CIPA
The Chartered Institute of Patent Attorneys
95 Chancery Lane
London WC2A 1DT
T: 020 7405 9450
F: 020 7430 0471
E: mail@cipa.org.uk
w: cipa.org.uk

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IPO 2020: the IPO 5 year strategy
CIPA response

We welcome the IPO's proposed five year strategy and are grateful for the opportunity to comment on it.

IPO 2020 enshrines some laudable aims and its overriding principles cannot be faulted. Of these, however, we strongly believe that the IPO's work as a rights granting authority should remain at the core of its activities and at the focal point of its efforts. The IPO has an excellent reputation and is well placed to be one of the world's leading centres for the processing and granting of registered IP rights, but it should ensure that its historically high reputation in, for example, patent examination quality and speed is not prejudiced, and that UK businesses (and indeed, their counterparts overseas) have access to cost-effective and efficient registration processes that move at a pace to suit their markets.

We would also urge the IPO, over the next five years, to retain its focus on introducing a Unitary Patent system and Unified Patent Court that are as accessible and fair as possible to UK businesses – both patent owners and those against whom the patents might be enforced – and that stand the best possible chance of success, for which early and widespread uptake (fostered, we believe, by low initial fee levels) is essential. Again, we have been grateful for the opportunity to help the IPO shape the associated legislation and procedures, and will continue to assist with this project in any way we can.

In recent years we have worked with the IPO on appropriate outreach and educational activities, in particular to bring together legal and commercial advisers. We pledge our continuing support for this important work. We also note with approval the reference in *IPO 2020* to building a diverse workforce, and appreciate the IPO's support for our own efforts to improve diversity and inclusivity amongst the wider IP community. The IPO has excellent, well-motivated staff, but as the diversity of our respective customer bases increases, there is a need to respond in kind.

We have provided our more detailed comments, on specific aspects of the *IPO 2020* document, below. Suffice to say that we are keen to continue to help the IPO implement informed and appropriately-targeted changes to the UK's IP systems and policies, with the benefit of access to our members' expertise and experience. Continued consultation and collaboration with all users of the IP system, and their representative bodies, should be a cornerstone of the IPO's future work, and should ensure that the UK emerges as a world leader in the IP landscape.

Andrea Brewster
President

CIPA
The Chartered Institute of Patent Attorneys
Founded 1882
Royal Charter 1891

More detailed comments

> ***"Our approach must be to prioritise our core rights granting business"***

CIPA agrees. The IPO has a good reputation as a rights granting authority, although in recent years slippage in delivery on the patents side has been noticed. Providing sufficient skilled staff to undertake examination will be essential if the IPO is to retain its reputation and provide good service to a predominantly UK based clientele.
This does not mean that ancillary services lack value, just that those services should be secondary to rights granting, and those prioritised that provide measurable benefit to the UK economy.

> ***"Changing customer behaviour can also contribute to efficiency. For example, we have begun the process of reviewing our fee structure: the outcomes from this may enable us to incentivise those utilising our services to adopt the most efficient method of access"***

The idea of changing user behaviour by changing fee structure is potentially a good one, provided that it is clear what change is desirable and that the unintended changes in behaviour do not outweigh the intended changes.
CIPA sees no problem in, for example, continuing to charge lower fees for those who file digitally than for those who file in paper form, provided that the digital access is user friendly. The EPO has a history of inadequate consultation on fee changes and resultant extreme changes in behaviour: the IPO consultation on fee structure needs to be conducted carefully.

> ***"Our people will understand the purpose, goals and priorities of the IPO, be really clear about the skills they will need to do their jobs and will drive their own development"***

Excellent. It should also be made clear to your people why what they do is important to the UK and not just the IPO. Many examiners have an understanding of why the work they do is of value to users and third parties, and those that do tend to be better examiners for it. An understanding that Newport is an integral part of the UK economy, with an important role in separating those with worthwhile IP that may deserve support from those who occupy IPO resources by pressing for IP rights that may impede progress, should induce well-deserved pride.

> ***"We already provide an outreach function but just doing more of the same will not match our ambition. Whilst we are already making progress to raise awareness amongst businesses, the challenge is finding a way to scale up our impact within a sustainable resource allocation."***

It should be remembered that although the availability of effective IP rights might in cases incentivise innovation and growth, more usually IP tends to be the product of innovation, not the cause. Providing education such that

innovators are not precluded from gaining such rights is a useful role for the IPO but whether, in the age of digital delivery, this requires physical presence in the form of "road shows" might be reviewed. CIPA's experience from running free clinics for innovators indicates that "Dragon's Den" may have done as much if not more to educate about IP (albeit sometimes badly) than official outreach initiatives.
We believe the IPO should take care that its outreach activities do not stray too far into the realm of marketing as opposed to education. If the choice is between marketing and performing, performing is more persuasive. And in a time of increased demand, marketing to seek yet more demand could risk damaging the quality of the granting process: the IPO's focus should therefore be on helping users to understand and exploit their IP rights more effectively.
The rights that do not require granting (eg copyright and unregistered designs) do not need marketing, or performance. In this context, the IPO can usefully engage in educational outreach to prevent the spread of false ideas and to increase public respect for IP rights. The rights that do require registration, however, can be easily lost and in this case an active educational role is easier to justify.
In principle using the fees of those who have to pay for protection (patents, designs, trade marks) to support those who do not have to pay for protection (copyright, unregistered designs) appears unfair. Might it be worth considering stronger IP enforcement support to those who participate in a simple copyright registration scheme, fees from which could help reduce the imbalance and boost the IPO's resources in this important, and growing, area of IP enforcement?

> ***"Therefore, we will have to secure space in public and private sector business adviser activity. The further development of easy to access online tools, allowing others to act on our messages will help us here."***

The existence of an unqualified, unregulated business adviser sector has to be recognised, and it is right for the IPO to provide good educational and support materials to prevent customers falling prey to unscrupulous or indeed insufficiently knowledgeable advisers. It is also important to educate businesses about the roles and expertise of different types of adviser, and to encourage a healthy interaction between them for the benefit of the end user. We will continue to support the IPO's activities in this area, for example through our proposed "IP triage" project.

> ***"Ensuring that businesses can find employees who understand IP is fundamentally an issue of higher and further education."***

CIPA agrees. However, IP is a wide field. The IP appropriate for a fashion company is not the same as the IP appropriate for a scientific or engineering company. WIPO produces excellent primers for a basic understanding of IP. It should be examined how much is necessary to supplement such existing resources in order to generate the desired basic understanding of IP.
As for more advanced IP courses, a number of universities provide these. However, we would be keen to work with the IPO on introducing IP into a wider range of university and business school curriculums.

"Enhancing IPO services to support dispute resolution such as our opinions services and mediation. Success here will require careful balance. A greater uptake of existing alternative dispute resolution (ADR) services and the development of new ones (designs opinions) will have a resource impact at a time when increased demand for our rights granting services and our digital change ambitions will also be calling on increased resources"

The opinions service has been extended in scope and is useful. While demand is relatively light it is manageable. CIPA would be interested to know what additional services are contemplated and would be delighted to comment on their value to users, and any resource implications.

"Businesses see a simpler and more seamless route to UK and international IP rights and complementary services that is joined up across government and worldwide"

This is both an opportunity and a threat.
PCT subsidy – CIPA has already proposed a cost-effective way of supporting UK industry by providing financial support for applicants filing PCT applications, where they have a favourable patentability opinion from the UKIPO. While not placing UK applicants on a par with the subsidies enjoyed by French applicants, this proposal mitigates the damage caused by UK applicants having to use the highest cost ISA in the world. As a long term aim, providing UK applicants with a wider choice of ISA would be desirable to place them on a par with US applicants.
PCT direct – this program is likely to increase the number of UK applicants who first file in Europe rather than with the IPO. There is a risk that the IPO will end up searching predominantly applications filed by those with insufficient resources to afford the European route. It is important that the IPO remains a viable route to protection in the UK for all applicants, and in this context pushing for greater recognition of search reports within the European patent network would be advisable. If the IPO were to gain recognition that it meets the requirements of an ISA while not actually being an ISA (eg by getting a favourable opinion from two or more existing ISAs) then this could assist in negotiation.
Timeliness – the IPO had a reputation for timeliness in patent prosecution but in recent years this has slipped. To retain its position and reputation as a patent granting authority the Office needs to provide a good and timely service. The EPO's "Early Certainty from Search" program is showing signs of benefit in more timely prosecution but the long term picture is yet to come clear. The IPO should consider whether any re-engineering of procedures could assist in providing a system more responsive to applicant needs.

"improving work sharing between national offices on patents strengthening international rules where there are gaps eg broadcasting, or harmonising areas such as patent grace periods where national rules differ"

Work sharing can become work dodging, and national offices should be encouraged not to rely on others to do their work for them. Practical tools such as the Common Citation Document and the Global Dossier are useful, but it should be ensured that national offices do not abdicate their responsibilities. The European patent

system is one where some surrender of responsibility has taken place, but in the context of a system where the UK retains some control. Any move towards mutual recognition should be treated with care, to avoid it leading to a "race to the bottom" with the consequent damage to UK industry.
International rules have many gaps and can be open to multiple interpretations. Ensuring consistency of application is important.
Harmonisation may require accepting sub-optimal positions in some areas in exchange for improved consistency in others. This is a difficult balance and great care is required to ensure that harmonisation only occurs where there is a clear overall benefit to UK industry.
The IPO must also ensure that harmonisation does not mean fossilisation, and that any agreements reached preferably:

- contain revision provisions that are not onerous (eg not requiring unanimity for change); and

- permit evolution of IP systems to match reality (eg providing for protection additional to any harmonised minima).

Additional comments

We wish to make the following additional comments on the strategy document.

- On page 3 you refer to providing rights with a high presumption of validity. We urge you to review whether this is indeed the case, in particular for registered designs which do not undergo stringent examination. Greater certainty could perhaps be offered through the introduction of a two-tier system, as in Australia, in which a right is granted without examination, but with an optional extra examination (for an additional fee) should customers desire more certainty about their rights. This also ties in with Goal 2 in relation to delivering high quality rights.

- On page 7 you mention harmonising patent grace periods. We would also suggest that the harmonisation of grace periods for registered designs – which differ substantially between jurisdictions – is put on the agenda.

- On page 12 you discuss counterfeiting and illegal downloading and link them both to the drugs trade and terrorism. In relation to illegal downloading, this might have been true in the past when bootleg CDs were bought at the pub or car boot sale, but the concept may be more difficult for the public to understand now that downloads are free. It is perhaps necessary, therefore, to increase public awareness of this link. Moreover, it may be difficult for younger people to take illegal downloading seriously when they leave a concert and counterfeit merchandise is available on the street outside the venue; the IPO should therefore continue to promote a visibly "joined-up" approach with other enforcement bodies, such as the police and trading standards authorities, to prevent such activities.