

The Patent Regulation Board and the Trade Mark Regulation Board

Minutes

24 March 2023 at 10.00 a.m.

Orwell Room, 20 Little Britain, London EC1A 7DH and online

Attending:

Rt Hon Lord Smith of Finsbury (IPReg Chair)
Justin Bukspan – joining remotely
Alan Clamp
Sam Funnell (Data Working Group Chair)
Henrietta Rooney
Victor Olowe
Samantha Peters (Governance Working Group Chair)
Emma Reeve – joining remotely
Caroline Seddon (Education Working Group Chair)

In attendance: Fran Gillon (CEO), Victoria Swan (Director of Policy), Shelley Edwards (Head of Registration) – joining remotely

1. Apologies

1.1. No apologies were received.

2. Notification of any conflicts of interest

2.1. No conflicts of interest were declared.

Items for decision/discussion

3. Appointment of Henrietta Rooney and Alan Clamp as Directors of IPReg Limited

3.1. The Board approved Henrietta Rooney and Alan Clamp as directors of IPReg Limited.

3.2. The Chair noted that Alan Kershaw had left the organisation to become chair of the Legal Services Board (LSB). This meant that another lay Board member needed to be appointed in order to ensure that there was a lay majority as required by the Legal Services Board's Internal Governance Rules. The Chair reported that as the recruitment process had been run very recently, he considered that it would be appropriate to appoint one of the candidates who had been shortlisted. He had therefore asked Katerina Kolyva; was keen to join the board but had asked if she could delay joining IPReg until the middle of September 2023. CS had agreed to continue as a board member until Katerina Kolyva joined.

3.3. The IPReg Board agreed to appoint Katerina Kolyva as an IPReg board member from September.

4. Minutes of January 2023 meeting and matters arising

4.1. VO stated that he had sent some typographical changes to the CEO. CS noted that she had attended in person and not remotely.

4.2. SP noted that draft minutes at point 5.1 covered the strategic objectives. The discussion at the strategy day had centred on ensuring that IPReg needed to be proactive and perform well. The drafting of the new strategic objective therefore needed to focus on that. The Board agreed that this strategic objective should be: 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.

4.3. Subject to the above amendments, the Board agreed the minutes as a fair and accurate record.

5. IT Issues – Drupal Migration

5.1. The CEO presented the paper, which stated that, following consideration by the Board in December 2022 of options for upgrading the website from Drupal 7, she had taken forward discussions with different organisations to establish the best approach to take. These had resulted in three options for the Board to consider:

5.1.1. Stay with the existing website and CRM provider (ClearCourse);

5.1.2. Switch to another provider (IE Digital) with experience of the legal sector and upgrading to Drupal 9;

5.1.3. Conduct a full tender process for a provider to migrate to Drupal 9.

5.2. The CEO explained that IPReg had obtained further information from ClearCourse as well as IE Digital, which had been working with the SRA on the Legal Choices website. The CEO reported that ClearCourse had increased its quote significantly from [REDACTED] to [REDACTED] as a result of examining in more detail what would be required and its recent experience of the upgrade with two other clients; this was not a fixed price. IE Digital had quoted a fixed cost of [REDACTED]

5.3. As a result of this increase, IPReg had asked Equantiis (who worked with it on the CRM implementation) for advice on the quote from ClearCourse and the potential need to tender for the work. Equantiis had quoted [REDACTED] to support a tender process.

5.4. The CEO stated that [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED] IE Digital had quoted [REDACTED]
to facilitate the transfer from IPReg's existing host, [REDACTED], to [REDACTED].

5.5. The Board discussed the following matters:

5.5.1. The Board agreed that it would normally prefer to tender for work that cost such a significant amount of its budget. This was its normal practice and had been used as part of the procurement process for the current system as well as (for example) legal support for the Review of regulatory arrangements. However, there was intense time pressure for upgrading to Drupal 7 before it become unsupported by the Drupal community in November 2023. In that context, the cost of conducting a full procurement process would increase the time pressure and might not result in a different provider being chosen. There was also a risk that the cost could increase further because of the additional time pressure that the tender process would introduce;

5.5.2. The benefits and risks of staying with ClearCourse. It is familiar with the CRM and has a working relationship with IPReg staff. However, there had been a significant increase in the quote from the initial amount (on which the budget of £60k set out in the 2023 Business Plan was based) and it was not fixed;

5.5.3. The benefits and risks of moving to IE Digital for the website and CRM. It was significantly cheaper than ClearCourse and was a fixed price. In addition, the new hosting service that the system would move to had stated publicly that it would support Drupal 7 beyond November 2023, possibly until November 2026; this would allow more time to undertake the upgrade to Drupal 9. Although not as familiar with our systems, IE Digital had experience of working in the legal sector (with the SRA and Legal Choices) and had already identified opportunities to provide enhancements to existing IPReg processes. The company has a strong background in digital branding so IPReg could consider using them for future website development. However, significant due diligence would need to be conducted on IE Digital in terms of its understanding of the IPReg CRM and the experience of its other clients including the SRA;

5.5.4. The impact on the relationship between ClearCourse and IPReg given the need for cooperation in any move to another provider;

5.5.5. The need for IT project management support for the IPReg team;

5.5.6. Although IPReg is not subject to the Public Contract Regulations 2015, a procurement policy is planned as part of the development of the Governance Handbook and that this would include a quantum which would normally lead to a full tender process.

5.6. The Board agreed:

5.6.1. That in view of the exceptional circumstances it was appropriate to depart from its normal process of letting contracts and that it would therefore be appropriate in this particular case not to tender for this work;

5.6.2. Conduct significant due diligence on IE Digital in order to establish whether it would be an appropriate partner for this work;

5.6.3. To allocate additional budget for IT project management support for the IPReg Team;

5.6.4. To establish a working group comprising SP, SF and HR to support and challenge the IPReg team.

Action: CEO to pursue due diligence on IE Digital

6. Review of Regulatory Arrangements – Implementation

6.1. The CEO presented the paper, which set out the actions and timescales needed to implement the new regulatory arrangements. The proposal was for all arrangements to come into force on 1 May 2023, but with different transitional arrangements for issues such as continuing competence and the new requirements for transparency on hidden charges. The plan set out which topics IPReg would arrange webinars for to explain the changes. CIPA and CITMA had confirmed that they would be happy to facilitate those webinars. The Legal Services Consumer Panel had provided suggestions on IPReg's transparency leaflet for consumers and small businesses and would provide a speaker for the transparency webinar. The design agency that was redesigning the annual report would also design the final version of the leaflet. IPReg would also discuss with that agency whether it would be cost-effective to develop an animated short video for the website.

6.2. SE joined the meeting.

6.3. The Board discussed the following matters:

6.3.1. Whether the proposed implementation date (which was around six weeks from the date of the meeting) would give sufficient time to conduct a communications campaign and give registrants time to familiarise themselves with the changes that would be needed to comply with the new arrangements. The Board considered whether:

- 6.3.1.1. A “soft launch” would be appropriate. However, this was rejected as it would cause confusion about when the new arrangements were actually in force;
- 6.3.1.2. Commencing the arrangements in September would give sufficient time for registrants to make the necessary changes. However, because there were significant consumer protection measures in the new arrangements (e.g. extension of the overarching principles into private lives, transparency, interim order powers, more effective disciplinary processes) the Board considered that an earlier date would be appropriate;
- 6.3.1.3. A start date of 1 May would have an adverse impact on the good relationships with stakeholder groups of launching the new arrangements too early for the wider population;
- 6.3.1.4. How it should take into account that the Unified Patent Court (UPC) will come into force on 1 June and the work needed in the run up to this is taking a significant amount of resources for patent attorneys and the firms they work in;
- 6.3.1.5. The consumer protection measures could be introduced on a quicker timescale than other matters. However, the Board recognised that this had the potential to cause administrative complexity for registrants about which of the arrangements were in force and when.

6.4. The Board agreed:

- 6.4.1. That it would be proportionate to give registrants three months to prepare for the new arrangements to come into force. All the new regulatory arrangements would therefore come into force on 1 July 2023;
- 6.4.2. That there would be a transitional period to 31 October for full compliance with the transparency requirements given that these were likely to require changes to many firms’ terms and conditions;
- 6.4.3. To appoint Victor Olowe as Chair of the Review Working Group following Alan Kershaw’s resignation from the IPReg Board to take up appointment as Chair of the LSB;
- 6.4.4. Delegate to the Review Working Group decisions about any queries that the IPReg team had about the approach to implementation;
- 6.4.5. That the CEO would seek advice from the Review Working Group on particularly novel or complex waiver decisions (which were most likely to relate to applications for the

PII Sandbox). The Working Group would decide whether the decision on the waiver application should be referred to the full Board.

Action: CEO and HoR to take forward implementation of the new regulatory arrangements

7. Governance Action Plan Implementation

7.1. The CEO presented the paper which updated the Board on progress implementing the Action Plan to improve IPReg's governance processes. The Stage 2 (6 – 12 month) actions were ongoing and most of the Stage 1 (0-6 month) actions had been completed following the appointment of an external minute-taker. Actions on developing IPReg's approach to risk (from Stage 1) would be taken forward by the Risk Working Group.

7.2. The Board discussed the following matters:

7.2.1. That it would be appropriate to invite external speakers to speak to the Board as and when time permitted.

7.2.2. The amount of progress that had been made implementing the action plan was extremely impressive.

7.3. The Board agreed:

7.3.1. To note progress implementing the action plan;

7.3.2. That as part of its work on self-reflection, two years after it had made a significant decision, the Board would reflect on those decisions and the impact of them;

7.3.3. That the work on equality, diversity and inclusion (EDI) currently scheduled as a priority 2 action was more appropriately included in the next stage of the action plan (12-18 months) to allow the new Education and Diversity Officer to familiarise himself with the role.

8. Complaints Update

8.1. The Head of Registration presented the paper. As of 16 March 2023 there were six open cases. Since the last meeting three cases had been opened and three cases had been closed. No Ombudsman complaints had been received in the last month. The oldest open case was 126 weeks, the newest open case was two days, the mean was 25.4 weeks and the median was 42 weeks.

8.2. Solicitors had been instructed to recover ~£27,000 of costs from Mr Burrows but he had not engaged with IPReg for a significant period of time.

8.3. The Board noted the complaints report.

9. IPReg Annual Report 2022

9.1. The CEO explained that IPReg had engaged an external agency to help redesign the annual report to make it more accessible and user friendly. She explained that, going forward, IPReg would need to do work on shaping a brand identity through the choice of colour palettes and typefaces which could be used as the basis for consistency in all marketing and communication materials. That could be done as a standalone piece of work or in conjunction with future website redevelopment. Support for the work would be tendered for.

9.2. The Board agreed to publish the 2022 Annual Report.

10. CEO's Report

10.1. The CEO presented the report and drew the Board's attention to the following points:

LSB engagement

10.2. On 14 March a seven-page "questionnaire" had been received from the LSB on EDI issues. A response was required by 14 April and work was underway to complete it.

10.3. The Board noted the letter from the LSB Chair about its new regulatory performance framework. The letter suggested that regulators should identify in advance the sources of assurance they would be likely to rely on in assessing the extent to which they demonstrated the 20 characteristics of effective regulators that the LSB had identified. The Board agreed that it was important to engage constructively with the framework and decide what evidence it would use to gain assurance about its performance. It considered that the LSB's offer to meet bilaterally with members of the IPReg Team would be very helpful in understanding the LSB's suggestion that regulators could conduct an "assurance mapping" exercise.

Action: CEO to ask the LSB for a meeting to discuss assurance mapping for the new performance framework.

2023 Annual renewal and fee collection process

10.4. The Board noted that 26 attorneys were currently suspended for non-payment of 2023 practising fees.

Patent Examination Board (PEB) – discussion with CIPA

10.5. The meeting with CIPA on 9 March had been very constructive. It had discussed at a high level CIPA's developing thinking about the changes that could be made to resolve the governance issues that the recent accreditation exercise had identified.

10.6. The Board agreed that:

10.6.1. An Education Working Group (EWG) meeting should take place to discuss lowering barriers to entry in the patent attorney profession. The CEO would attend to present her initial scoping paper;

10.6.2. An expert on the proposed changes to the European Qualifying Exams would be invited to the next Board meeting.

EWG update

10.7. A broad range of documentation had been received from Queen Mary University of London in light of the accreditation implementation plan review. The Education Working Group had met the new programme director and some members from the Centre for Commercial Law Studies at Queen Mary University. The appointment of that programme director had made a significant difference in terms of the improvements that had been implemented. The assessment report was with that programme manager for fact checking and could then be shared with the Education Working Group.

In2Science – request to fund summer programme

10.8. The meeting with In2Science on 25 January had been very informative. In2Science had increased their IP-related activities including being on a panel with IP Inclusive for Careers in Ideas, presenting a podcast with CIPA, meeting the IP Federation and the IPO. In2Science hoped to support 850 students this year and had around 450 organisations who would host students as part of their participation in the course. In2Science is confident that in around 10 years' time there will be IP professionals who have come through their programme.

10.9. The Board discussed In2Science's request to fund 10 students on its summer programme at a cost of £1,000 per student. The Board considered its duty to, so far as is reasonably practicable, act in a way that is compatible with the regulatory objectives in the Legal Services Act and which it considers most appropriate for the purpose of meeting those objectives including to encourage an independent, strong and diverse legal profession. The Board noted that in order to improve the diversity of patent attorneys it would be important to improve the diversity of students going into STEM subjects and this was what In2Science was achieving, particularly for students from socio-economic backgrounds that are under-represented in STEM. The Board also noted that its diversity survey in 2021 had shown that women were better represented in the patent attorney profession than in the STEM workforce more widely.¹ The Board recognised that it would take several years for

¹ For example: IPReg [diversity data](#) shows that in 2021, 38% of registered patent attorneys were female; the STEM Women [website](#) shows that in 2019, 24% of the STEM workforce were female.

students who had been supported by In2Science to become qualified to practise as a patent attorney given the need to obtain a STEM degree and then pass the IP exams. However, the Board was encouraged to note the increased focus on the IP sector.

- 10.10. The Board considered that supporting In2 Science was consistent with its statutory duty to encourage a diverse profession and agreed to donate £10k to support 10 students on its summer programme.

Action: CEO to confirm donation to In2Science

Switching regulators – from the SRA to IPReg

- 10.11. IPReg was discussing with the SRA a process by which firms could switch from being regulated by them to being regulated by IPReg. Although firms had switched to IPReg before it had not been within the framework of a formal agreement. The framework was likely to be based on:

10.11.1. a bilateral Memorandum of Understanding (MoU) which formalised the current approach of working together and resolving complex issues to protect consumers;

10.11.2. a switching protocol to confirm the parties' responsibility for a firm's regulation and its indemnity arrangements once a firm switched regulator.

- 10.12. A further update would be provided to the Board in due course.

- 10.13. AC left the meeting.

Coronation bank holiday

- 10.14. The Board agreed that IPReg Team members could have an additional bank holiday on Monday 8 May 2023 for the King's coronation.

CEO report

- 10.15. The Board noted the remainder of the report.

11. Sanctions Update

- 11.1. The CEO presented the report. IPReg had asked [REDACTED] to quote for carrying out a data reconciliation exercise to check the information IPReg had been given about sanctions compliance by its registrants against the OFSI consolidated list and data held by the IPO on its registers for Russian, Belarusian and Georgian entities. [REDACTED] had quoted [REDACTED] to do the work. It would review [REDACTED]

[REDACTED]

11.2. The Board discussed the following matters:

11.2.1. There was value in conducting this exercise to triangulate information between the OFSI list, information provided to IPReg and IPO data. However, this would be a non-trivial exercise and would cost a significant amount of money when the evidence that we had was that compliance and awareness of the sanctions framework was good.

11.2.2. [REDACTED]

Action: SF to work with the CEO and SE to identify whether there are any other providers

12. Action Log

12.1. The CEO presented the action log.

12.2. The Board noted the action log and its progress.

13. Red Risks

13.1. The CEO reported that there were no red risks.

14. Finance Report

14.1. The Board noted the finance report.

15. Any Other Business

15.1. Board members expressed their support for the way Board papers were now being drafted.

16. Regulatory Statement

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