

The Patent Regulation Board and the Trade Mark Regulation Board

Agenda

Thursday 13 July 2023 at 1.00 pm

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

1. Apologies
2. Notification of any conflicts of interest

Items for decision/discussion

3. Minutes of May meeting and matters arising
4. Auditor's report and IPReg Limited 2022 accounts - Richard Hill, GSM Accountants will present the results (FG/KD)
5. 2024 business plan, budget and practising fees consultation (FG/KD)
6. Regulatory Performance Framework (FG/VS)
7. IT upgrade (FG/SE) – paper to follow
8. Governance Action Plan implementation (FG)
9. Review of Regulatory Arrangements – progress update – no paper
10. Complaints update (SE)
11. Risk Register (FG)
12. PII sandbox – potential waiver application (FG) – **commercially confidential – not for publication**
13. CEO's report (FG)

Items to note

14. Action Log (FG)

15. Complaints about IPReg

16. Finance Report

17. Regulatory Statement

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

Board Meeting 13 July 2023

Financial Statements for IPReg Limited

Agenda Item: 4

Author: Karen Duxbury (karen.duxbury@ipreg.org.uk)

This paper is to note.

Annex A, B, C to this Board paper will not be published. The Financial Statements will be published at Companies House.

Summary

1. The pre audit response to Griffin Stone Moscrop & Co (GSM) (Annex A)
2. The financial statements for the year ended 31 December 2022 (Annex B)
3. Letter of Representation (Annex C)

Recommendation(s)

4. The Board is asked to:
 - Note the pre-audit response provided to the GSM;
 - Approve the Financial Statements for the year ended 31 December 2021 for signature and the subsequent filing at Companies House;
 - Approve the letter of representation to be signed.

Risks and mitigations

	Risk	Mitigation
Financial	This will provide confirmation of IPReg's financial position as at 31 December 2022.	The financial statements have been subject to audit.
Reputational	The undertaking of an annual audit underlines IPReg's commitment to transparency.	N/A
Resources	The Chief Finance Officer will continue to deal with financial matters under the direction of the CEO and Board.	N/A

Background

5. Although IPReg falls below the threshold requirement for an audit, the Board, has a matter of best practice, chosen to have an audit each year to provide assurance to the Board and the regulated community and to promote transparency.
6. As part of the pre-audit procedures, enquiries are made to the Board regarding the entity and the environment in which it operates. This was circulated to all Board members on 26 May 2023 and Annex A is the response provided to GSM by Victor Olowe.
7. The draft figures for the year ended 31 December 2022 were presented to the Board in March showed an operating surplus of £29,019. Due to rounding on the auditors' software, this has now been increased to £29,023 (See Financial Statements in Annex B). The figures on the website will be adjusted to reflect this.
8. The auditors have noted an unadjusted item in the Letter of Representation (Annex C), which is below their materiality level, so no adjustment is required. This is in respect of an under provision for an accrual for legal costs. I advised the auditors that the accrual for legal costs for disciplinary cases was incorrect (based on out-of-date costings) and provided a revised estimate for the accrual. As noted, the adjustment would have increased accruals on the balance sheet and expenditure in the Income Statement resulting in a reduction of the operating surplus of £1,442.

Discussion

9. The Board is asked to note the information provided and to approve the financial statements and letter of representation for signing.

Next steps

10. The financial statement will be filed at Companies House and the website will be updated once the filing is complete.
11. The Actual v Budget comparison for 2022, Reserves and financial statements will be updated accordingly.

Supporting information

Links to strategy and business plan

12. N/A

Supporting the regulatory objectives and best regulatory practice

13. The audited financial statements will be filed at Companies House and will promote transparency of IPReg's financial position.

Impacts

14. N/A

Communication and engagement

15. N/A

Equality and diversity

16. N/A

Evidence/data and assumptions

17. N/A

Board Meeting 13 July 2023

2024 business plan, budget and practising fees

Agenda Item: 5

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

This paper is for decision/discussion

The Annexes to this paper will not be published. Annexes A, B, C, D, E1/E2 and F are for later consultation. Annex G is confidential.

Summary

1. This paper and Annexes set out the proposed business plan and budget for 2024 for consultation; it proposes that we raise practising fees by 6%.
2. The draft consultation document is at **Annex A**. The draft 2024 budget and comparison with 2023 is at **Annex B**. The Practice Fee Regulations (**Annex C**) have been re-drafted by Kingsley Napley so that they are consistent with the style and definitions in the new regulatory arrangements; they will be included in the consultation document.
3. The impact on the fees for different practice categories of a 6% increase is shown on the spreadsheet at **Annex D**; the % change can be adjusted on the spreadsheet to assess the impact of different amounts. This Board paper also sets out the impact of different levels of increase as well as holding fees level, at 2%, at CPI 8.7% and a reduction of 2% (see table at paragraph 19).
4. This paper also proposes changes to the uncommitted reserves as at 13 July 2023. The paper gives the Board the option to retain our current approach to allocating reserves to specific projects (**Annex E1**) or to change approach, retaining some specific commitments (e.g. general contingency, litigation, diversity, IT) but keeping the remainder in a general operational reserve (**Annex E2**). Our reserves policy is included as **Annex F**. These changes take into account the new areas of work in the business plan. The committed reserve for the Compensation Fund remains at £100k.
5. The paper presents two options for increasing our income:
 - a. Introducing an application fee for registered bodies to be admitted to the registers; and
 - b. Abolishing the fee waiver period (1 November – 23 December) for new attorney and entity applications.
6. At its May 2023 meeting, the Board reflected on whether the first of its strategic priorities should be amended so that it was more targeted. The current draft is:
 - a. To carry out 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.

A suggested redraft is:

- b. To carry out its regulatory activities proactively, effectively and inclusively, ensuring the efficient use of resources including staff, budget, IT and external advisers.

Recommendation(s)

7. The Board agrees to consult on the proposed 2024 business plan and budget including:
 - a. Increasing practising fees by 6%;
 - b. Introducing an application fee for registered bodies to be admitted to the registers;
 - c. Abolishing the fee waiver period (1 November – 23 December) for attorney and entity applications.
8. The Board agrees to increase Board members' fees by CPI (8.7%) – the first increase since 2020.
9. The Board agrees the changes to the uncommitted reserves at Annex E2.
10. The Board adopts the amended version of its first strategic priority at paragraph 6.

Risks and mitigations

	Risk	Mitigation
Financial	The Board's increase in fees is insufficient to cover all expected and any unexpected costs.	The Board will increase its reserves over time to reflect increases in inflation and the need to ensure that unexpected events (such as the introduction of sanctions and associated regulatory work) can be financed.
	[REDACTED]	[REDACTED]
Reputational	(a) A fee increase of 6% is lower than the current level of inflation (CPI: 8.7% May 2023) and follows a 6% increase for the 2023 fees. Nevertheless, any increase may be unwelcome given that registrants' other costs will be increasing as well.	(a) The consultation document sets out in detail how we plan to spend the fees and use our reserves. This is important for transparency.

	(b) The LSB has previously criticised us for what it considers to be low levels of responses to the practising fee consultation.	(b) We will email a wide range of stakeholders to notify them of the consultation. However, around 88% of attorneys have their practising fees paid by their employer and this is likely to be the reason that they do not engage with this particular consultation. Our evidence from webinars is that we get very good levels of engagement on matters that directly affect registrants' day to day work.
Resources	Resources are likely to be stretched by the impact of having to upgrade the website from Drupal 7 to Drupal 9. The Director of Policy is likely to be working solely on the work generated by the LSB.	The approach taken in the proposed business plan is to set a challenging workplan which can be achieved over 2024/25 despite these resource constraints.

Background

11. The Business Plan and practising fees run on a calendar year basis. We are required under LSA s51 to obtain LSB approval for the level of fees. In order to ensure that we allow sufficient time for the LSB to consider the application, we will run a 5-week consultation over the summer on the proposed business plan, budget and fees and report back at the September Board meeting.

Discussion and options

Business plan (Annex A)

12. The draft Business Plan sets out the following main areas of work for 2024 together with the budgeted expenditure. The main areas of work will be:

- a. Building on our work on education including:
 - A new project to consider how to lower barriers to entry in the patent attorney profession and improve its diversity;
 - A review of the Accreditation Handbook which sets out our approach for accrediting providers of attorney qualification training courses and outlines the core syllabus for the foundation level qualification;
- b. Monitoring the implementation of the new regulatory arrangements following their introduction on 1 July 2023;
- c. Continuing to build our evidence base about the IP sector;
- d. Developing our website given the need to upgrade from Drupal 7 to Drupal 9;

- e. Funding diversity initiatives;
- f. Responding to consultations and information requests from the Legal Services Board (LSB);
- g. Business as usual work such as admissions to the registers, investigating complaints, taking disciplinary action and responding to enquiries.

2024 Budget (Annex B)

Possible sources of additional income

13. We have considered whether it would be targeted and proportionate to generate additional income by introducing/raising the fees that we charge for other activities:

Introducing an application fee for registered bodies

- a. We do not currently charge an application fee for entities that are wholly owned and managed by lawyers (registered bodies). However, we do charge an application fee that are not wholly owned and managed by lawyers (licensed bodies). Our current approach means that the cost of processing a registered body application is borne by all attorneys and firms whereas the costs for a licensed body are paid by the applicant firm. There seems no justification for this continued cross-subsidy. We are therefore proposing to make the application fees for registered and licensed bodies the same, with effect from 1 January 2024. Using the proposed 2024 fee structure, this would be:
 - registered body through which only a single attorney provides services (single attorney firms: £155;
 - any other registered body: £396 + £80 for each attorney practising in the entity + £318 for each other professional practising in the entity).

If this charge had been levied in 2022, it would have generated almost £3,000 in additional fees. However, it is not possible to predict the level of fees that could be generated because IPReg does not know which entities will apply for admission to the registers. When this proposal was considered in 2022, the Board decided that because it would have entailed a full rule change application, the adverse impact on IPReg's resources was likely to outweigh any benefits that the fees would generate. However, the new regulatory arrangements have streamlined all the admission requirements in the Standard Operating Procedures and the proposed change could be delivered through the revised Practice Fee Regulations (Annex C).

Abolishing the fee waiver period for applications from individuals and entities

- b. Our custom and practice has been that applications for admission that are submitted between 1 November and 23 December pay no fee, even though the process to admit them is the same as if they had applied earlier in the year. There were 7 individual applications for admission between 1 November and 23 December in 2022 (in 2021, there were 17) and 1 entity application (in 2021 there were 0). Had there not been a waiver period, an additional £1,744 could have been raised – but it is also possible that attorneys could delay their application until January of the following year.

Practising fees

14. The current level of inflation is CPI 8.7% and CPIH 7.9% [May 2023](#)
15. We will need to increase practising fees this year to meet our business plan commitments and to cover our costs which are all being increased as a result of inflation and to ensure that we have sufficient reserves to cover costs in the event that we are unable to collect practice fees. An increase equivalent to CPI may appear excessive, particularly given the 6% increase for 2023. However, the LSB has increased its budget by 9.1% and the SRA is consulting on an increase of 11.7% in its practising fees.¹ Annex D shows the impact of the increase on each practice fee category and also allows for the impact of different % increases to be seen.
16. The calculation is based on estimated 2023 practice fee income with a net projection of 120 new attorneys (170 applications less 50 voluntary removals), increased by 6%.

Expenditure

Increase in Board members' fees

17. Board members' fees have not increased since 2020. The current levels of fees are: £35,740 for the Chair and £3,920 for Board members plus £392 a day (pro-rated as necessary) for additional work such as attendance at working groups. Analysis by QCG (**Annex G – confidential**) shows that these rates are well below the average for regulators and inspection related bodies. Although the Chair's annual fee is within the (very broad) range of remuneration, Board members' fees are just below the bottom of the range. We are therefore proposing that these fees should increase by 8.7% (CPI May 2023). The impact would be an additional £5,900 on the budget. This would also mean that disciplinary case examiners' and panel members' fees would be increased by the same amount since they are set at the same rate (these are shown as Conduct & Disciplinary costs).
18. Significant expenditure items are likely to be:
- a. LSB Levy. At the timing of drafting this paper, we have not been given the indicative LSB levy figure for 2023/2024. The LSB 2023/2024 budget has increased by 9.1% and we have applied the same percentage increase to estimate the levy for 2023/2024 and 2024/2025. The indicative LSB levy is based on the number of IPReg's authorised persons as a percentage of the total number of all authorised persons. These figures may change when the numbers of authorised persons are finalised for all the regulators;
 - b. Staff salaries have been calculated with a 5% increase for all staff. The Bank of England's [monetary policy report](#) forecast for inflation in Q2 of 2024 is 3.4%,² albeit that it acknowledges that there are

¹ The SRA also generates income from other sources such as the charges for the Solicitors Qualifying Exam (SQE).

² See page 8, Table 1.A of the report (published May 2023).

still significant uncertainties about the rate of inflation in the medium term;³

- c. We have assumed that we will remain at Little Britain and factored in a 5% increase in our office licence fee and services. The 2023 budget included the same increase but we were able to negotiate the fee to stay at the same level when we extended our licence to March 2024. We have discussed with our landlord, OSiT, the practicalities of using its flexible office space (e.g. 3 days a week). However, this would be very restrictive in terms of hours (the offices are only available from 8.30am – 5.30pm) and we would be unable to have additional screens on the desks. We have also discussed with OSiT the possibility of moving to a small office if/when one becomes available. This would reduce the licence fee and service charge (which remained unchanged) to £5,220 a month including VAT (currently £6,600 including VAT) – a reduction over 12 months of £16,560. We may be able to move later in 2023, but would have to pay the current licence/services fee until 31 March 2024 if our existing office is not re-let;
- d. Website re-development. At the time of drafting this paper, we have allowed £70,000 for this work based on previous quotes. Further discussions are being held and we will update the Board at the meeting.

19. In order to assist the Board in deciding what level of fees is required, we have considered the impact of different fee changes and this is shown on the table below and also be found on the tab “% comparisons” on the excel version of the Annex B 2024 Budget - Draft.

	% change in fees				
	<u>0%</u>	<u>2%</u>	<u>6%</u> <u>DRAFT</u> <u>BUDGET</u>	<u>8.70%</u> <u>(CPI May</u> <u>2023)</u>	<u>-2%</u>
Projected 2024 Practice Fees	1,156,788	1,179,924	1,226,195	1,257,429	1,133,652
Budgeted Expenditure	1,185,070	1,185,070	1,185,070	1,185,070	1,185,070
Projected Operating Balance and impact on Reserves	-28,282	-5,146	41,125	72,359	-51,418

³ Staff contracts provide for a discretionary annual increase of RPI.

Reserves

20. Our custom and practice has been to allocate reserves to specific projects that we plan to undertake. However, given the wide range of projects that we work on and the need to consult in the summer about our plans for next year (to allow time for the LSB approval process) it is difficult to predict at this point in 2023 what we might need to draw on from our reserves for our day to day work in 2024. However, it is nevertheless important to have some specific reserves and we are proposing to maintain the:
- a. General Contingency Reserve and allocate an additional £70k to it to achieve our policy of having 3 months' operating expenditure in the event that we are unable to collect practising fees;
 - b. Assurance, Disciplinary and Litigation Reserve with £210k. This ensures that we signal clearly that we have sufficient funds in the event that one of our decisions is challenged through the courts;
 - c. Diversity Reserve at £20k to underpin our commitment to funding diversity initiatives;
 - d. IT/website reserve at £60k given the work that the website upgrade will entail. It is likely that we will underspend this budget in 2023 so we will have the option to allocate any underspend to this reserve at future date.
21. Annex E2 sets out these changes and also includes:
- a. General Contingency Reserve – the increase of £70k will be funded by:
 - Reallocating the Regulatory Review Reserve since the work involved in implementing the new arrangements is largely complete. We have allocated separate amounts of money in the budget for thematic reviews on continuing competence and transparency;
 - Reallocating Income & Expenditure by £20k.
 - b. Setting up a new General Operational Reserve of £76k made up as follows:
 - Removing the Governance Reserve of £16k since this work has largely been completed;
 - Removing the Disciplinary Panel Recruitment & Training Reserve of £15k since this exercise has been completed;
 - Adding the Research Reserve of £25k and the Board & Chairman's Appointments/Communications Reserve of £10k;
 - Re-allocating Income & Expenditure by £10k.
22. However, if the Board prefers to keep its current approach, the reserves movements are shown at Annex E1. The auditors are content with either approach.

Next steps

23. The next steps are to:

- a. Publish the consultation document with the associated publicity;
- b. Start work on the application to the LSB. This will be considered at the September IPReg Board meeting.

Supporting information

Links to strategy and business plan

24. The proposal sets out our business plan for 2024/25.

Supporting the regulatory objectives and best regulatory practice

25. The proposed business plan sets out which activities support each of the regulatory objectives.

Impacts

26. The consultation includes a draft impact assessment and asks for comments on it.

Communication and engagement

27. We will draw attention to the consultation by emailing and offering to discuss with:

- a. All registrants;
- b. IP Practice Directors Group;
- c. IP Inclusive;
- d. CIPA;
- e. CITMA;
- f. IP Federation;
- g. Legal Services Consumer Panel.

Equality and diversity

28. The consultation document includes an equality impact assessment.

Evidence/data and assumptions

29. We have used evidence from:

- a. Our Performance Management Database and CRM about the likely level of admissions for individuals and for entities;
- b. The Bank of England Monetary Policy Committee about projected levels of inflation;
- c. The LSB about the levy to finance its activities;
- d. ONS about current levels of inflation;

- e. QCG report for typical regulatory Board member rates.

Board Meeting 13 July 2023

Regulatory performance framework – assurance mapping

Agenda Item: 6

Author: Fran Gillon (fran.gillon@ipreg.org.uk), Victoria Swan (victoria.swan@ipreg.org.uk)

This paper is for decision/discussion.

The Annexes to this Board paper will be not be published – draft documents

Summary

1. On 1 January 2023, the LSB's [new regulatory performance framework](#) came into effect. The framework comprises 3 Standards¹:
 - Standard 1 - Well-led:** Regulators are well-led with the resources and capability required to work for the public and to meet the regulatory objectives effectively;
 - Standard 2 - Effective approach to regulation:** Regulators act on behalf of the public to apply their knowledge to identify opportunities and address risks to meeting the regulatory objectives; and
 - Standard 3 – Operational delivery:** Regulators' operational activity (e.g. education and training, authorisation, supervision, enforcement) is effective and clearly focused on the public interest.
2. On 8 June 2023, the LSB issued assurance compliance requests to all regulators for Standards 1 and 2. It also issued an information request composed of 7 questions about compliance with its Statements of Policy on ongoing competence and consumer empowerment, the public interest, as well as targeted questions on the new core regulatory framework, governance and transparency action plan and progress on reviewing the Accreditation Handbook and the Competency Frameworks. Both requests relate to the October 2022 - May 2023 time period.
3. Regulators' responses to the information requests will help inform the LSB's assessment of their performance in relation to Standards 1 and 2 and will grade according to the following red/amber/green (RAG) ratings:
 - Sufficient assurance (green) – the regulator's performance raises no concerns. We may identify areas where we would expect the regulator to review its policies and approach and consider how it may improve;
 - Partial assurance (amber) – the regulator's performance raises one or more concerns that should be addressed before the next assessment. This rating would also be used

¹ The 3 Standards are underpinned by 20 Characteristics (Standard 1 has 8 Characteristics, Standard 2 has 7 Characteristics and Standard 3 has 4 Characteristics) .

when it has not been possible to gain sufficient assurance from the information available. In this instance, the regulator would need to provide further information; and

- Insufficient assurance (red) – the regulator’s performance raises serious concerns in at least one area or multiple concerns. The regulator would need to take immediate action to take these concerns, including developing its own action plan.

4. This paper presents the proposed “assurance mapping” (Annex A) of IPReg’s compliance with the 2 Standards, which proposes a finding of:-

3.1 full assurance regarding Standard 1, given that that IPReg has made, and continues to make, significant progress in its governance and transparency work, and can assure itself that it is well-led and has the appropriate resources and capability (with all 8 Characteristics which underpin this Standard afforded a green RAG rating);

3.2 partial assurance regarding Standard 2, given that whilst IPReg has undertaken a very large body of work in the form of our regulatory arrangements review, we also need to significantly develop our approach to Equality, Diversity and Inclusion (2 of the 8 Characteristics which underpin this Standard afforded an amber rating due to this). This work will be taken forward by the Education and Diversity Officer with the aim of having made significant progress by Spring 2024.

5. This paper also presents the proposed response (Annex B) to the LSB’s accompanying information request. This signposts to the assurance mapping document as appropriate, rather than duplicating what is already there, and provides detail where an item is not covered in the former document.
6. The documents reflect the following existing commitments of IPReg (*captured in italics in the last column of the assurance mapping at Annex A and in the body of the information request at Annex B*):

- *implementation of the governance and transparency action plan, including the review of the approach to risk – first meeting of new Risk Working Group is currently being scheduled;*
- *scoping interest in barriers of entry for patent attorney – summer/autumn 2023;*
- *review of the Accreditation Handbook – to commence during the remainder of 2023;*
- *review of the competency frameworks – this work is likely to be a key part of work to identify barriers to entry (for patent attorneys) as above and then going into 2024;*
- *webinars on CPD and transparency – autumn/winter 2023;*
- *development of Equality, Diversity and Inclusion (EDI) policies, action plans and evaluation schemes (and further diversity data collection and analysis) - Education and Diversity Officer to make significant progress on by Spring 2024; and*

- *to undertake thematic reviews on PII Sandbox, CPD and transparency – as respectively timetabled in the Business Plan:- PII Sandbox – 2025, CPD Q1-2 2024, transparency Q4 2024-Q1 2025;*
 - *collaborative research work regarding digital exclusion – timetable to be determined by the Regulators’ Research Forum.*
6. The documents also suggest 1 new commitment for IPReg (*also captured in italics in the last column of the assurance mapping at Annex A and in the body of the information request at Annex B*):
- *Plain English training for the office to aid Board papers – to be determined by [Plain English Campaign](#) course availability.*

Recommendation(s)

7. The Board approves the proposed IPReg responses to the LSB’s regulatory performance information requests:
- a) the assurance mapping of IPReg’s compliance with Standards 1 and 2, and the 15 Characteristics which underpin them, as provided at Annex A, subject to any amendments it may recommend; and
 - b) the response to the LSB’s 7 questions of IPReg as provided at Annex B, subject to any amendments it may recommend.

Risks and mitigations

	Risk	Mitigation
Financial	Our approach to building our evidence base has led to criticism from the LSB that we have not allocated sufficient priority to this area.	We have allocated £15k from reserves to fund research. We have contracted with Cut-Through Consulting to provide support on data and evidence gathering and analysis and he is actively participating in the regulators’ research/risk groups.
Reputational	The LSB has criticised specific aspects of IPReg’s work and has raised questions about the Board’s approach to governance.	We have adopted and published a detailed Governance Action Plan. The governance plan is a standing agenda item at Board, given prominence at each meeting, with proper discussion time allocated to progress reports and review.
Resources	Responding to the LSB’s information request and the assurance mapping process is taking a significant amount of resources.	The Director of Policy has been able to focus on this area of work since the first assurance mapping draft brought to the May 2023 Board meeting by the CEO.

		This because the new Education and Diversity Officer post enables the Director of Policy to move away from what had necessarily become an education-centric focus.
--	--	--

Background

8. The 2 Standards are supported by 15 Characteristics which the LSB uses to describe the features of effective regulators. These require regulators and their Boards to take ownership of the statutory regulatory objectives, to provide assurance the organisation is well-led, has the appropriate focus and resources, and is effective in its approach to, and delivery of, regulation. The characteristics that the LSB is particularly focused on this time round are:
 - a. Transparency of decision making (C5);
 - b. Capacity and capability (C6);
 - c. Use of evidence (C12);
 - d. Proactive supervision (C9);
 - e. Resources, capability and capacity for enforcement (C6).

9. At both a dedicated meeting, and a workshop, attended by the CEO and Director of Policy, the LSB set out its expectations of regulators' responses to this exercise. This helped inform the initial draft assurance mapping document brought to the 18 May 2023 meeting of the IPReg Board. An updated, full, assurance mapping, is provided at Annex A. It takes each element of the LSB's "Sourcebook of Standards and Characteristics" in turn, and provides evidence of how IPReg achieves them, as well as assessment of any gaps and how they are being, or will be, addressed (*these are italicised*). The proposed IPReg response to the LSB's targeted information request is provided at Annex B. This comprises 7 questions from the LSB, with threads common to all regulators such as ongoing competence, consumer empowerment, and the public interest, and then items particular to IPReg concerning progress on previously expressed commitments.

10. The LSB states that the Standards (and Characteristics) are high level and it does not prescribe how the regulators should demonstrate that they meet the Standards. It recognises this will vary across the regulators and that performance against some Standards may need to be assessed within the context of a specific regulator. Whilst the LSB assurance mapping template has specified a number of documents which might demonstrate delivery of the Characteristics, it states that these are examples only, with these characteristics demonstrable through other evidence sources. As illustrated with Characteristic 1, "A clear sense of purpose and strategy focused on regulation in the public interest and ensuring public confidence in the regulator", one of the examples given by the LSB is a Values Statement. Given the documents mapped under that Characteristic together set out IPReg's purpose and strategy, alongside the [Legal Services Act 2007](#) which sets out the statutory

obligations of legal regulators, we do not consider that we need to develop a Values Statement in addition to all the other documents. Conversely, the examples of EDI policies, action plans and evaluation schemes, listed in the LSB document, are essential to reaching a green RAG rating and will need to be developed. Accordingly, the relevant Characteristics of 15 and 16 in the assurance mapping, and ultimately Standard 2 because of these, have been given an amber rating.

Options

11. Following review of each regulator's performance assessment, alongside any additional information it may request, or be provided through other sources, the LSB will provide each with a RAG rating for the 2 Standards: green providing full assurance, orange providing partial assurance and red insufficient assurance. The IPReg Team discussed whether to rate the 2 Standards only, as the LSB will in its assessment of regulators, or to rate them as well as the Characteristics which sit underneath them.
12. We consider that rating all the relevant Characteristics individually would assist both the Executive and IPReg Board (as well as the LSB) as to where work is planned and/or needed going forward. Also, given that several of the Characteristics have overlapping evidence sources, we sought, wherever possible, to signpost to items already mentioned rather than duplicate. However, in order to be able to provide assurance on each Standard separately, we have not cross-referenced between Standard 1 and Standard 2, even though this has resulted in some duplication.
12. We also looked at whether ongoing development in an area of work should automatically denote an amber rating. On the basis that regulators should always be improving, not standing still, we are proposing that ongoing development should not automatically mean an amber rating is applied. Amber is proposed to denote where work has not begun and/or is a significant piece of work that has real bearing on whether the IPReg Board can be fully assured. Accordingly, we have proposed an amber rating for Characteristics 14 and 15 given the significant piece of work to create IPReg's EDI policies, action plan and evaluation schemes as well as a new diversity data collection exercise. We would welcome the Board's view on this approach.

Discussion

15. The IPReg Board is asked to provide feedback on both the assurance mapping and information request response to the LSB, including giving particular consideration to whether the proposed assurance mapping at Annex A has captured:-
 - 15.1 all items from which the Board is given assurance;
 - 15.2 appropriate gaps and related actions; and
 - 15.3 the proposed RAG ratings for the Characteristics, including whether Characteristics 5, 8 and 9, and/or others should be afforded an amber rating rather than green on the basis of

an element of reliance upon future commitments (and if so, whether the RAG rating for Standard 1 should become amber).

Next steps

16. The CEO and Director of Policy to update the documents as informed by feedback from Board and submit to the LSB by its deadline of 28 July 2023.
17. The submission will be accompanied by a letter which sets out the rationale for our ratings. .
18. The LSB will review regulators' submissions and request additional information if needed. It plans to publish its narrative and grading determinations of regulatory performance in November, having first afforded regulators the opportunity to provide feedback on initial versions.
19. A provisional review of the organisation's performance against Standard 3 will be brought to the December meeting of the IPReg Board.

Supporting information

Links to strategy and business plan

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

Supporting the regulatory objectives and best regulatory practice

21. This work supports all the regulatory objectives. Additionally, we asked the LSB to define public interest given question 2 of the information request:- "2. What consideration has IPReg given to demonstrating and communicating the public interest of its regulatory role during the assessment period?". They referred us to their [Regulatory objectives document](#) and page 14 of their [regulatory performance framework consultation response](#) and that "overall, it is a matter for IPReg to interpret the public interest and how it applies in the context of its role as a regulator of legal services". It also mentioned the June 2022 Board-to-Board meeting which had included discussion of the public interest in ensuring confidence in a robust intellectual property market as an important underpinning of the UK's economic success. The proposed response to Annex B, question 2, is framed on this basis.

Impacts

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

Communication and engagement

23. Not directly relevant.

Equality and diversity

24. The development of Equality, Diversity and Inclusion (EDI) policies, action plan and evaluation schemes and another diversity data and analysis exercise is a commitment made

within the assurance mapping. These to be led by the Education and Diversity Officer and new Chair of Education Working Group (given that the education and diversity workstreams are inextricably linked) with a view to significant progress by Spring 2024.

Evidence/data and assumptions

24. There are no specific issues for this paper. We continue building our evidence base and this will help to inform our approach to the new regulatory performance framework, including through thematic reviews of the new approaches to the PII Sandbox, Continuing Professional Development and transparency.

Board Meeting 13 July 2023

IT – website upgrade from Drupal 7

Agenda Item: 7

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

This paper is for decision/discussion.

Highlighted sections will be redacted – commercially confidential

The Annexes to this Board paper will not be published; commercially confidential

Summary

1. Following consideration by the Board in March of options for upgrading the website from Drupal 7, we have taken forward with Equantiis a more in-depth due diligence exercise on IE Digital. This paper updates the Board on progress. Since the March meeting, Drupal has extended the November 2023 end of life date to January 2025 (although this will not be “full security team coverage” so upgrading as soon as reasonably possible is still necessary).

Recommendation(s)

2. The Board agrees that:
 - a. the CEO will report to the Board by email on the outcome of the discussion with ClearCourse and next steps.

Risks and mitigations

	Risk	Mitigation
Financial	<p>IT projects are often costly and can run significantly over budget. IE Digital has confirmed that its price of [REDACTED] for rehosting and upgrading is fixed but we will still need to provide some contingency (10-20%).</p> <p>There would also be monthly support costs which are currently [REDACTED] including VAT;¹ these increase annually each August.</p>	<p>We have allocated £60k for this work in the 2023 budget and £70k in the draft 2024 budget. We can spread the cost over two financial years. IE Digital has confirmed that it would want to complete the onboarding and rehosting quickly and well before the 2024 practice fee Annual Return starts. We would then be able to run the 2024 collection fee process on the new system but wait until spring 2024 to migrate to Drupal 10.</p>

¹ The current monthly fee for ClearCourse is [REDACTED] including VAT

	There will also be additional cost for project management/support.	
Reputational	<p>The cost of the redevelopment was considered high by some respondents to the 2023 Business Plan and fees consultation.</p> <p>The user journey could be improved significantly.</p>	<p>Explain clearly the link between the website/attorney portal/CRM.</p> <p>We expanded the rationale (in the fee application to the LSB) to explain that the website and CRM are inextricably linked through the portal which is also build on the Drupal 7 platform and which will therefore also require redevelopment.</p>
Resources	<p>IPReg does not have specific IT expertise in the Team.</p> <p>Any redevelopment will take significant time for Team members.</p>	<p>External support to advise us on the redevelopment and any contract negotiation.</p>

Background

- When we implemented the new CRM system in November 2019, we took a “lift and shift” approach to our website – moving the content without making significant changes to it. The current website runs on a platform called Drupal 7. This will be unsupported from early 2025. The project with IE Digital would migrate our system to Drupal 10.
- Following the March 2023 Board meeting, Equantiis met IE Digital to discuss its approach to the project.

Discussion and options

- Equantiis reported that the discussion was very positive and that IE Digital has an “impressive” background and experience in the NfP, health and charity sectors and understood these sectors well. Although IE Digital is a relatively small organisation, Equantiis said that this had not raised any red flags for them in terms of parity of treatment for IE Digital’s customers; it remains founder-owned and led and the cultural fit with IPReg would be good.
- Equantiis recommended that we had further discussions with IE Digital on the cost structure in order to understand more fully the approach and identify any risks to the overall cost of the project. This discussion took place on 7 July and the outcome was:

a. IE Digital has confirmed that the costs it has provided for the upgrade are fixed. These are:

i. Stage 1: onboarding and rehosting to [REDACTED] (Annex A) ;

ii. Stage 2: Drupal 10 upgrade: [REDACTED] (Annex B)

b. There would also be costs for the support service and hosting of [REDACTED] [REDACTED] (Annex C).

7. Given the overall positive impression formed by Equantiis and the fact that the price is fixed, ClearCourse will be approached to start discussions about the switching process. There are likely to be costs involved with this. There will also be costs involved in obtaining project management support for the Team.

Next steps

8. CEO - report to the Board on the outcome of discussions with ClearCourse.

Supporting information

Links to strategy and business plan

9. Redevelopment of the website is one of our key work areas for 2023 and 2024.

Supporting the regulatory objectives and best regulatory practice

10. This work supports in particular the regulatory objectives of protecting and promoting the interests of consumers and increasing public understanding of the citizen's rights and duties. The website provides information to individual consumers and small businesses about the regulated IP sector, why protecting their IP is important, how to complain about an attorney (and the investigation process) and signposts other organisations (such as the IPO) that also provide consumer-focused information.

11. In addition, the website hosts the registers of regulated trade mark attorneys and patent attorneys and regulated firms. It also provides attorneys with access to the regulatory arrangements. As part of implementing the Review, we had hoped to be able to publish those arrangements in an innovative format to make them more accessible; this seems unlikely to be possible without a new CMS.

Impacts

12. There is no direct impact on any group of attorneys. All attorneys access their individual accounts through the IPReg Pro portal on the website. A new design and user journey for the website is likely to have a positive impact on individual consumers and small businesses who

would find the information they need easier to locate. A new design could also have a positive impact on IPReg's ability to provide information about its own governance. IE Digital have indicated they have seen some enhancements that could be made to the site in the future to ensure it 'works harder' for IPReg.

Communication and engagement

13. This does not apply to the issues considered in this paper.

Equality and diversity

14. No direct impact, although a new design and user journey could make this information easier to locate.

Evidence/data and assumptions

15. This does not apply to the issues considered in this paper.

Board Meeting 13 July 2023

Governance and Transparency

Agenda Item: 8

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

This paper is for discussion.

Summary

1. This paper updates the Board on progress in implementing the steps agreed for months 6-12 of the Governance Action Plan. **Annex A** shows progress made to 16 June 2023. This now includes the remaining actions from the initial six months' work – developing our approach to risk and our KPIs. A meeting of the Risk Working Group is in the process of being arranged.

Recommendation(s)

2. The Board notes progress implementing the Action Plan.

Risks and mitigations

	Risk	Mitigation
Financial	There will be an ongoing cost for the external minute-taker.	
Reputational	Boards which make decisions ineffectively, or in ways that lack transparency, expose their organisations to reputational risk.	This work should assist IPReg with assurance that it is not exposing itself to such risks.
Resources	This work is an addition to the current year's work plans. The main resource currently being expended on it is the CEO's time.	The need for external support may be sought if internal capacity requires it.

Background

3. At its July 2022 meeting, the Board adopted a Governance and Transparency Action Plan in response to the LSB's performance management framework assessment. This was published with the July Board papers.

Discussion and options

4. The 6-12 month Action Plan is largely complete in terms of immediate actions. Some actions are to be arranged later this year (e.g. Board member appraisals and Board-only reflective discussions).
5. We have not formally reviewed our use of external expertise in the light of the regulatory arrangements review to consider the potential benefits of using such a system more widely. However, we have identified a list of potential guest speakers for Board meetings. We have also put in place a procurement policy which enables getting external advice if required. It would also be appropriate to have a structured approach to obtaining external expertise as part of the work on barriers to entry to the patent profession and we can consider this in more detail as the work on that project progresses.

Next steps

6. The CEO will take forward the work from Risk Working Group.

Supporting information

Links to strategy and business plan

7. The changes to our approach to governance will support delivery of IPReg's strategic and business plans.

Supporting the regulatory objectives and best regulatory practice

8. Good governance enables the Board to discharge its objectives effectively and transparently. Therefore any improvements to IPReg's governance should support the Board's ability to deliver the regulatory objectives in a manner which is open, transparent, and accountable.

Impacts

9. There are no specific impacts on any type of registrant or consumer.

Communication and engagement

10. We keep the LSB updated on progress at our regular relationship management meetings.

Equality and diversity

11. There are no specific equality and diversity impacts.

Evidence/data and assumptions

12. Nothing specific to this paper.

Priority 2 – medium term actions (6-12 months) – complete by 14 July 2023

1. Revise the format for the next Strategic Plan to ensure IPReg has strategically articulated objectives, clearly aligned with the LSA 2007, with related performance indicators and measurements.

Rationale: These actions are intended to enhance strategic planning and performance monitoring. These initiatives will enable the Board to improve its strategic plan and augment its scrutiny of organisational performance. It will also support the Board in holding the executive to account. This action should support the delivery of LSB Well Led 1.

Suggested approaches: It is suggested that this work is timetabled to align with the current strategic planning cycle. So, the timeline for this needs to take account of the LSB publication of its decision on the regulatory performance framework Standards and Characteristics in Autumn 2022. Substantive thinking would need to take place in November 2022 when IPReg Board considers its strategic objectives in the light of this.¹ Then in July 2023 we would consult on 2024/25 business plan taking account of these discussions. It is important that these plans incorporate Key Performance Indicators which enable the Board to monitor and scrutinise performance. In setting these will be a need to take account of whether the LSB dispenses with the requirement for the performance management database. Such reviews should be underpinned by a reflective approach, with the Board learning from past actions and achievements. Ongoing horizon scanning should be built into this strategic planning process.

Action taken

Date	Action taken
January 2023	Strategy meeting agreed strategic priorities for the next 3-4 years: <ul style="list-style-type: none">• 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.
Next step	July 2023 – consult on 2024 Business Plan (and practising fees)
<u>DATE TBC</u>	<u>Risk Working Group (VO, SF, JB, SP) to:</u> <ul style="list-style-type: none">• <u>Develop the risk policy;</u>• <u>Develop a set of procedures for the Board to use to enhance its assessment of risk;</u>

¹ Note that this was deferred to January 2023 due to a train strike.

	<ul style="list-style-type: none"> <u>Consider whether improvements could be made to the assessment of, and the approach to, risk.</u>

2. Develop a cycle of Board Reflection Events which support a culture of reflective practice at this level.

Rationale: These actions are intended to support effective Board planning and performance monitoring. These initiatives will enable the Board to improve its strategic plan and enhance its scrutiny of organisational performance. It will also enhance the Board’s ability to hold the executive to account.

Suggested approaches: An open, reflective approach supports a Board to learn from its past actions or decisions. Developing the Board’s skill in reflective practice will enable it to better learn from its own work. It is suggested that reflection time is built into the Board’s planning cycle. As part of that it is also suggested that IPReg organises some events without the executive present to assist the Board in reflecting on its own practice. Learning from these reflections should be fed into future development of strategies, policies, and procedures where appropriate. It is suggested that the first one of these Board only events should be before the November 2022 strategy meeting.² Ongoing horizon scanning should be built into this reflection process.

Action taken

Date	Action taken
12 January 2023	Board-only discussion took place prior to the strategy morning.
Ongoing	Each Board meeting gets a market update from our external research adviser.
June 2023	Informal Board-only dinner following Board to Board meeting with CLSB
<u>June 2023</u>	<u>Action complete – subject to regular informal Board gatherings to be arranged</u>

3. Review Rules of Procedure and Terms of Reference (ToR) for the Board and all its working groups and publish these in the Governance Handbook.

Rationale: This action is intended to provide clarity regarding the Board’s role, conduct and behaviour. Ensuring all Committee ToR are up to date (and easily available) will aid transparency in IPReg’s governance arrangements. This action should support the delivery of LSB Well Led 3.

² Note that this was deferred to January 2023 due to a train strike.

Suggested approaches: It is recognised that our role emanates from the Delegation Agreement (with CITMA and CIPA). Additional governance documents are produced in keeping with this. It is suggested that IPReg periodically reviews these and publishes them in one easily accessible Governance Handbook. It is suggested that, as part of this review, all ToR's are also checked for consistency with the Delegation Agreement.

Action taken

Date	Action taken
Ongoing 2023	Documents updated/drafted: <ul style="list-style-type: none"> • Code of Conduct • Rules of Procedure • Scheme of Delegations • Schedule of Matters Reserved to the Board • Gifts and Hospitality Policy • Social media and communications policy • Procurement Policy • Board member appraisals and Board effectiveness • Process for Team and Board appointments • Travel and subsistence • Publication policy and scheme of publication • • The suite of documents will be added to the May Board meeting agenda.
<u>June 2023</u>	<u>Documents being compiled into one Handbook.</u>
<u>September 2023</u>	<u>Board meeting to review all working groups terms of reference</u>

4. Set out procedures for annual internal individual Board member and Chair appraisals in writing in the Governance Handbook.

Rationale: This action is intended to support and develop the Board. Appraisal helps the Board to pinpoint good practice as well as identify areas for improvement. As an ongoing process, it helps Boards to maintain their effectiveness.

Suggested approaches (as for independent external evaluation which is priority 3): It is suggested that independent external Board evaluation takes place three years, supported by internal annual Board evaluation annually in-between. The process for the latter can be developed in partnership with external evaluators. These evaluations should help ascertain the effectiveness of the Board's meetings, decision-making and ability to hold the executive to account, on an ongoing basis. It is suggested that such evaluations include a reflection on, and review of, the quality and timeliness of the information provided to the Board by the executive. Board events without the executive present for the purpose of reflecting on the Board's own effectiveness

and/or support systems may form part of this process. It is also suggested that IPReg produces an action plan setting out any developments agreed as a result of these Evaluations. This may be reported on in the Annual Report. There are budget implications for this area.

Action taken

Date	Action taken
	See above – Governance Handbook
12 January 2023	Board only discussion held
<u>Autumn 2023</u>	<u>Board member appraisals to be arranged</u>

5. Review our use of external expertise in the light of the regulatory arrangements review and consider the potential benefits of using such a system more widely.

Rationale: This action is intended to enhance Board effectiveness, by ensuring it can easily source expertise required for the development of policy and strategy. It should support the delivery of LSB Well Led 3.

Suggested approaches: Not specified

Action taken

Date	Action taken
January 2023	Following discussion at strategy day in January 2023, draw up list of external speakers to be invited to Board meetings from time to time. Current suggestions include: <ul style="list-style-type: none"> • IP Practice Directors’ Group; • PAMIA; • IP Inclusive; • IPO; • EQE expert; • Apprenticeships expert; • Legal Ombudsman; • Consumer Panel; • Johnathan’s Voice/Law Care •
May 2023	Board meeting – EQE discussion with Julia Gwilt

6. Review the scope of the Annual Report, with a view to providing enhanced transparency about how IPReg operates.

Rationale: This action is intended to enhance organisational transparency. It should support the delivery of LSB Well Led 3.

Suggested approaches: It is suggested that the Annual Report could include:

- attendance of directors at board and committee meetings;
- key findings arising from Board Evaluation in the Annual Report;
- a section on IPReg’s principal risks and approach to risk management.

It is also suggested that alongside this the audited accounts are published on the IPReg website. It is suggested that changes are introduced in the 2022 and 2023 Accounts in keeping with the work required.

Action taken

Date	Action taken
January 2023	CEO has obtained quotes from 3 companies to redesign the annual report to make it more accessible and user friendly. There is a reserve of £10k for Board recruitment and communications.
February 2023	Agreed contract with Ocean Design .
March 2023	Board meeting to consider re-designed Annual Report.
April 2023	Annual Report 2022 published
<u>June 2023</u>	<u>Actions complete</u>

7. Review arrangements for action plans, performance indicators and published policies concerning Equality, Diversity and Inclusion (EDI).

Rationale: This action is intended to enhance organisational transparency and improve planning and performance monitoring. This action should support the delivery of LSB Well Led 3.

Suggested approaches: It is suggested that this considers arrangements for publishing Equality, Diversity, and Inclusion (EDI) policies, and develops EDI action plans with clearer milestones to facilitate an easier assessment of progress. There should be clear performance indicators to measure progress against the Diversity Action plan.

Action taken

Date	Action taken
January 2023	Suggest that this action is likely to take longer than 6 months and needs to be developed once the new Education and Diversity Officer has been in post for a few months.
March 2023	Board meeting agreed this change – action will be moved to Stage 3 priorities.

Board Meeting 13 July 2023

Complaints Update

Agenda Item: 10

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

This paper is to note

Summary

1. This paper stands as an update on complaints received and processed by IPReg. From 1 July 2023, the complaints process is governed by Chapter 4 of the [Core Regulatory Framework](#) and the Investigation and Disciplinary Requirements [Standard Operating Procedure](#).

Recommendation(s)

2. The Board agrees to note this paper.

Risks and mitigations

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

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

Background

3. The Board has routinely been updated on Complaints information, including the number of new complaints received and closed per month with a focus on the nature of individual complaints and the anticipated timetable for resolving them. The Board has not, to date, received information about the subject of the complaint due to IPReg’s former disciplinary process which may have resulted in Board members sitting as decision makers on the Complaint Review Committee.
4. The Board has indicated it would find different information helpful, focussing less on the individual complaint and more on general trends and timeliness.

Discussion

5. The Board should note the information in this paper.

Next steps

6. The Board should note the information in this paper.

Supporting information

Links to strategy and business plan

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

Supporting the regulatory objectives and best regulatory practice

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

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

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

Impacts

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

Communication and engagement

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

Equality and diversity

12. There are no specific equality and diversity issues.

Evidence/data and assumptions

Cases by numbers

As at 6.7.23

- Total open cases 6
- Cases opened since last meeting 2
- Cases closed since last meeting 1
- Change (from last meeting) +1

Year to date (from 1 January 2023)

- Total cases received 6
- Total cases closed 5

Legal Ombudsman

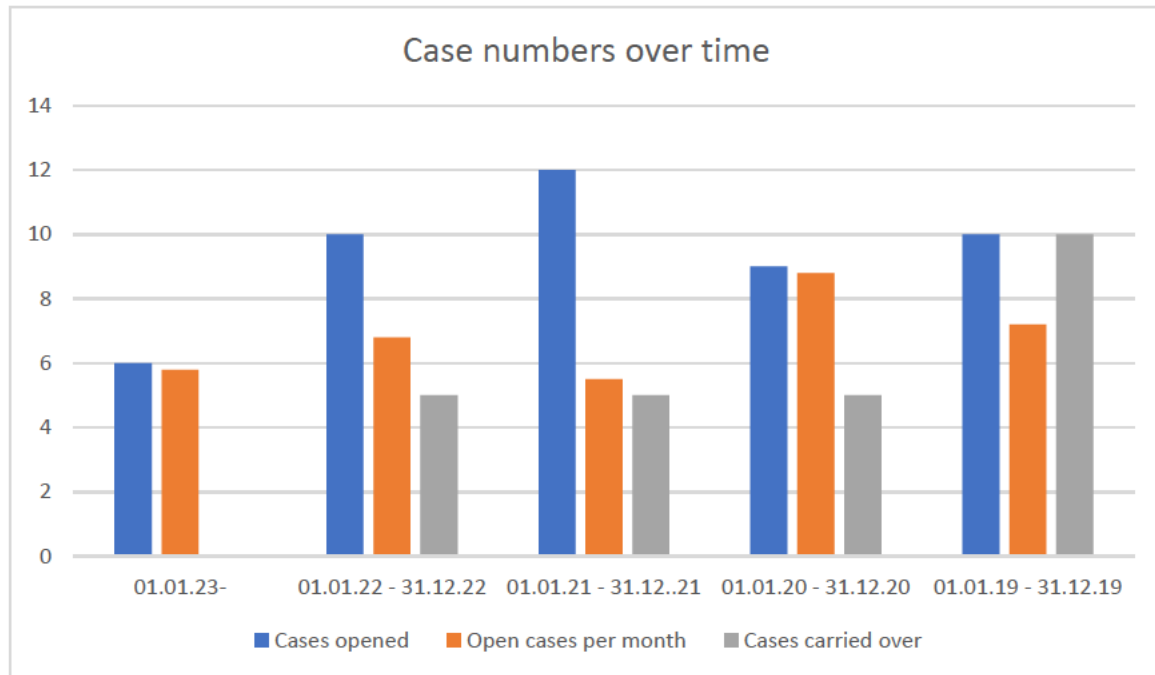
- Complaints received in last month 0
- Cases open 0

Timeliness

- Oldest open case 142 weeks (2y 38w)

Newest open case 7 weeks
 Mean 46.5 weeks
 Median 35 weeks

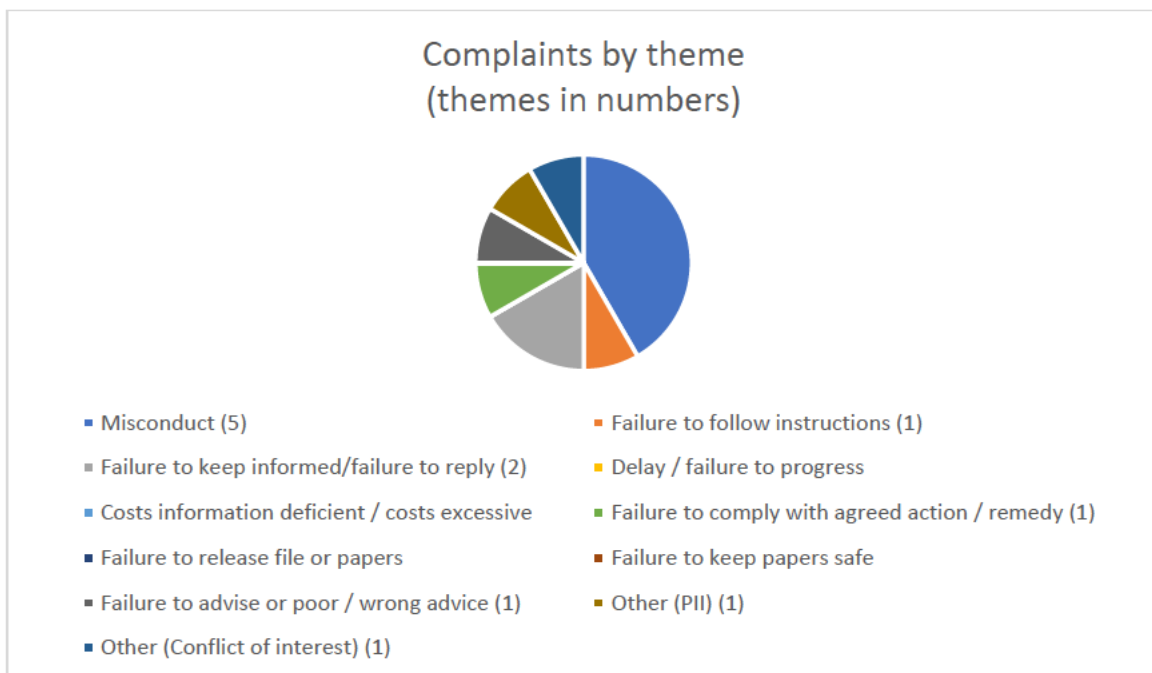
Analysis and trends (12 month periods)



	01.01.23 - date	01.01.22 - 31.12.22	01.01.21 - 31.12.21	01.01.20 - 31.12.20	01.01.19 - 31.12.19 (4 cases carried over from previous period)
New cases opened / received	6	10	12	9	10
Total open cases during period	11	16	17	19	14
Overall case numbers open	5 - 8	6 - 9	3 - 8	5 - 12	5 - 9

per month (range)					
Overall case numbers open per month (avg)	5.8	6.8	5.5	8.8	7.2
Cases carried over to next period		5	5	5	10
Cases closed/resolved within 12 weeks	50%	50%	50%	44%	10%
Cases closed/resolved within 26 weeks	50%	60%	58%	50%	50%

Open complaints by theme



Misconduct includes:

- Misappropriation of funds (2 cases)
- Unprofessional / inappropriate conduct with a third party (2 cases)
- Dishonesty / fraud in filing patent applications (1 case)

Board Meeting 13 July 2023

CEO report

Agenda Item: 13

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

This paper is for discussion.

Annex A will not be published – confidential information

Annex C will not be published – advice to Board

Summary

1. This paper sets out the main issues to bring to the Board’s attention that are not subject of a full Board paper.

Recommendation(s)

2. The Board is asked to:
 - a. Note this paper; and
 - b. Agree to submit the response on NDAs to the LSB (see paragraph 20 and Annex E).

Risks and mitigations

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

Background

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

Meetings held

CIPA and CITMA

4. The Chair and CEO attended the Regulatory Forum on 15 June. The meeting discussed:
 - a. LSB oversight;
 - b. Review implementation plans;
 - c. PEB reaccreditation report;
 - d. QMUL progress report;

- e. Review of Delegation Agreement, Information Sharing Protocol and Articles of Association (September);
 - f. Red risks;
 - g. Potential changes to minimum qualification to sit EQEs – see **Annex A**;
5. The 3 CEOs met on 31 May and discussed:
- a. Implementation of the new regulatory arrangements including plans for webinars;
 - b. PII Sandbox and pro bono work by in-house attorneys;
 - c. IGRs – review of Delegation Agreement, Information Sharing Protocol and IPReg Limited Articles of Association;
 - d. Waivers for JEB qualifications;
 - e. CITMA strategic campaign on unregulated representation before the IPO (**Annex B**);
 - f. IPReg cost recovery process following disciplinary cases.
6. On 27 May, the Head of Registration attended a meeting with IP Inclusive, CIPA, CITMA, the UKIPO and the IP Federation to discuss the potential for EDI data gathering and sharing across the various organisations. All agreed it would be mutually beneficial to identify commonalities with what data the respective groups would be seeking to gather to minimise the impact of data requests on firms and attorneys, and to potentially share resource-burden. The group will meet again in 4-6 months.

LSB engagement

7. At the relationship management meeting on 24 May we discussed:
- a. LSB feedback on IPReg progress on ongoing competence;
 - b. New regulatory performance framework;
 - c. New LSB Director, Regulation and Policy: [Richard Orpin](#);
 - d. Forthcoming LSB projects:
 - Review of guidance on first tier complaints;
 - Guidance on use of technology;
 - Work on SLAPPS;
 - e. Economic Crime Levy.

Conferences/webinars attended by Team and Board members

8. *Webinar: new regulatory arrangements.* On 8 June the CEO and Head of Registration presented a webinar on the new regulatory arrangements. The webinar was hosted by CIPA and was open to all. There were 480 viewers and over 600 people subscribed to it initially. The webinar recording is on the CIPA, CITMA and IPReg websites. We had a Q&A session and have captured all the questions submitted which we'll try to group together and provide answers. Feedback has been very positive.

9. *LSB research event.* On 21 June the Director of Policy attended a LSB research event – tackling the EDI challenges in the legal services sector. The LSB has undertaken in-depth interviews of 30 individuals with a broad spread of characteristics/intersectionality with findings that include:- academic attainment requirements and unpaid work experience requirement can be barriers to entry, day-to-day working life can be impacted by company policy and culture e.g. BME female assumed to be a client, not lawyer, flexible working requests denied for non-parents, lack of clarity of reasonable adjustment process and as to why such requests being denied, social/selective activities planned around drinking or shooting range can exclude, and old ways can persist at recruitment and beyond through systemic barriers (e.g. lack of transparency about internal promotions) can mean some individuals survive only and do not thrive. A number of suggestions for firms to encourage a diverse profession were discussed, including re-evaluating minimum entry criteria, using anonymised applications and competence-based assessments, and more inclusive job descriptions. The LSB will be creating a Policy Statement in this area to challenge, support and hold regulators to account.
10. *Webinars: counter-inclusive behaviour.* On 7 June and 4 July, the HoR and Compliance and Authorisations Officer (“CAO”) attended webinars on investigating allegations of counter-inclusive behaviour. This is the second in a series which will assist our understanding of best practice in investigating and bringing disciplinary proceedings in relation to harassment, bullying and discrimination. On 4 July the HoR and CAO attended a Disciplinary and Regulatory proceedings webinar on different aspects of bringing disciplinary cases and a case law update.

Regulatory Performance

11. Please see separate paper.

Sanctions

12. We have commissioned the analysis of IPO data. We expect to receive it around the end of June and will report to the September Board once we have reviewed it.
13. On 3 July we updated the website with information about the [ban on the provision of legal advisory services to Russia](#). We also emailed registrants to draw this to their attention.

Waivers

14. PII Sandbox. One application has been received from a firm already licensed by IPReg. The application is currently being reviewed and is likely to be referred to the Board for discussion and decision in due course.

Horizon scanning and research

15. The External Market Update report is at **Annex C**.

Contracts (commercially confidential information about contracts will be redacted)

16. Agreed the scope of work and terms with Clarivate Analytics for analysis of the IPO data as agreed at the May Board meeting.

Other matters

IPReg Finance Report

17. Please see separate agenda item.

Legal Services Consumer Panel (LSCP)

18. On 26 May, we met the LSCP Chair and a Board member with the LSCP executive. The meeting was very constructive and we discussed:
 - a. PII Sandbox and the importance of designing a monitoring and evaluation framework;
 - b. LSCP visit to Nottingham Trent University;
 - c. The importance of LSCP attendance at IPReg webinars;
 - d. EDI - recent analysis of SQE results; CLSB 2022 competency review;
 - e. Forthcoming LSCP work:
 - project on consumer focused regulation;
 - research into consumer needs;
 - regular tracker survey;
 - f. Transparency of cost and quality information and lack of progress implementing the CMS recommendations;
 - g. Forthcoming IPReg work:
 - Education – barriers to entry and EDI;
 - Compensation fund review;
 - h. Collective action recent High Court decision.

We agreed that we would meet regularly going forward.

Letter from the Department for Business and Trade

19. We received a letter from the Minister for Enterprise, Markets and Small Business thanking us for our input to the development of its Regulated Professions Register (**Annex D**). The Head of Registration has undertaken a significant amount of work on this project.

Response to Legal Services Board (LSB) Call for Evidence: Misuse of Non-Disclosure Agreements (NDAs) and the Role of Lawyers

20. In May 2023 the LSB published a call for evidence relating to the misuse of NDAs which closes on 14 July 2023. The Call for Evidence focuses of the role of lawyers in drafting NDAs that may be used to conceal wrongdoing, citing examples of the misuse of NDAs in the #MeToo Movement. The LSB states it is seeking to understand the scale, extent and nature of the misuse of NDAs and is seeking evidence to determine how regulatory powers – either in the form of

regulatory arrangements, or guidance – may be deployed to address the misuse. Our draft response can be seen at **Annex E**.

Letter from Department for Science, Innovation and Technology

21. We have been invited to a Ministerial roundtable for selected stakeholders from the IP attorney and legal professions (**Annex F**). This is now scheduled for 27 July.

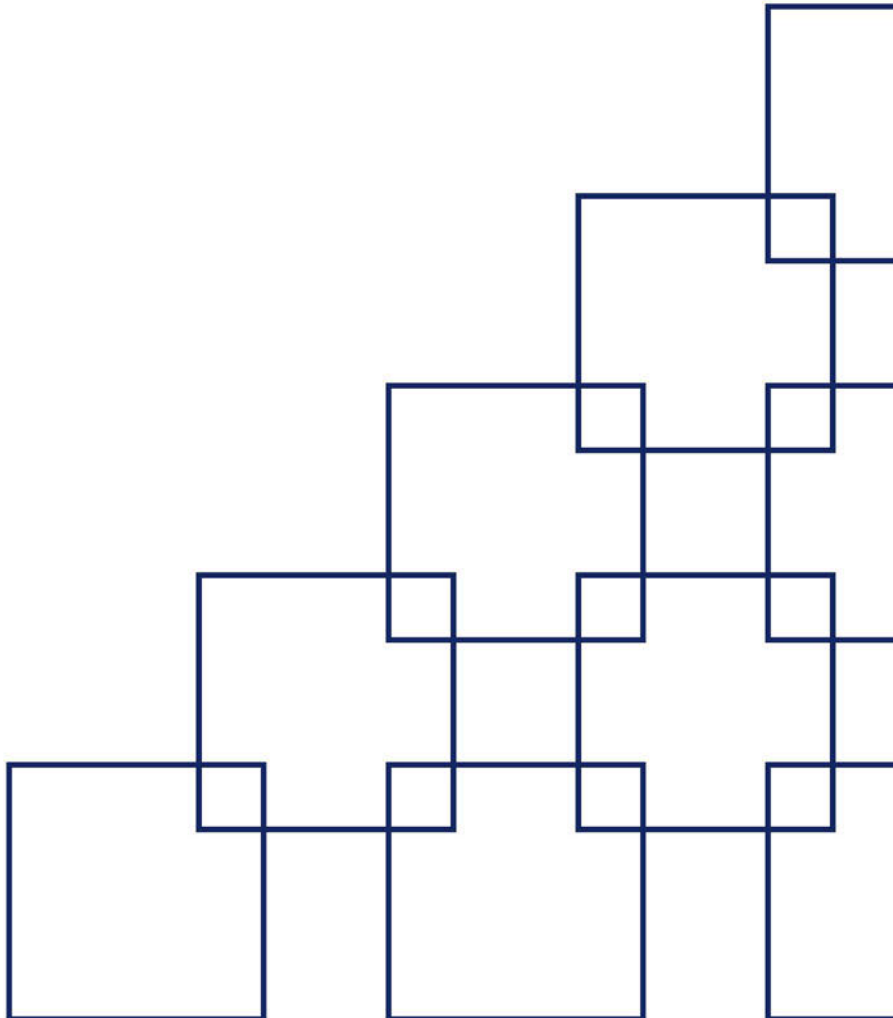
Press reports and other published information

22. Board members may be interested in these articles:

- a. New appointments to the [LSB Board](#);
- b. Information about the [LSB CEO's bonus](#);
- c. Very positive support for our approach to EDI in the new regulatory arrangements in an IP Inclusive [blog](#);
- d. Social media posts from In2Science about its positive work with us:
 - LinkedIn: https://www.linkedin.com/posts/in2scienceuk_partnerships-partners-stem-activity-7067046637956669441-lqUq?utm_source=share&utm_medium=member_desktop
 - Twitter: <https://twitter.com/in2scienceUK/status/1661311261911523331?s=20>
- e. BEIS newsletter – **Annex G**;
- f. OLC Annual Report and Accounts – **Annex H**.

Unregulated representatives in the UK Intellectual Property system: Evidence of harm and a call for investigation

June 2023



Executive summary



The UK intellectual property (IP) system has historically been an envied piece of legal and economic infrastructure the world over. Our system has allowed businesses to monetise their intellectual assets, and protect the consumers that use goods and services that depend upon them.

However, our system is coming under strain. The increasing presence of unqualified, and therefore unregulated, representatives in the UK IP system is causing disruption to processes and case management, leading to delays and higher costs for consumers. These unregulated representatives purport to have the ability to represent others at the Intellectual Property Office (IPO), but in reality are often based overseas with no understanding of UK IP law and a simple PO box serving as their UK headquarters.

The issues caused by these individuals are on the rise due to regulatory loopholes created by Brexit and seized upon by firms in other jurisdictions. The basic principle of consumer fairness, that the services you advertise must be the services you can provide, has sadly been lost.

This paper explores the harm caused by these individuals to consumers, setting out data that attempts to quantify the damage caused.

The findings of our research include:

1. Consumers of the UK IP system are facing higher costs, delays and disruption to business as a result of unregulated representatives.¹
2. These issues are getting worse.²
3. Over 90% of responding Chartered Trade Mark Attorneys believe the IPO should take action on this issue.³

The Chartered Institute of Trade Mark Attorneys (CITMA) has developed the following proposal to tackle this issue through the adoption of international best practices.

CITMA believes that in order to represent someone other than yourself at the IPO, you must:

have a UK address for service; and

be regulated by an appropriate UK body, namely Chartered Institute of Patent Attorneys, Chartered Institute of Trade Mark Attorneys, The Law Society, The General Council of the Bar, The Chartered Institute of Legal Executives, Law Society of Scotland or The Law Society of Northern Ireland;

or

be an employee representative of the company, or any subsidiary, holding company or subsidiary of such holding company (defined by section 1159 of the Companies Act 2006), which is the applicant or the holder of the right in question.

This proposal will ensure that consumers of the UK IP system will receive proper, timely and accurate legal advice, saving them from the needless delays and associated costs overruns caused by the growing presence of unregulated representatives.

In addition, this proposal will put the consumer first, giving them access to redress in the event of complications by ensuring that all representatives are compliant with the standards and redress mechanisms of an appropriate regulator.

While simple in nature, this proposal has already been adopted by comparable IP systems around the world, including the United States and European Union, in order to protect their consumers from individuals who cannot deliver the services they advertise.

However, while our proposal is readily adoptable, we encourage the IPO to first launch its own investigation into this issue to ensure a thorough understanding of the challenges facing its consumers.

It is time for the UK to act to safeguard the consumers of the UK IP system and protect this vital piece of economic infrastructure.

Rachel Wilkinson-Duffy
President
Chartered Institute of Trade Mark Attorneys

Introduction

The UK is home to one of the world's pre-eminent intellectual property systems, acting as an envied and exemplary model to the international community. Businesses, creators and innovators alike rely on the system to invest, grow and flourish.

This robust and dependable system is a key reason why industries with high use of IP rights contribute £166.5 billion to the UK's gross value added every year. ⁴

The key features of the system should allow UK businesses to monetise their IP and protect the consumers that use goods and services that rely on it. This is no longer the case. Unqualified, and therefore unregulated, individuals are representing others in IP matters - resulting in harm to UK businesses and the IP system that helps support them.

This paper explores the damage caused when a business engages someone who holds themselves out as having the necessary expertise in trade mark matters, but in reality does not. We hope that this case, and the data and evidence within, highlights the need for further investigation of the harm caused by unregulated representatives by the IPO.

To assess the harm CITMA caused by unregulated representatives CITMA has:

1. Commissioned research organisation Enventure Research to survey Chartered Trade Mark Attorneys, assess their experience and collate case studies.
2. Investigated the top filers at the IPO for signs of unusual market behaviour.
3. Reviewed the steps taken in other jurisdictions to tackle the harm caused by unregulated representatives.

industries with high
use of IP rights contribute
£166.5B
to the UK's gross value added
every year.

The findings of these actions speak for themselves and are discussed in the report below.

There is clear evidence that unresponsiveness, procedural mistakes and a general lack of knowledge by unregulated representatives are all contributing to increased costs and wider disruption to consumers of the UK intellectual property system. Furthermore, the problem is getting worse.

In order to protect consumers action must be taken and we encourage the IPO to investigate this issue further as a matter of urgency and adopt CITMA's internationally recognised proposals to protect consumers.

Unregulated and unqualified representatives

Allowing unregulated representatives who do not understand the relevant law and IP system to act for consumers of the UK IP system is causing significant harm.

Representatives that are regulated by an appropriate UK body are subject to stringent codes of conduct. These codes require them, amongst other things, to only advise on matters within their own expertise or competence, to take out appropriate professional indemnity insurance and to provide a complaint handling procedure.

Unregulated representatives do not have to abide by these standards and requirements.

The key benefits of engaging appropriately regulated representatives are:

- a. The consumers of these legal services receive proper legal advice and guidance on all aspects of their case early on, resulting in the filing of trade mark applications that are timely, fit for purpose and well managed. Regulated representatives are more likely to ensure proper coverage is obtained and to encourage settlement at dispute, saving time and costs for the consumer. Allowing unregulated representatives to act on matters not within their competence or expertise results in the consumer receiving poor advice and being subjected to errors and omissions in advice and process.
- b. The consumers of these legal services have access to redress if and when things do go “wrong” as they can do from time to time, which is not the case when an unregulated representative is engaged. Consumers of regulated representatives can complain to the appropriate regulator and seek remedial action and compensation. Regulated representatives have professional indemnity insurance in place for when things go very badly wrong. Unregulated representatives are not required to have either a complaints procedure or insurance.
- c. If things do go very badly wrong with a regulated representative, the consumer is protected as the regulatory bodies have the power to disbar/strike off a regulated representative which in certain cases can include notifying the IPO that the representative’s authorisation to act should be withdrawn. The consumer of an unregulated representative is not protected in this way - the unregulated representative can continue to act with impunity.

Unregulated and unqualified representatives: what is the harm?

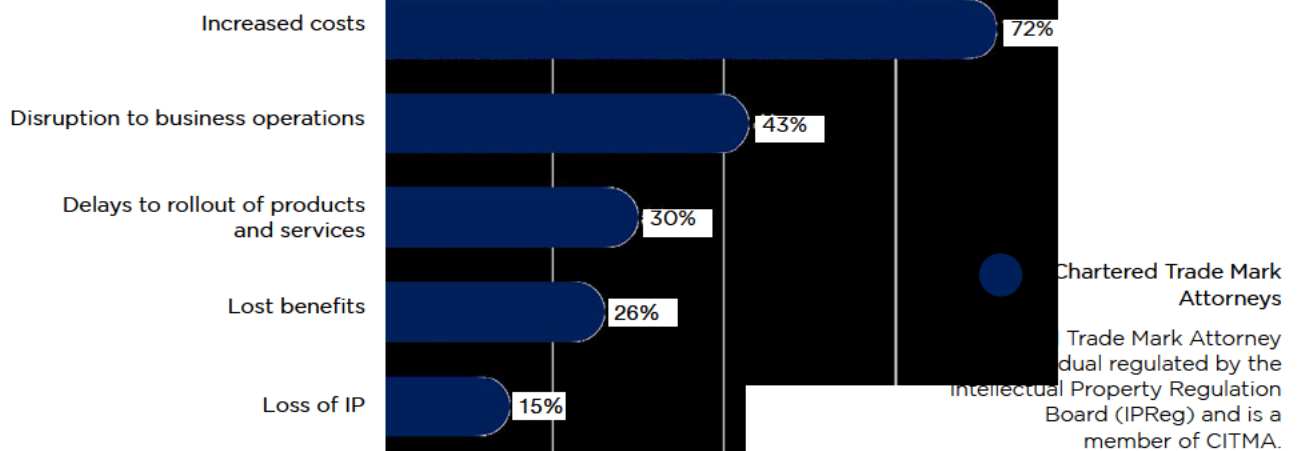
CITMA recently commissioned a survey of Chartered Trade Mark Attorneys on their experiences when interacting with unregulated representatives on the other side of proceedings, the effect it has on the efficiency of proceedings and the impact on businesses. The research was conducted by independent research company Enventure Research.

33% (280) of Chartered Trade Mark Attorneys responded to the survey⁵ and the statistics speak for themselves. An overwhelming majority, 78% of respondents⁶, have experienced dealing with an unregulated and/or unqualified representative in the past three years.

We asked this group further questions about their experience and whether there have been any issues caused by unregulated and unqualified representatives.

Have any of your clients experienced any of the following issues when dealing with an unregulated and/or unqualified representative in the last three years?

Base: Chartered Trade Mark Attorneys – Increased costs (270); Disruption to business operations (271); Delays to the rollout of products and services (271); Lost benefits (271); Loss of IP (271)
Source: Enventure Research (2023)⁷



90%⁸ of those Chartered Trade Mark Attorneys reported that they have experienced delays to proceedings as a result of dealing with unregulated and/or unqualified representatives, with 59%⁹ reporting average per case delays of sixteen days or more.

This is unsurprising given that 91%¹⁰ reported unresponsiveness on the part of the unregulated representative, resulting in 40%¹¹ of respondents dealing with the other side's applicant directly.

Highlighting the unhappiness of rights holders towards their own unregulated representatives 33%¹² of attorneys indicated they had been contacted by the client of the unregulated representative directly to resolve issues with the case.

As evidence of the harm unregulated representatives are causing to businesses, 30% of those who have had dealings with unregulated representatives reported that their clients were forced to delay the rollout of new products and services that required IP protection¹³ and 43% of respondents have reported disruption to client business operations.¹⁴

In terms of cash flow, this affects businesses costs.

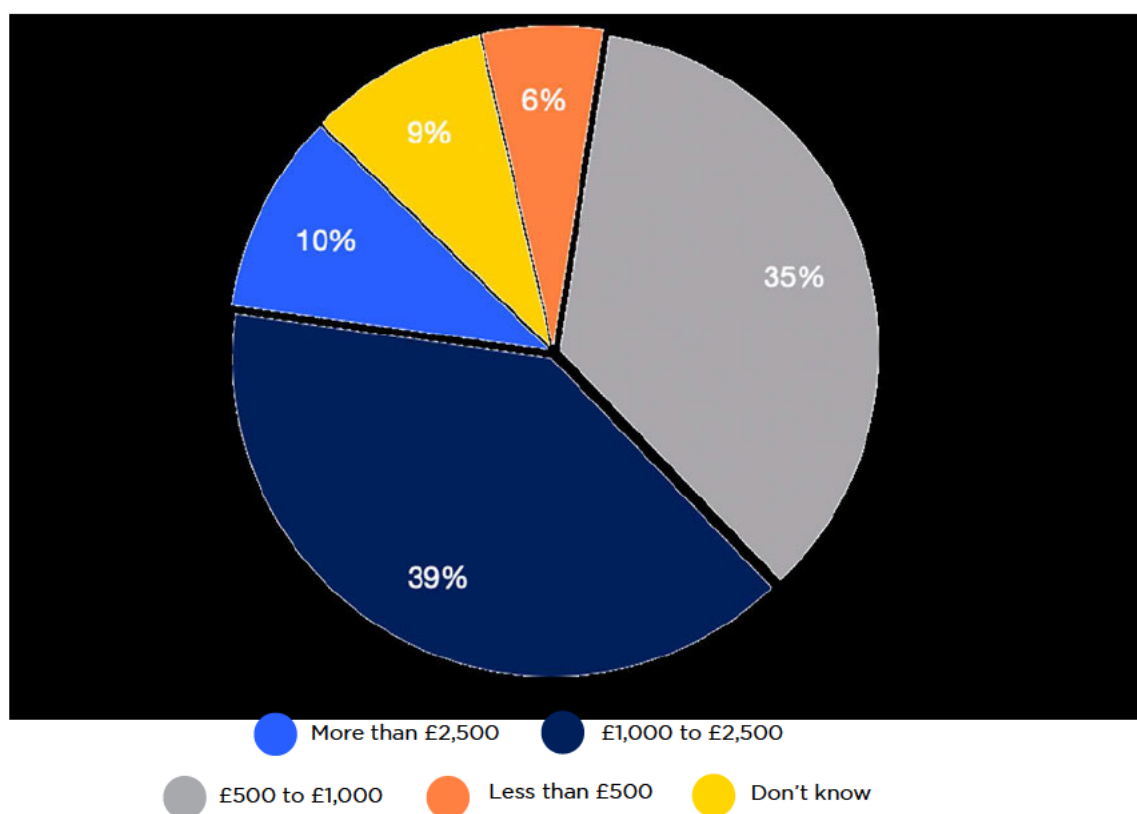
72%¹⁵ of the attorneys have experienced increased costs for clients. In 49% of instances these increased costs amount to more than £1,000¹⁶ - this does not factor in lost time.

In a particularly worrying point, 38%¹⁷ of respondents stated they have been unable to recoup a cost award from an unregulated representative.

On average per case, approximately how much have the increased costs incurred been for your clients?

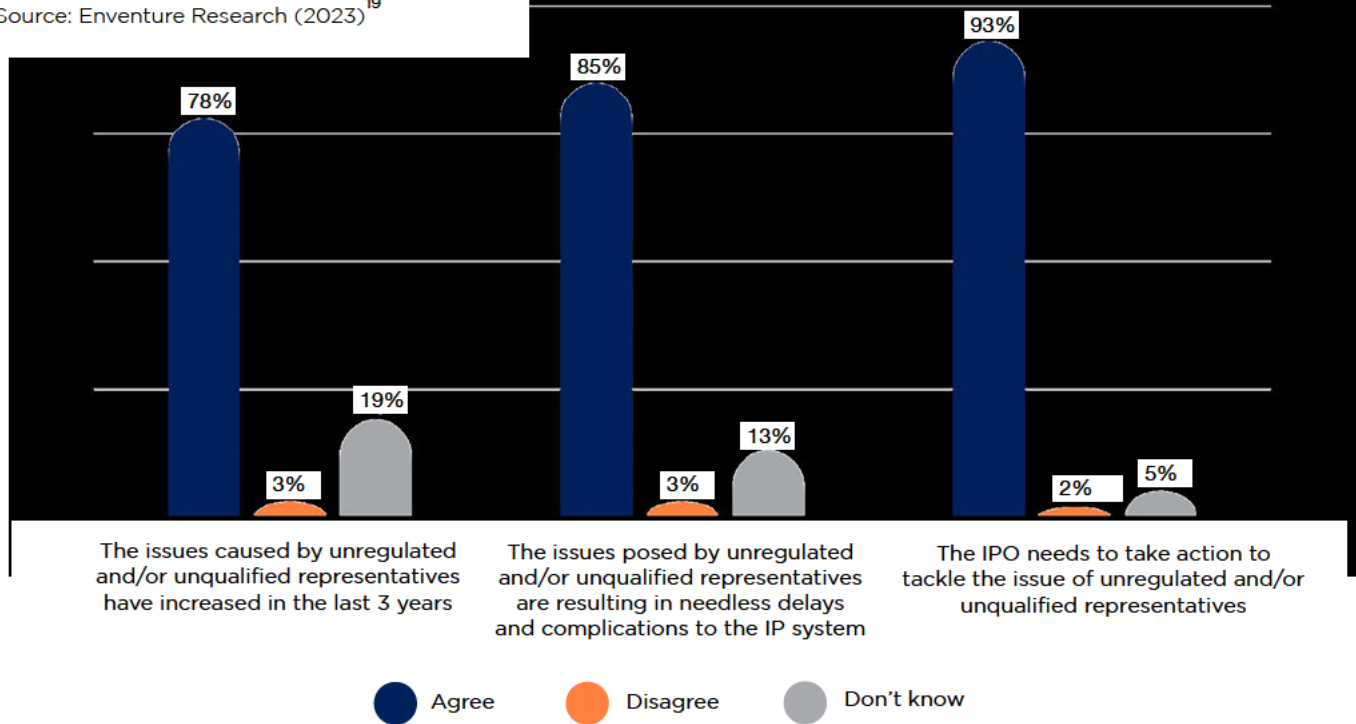
Base: Chartered Trade Mark Attorneys (172)

Source: Enventure Research (2023)¹⁸



To what extent do you agree or disagree with the following statements?

Base: Chartered Trade Mark Attorneys (280)
Source: Enventure Research (2023)¹⁹



Should the IPO take action?

Yes. 78%²⁰ of responding Chartered Trade Mark Attorneys have reported that the issues that flow from unregulated representatives are getting worse, with 85% of respondents agreeing that this is resulting in needless delays and complications to the UK IP system.²¹

If this problem is allowed to continue to worsen, it will mean numerous consumers of the UK IP system face substandard, and in some cases harmful, service and in turn damage the international standing of the UK IP system.

93%²² of respondents agree that the IPO needs to take action to tackle the issue of unqualified and unregulated representatives.

The following case studies are an all too familiar occurrence in the UK IP System.

Case Study: Increased costs due to unregulated representatives An IP lawyer based at a full service law firm in London

The holder of an existing UK trade mark registration effectively ended up paying two sets of legal fees to oppose a similar mark filed by an unregulated representative – their own fees as well as a hefty “contribution” to the applicant’s fees, directly as a result of an unqualified representative.

The unregulated representative did not appear to have any knowledge of correct procedure for standard and straightforward communication with the IPO, and even when assisted by the other side’s IP lawyer directly, did not act on that assistance. This caused delays and additional costs for the earlier right’s holder..

“Our client opposed a recently filed trade mark, filed through an an unregulated representative. The applicant was a recently incorporated company, its representative had a strikingly similar name to a foreign trade mark firm.

“In exchanges with us, the representative has displayed little-to-no understanding of UK trade mark laws or practice, asking us basic questions such as how to amend trade mark specifications and whether the IPO charges fees for amending a specification.

“We corresponded with the representative ahead of the opposition deadline, even reaching an agreement on an amended specification and received promises to obtain a letter of undertaking from the applicant.

“None of this materialised. Our client has had to bear the IPO opposition fees as well as our legal fees, and also the cost of protracted correspondence with the applicant’s representative.

“Solely in order to bring the dispute to a conclusion, our client agreed that we could explain to the applicant’s representative how to make a simple specification amendment request to the IPO. Even though this assistance was provided, the amendments were not filed.

Case Study:
Damage to the IP System
A Trade Mark Attorney at Haseltine Lake Kempner

The system is allowing legitimate businesses which bring value to the UK economy to come to harm from entities whose IP is represented by unregulated representatives, with nothing more than an address.

It also reflects poorly on the systems supporting businesses to invest in the UK.

“I have never encountered a case where the course of proceedings has been littered with so many procedural errors, during a recent case dealing with an unregulated representative

“This even includes all of the cases I have acted in involving litigants in person.

“Each error - whether missing deadlines, filing the incorrect forms, not copying us with correspondence, filing documents at random points during the proceedings, failing to address IPO objections - resulted in us having to carry out work at our client’s expense and, cumulatively, this has been significant.

“Our client is a company that clearly values the UK market; it recently successfully litigated in the Intellectual Property Enterprise Court.

“Its experience before the IPO in this case is disappointing and reflects poorly on our country’s business infrastructure.

“This issue would not have arisen if, as a minimum, all professional representatives were required to operate in person in the UK, rather than remotely through a postal address. This would benefit all businesses who operate in the UK.”

78% of responding Chartered Trade Mark Attorneys have reported that the issues that flow from unregulated representatives are getting worse,



93% of respondents agreeing that the IPO needs to take action to tackle the issue of unqualified and unregulated representatives

Case Study:

Consumers finding new representation due to poor services delivered by unregulated representatives A Chartered Trade Mark Attorney at Edwin Coe

A UK-based innovator could have lost her trade mark registration due to an unregulated attorney. Thankfully a UK Chartered Trade Mark Attorney was able to help, but this was no thanks to the system.

The UK business owner had filed a trade mark using an agency that comprised of all foreign-based directors. According to IPO records, the Agent of Record did not make mention of the agency they were supposed to be working at, they used their name.

“My client had not heard anything about her application so checked the IPO website and found that a TM7A form (notice of threatened opposition) had been filed. The client had not heard anything about this from her own advisors, so contacted the IPO, who told her that a copy of the TM7A had been sent to her named representative.

“My client tried to call her advisors, but no-one was picking up calls. Her application was published in July and the TM7A was filed late August 2022.

“The client was advised by the IPO to find a trade mark attorney on the CITMA website, and found my firm. We heard from her in October.

“We took over responsibility for the mark in early October, and immediately contacted the IPO, and was sent the correspondence concerning the opposition dated in August notifying the original representative of the TM7A.

“I was also sent a copy of the TM7 (notice of opposition), which was filed in October, plus the accompanying letter sent by the IPO. Both the letter relating to the TM7A and the actual opposition TM7 were sent to the existing representative.

“My client did not ever hear from her original advisor about the TM7A. In the morning of 14th October, my new client emailed me to say that she had now heard from her previous representative, who was only then alerting her to the opposition, and looking for fee to represent her in the opposition proceedings.

“I suggested she go back to the original representative to say that a new advisor had been retained for the application, and to close their file.

“Although they did notify about the opposition, it meant my client lost the opportunity to negotiate following the submission of the TM7A.

“She was actively in the process of putting her business in place to find distributors of her new innovative product, and was none-the-wiser as to the threat of opposition. The system should not allow this to happen.

“The way this had been handled by the original representative put her business and the product launch in jeopardy and their negligence would have had no redress, something which her business might not have recovered from.”

What is the scale of the problem?

The UK is being used as a registration hub by foreign businesses - a location to register despite having no intention to do business in the jurisdiction. On the surface, this may appear a positive development demonstrating the growth and vibrancy of the UK system.


However, by submitting their applications through unregulated representatives with no operational place of business in the UK, these foreign businesses are inadvertently crowding out domestic businesses and causing harm to consumers of the UK IP system.

Of the eight representatives who filed the most applications at the IPO in 2022, three are UK entities with Chinese directors only and a fourth appears to use an address where other similar companies are based. Together they account for an astonishing 4,609 applications - far beyond the norm for other filers as the table of top 30 filers at the IPO in 2022 illustrates.²³

Table of Top 30 Filers at the IPO in 2022

Source: Reading, R. (2023) Trade mark trends of 2022, CITMA Review

	REPRESENTATIVE	APPLICATIONS		REPRESENTATIVE	APPLICATIONS
1	IPP Master	1,363	16	Withers & Rogers	623
2	Stobbs	1,360	17	Wilson Gunn	616
3	Goldstar Compliance Ltd	1,319	18	Boult Wade Tennant	614
4	HGF	1,157	19	Trademark Eagle	562
5	Murgitroyd	1,040	20	Akossule	558
6	Isabelle Bertaux	1,038	21	Haseltine Lake Kempner	529
7	Axis Professionals Ltd	993	22	Forresters	519
8	Yayipcom	934	=	Kilburn & Strode	519
9	Marks & Clerk	915	24	Trade Mark Wizards	502
10	Barker Brettell	860	25	Cleveland Scott York	495
11	CEJR	854	26	Page, White & Farrer	470
12	Trama Legal S.R.O / Law & Tech	817	=	Stevens Hewlett & Perkins	470
13	D Young	738	28	J A Kemp	462
14	Lane IP	709	29	Appleyard Lees	453
15	Bird & Bird	639	30	J&P Accountants Limited	448

 Unusual market activity

'**IPP Master Limited**' with an address for service at a residential location in Pontypridd, Wales, has one director who is a Chinese national. It filed **1,363 UK trade mark applications** for clients at the IPO in 2022, mostly for applicants whose business operations are based in China. It filed more applications than any other representative all year. Companies House lists its nature of business as providing software development and photocopying amongst other items, as well as the activities of patent and copyright agents.²⁴

'**Goldstar Compliance Ltd**' filed **1,319 trade mark applications** at the IPO by the end of 2022. It was registered with Companies House on 8th December 2021. The company has a sole director, a Chinese National, who is resident in China. The nature of business is listed as a tax consultancy and office administration services.²⁵

'**Yayipcom**' filed 934 trade mark applications and appears to be using an address that is not recognised by Royal Mail. No such company exists on Companies House records, although there is an active company with a single director based at a very similar address.²⁶

These representatives at the IPO in 2022 have managed to go right to the top of the list for volume of applications filed despite having company records that are extremely unusual in terms of the market and despite having no easily ascertainable regulated representatives.

Many of the non-UK representatives, including EEA-based attorneys, filing trade mark applications in 2022 have a PO box, serviced office or residential address as their address for service.

The question then is why the UK permits its public resource to be utilised for commercial activity that does not take place in the UK and instead in fact slows down the ability of legitimate UK innovators to speedily and cost-effectively protect their brands?

This activity undermines the accuracy and integrity of the UK trade mark register. With so many potentially spurious registrations being accepted onto the register, UK businesses can inadvertently be blocked from registering their IP, or incur significantly higher costs than is necessary.



Worldwide context

The problem of unregulated representatives undermining the efficient functioning of IP systems is not confined to the UK. However, other countries are tackling the issue more effectively making the UK an increasingly attractive target for such activity.

Until recently the U.S. trade mark system had only limited barriers to foreign applicants filing directly, or via unregulated representatives, and faced similar challenges to the UK system.

The United States Patent and Trademark Office (USPTO) observed “a significant increase in the number of applicants who are not fulfilling their legal and ethical obligations to file accurately and in good faith”.

The USPTO responded to the problem in 2019 by changing their rules to require all foreign-domiciled trade mark applicants, registrants, and parties to contentious proceedings to be represented by an attorney licensed to practice law in the United States.²⁷

The USPTO’s decision to act reflects a widespread recognition in the United States that intellectual property is of security, as well as of commercial, importance. The changes to the US IP system have not made the US a closed economy; rather, by strengthening its IP system, users in the US can have greater confidence in the US system’s ability to protect their business interests.

The European Union Intellectual Property Office (EUIPO) goes further; requiring that representatives be qualified in the European Economic Area (EEA) must be an EEA citizen and have a proper place of business in the EEA.²⁸



Post-Brexit the UK declined to adopt corresponding standards, resulting in a glaring disparity whereby representatives based in the UK as well as UK nationals based in the EEA are unable to represent clients before the EUIPO, whereas EEA representatives can act before the IPO simply by using a PO box or residential address in the UK.

The UK’s reluctance to restrict unregulated representatives from accessing the UK IP system, whilst other advanced economies tighten their protections, makes the UK an increasingly attractive option for those seeking quick, low cost trade mark registrations in a leading economy. This comes at a cost to users of the UK system, by driving up the price of doing business in the UK as our data above has shown.

The safeguards put forward by CITMA are in line with those in place in other advanced economies.

Making these changes would signal the importance the UK places on safeguarding the reputation of the IP system and shielding consumers in the UK from unnecessary costs and administrative burdens.

Why have these issues developed?

There appear to be a number of separate reasons that have come together to explain the emergence of this growth in unregulated and unqualified representatives.

Firstly, there has clearly been an influx of registrations from overseas, largely China, as highlighted above.

Second, European firms have taken advantage of Brexit and established limited offices here in the UK.

Finally, there has been a growth in home grown, unregulated British representatives.

This is not merely an administrative issue. The current system is doing real economic harm to the consumers of the UK's regulatory regime – those are, the genuine trade mark holders who rely on the advice they are receiving.

Our innovators are now increasingly having to wade through unnecessary red tape and are then forced to engage with unregulated representatives in order to fight for their rights. This all adds significant cost, time and human resource onto real British businesses and businesses from overseas that are looking to invest in the UK.



Alignment of proposals with wider strategies

The Legal Services Act 2007 ('LSA') and the Trade Mark Act 1994 ('TMA')

The LSA and TMA quite rightly place consumer protection and regulation right at the heart of their objectives, alongside the creation of appropriate registries and sanctions for practitioners.

However, unqualified and unregulated representatives fall outside the scope of these pieces of legislation – meaning there is no recourse for consumers harmed by individuals that purport to be expert in the area but in reality do not have even a basic understanding of relevant processes.

The regulatory regime surrounding the provision of advice in the IP space should not undermine the principles established in the LSA and TMA. Consumer protection should be at the heart of the system's regulatory arrangements – but at present, the very opposite is the case. CITMA's proposals would rectify this disparity and ensure that where similar risks are present to consumers in related activities there should be similar regulatory outcomes.

IPO Strategy 2018 and 2022

CITMA's asks are aligned with the IPO's 2018 Strategy, specifically in regards to the IPO's commitment to provide "Timely, reliable and quality services" as the IPO, by...

working with our customers to understand what they:

1. Value about the IPO and what they need.
2. Comparing our services to other leading offices, benchmark excellence and set a clear path to achieving it .
3. Eliminating the patent backlog and manage the surge in demand for trade marks and designs.

As set out in prior sections, the presence of unregulated representatives is causing delays and increased costs to users of the system. This stands in direct contrast to the IPO's commitment to offer the very best service and to efficiently manage the IPO's workloads and backlog.

Furthermore, when comparing the UK's IP system with the U.S. or European regimes, the UK is very clearly the outlier. By failing to take action against unqualified and unregulated representatives, this is not in line with the "benchmark excellence" described.

The most recent iteration of the IPO Corporate Strategy sets out the IPO's ambition to:

"be completely customer-focused in delivering services that are easy to use, operate to class-leading standards and change to meet future needs. We will provide creators and innovators with the tools that allow them to use IP to its full potential and inspire further innovation and creativity."

This paper has shown the costs, delays and disruption caused by the current system as a result of rising levels of unqualified and unregulated representatives. Addressing this important and very real issue would therefore be in line with the ambition stated above.

Finally, as CITMA's survey has shown, the unhappiness among the users of the current IP system indicates that the IPO should take note of the concerns of its customers and stakeholders. As has been highlighted: 93% of respondents agree that the IPO needs to take action to tackle the issue of unqualified representatives.

The Economic Crime and Corporate Transparency Bill

This Bill, which is currently proceeding through the parliamentary process, provides a legislative package intended to prevent the abuse of UK corporate structures and tackle economic crime.

Clause 29(3) of the Bill places greater scrutiny on registered office address that are provided for UK companies. These addresses must be "appropriate". An office address is considered "appropriate" if documents sent to it by Companies House could reasonably be expected to come to the attention of a person acting on behalf of the company.

As we have demonstrated in this document, in many cases, unregulated representatives frequently use PO box addresses that are unmonitored. To ensure alignment with wider government plans on company registration the IPO should consider regulating IP representatives in a similar manner.



Conclusion

The issues identified in this report are creating an unenviable user experience. Unnecessarily complicated cases, wasted time, significant delay and additional cost are tarnishing an otherwise gold standard trade mark system.

The UK is very much the outlier in allowing unregulated persons to represent the consumer, and this is harming consumers, businesses and ultimately the economy.

CITMA has identified a simple solution in line with precedent set by international counterparts. These changes would make a substantive contribution to addressing the harms explored in this paper.

To re-iterate CITMA's ask:

In order to represent someone other than yourself at the IPO, you must:

Have a UK address for service;

and

be regulated by an appropriate UK body, namely Chartered Institute of Patent Attorneys, Chartered Institute of Trade Mark Attorneys, The Law Society, The General Council of the Bar, The Chartered Institute of Legal Executives, Law Society of Scotland or The Law Society of Northern Ireland;

or

be an employee representative of the company, or any subsidiary, holding company or subsidiary of such holding company (defined by section 1159 of the Companies Act 2006), which is the applicant or the holder of the right in question.

This paper has shown the benefit of adopting these measures by attempting to quantify the harm currently being caused by unregulated representatives. CITMA believes that the data presented justifies further investigation of this issue by the IPO and the eventual adoption of our internationally recognised measures.

The Government's ambition is for the IPO to be the best office in the world to register and enforce IP, in turn helping "the UK to become the most innovative and creative country in the world". CITMA shares that ambition and looks forward to working with Government to make it a reality by addressing the harm caused by unregulated representatives.

CITMA: Theory of Change



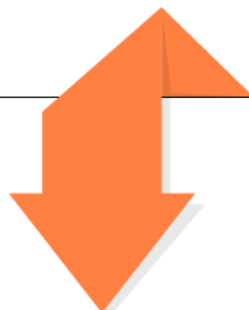
Inputs

In order to represent someone other than yourself at the IPO, you must:

have a UK address for service;

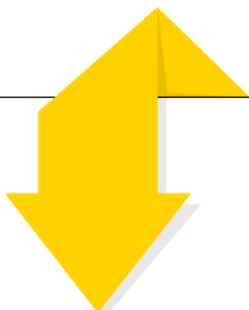
and be regulated by an appropriate UK body, namely Chartered Institute of Patent Attorneys, Chartered Institute of Trade Mark Attorneys, The Law Society, The General Council of the Bar, The Chartered Institute of Legal Executives, Law Society of Scotland or The Law Society of Northern Ireland;

or be an employee representative of the company, or any subsidiary, holding company or subsidiary of such holding company (defined by section 1159 of the Companies Act 2006), which is the applicant or the holder of the right in question.



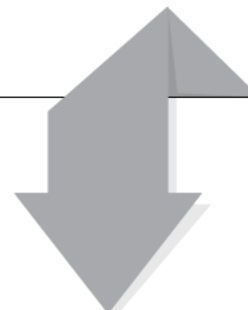
Outputs

- Stronger consumer protection across the intellectual property system.
- Reduction in foreign applications that have no business reason to be filed in the UK.
- UK IP system brought in line with similar counterparts.



Outcomes

- A more efficient IP system.
- Enhanced consumer protection for businesses using the services of qualified and regulated professionals.



Impact

- Quicker for UK businesses to secure IP protection and rollout new services.
- Lower costs for UK businesses in securing their IP.
- Fewer delays for UK businesses in securing their IP.
- Better consumer protection for UK businesses.
- Improved economic security for the UK.

Endnotes

1. Eventure Research. (2023). Experiences of unregulated and/or unqualified representatives survey. Pg 11: Available at: <https://www.citma.org.uk/asset/557AA91A-7594-45F9-AB4F7584250F44A2/>
2. Ibid Pg 19
3. Ibid Pg 19
4. Use of intellectual property rights across UK industries (2022) GOV.UK. Available at: <https://www.gov.uk/government/publications/use-of-intellectual-property-rights-across-uk-industries/use-of-intellectual-property-rights-across-uk-industries> (Accessed: 17th May 2023).
5. Eventure Research. (2023). Experiences of unregulated and/or unqualified representatives survey. Pg 7 Available at <https://www.citma.org.uk/asset/557AA91A-7594-45F9-AB4F7584250F44A2/>
6. Ibid Pg 8
7. Ibid Pg 11
8. Ibid Pg 10
9. Ibid Pg 15
10. Ibid Pg 9
11. Ibid Pg 16
12. Ibid Pg 16
13. Ibid Pg 11
14. Ibid Pg 11
15. Ibid Pg 11
16. Ibid Pg 13
17. Ibid Pg 17
18. Ibid Pg 13
19. Ibid Pg 18
20. Ibid Pg 19
21. Ibid Pg 19
22. Ibid pg 19
23. Reading, R. (2022) Trade mark trends of 2022, CITMA. Available at: <https://www.citma.org.uk/resources/trade-mark-trends-of-2022-review0323.html> (Accessed: 1st June 2023).
24. IPP Master Limited people - find and update company information. GOV.UK. Available at: <https://find-and-update.company-information.service.gov.uk/company/14503262/officers> (Accessed: 31st May 2023).
25. Goldstar Compliance Limited people - find and update company information. GOV.UK. Available at: <https://find-and-update.company-information.service.gov.uk/company/13788529/officers> (Accessed: 31st May 2023).
26. Companies House. GOV.UK. Available at: <https://www.gov.uk/government/organisations/companies-house> (Accessed: 31st May 2023).
27. Trademark rule requires domicile address for all filers and also requires foreign-domiciled applicants and registrants to have a u.s.-licensed attorney (2021) United States Patent and Trademark Office - An Agency of the Department of Commerce. Available at: <https://www.uspto.gov/trademarks/laws/trademark-rule-requires-foreign-applicants-and-registrants-have-us#:~:text=You%20must%20provide%20and%20keep,represent%20you%20be fore%20the%20USPTO> (Accessed: 17th May 2023).
28. Representatives. EUIPO. Available at: <https://euipo.europa.eu/ohimportal/en/representatives> (Accessed: 17th May 2023).



Department for
Business & Trade

Kevin Hollinrake MP
Parliamentary Under Secretary of State

Department for Business and Trade
Old Admiralty Building
Admiralty Place
Whitehall
London
SW1A 2DY

14 June 2023

Dear Sir/Madam,

I am pleased to inform you that the Regulated Professions Register (RPR) has been launched on GOV.UK. I am writing to thank you for your input throughout the development of the service. The service can be accessed via this link:

<https://www.gov.uk/guidance/check-which-professions-are-regulated-in-the-uk>.

I am extremely grateful for your organisations' close working with the RPR developers and officials from the Department for Business and Trade (DBT). Thanks to your contributions, we now have a digital tool on GOV.UK which is an invaluable source of information for professionals and businesses in the UK and overseas. Having information about over 200 professions in a single place will help professionals better navigate the UK regulatory landscape, get in touch with your organisation about the professions that you regulate and ensure that lack of information is not a barrier to entry to the UK labour market.

I would be grateful for you to make arrangements to ensure that the information on your professions' pages is kept up to date – this will be crucial as requirements covering your sector emerge and change. This will make sure the service remains useful to professionals and businesses.

My officials have worked with the developers to make the RPR a portal for you to report data on the number of overseas professionals being recognised by your organisation on an annual basis. Many organisations previously reported this data to UK Government to be recorded by the EU and it has been useful for informing Government's policy. Now that the RPR is live, the functionality to report this data into RPR has been switched on. My Officials will send you a request to upload your data and will provide help and guidance.

I would appreciate your support in reaching out to the sector that you regulate and other industry groups to increase awareness of the RPR. The RPR is an excellent start for prospective applicants to the UK labour market and we are keen for it to reach as broad an audience as possible. We are also keen to receive feedback on the service to help it deliver its aims.

Once again, thank you for continued work with DBT on the RPR. My officials will continue to work with yours in the coming weeks and months to develop and improve good practices which will ensure regulators and professionals can succeed. Please contact my officials at RPR@beis.gov.uk if you want to discuss further.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Kevin', with a stylized flourish at the end.

KEVIN HOLLINRAKE MP

Minister for Enterprise, Markets and Small Business



Department for
Science, Innovation
& Technology

Viscount Camrose
Parliamentary Under Secretary of State
Department for Science, Innovation &
Technology
100 Parliament Street
London SW1A 2BQ

www.gov.uk/dsit

DATE: 19 June 2023

Fran.gillon@ipreg.org.uk

Dear Fran,

As Minister for AI & Intellectual Property (IP), I am eager to meet with stakeholders with interests in IP. I would like to invite you to a ministerial roundtable where we can discuss important issues for the IP attorney and legal profession. I am keen to meet you in person such that I may learn more about your organisation and how we might together advance the government's priorities for economic growth.

I am pleased to have the opportunity of leading this portfolio and representing the Department for Science, Innovation and Technology in the House of Lords. Investment in IP makes a significant contribution to innovation and productivity for the UK economy. Our innovation ecosystem continues to be not just a major engine of UK development, but also a role model for many other countries. Through accession to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), free trade agreements and active participation in global treaties, we will continue to influence the global system maximising IP protection and enforcement at home and in overseas markets. I look forward to playing an active role in the development of IP policy and legislation and representing government at domestic and international events.

Ministerial roundtable invitation

I will host an in-person roundtable with selected stakeholders from the IP attorney & legal professions on 5th July, 16:00-until-16:45 at 100 Parliament Street. This will be an in-confidence discussion, under Chatham House Rules. I note concerns regards Rights of Representation, however in addition please advise my officials in advance of any other topics you would like to raise to get best value from our time together. Please confirm your place and agenda items, by emailing stakeholder.engagement@ipo.gov.uk by 23rd June.

I look forward to meeting you and discussing matters of shared interest.

Yours sincerely

Viscount Camrose
**Parliamentary Under Secretary of State at the
Department for Science, Innovation & Technology**



From: Professional Qualifications <professionalqualifications@beis.gov.uk>
Sent: 30 June 2023 09:03
To: Professional Qualifications
Subject: The Quarterly RePPort!

Dear colleague,

This is the third edition of the RePPort - our quarterly update for regulators. This update will provide you with a comprehensive, up to date picture of the work we are doing in the Regulated Professions Policy team in the Department for Business and Trade (DBT) and share how this impacts your work as regulators.

Apologies for the delay in sending this quarter's version to you, as you will see below, it has been a busy few months and we hope this provides a useful overview.

The items we cover below are:

- Regulated Professions Register
- The Professional Qualifications Act 2022
 - Guidance on Section 1 and 2
 - Section 3 – Free Trade Agreement with the EEA-EFTA States
 - Section 5
- UK-Switzerland Agreement on the Recognition of Professional Qualifications
- Australia and New Zealand Free Trade Agreements (FTAs)
- Recognition Arrangements Grant Programme

-
Launch of the Regulated Professions Register

-
On the 14th June, Minister Kevin Hollinrake MP announced the launch of the Regulated Professions Register (RPR) on GOV.UK. The service can be accessed [here](#).

I want to take the opportunity to thank you for your contributions and feedback throughout the development of the RPR. The RPR is an excellent online tool which will help professionals and businesses better navigate the UK's regulatory landscape and labour market.

We have designed the RPR to give regulators full user access and management function rights to update your relevant information, and to edit your contact details when required. This will ensure that the service remains up-to-date and useful to businesses and professionals who wish to use this service.

An additional functionality has been added to the RPR to allow you to report data on the number of overseas professionals recognised by your organisation on an annual basis. This data will be important to support us in monitoring activities and assist with longer term policy development. We will send a request in due course to upload this data and will provide guidance on how to follow this process.

There is still a small number of regulators that have not validated their professional pages. If you are still yet to do this, please contact the RPR team at RPR@beis.gov.uk who can assist you with this process.

I hope you agree that the RPR is a brilliant start to improve accessibility for applicants wanting to access the UK labour

market. We are keen for it to reach as broad an audience as possible. **We would therefore appreciate your support in promoting the service to the professionals you regulate.**

We are keen to continue to work with you to improve the service and encourage you to contact the RPR team (at RPR@beis.gov.uk) should you have any feedback or further questions.

Professional Qualifications Act

To recap, the Professional Qualifications Act ('PQ Act') received Royal Assent in April 2022, and DBT is leading work to implement it. The PQ Act will revoke the current EU-derived system for recognising professional qualifications gained overseas and establishes a new approach based on regulator autonomy and delivering international agreements.

Guidance on Sections 1 & 2 of the Professional Qualifications (PQ) Act 2022

-
In December 2022, we published [guidance](#) on gov.uk for 'appropriate national authorities' (e.g., UK government departments) to help them better understand the provisions in sections 1 and 2 of the PQ Act.

Under section 1 of the PQ Act, regulations can be made which would require a regulator to have processes in place to assess individuals with professional qualifications or experience gained overseas. Regulations can only be made under section 1 for the purposes of enabling the demand for the services of a profession to be met without unreasonable charges or delays. This is set out as a condition in section 2 of the PQ Act.

Please get in touch with us if your profession(s) are suffering from shortages and you feel there may be value in exploring this option with us in further detail.

To support the Cross-Government Ukraine Humanitarian Response, we conducted in-depth interviews with regulators of priority professions during March and April 2023. Thank you to those who took part in this exercise. This has been invaluable in improving our understanding about their routes to recognition and possible barriers for Ukrainians and other overseas qualified professionals.

Section 3 - Free Trade Agreement with the EEA EFTA States

-
In our previous newsletter, we mentioned the UK's Free Trade Agreement (FTA) with Norway, Iceland, and Liechtenstein ('the EEA EFTA states'). Chapter 12 of the FTA includes obligations to ensure routes to recognition for EEA EFTA professional qualifications in the UK and vice versa. We are leading the work to implement the recognition of professional qualification provisions of the FTA across the UK by the 1st of December 2023.

We ran a consultation with regulators (a requirement under section 3 of the PQ Act) on the proposed approach to implementation from the 27th of January to 10th of March. The consultation sought views on:

- The government's proposed approach to implementing the RPQ provisions of the FTA including the draft regulations;
- Regulators' ability to meet the requirements provided for in the Agreement including having the right legislation in place; and
- The impact the regulations will have on regulators.

We are now consulting the Devolved Administrations (DA) on the draft regulations in line with requirements in section 17 of the PQ Act. We are planning to lay the regulations in Parliament in September and they will be subject to the

affirmative procedure, meaning they'll be debated in both Houses before being made into law.

Thank you for your participation in the consultation process and for responding to the consultation survey. We reviewed your responses and have summarised them in a government response to the consultation, which will be shared with respondents to the survey along with a copy of the updated regulations.

If you have any questions and would like to reach out to us, please contact us at

professionalqualifications@beis.gov.uk.

Section 5 – Revocation of the EU-based system for Recognition of Professional Qualifications and the Retained EU Law Bill

-
As mentioned in our last newsletter, the PQ Act will revoke The European Union (Recognition of Professional Qualifications) Regulations 2015 ('2015 Regulations') through commencement regulations. As a reminder, we intend the revocation of the 2015 Regulations to be timed with a smooth transition between the interim recognition system and the implementation of the UK-EEA EFTA FTA.

We are pleased to inform you that that the drafting of this commencement order is at an advanced stage. We have engaged extensively with Government Departments and DAs to identify parts of EU retained law that need to be preserved. This is not only to align with Government commitments to uphold existing recognition decisions and to ensure applications in process at the time of the revocation can be progressed, but also to maintain the UK's international commitments, such as the Common Travel Area.

We will be engaging with you in due course to support you through this transition, as well as drafting supporting guidance which will be published on Gov.uk. If you have any further questions, please do get in touch with the Regulated Professions Policy team.

Furthermore, you will have no doubt seen the [recent announcement](#) on changes to the Retained EU Law Bill. As a result of these changes the Bill will have no impact on our regulations.

UK-Switzerland Agreement on the Recognition of Professional Qualifications

-
On the 14th of June, the UK and Switzerland signed an Agreement on the Recognition of Professional Qualifications. [The Agreement](#) covers all professional qualifications that are regulated by law in either country.

The Agreement is set to enter into force at the start of 2025, replacing interim arrangements on RPQ which were agreed with Switzerland ahead of the UK's EU Exit (which are set to expire at the end of 2024). The Agreement provides long-term certainty to UK and Swiss qualified professionals regarding arrangements on recognition.

The provisions in this Agreement are similar to those in Chapter 12 of the FTA with the EEA EFTA states. It also sets out a bespoke route to recognition for certain legal services professionals, allowing them to requalify into the legal profession of the opposite country after registration and a three-year practice period, subject to conditions outlined in the Agreement.

Should you have any specific questions on the negotiations, please contact DBT colleagues (anna.hughes@trade.gov.uk or gabriele.rimkeviciute2@trade.gov.uk).

We will need to implement the Agreement across the UK to give effect to the provisions in domestic law. As such, our team will be in touch in due course with further information on the implementation approach.

Australia and New Zealand Free Trade Agreements (FTAs)

At the end of May, the UK's FTAs with Australia and New Zealand entered into force. Within these FTAs, there are provisions on RPQ, which can be found within the Professional Services and Recognition of Professional Qualifications Chapter and Annex respectively.

These provisions set out opportunities to facilitate trade by removing costly and burdensome requalification requirements with both countries. This can be achieved through establishing and maintaining routes to recognition for Australian and New Zealand professionals and MRAs. The FTA supports regulators who may wish to agree MRAs with their Australian and New Zealand counterparts, while the Recognition Arrangements Grants programme is a useful avenue to consider if you would like to undertake research and develop MRAs with your counterparts.

If you are interested in exploring dialogues with your counterparts, or indeed establishing a route to recognition, we'd be happy to discuss how we can best support you further and facilitate dialogues with your counterparts. Please contact us on professionalqualifications@beis.gov.uk

Recognition Arrangements Grant Programme: Round Two

-

From the 1st February to the 24th March 2023, round two of the [Recognition Arrangements Grant Programme](#) was open for applications.

This programme offers targeted financial support to UK regulators and professional bodies to support the pursuit of Recognition Arrangements (RAs) with their international counterparts.

Following a period of application review and moderation, DBT was pleased to confirm funding to a number of UK regulators and professional bodies for this financial year. Funding will be used to support bodies in a range of sectors, including but not limited to: financial services, legal services, social care, architecture and town planning.

If you are interested in applying for future rounds of grant funding, we would encourage you to review the [grant guidance](#) on GOV.UK or contact the Recognition Facilitation team (recognitionarrangements@beis.gov.uk).

If you would like to be removed from the distribution list for this update, please could you let us know. Alternatively, if you have any suggestions on items to include or would like to feature in this update, please get in touch at professionalqualifications@beis.gov.uk.

Kind regards,

Hannah



Trade and Investment Negotiations (Services)

Department for Business and Trade

Tel: +44 (0)7826 879404 | E-mail: hannah.riches2@beis.gov.uk

PA: Moses Oluwadara (moses.oluwadara@beis.gov.uk, 07471 358302)

Please note I work compressed hours, with every other Friday as my non-working day. I may respond to emails out of office hours, but this is not with an expectation of a reply until your own working hours.

-

(SAY MY NAME: hAN-uH ri-chuhz)

[Twitter](#) | [LinkedIn](#) | great.gov.uk

From: Paul McFadden <Paul.McFadden@legalombudsman.org.uk>
Sent: 05 July 2023 14:35
To: Fran Gillon
Cc: Sarah Gilbert
Subject: OLC Annual Report and Accounts 2022/23 and future strategy



5 July 2023

Dear Fran

OLC Annual Report and Accounts 2022/23

The Office for Legal Complaints published its Annual Report and Accounts for 2022/23 yesterday.

The report highlights the significant progress that the Legal Ombudsman has made in improving the service it delivers to consumers and providers of legal services.

In the year to 31 March 2023, LeO:

- Provided signposting and support for 111,614 early contacts and enquiries (+4% on 2021/22).
- Took on 7,824 new complaints (+6% on 2021/22)
- Resolved 9,487 complaints about legal services (+44% on 2021/22) – including 5,380 (57%) through early resolution, where people received an outcome in an average of 64 days.
- Reduced the queue of complaints waiting for an investigation by 27%
- Reduced the average waiting time for a complaint to be investigated by 15%.
- Delivered 36 learning and insight opportunities to the legal sector (+50% on 2021/22)
- Saw an improvement in nearly every aspect of employee ratings in its People Survey.

A full copy of the annual report can be found [here](#).

As we progress into 2023/24, LeO colleagues are working with the OLC Board to develop a new strategy for 2024-27. To further develop the thinking around future priorities and ambitions, it is important that we have early engagement with you to discuss the OLC's vision for LeO and the proposed strategic objectives.

With this in mind, I would be grateful for the opportunity to arrange a meeting to discuss the future strategy and the potential opportunities to work together over the coming months and years. If you are able to provide any broad availability you have in July/August, I will look to confirm a convenient time to meet.

Best wishes,



Paul McFadden
Chief Ombudsman

For information on how we handle your personal data, see our privacy notice. www.legalombudsman.org.uk/privacy This e-mail and any attachments are confidential and intended solely for the addressee and may also be privileged or exempt from disclosure under applicable law. If you are not the addressee, or have received this e-mail in error, please notify the sender immediately, delete it from your system and do not copy, disclose or otherwise act upon any part of this e-mail or its attachments. Internet communications are not guaranteed to be secure or virus-free. The Legal Ombudsman does not accept responsibility for any loss arising from unauthorised access to, or interference with, any Internet communications by any third party, or from the transmission of any viruses. Replies to this e-mail may be monitored by the Legal Ombudsman for operational or business reasons.

IPReg Board Meeting Actions Log - New and Outstanding Actions

Date of Meeting in which action arose	Agenda Item	Action	Responsibility	Status	Notes/Update
May 2023 Board Meeting					
May-23	Regulatory Performance Framework – New Arrangements	Director of Policy to finalise response for the July Board	VS	Completed	
May-23	CEO's Report	CEO to add Delegation Agreement and Information Sharing Protocol to 7 September Regulatory Forum	FG	Ongoing	
May-23	Governance Action Plan Implementation	CEO to include these matters in the Governance Handbook and publish it	FG	Ongoing	
May-23	Working Group Reports - Education	Education and Diversity Officer to include litigation qualification in the wider work on education	GS	Ongoing	
May-23	Working Group Reports - Education	CEO to gauge the level of interest in undertaking work on barriers	FG	Ongoing	
May-23	Working Group Reports - Data	CEO to instruct an external party to undertake the analysis	FG	Completed	Report expected later in July
March 2023 Board Meeting					
Mar-23	IT Issues – Drupal Migration	CEO to pursue due diligence on IE Digital	FG	Ongoing	

IPReg Board Meeting Actions Log - New and Outstanding Actions

Mar-23	Review of Regulatory Arrangements – Implementation	CEO and HoR to take forward implementation of the new regulatory arrangements	FG/SE	Ongoing	
Mar-23	Sanctions Update	SF to work with the CEO and SE to identify whether there are any other providers	SF/FG/SE	Closed	
January 2023 Board Meeting					
Jan- 23	Patent Examination Board Final Diploma Examinations – Accreditation Decision	FG and VS to take to EWG the regulatory model options	FG/VS	Closed	Work being taken forward as part of barriers to entry work
December 2022 Board Meeting					
Dec-22	Website upgrade	CEO and Head of Registration to consider further what approach would be preferable in terms of budget and staff time.	FG/SE	Ongoing	
Dec-22	Education Working Group	Review EWG terms of reference and the scheme of delegation	TBC		
November 2022 Board Meeting					
Nov-22	Speaking Up Policy	CEO to draw the policy to the attention of IPReg Team members	FG	Ongoing	
July 2022 Board Meeting					

IPReg Board Meeting Actions Log - New and Outstanding Actions

Jul-22	Financial Statements (IPReg Ltd), Directors' Report and Letter of Representation	Update financial procedures	KD	Ongoing	
Jul-22	Education Working Group Update	Arrange a meeting with QMUL senior staff	VS	Scheduled for 24 January 2023	
Jul-22	Governance and Transparency Working Group – Report on findings and recommendations	Take forward Action Plan including regular updates to Board Meetings	FG	Ongoing	
Jul-22	Risk Register	Review risk wording	FG		Risk Working Group meeting to be arranged
January 2022 Board Meeting					
Jan-22	Annual Renewal Process Update	Review annual return information categories similar to PAMIA questions	SE	Ongoing	Any changes will be put in place for 2023 renewal year
November 2021 Board Meeting					
Nov-21	Governance Matters	Governance documents to be reviewed in 2 years' time	FG	Open – Nov-23	
July 2021 Board Meeting					

IPReg Board Meeting Actions Log - New and Outstanding Actions

Jul-21	Compensation Arrangements	Develop risk profile	FG/SE	Ongoing	Auditor to update risk profile as part of one year review of compensation fund – December 2022 Board
May 2021 Board Meeting					
May-21	Diversity - next steps - workshop feedback	Implement the diversity initiatives	FG	Ongoing	
May-21	Diversity - Inclusive Language	Adopt and publish Inclusive Language Policy	FG	Ongoing	
July 2020 Board Meeting					
Jul-20	Risk registers	Discuss how cyber risks should be added to the risk register and arrange for IPReg to undertake the Cyber Essentials programme.	IPReg team and SF	Ongoing	
January 2020 Board Meeting					
Oct-19	LSB CEO Meeting	Invite Matthew Hill to Board meeting	FG	Open	Date TBC