory arrangements relevant to patent and trade mark attorneys. Our new rules begin by setting out a series of overarching principles: the need for ethical behaviour (something very much in the public's mind at the moment),

and for attorneys always to act with integrity. We set out a Code of Conduct. We emphasise the importance of consumer protection, in matters like cost transparency. We bring in greater clarity around admission and authorisation processes. We propose the modernisation of CPD requirements. We set out what I hope will be a set of clear operational rules. We've tried to write everything in plain English. We want to encourage and support innovation. We seek to enhance equality, diversity and inclusivity in the profession. And we always strive to secure the right balance between real protection for the consumer and proportionality for the profession.

The CPD point has been – inevitably – a challenge. How do we ensure that all attorneys keep their skills up to date, by ensuring that CPD takes place but in a way that doesn't become just a box-ticking exercise? How can we introduce concepts like peer review into CPD requirements? We believe we've come up with some answers, but only time will tell. We are very conscious, for the whole set of new rules, that we won't have got everything right from the outset. We need to be able to learn from experience as we implement everything and we discover what works and what doesn't. The ability to learn from experience is something we are determined to demonstrate.

At the same time as we've been rewriting the rules and procedures by which we regulate, we've also taken a long hard look at how we run ourselves. We've looked at Board governance, at the information provided to the Board, at the way in which decision-making happens – and we've made significant changes. Our aim is to become a more transparent organisation, one in which attorneys and public alike can have confidence.

We've also continued our work paying close attention to the education providers who control the routes into the IP profession. We've worked with several providers to improve their offerings to students, with some success; though this will inevitably be ongoing work. We've now brought in a dedicated education officer to our staff team, in view of the importance of this work.

Sadly, we said farewell to one longstanding Board Member in 2022: Nigel Robinson, one of our patent attorney members. Nigel was always perceptive and wise, and brought real experience and knowledge to his contributions to the Board. He even went beyond the call of duty and remained in post for a few months beyond the due date, in order to assist the smooth transition to his successor. We'll miss him, and want to thank him warmly for his exceptional service to IPReg. And talking of exceptional service, my final

observation would be that we pay continuing tribute to the excellence and dedication of our staff team, who work miracles, even though they are relatively few in number and hours. We are hugely in their debt.

Chris Smith
March 2023

Chief Executive's foreword: Fran Gillon

It was another busy year for the whole IPReg Team and Board members. I am very grateful for their hard work, enthusiasm and support throughout the year.

By far the main focus of our work in 2022 was the very important review of our regulatory arrangements (the rules and regulations that our registrants must follow). I am delighted that all the changes we proposed have been agreed by the Legal Services Board; we are now busy planning their smooth implementation. The new arrangements were developed with input from a wide range of stakeholders and I am grateful for their positive engagement throughout the consultation process.

In terms of our “business as usual activities”, we continue to respond quickly and in depth to the wide range of enquiries that we receive from members of the public and registrants. We receive relatively low numbers of complaints about our registrants but those that we get cover a wide range of issues and we have made progress in reducing the time taken to consider them. We anticipate that the introduction of Complaint

Examiners in 2023 will help to make this process even more efficient.

I see our work on education and diversity as two sides of the same coin; a new Education and Diversity Officer post has been created to drive progress on these important issues. We continue to fund important diversity initiatives (such as IP Inclusive and In2Science) from our reserves. On education, we have focused on the need for significant improvements identified by re-accreditation reviews of Queen Mary University London and the Patent Examination Board.

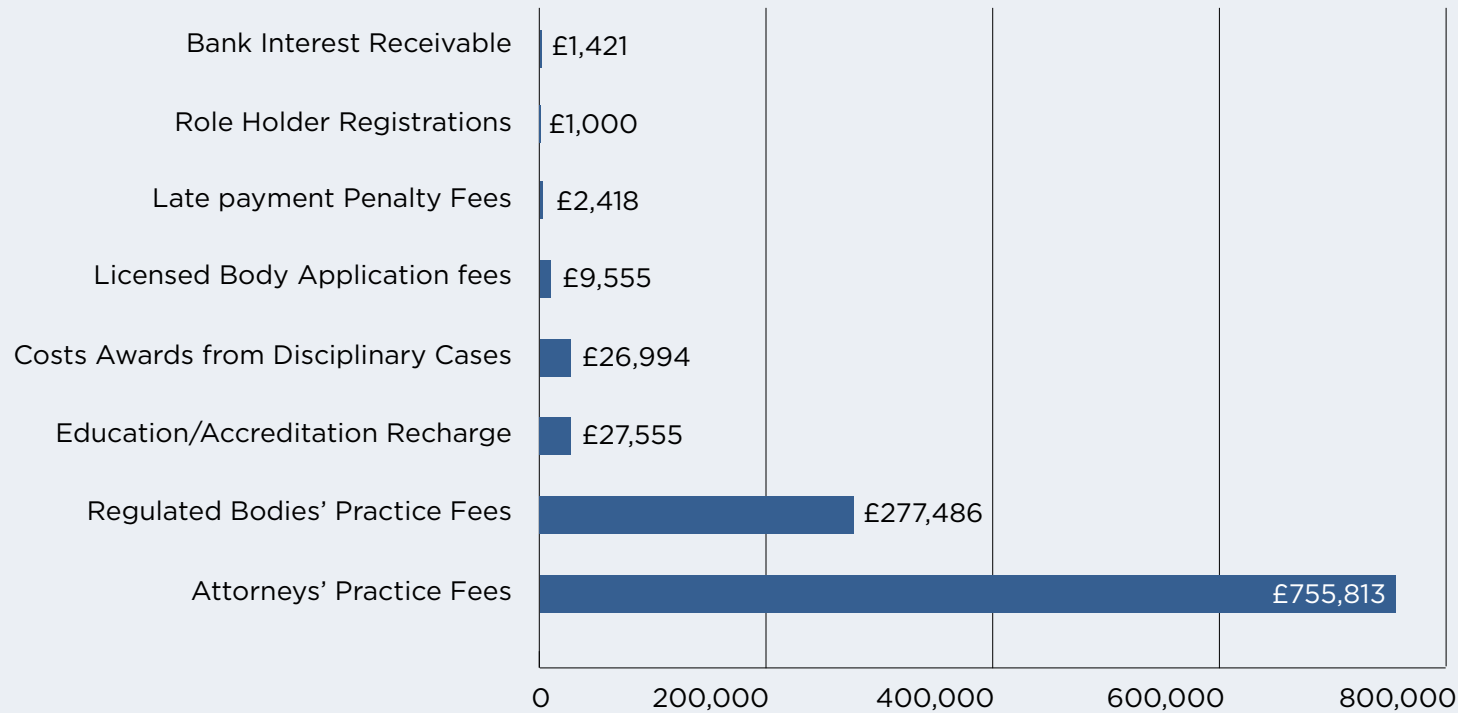
We continue to have a positive working relationship with CIPA and CITMA. Lee, Keven and I meet each month to discuss matters of mutual interest. In addition, the quarterly Regulatory Forum with their Presidents, Vice-Presidents and the IPReg Chair are always interesting and constructive.

Fran Gillon
March 2023

2022 – key facts and figures

Financial – income

Figure 1 – Breakdown of income for 2022



IPReg is financially independent. 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 regulated by IPReg.

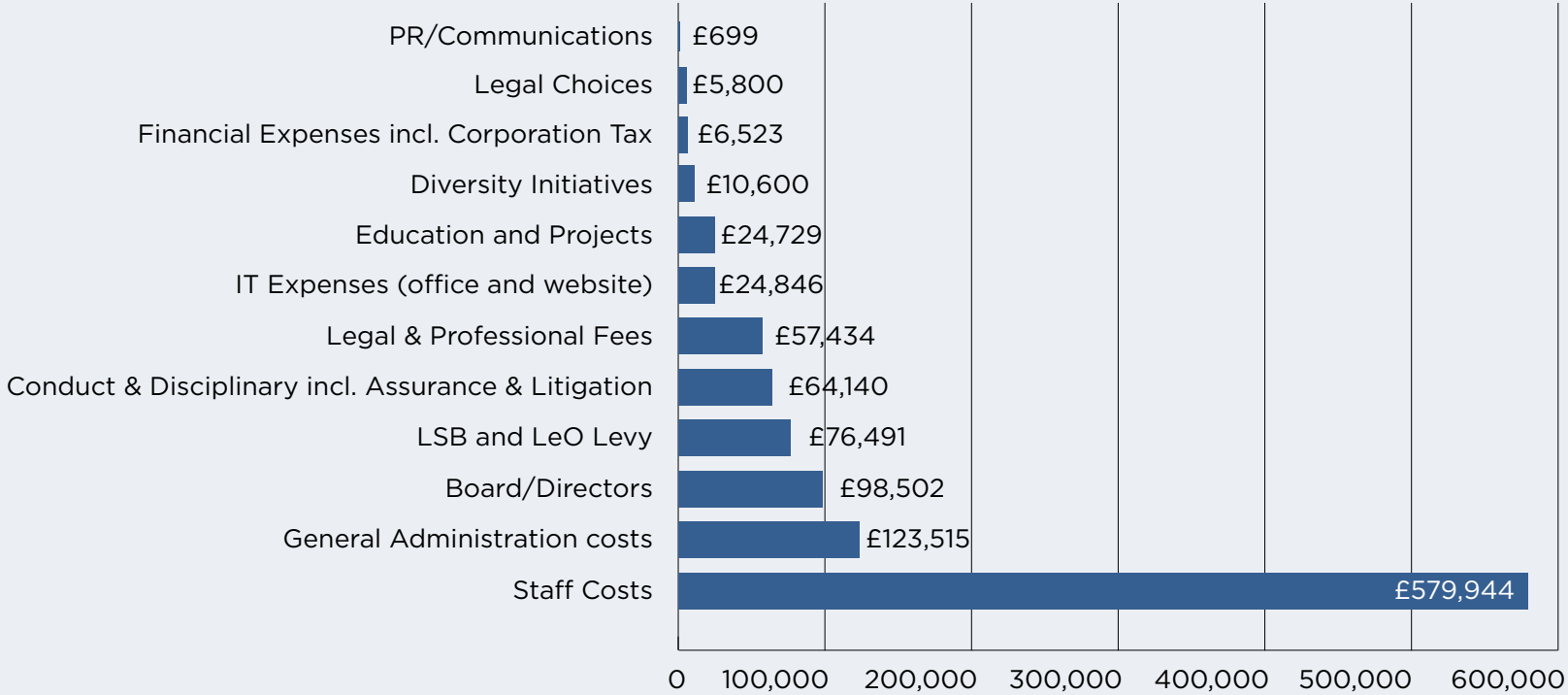
A breakdown of income for the year ended 31 December 2022 is shown above.

Practice fees remained at the same level as 2021

2022 – key facts and figures

Financial – expenditure

Figure 2- Breakdown of expenditure for 2022



Staff costs

These include staff salaries, employer National Insurance contributions, staff benefits, pension costs and recruitment costs.

General administration costs

General office costs such as the licence fee and services for our office. This expenditure also includes a provision for the recoverability of the costs award from disciplinary cases of £26,994 (see income).

Board/Directors

All Board members are also directors of the Intellectual Property Regulation Board Limited (a company limited by guarantee). This expenditure includes their remuneration as well as fees in respect of activities relating to the Governance and Transparency Working Group and meetings with the Legal Services Board; travel and subsistence to attend Board meetings (grossed up and paid through payroll), employer National Insurance Contributions and costs in relation to the replacement of retiring Board members.

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 calculated in proportion to the total number of regulated lawyers.

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. There were no complaints made to the Ombudsman about IPReg regulated attorneys or firms in the past three years and so IPReg's levy contribution was the minimum £5,000 which applies when a sector has 10 complaints or less in the rolling three-year period.

Conduct and disciplinary including assurance and litigation

Relates to external legal costs and internal costs associated with assurance and disciplinary matters and the costs in respect of the recruitment and training of disciplinary panel members. This also includes Board member fees, expenses for committee hearings as well as associated costs such as photocopying.

Legal and professional fees

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 actuarial fees in relation to the compensation fund one year review (see page 29); and costs associated with the review of regulatory arrangements project (see page 21).

IT expenses (office and CRM)

Costs relating to maintenance of the Customer Relationship Management (CRM) system which provides registrant accounts and the process for their 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 page 23). It also includes the costs associated with the accreditation of courses at Queen Mary University London (QMUL) and the accreditation review of the Patent Examination Board (PEB) Diploma Examinations. The associated costs of both reviews have been recharged to QMUL and the PEB.

Diversity initiatives

IPReg has a statutory objective to encourage a diverse legal profession and accordingly supports initiatives aimed at promoting this objective. Page 26 of this Report provides information on diversity initiatives funded by IPReg.

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).

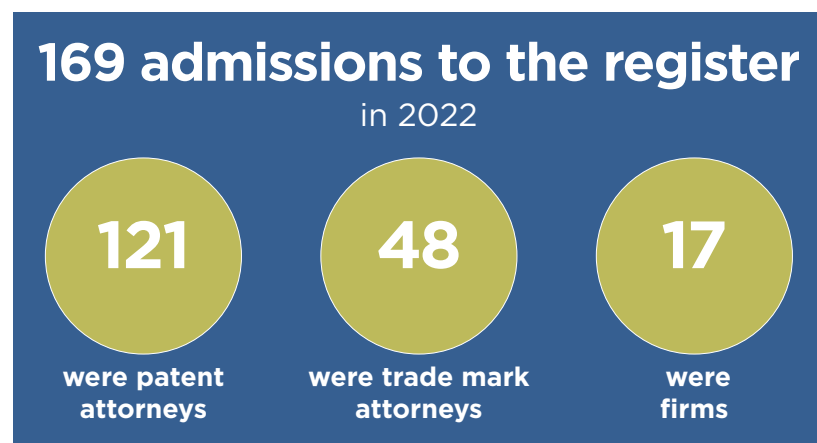
PR/communications

Costs associated with attendance at Nottingham Trent University for student induction.

Who we regulate

Admissions

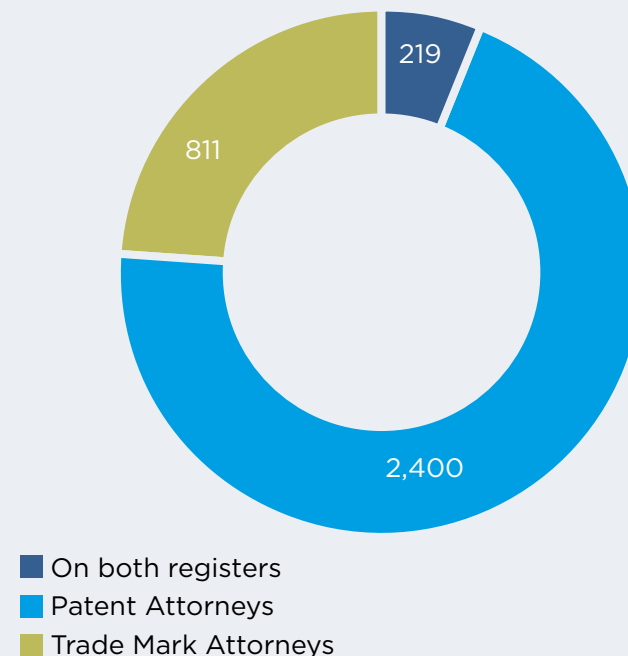
To be admitted to the register, attorneys must complete a rigorous examination and training programme. To remain on the IPReg register attorneys must undertake continuing professional development each year. Successful admission to the IPReg register means that an individual or firm is regulated by IPReg and is subject to its rules and regulations.



As at 31 December 2022 there were:

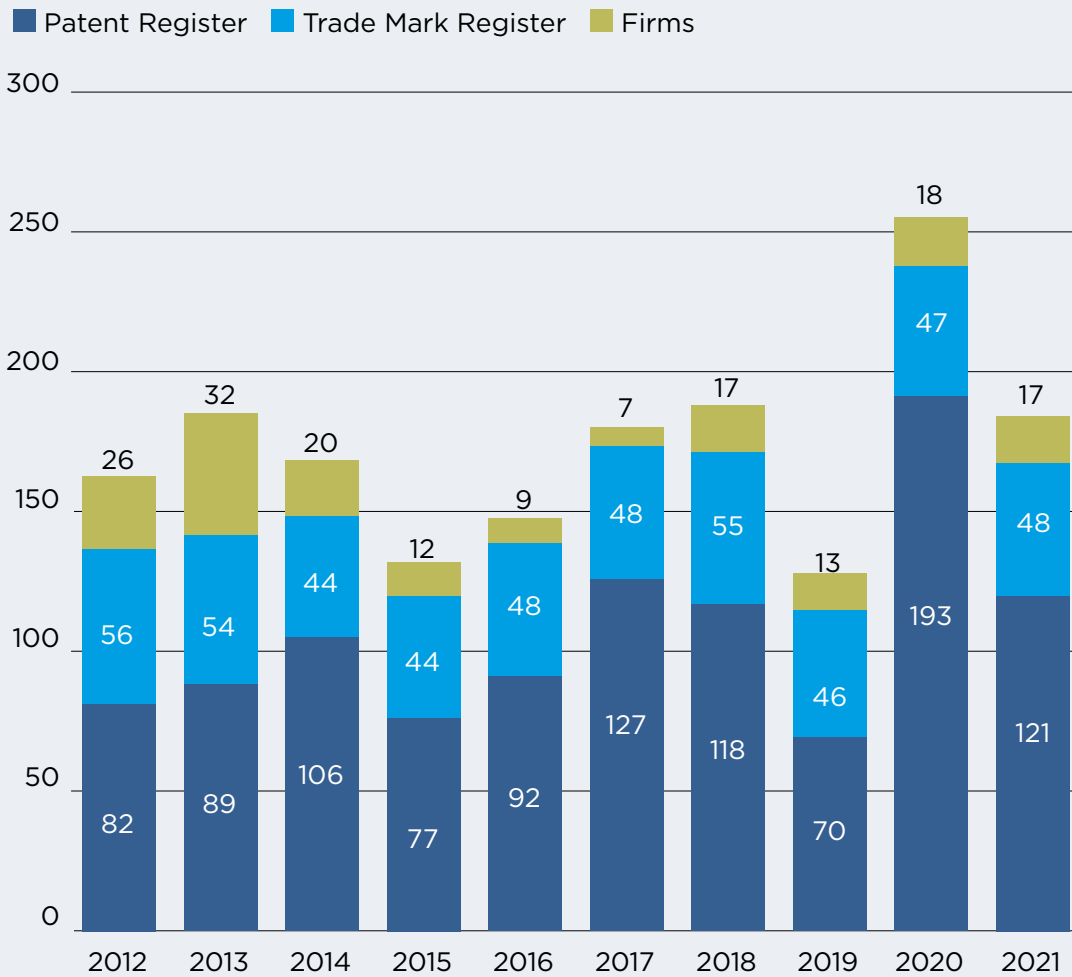
- 3,430 registered attorneys: 219 were registered as both a patent attorney and a trade mark attorney, 2,400 were registered as patent attorneys and 811 were registered as trade mark attorneys;
- 248 IPReg-regulated firms: 194 were registered bodies (lawyer-owned firms), 54 were licensed bodies (some non-lawyer ownership and/or management).

Figure 3 - Breakdown of attorneys by type



Patent attorneys make up just over two-thirds (70%) of registered attorneys, trade mark attorneys represent 23.6% and those who are both a patent attorney and trade mark attorney comprise 6.4%.

Figure 4 - Breakdown of admissions to register over the last 10 years



3,430 registered attorneys

as at 31 December 2022

219

patent and trade mark attorneys

2,400

patent attorneys

811

trade mark attorneys

248 IPReg- regulated firms

194

were registered bodies

54

were licensed bodies

Regulatory enquiries

Each year IPReg receives a number of regulatory enquiries about various aspects of regulation and the legal sector. These include how to qualify as an attorney, the rules which attorneys must follow and the requirements for undertaking continuing competence training. We catalogue and categorise the regulatory enquiries made to us. This enables us to identify areas where stakeholders are most often seeking advice and to update our **Frequently Asked Questions** and our standard regulatory enquiry response templates which can be tailored to the individual enquiry. This helps the IPReg team to reply in a timely and consistent manner to enquiries. This regulatory activity promotes the following regulatory objectives:

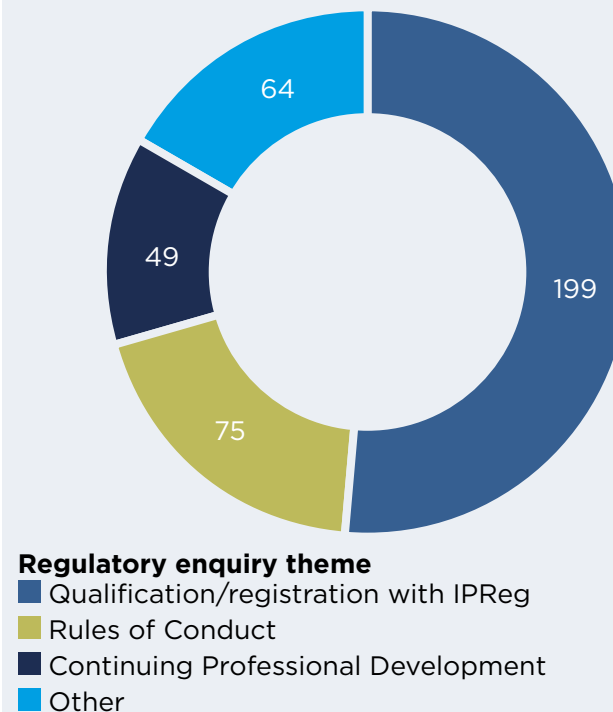
- Protecting and promoting the interests of consumers;
- Encouraging an independent, strong, diverse and effective legal profession;
- Increasing public understanding of the citizen's legal rights and duties;
- Promoting and maintaining adherence to the professional principle.

It does this through transparent, accountable and consistent, and timely dialogue with users of intellectual property legal services, members of the public, trainees and attorneys.

In 2022, 96.9% (320) of enquiries were dealt with within 5 working days – more than two thirds of which, 68.2% (225), were dealt with within 1 working day.

This section analyses the 330 regulatory enquiries IPReg received in 2022.¹

Figure 5 - Breakdown of Regulatory Enquiry themes received in 2022



In 2022

96.9%

of enquiries were dealt with within 5 working days

¹ The enquirer can select more than one enquiry theme so there are than 330 themes listed.

Qualification/Registration enquiries: the majority of regulatory enquiries were about qualifying and registering as an attorney:

- 75 relate to qualification as a trade mark attorney;
- 71 relate to qualification as a patent attorney;
- 22 relate to registering an intellectual property firm with IPReg;
- 11 relate to qualification as an attorney on the basis of an overseas legal qualification. Of these 8 were from non-EU countries and 3 were from EU countries. Countries included Australia, Bangladesh, Mexico, Republic of Ireland and Turkey;
- 8 relate to readmission to the register(s);
- 5 relate to individuals with historic examinations who might be affected by the sunset clause which applies to specified historic qualifications;
- 4 relate to dual qualification as patent and trade mark attorney;
- 3 relate to solicitors interested in qualifying as a trade mark attorney.

Rules of Conduct enquiries: there were 75 Rules of Conduct regulatory enquiries:

- 38 relate to 'Rules of Conduct - Other' and are broad in scope, including whether an attorney is allowed to inform clients of them moving firm, whether an attorney remains appointed to act

on behalf of a client, the proposed scope of the overarching principles in the new regulatory arrangements, ownership of intellectual property and/or seeking legal advice (which IPReg, as a regulatory body, cannot give), client care statement, referral fee arrangements, conduct of proceedings before the UK Intellectual Property Office (IPO), the regulatory status of trainee attorneys, guidance on liens (the right to keep possession of property belonging to another person until that person discharges the related debt), disposal of old files, creating a branch office, business continuity, financial sanctions, and complaints handling;

- 8 relate to client money;
- 7 relate to conflict of interest;
- 7 relate to Rules of Conduct enquiries from the public (including: who can conduct proceedings before the UK IPO, whether an overseas attorney can provide services in the UK, whether a firm is entitled to conduct litigation, document retention timeframes, aspects of complaints handling, whether a conflict of interest has arisen);
- 6 relate to professional indemnity insurance;
- 4 relate to regulated entity structure;
- 2 relate to client information sharing;
- 2 relate to file transfer;
- 1 relates to fees charged to client.

Continuing Professional Development (CPD)

enquiries: there were 49 CPD regulatory enquiries which included whether a particular activity could be counted as CPD, how to log CPD, if 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 (there is a specific request function within attorney online user accounts).

Other enquiries: there were 64 other enquiries:

- 40 were miscellaneous – covering a broad range of topics, including whether a particular activity is, or should be, regulated, academic equivalence, qualifying as an attorney, anti-bribery guidance, intellectual property protection, use of protected title, other regulator requesting benchmarking information, possible complaints;
- 19 relate to taking a leave of absence/not being in active practice;
- 5 relate to research.

First tier complaints

IPReg requires all sole traders and firms to have an established, effective procedure for dealing with complaints. At the point of engagement, they must inform the client of the process for making a “first tier” complaint. Information is provided to IPReg about first tier complaints during the annual renewal process. Collecting this information can help us to identify any systemic issues and if necessary we can require information to allow us to investigate further.

This regulatory activity promotes the following regulatory objectives:

- Protecting and promoting the interests of consumers;
- Promoting competition in the provision of legal services;
- Encouraging an independent, strong, diverse and effective legal profession;
- Promoting and maintaining adherence to the professional principles.

It does this by aiding our understanding of any areas of potential consumer dissatisfaction with intellectual property legal services and to determine if there are widespread or systemic issues where we may need to investigate further, or areas where advice or guidance may be required.

Complaints statistics for the reporting year ended 31 December 2022, were collected from:

- Firms – 246 firms provided information about their first tier complaints. Of these, 43 had received one or more complaints;
- Sole practitioners – 105 sole practitioners provided information about their first tier complaints. Of these, 3 sole had received one or more complaints.



The comparative frequency of complaints relating to costs information continues to reinforce the importance of firms and sole practitioners providing clear information to consumers. Our regulatory arrangements review (see page 21) has introduced compulsory requirements to provide information about “hidden costs” such as foreign exchange uplifts and referral arrangements.

Complaints made to IPReg

Regulated attorneys are subject to the **IPReg Rules of Conduct for Patent Attorneys and Trade Mark Attorneys** and to the **IPReg Litigator's Code of Conduct**.

We can deal with complaints about registered attorneys and registered firms as well as managers and employees of registered firms. If we receive information that standards of professional practice as set out in the Rules of Conduct may not have been met, or where someone's character and suitability to be on the register has been called into doubt, we can consider taking action under the **Disciplinary Procedure Rules**.

This regulatory activity supports the following regulatory objectives:

- Protecting and promoting the public interest
- Supporting the constitutional principle of the rule of law;
- Protecting and promoting the interests of consumers;
- Promoting and maintaining adherence to the professional principles.

It does this through proportionate, accountable, consistent, transparent, targeted and timely handling of misconduct complaints.

In 2022, IPReg considered 10 complaints. These were:

- Failure to advise/poor or wrong advice - 1;
- Failure to follow instructions/costs information deficient/Costs excessive - 1;
- Failure to provide information to a third party - 1;
- Failure to keep informed - 1;
- Inappropriate communication to a third party - 2;
- Misconduct - 2 (1 racial discrimination, 1 acting against the interests of a former client);
- Practising without insurance - 1;
- Theft of client money - 1.

Regulatory action

Taking regulatory action promotes the regulatory objectives of:

- Supporting the constitutional principle of the rule of law;
- Protecting and promoting the interests of consumers;
- Encouraging an independent, strong, diverse and effective legal profession;
- Promoting and maintaining adherence to the professional principles.

It does this by suspending or removing from the register those who do not meet their regulatory responsibilities.

Suspensions: 63 attorneys were suspended for non-payment of fees (37 were patent attorneys, 16 were trade mark attorneys and 10 were on both registers). In addition, 1 patent attorney was suspended for failure to provide information about Professional Indemnity Insurance (this individual is also included in the suspension figures above).

Removals: 36 attorneys were removed from the registers because they had not paid their fees

(12 were trade mark attorneys, 17 were patent attorneys and 7 were on both registers). Of these, 5 were subsequently restored to the register when their fees were paid (4 trade mark attorneys and 1 patent attorney). There was one removal from the register(s) as a result of disciplinary action; **the case** involved a patent attorney who had failed to maintain a Professional Indemnity Insurance policy.

Voluntary Removals: there were 43 applications for Voluntary Removal from the register. Of these, 25 were patent attorneys (2 were subsequently readmitted), 13 were trade mark attorneys, and 5 were on both registers.

Reasons for application for removal were (the attorney can cite more than one reason):

- Retirement - 29 (1 was re-admitted);
- Career change - 9 (1 was re-admitted);
- Ill health - 4;
- Prefer not to say - 2;
- Other - 1 (employer stopped paying registration fee).

Review of progress against 2022/2023 Business Plan activities

Reviewing our regulatory arrangements

IPReg's regulatory arrangements cover the full range of activities undertaken by regulated individuals and firms, from the requirements to qualify 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 from the register(s).

For the last 3 years our main project has been reviewing the rules and guidance which attorneys must follow. This regulatory activity promotes all the regulatory objectives:

- Protecting and promoting the public interest;
- Supporting the constitutional principle of the rule of law;
- Improving access to justice;
- Protecting and promoting the interests of consumers;
- Promoting competition in the provision of legal services;
- Encouraging an independent, strong, diverse and effective legal profession;
- Increasing public understanding of the citizen's legal rights and duties;
- Promoting and maintaining adherence to the professional principles.

We will introduce a regulatory framework which facilitates innovation, maintains proportionate consumer protection whilst reducing the burden of regulation, is based upon principles rather than prescriptive rules (and unless evidence demonstrates rules are necessary), is streamlined, consistent and resilient to change.

The IPReg Board agreed the following principles for the review:

- Reduce the burden of regulation by ensuring that we do not inadvertently add costs through unnecessary regulatory requirements;
- Focus on the issues that really matter by setting reasonable standards and not gold plating them;
- Maintain proportionate consumer protection by striking the right balance;
- Principles, not detailed rules unless evidence demonstrates rules are necessary;
- Facilitate innovation;
- Streamlined and consistent framework;
- Resilient to change.

During 2022 our work was overseen and guided by the Review of Regulatory Arrangements Working Group.

The key policy changes on which we consulted were:

- **Introduction of Overarching Principles**
- **Client money rules and third party managed accounts**
- **Continuing Professional Development**
- **Mandatory transparency requirements**
- **Recognition of overseas qualified attorneys**
- **Disciplinary policy and process**
- **Multi-Disciplinary Practices**
- **PII Sandbox**

Our work included the following activities:

- A webinar on 3 March which was attended by 121 delegates and discussed:
 - Diversity and inclusion;
 - Discrimination;
 - Transparency requirements;
 - Application of the overarching principles outside of practice;
- Valuable discussions with IP Inclusive, the IP Practice Directors Group (which represents many of the largest firms we regulate),

individual attorneys and the Legal Services Consumer Panel;

- Detailed analysis of the responses that we received to our consultation (which closed on 31 March);
- A roundtable discussion on 27 July which was attended by representatives from CIPA, CITMA (including representatives of small firms and sole traders), the IP Practice Directors Group, IP Inclusive, the Consumer Panel and the IP Federation;
- Working with our external legal advisers, Kingsley Napley, to finalise the drafting of the new regulatory arrangements;
- Drafting detailed guidance, standard operating procedures and an impact assessment.

We applied to the LSB for approval of the arrangements on 10 November. The changes were approved by the LSB on 7 February 2023. We are very grateful to all those who engaged with us to develop and refine our proposals. We look forward to working with them to ensure the successful implementation of the new arrangements in 2023.

Further information about the Review can be found on our [website](#).

Education

IPReg must be confident that the qualifications which an individual gains to become an attorney meet appropriate standards and cover an appropriate syllabus. Any agency that wants its course or examination to be approved by IPReg is assessed against the requirements of the **IPReg Accreditation Handbook**. This regulatory activity promotes the regulatory objectives:

- Protecting and promoting the interests of consumers;
- Encouraging an independent, strong, diverse and effective legal profession;
- Promoting and maintaining adherence to the professional principles.

It does this by ensuring qualifying pathways are fit for purpose and helping to develop attorneys who are professional, competent, efficient, ethical and act in a principled manner.

Ensuring accreditation recommendations are taken forward: we continued to work with Queen Mary University London (QMUL) to ensure that the accreditation recommendations from its previous and most recent accreditation assessment are fully implemented in the required timeframes. At its **17 March 2022 meeting**, the IPReg Board determined that the QMUL implementation plan

would be independently assessed in Spring 2023 in order to decide whether it would be appropriate to accredit QMUL for a further five years.

Online delivery of courses and assessments: the Education Working Group (EWG) reviews the annual reports of the qualification pathway providers. These include summary statements about the quality assurance approach to online delivery of courses and assessments. Additionally, when the qualification pathway providers want to alter significantly their approach to online delivery, the EWG reviews the proposal to ensure learning outcomes are maintained. In late 2022, in light of candidate feedback, the EWG requested information from the Patent Examination Board (PEB) about its arrangements for uploading completed examination papers. The information provided by the PEB gave the reassurance we needed.

Working with stakeholders and potential providers to encourage new qualification pathway: initial discussions were held with a potential new qualification pathway provider, with follow-up discussions scheduled for early 2023.

Undertaking reaccreditation assessments: in 2022, two accreditation assessments of qualification pathway providers were undertaken

by independent specialist assessors:

- Foundation Level Qualification courses at QMUL;
- Advanced Level Qualification examinations set by the PEB.

Both assessments found that a number of improvements were required in order to meet IPReg's accreditation standards. In both instances, the extent of the improvements needed were so significant that the IPReg Board decided that the standard 5 year accreditation period would be confirmed only after an independent specialist assessment (after 1 year for QMUL and 2 years for the PEB) to determine whether the accreditation implementation plans had been delivered.

Monitoring developments of the reform of the European Qualifying Examinations: the European Qualifying Examinations (EQE) are examinations set by the European Patent Office (EPO) and assess competency for appearing in front of the European Patent Court. In May 2022, the EPO proposed significant changes to the EQEs and IPReg has maintained a watching brief on this matter. This is of interest to us because some EQE passes provide exemptions from some of the PEB exams. We will also use the outcomes of the EPO's review to inform our future work on education.

Disciplinary panel recruitment

In 2022, we ran a full recruitment process for the Joint Disciplinary Panel (JDP) members and have appointed 12 new members (six lay and three of each of the professions) to the JDP, replacing the former members who had been in post since 2013. This process was run with the assistance of a recruitment agency with specialist knowledge of regulatory and public sector recruitment. All members have received a full day's training on IPReg's current rules and best regulatory practice.

This regulatory activity promotes the regulatory objectives:

- Protecting and promoting the public interest;
- Supporting the constitutional principle of the rule of law;
- Protecting and promoting the interests of consumers;
- Promoting and maintaining adherence to the professional principles.

It does this by taking appropriate disciplinary action against attorneys who fail to act in a professional, competent, ethical, and principled manner.

In line with our current policy of seeking costs in relation to cases where a finding has been made against the respondent, IPReg will continue to seek its external costs where it is appropriate to do so. We will monitor the costs of bringing disciplinary cases under the new process which will be introduced in 2023 by our new regulatory arrangements to assess whether it is achieving a cost reduction.

Funding diversity initiatives

IPReg is committed to keeping a ring-fenced reserve to fund suitable diversity initiatives. The reserve is currently set at £20,000.

This regulatory activity promotes the regulatory objective:

- Encouraging an independent, strong, diverse and effective legal profession.

It does this by funding initiatives which seeks to promote diversity and inclusion in IP-related matters.

Diversity initiative funding in 2022

£2,600

towards IP Inclusive's
2022 operating costs

£8,000

donated to *In2Science*
to support its summer
Scholars Programme

The IPReg Board agreed to fund the following initiatives in 2022:

- Paying £2600 towards IP Inclusive's 2022 operating costs – IP Inclusive is an initiative which brings people together from across the IP sector in pursuit of a common goal: to promote and improve equality, diversity, inclusion and wellbeing;
- Donating £8,000 to In2Science to support its summer Scholars Programme - In2scienceUK provides young people from low-income and disadvantaged backgrounds an opportunity to gain practical insight into the Science, Technology, Engineering and Mathematics (STEM) sector as well as the knowledge and confidence to progress to university. **An independent evaluation** of the work that In2Science does found that the programme had a statistically significant and positive impact on young people which included:
 - Young people after the programme feeling that scientists and engineers are like them;
 - Significantly more confidence in speaking and networking with STEM professionals and academics;

- Knowing significantly more STEM professionals who can give them advice;
- An increase in their knowledge of the diverse careers and routes into science and engineering careers;
- A significant increase in the ability to write a high-quality personal statement.

Diversity data: as part of the regulatory arrangements review, the IPReg Board decided to conduct further consultation before introducing any new diversity monitoring requirements. This is to ensure that we can consider carefully issues such as the practicalities of how such an exercise could be completed and the approach to publishing information given the need to protect sensitive personal data. IPReg remains committed to improving equality, diversity and inclusion and recognises the importance of data collection. We are already discussing with stakeholders the best way to gather data in the regulated sector and this will be a key focus for the new Education and Diversity Officer.

Other work

Ukraine – financial sanctions

The invasion of the Ukraine in January 2022 resulted in the UK government announcing financial sanctions against Russian entities and individuals. This sanctions framework is enforced by the Office of Financial Sanctions Implementation (OFSI). IPReg focused its work on raising awareness of the sanctions framework amongst its registrants and providing guidance on its website.

This work supports the regulatory objectives of:

- Protecting and promoting the public interest;
- Supporting the constitutional principle of the rule of law.

This is because it is in the public interest that registrants comply with the OFSI sanctions framework.

IPReg identified the following risks:

- Lack of/limited understanding of the sanctions framework leads to failure to make reports to OFSI, failure to apply for a licence from OFSI, failure to make reports to IPReg;
- Failure to put in place effective policies and procedures results in lack of appropriate risk assessments by firms which leads to breaches of the sanctions framework;

- Failure to keep abreast of evolving obligations in relation to the sanctions framework leads to breaches of the sanctions framework.

IPReg formulated an action plan to address these risks, including:

- Liaison with OFSI to discuss whether it has any specific concerns about the IPReg-regulated IP sector and whether any IPReg-regulated firms have applied for a licence; liaison with both the IPO and the MoJ to discuss assessment of risk in the IPReg-regulated sector;
- Maintaining close contact with CIPA and CITMA to (a) exchange information; (b) ensure consistent messaging; (c) and to share available data on patent and trade mark filings;
- Introduction of a sanctions check as part of the IPReg entity application and approval of individuals processes and to ask applicants to confirm how they comply with the sanctions framework;
- Using IPReg’s formal information gathering powers to ask information of regulated firms and to gain confidence they are compliant with the sanctions framework.

Compensation arrangements

In the event that an individual consumer or micro business is the victim of negligence, fraud or dishonesty on the part of a person or firm regulated by IPReg, we have put in place compensation arrangements that may enable them to claim for any financial loss they have incurred.

This regulatory measure promotes the regulatory objective:

- Protecting and promoting the interests of consumers.

It does this by ensuring that appropriate compensation arrangements are in place to provide protection for users of IP services provided by a person regulated by IPReg.

In 2021, IPReg set up a compensation fund of £100k following the withdrawal from the market of our insurance policy provider, Royal Sun Alliance. In 2022, the IPReg Board commissioned a one-year actuarial review of the compensation fund. No specific changes were identified as necessary by the actuary.

Governance and transparency

In 2022, the IPReg Board set up a working group to consider how it could improve its governance arrangements, increase transparency about its activities and meet the LSB's "well-led" outcomes in its performance management framework:

- Well Led 1 The Board/Council holds the executive to account for the regulator's performance to ensure that it operates effectively and efficiently and in a way which is compatible with the regulatory objectives;
- Well Led 3: The regulator is transparent about its own: decision-making; regulatory approach; the risks it and its regulated community faces and how these are being mitigated; performance; regulated community and related markets; financial costs.

After detailed analysis of its current approach and best practice from the legal and other sectors, a Governance Action Plan was developed; this set out 19 actions. Each action was allocated a priority level and a timeline to aid delivery. The Action Plan was adopted by the IPReg Board. Six of these recommendations were priority actions which were taken forward in 2022:

- Review the items considered at Board meetings to ensure agendas meet IPReg's current and future strategic and regulatory objectives;
- Review the template for Board meeting papers to ensure that these meet IPReg's current and future strategic and regulatory objectives;
- Expand Board minutes to provide detailed reasoning for Board decisions;
- Publish the Governance Action Plan with Board papers, and report on progress in subsequent Annual Reports and Board meetings;
- Publish a **Publication Policy and Scheme** setting out what IPReg will publish or make available to the public;
- Review the Board's approach to risk and set out its policy and procedures for managing risk in writing.²

For more information see the [IPReg Governance webpage](#).

² This action was deferred to January 2023 following postponement (as a result of a train strike) of a planned strategy discussion.

Governance and strategic direction

The IPReg Board

The IPReg Board sets the strategic direction of the organisation and oversees the work of the Executive. Its activities support all the regulatory objectives:

- Protecting and promoting the public interest;
- Supporting the constitutional principle of the rule of law;
- Improving access to justice;
- Protecting and promoting the interests of consumers;
- Promoting competition in the provision of legal services;
- Encouraging an independent, strong, diverse and effective legal profession;
- Increasing public understanding of the citizen's legal rights and duties;
- Promoting and maintaining adherence to the professional principles.

There are nine Board members: five lay (non-lawyer members), two patent attorney members and two trade mark attorney members. The Board has established a number of working groups to advise it on key projects and to challenge and support the executive team:

- Review Working Group - this was set up to support the work on reviewing our regulatory arrangements (see page 21).
- Governance and Transparency Working Group: this was set up to support the work on improving IPReg's approach to governance and transparency (see page 30);
- Data Working Group: this was set up to support the work that IPReg is doing to build its evidence base about the regulated IP legal sector. This aspect of our work was particularly important to support our proposals for reviewing our regulatory arrangements and in particular the impact assessment;
- Education Working Group: this was set up to support the work that IPReg is doing on education and qualification (see page 23).

The meetings Board members attended and the working groups they sit on are:

Board Member	No of Board Meetings Attended in 2022 (out of 7)	Working Groups
Chris Smith	7	Education
Justin Bukspan	7	Data
Sam Funnell	7	Data (Chair) Review
Alan Kershaw	6	Review (Chair) Education
Victor Olowe	7	Review Governance
Samantha Peters	7	Governance - Chair Review
Emma Reeve	6	Governance Review Education
Nigel Robinson	6	Education
Caroline Seddon	7	Education - Chair

IPReg Board meetings and expenses

Board and CEO Expenses: the Chair is paid £35,740 a year for 50 days work; the Chair does not claim for any time in excess of this. Board members are paid £3,920 a year and can claim

£392 a day (pro-rated as necessary) for additional work such as attendance at working groups. The amount paid to each Board member in 2022 is set out in the following table.

Board Member	Total £	Board Member Activities		Other Activities	
		Fees £	Travel & Subsistence £	Fees £	Travel & Subsistence £
Lord Smith of Finsbury (Chair)	35,858	35,740	78	0	40
Justin Bukspan (trade mark attorney)	3,920	3,920	0	0	0
Samantha Funnell (patent attorney)	4,332	4,312	0	0	20
Alan Kershaw (lay)	8,535	4,256	1,838	1,928	513
Victor Olowe (lay)	9,061	5,880	124	3,024	33
Samantha Peters (lay)	6,666	4,648	1,035	728	255
Emma Reeve (trade mark attorney)	8,496	4,648	0	3,752	96
Nigel Robinson (patent attorney)	4,171	3,920	190	0	61
Caroline Seddon (lay)	4,897	4,088	501	308	0
Total	85,936	71,412	3,766	9,736	1,018

Engaging with stakeholders

Our Board and executive actively network with other organisations. This regulatory activity promotes the regulatory objectives of:

- Protecting and promoting the public interest;
- Protecting and promoting the interests of consumers;
- Promoting competition in the provision of legal services;
- Encouraging an independent, strong, diverse and effective legal profession.

This is because it helps a wider audience understand IPReg's regulatory approach and purpose, its value as an independent specialist regulator. It also helps IPReg gain invaluable regulatory and legal market insights.

In 2022, Board members and the Executive Team attended the following meetings:

- 10 CEO meetings between IPReg, CIPA and CITMA;
- 4 meetings of the Regulatory Forum which was set up under the Internal Governance Rules and comprises the Chair and CEO of IPReg and the Presidents, Vice-Presidents and CEOs of CIPA and CITMA;
- Other representatives of the Board attended 4 events including London Pride, a student induction day, and a Board to Board meeting with the LSB;

- The Chief Executive attended a further 37 meetings with a range of regulatory, business and industry representatives, including the Intellectual Property Office, IP Inclusive, the IP Federation, the IP Practice Directors Group, LawTech/the Regulatory Response Unit, the LSB and other regulators, the Legal Choices Governance Board and Steering Group, PAMIA insurance and the European Patent Institute;
- The Chair wrote several articles for the CIPA and CITMA Journals.

Meetings attended

by Board members and the Executive Team in 2022

10

CEO meetings
between IPReg,
CIPA and
CITMA

4

Regulatory
Forum meetings
set up under
the Internal
Governance
Rules

4

events including
London Pride, a
student induction
day and a Board
to Board meeting
with the LSB

37

meetings with
regulatory,
business and
industry
representatives
attended by Chief
Executive

Regulatory performance

Each year we review our regulatory performance management dataset (PMD) which covers the financial year (1 April to 31 March). This regulatory activity promotes all the regulatory objectives:

- Protecting and promoting the public interest;
- Supporting the constitutional principle of the rule of law;
- Improving access to justice;
- Protecting and promoting the interests of consumers;
- Promoting competition in the provision of legal services;
- Encouraging an independent, strong, diverse and effective legal profession;
- Increasing public understanding of the citizen's legal rights and duties;
- Promoting and maintaining adherence to the professional principles.

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

The PMD sets out IPReg's performance on authorisations, supervision, enforcement, governance and leadership. Notable results from the 2021-22 PMD are:

Notable results

from the 2021-22 PMD

3

accreditation assessments
of qualification providers,
an increase from 1

12

open complaint
cases, a reduction
from 20 cases

286

days from the longest period from
initial complaint to final decision,
a reduction from 561 days

124

days in the median
time period, a reduction
from 221 days

For more details see the [Regulatory Performance Assessments webpage](#).

Complaints about IPReg: there were no complaints about IPReg in 2022.

IPReg's [accounts](#) are filed at Companies House and can be downloaded from our [website](#).

