



Intellectual  
Property  
Office

# Corporate plan

2017-2020



Intellectual Property Office is an operating name of the Patent Office



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**Jo Johnson**  
**Minister of State for**  
**Universities,**  
**Science, Research**  
**and Innovation**

## Ministerial foreword

I am very pleased to present the Intellectual Property Office (IPO) Corporate Plan for 2017-2020, the first since I took over ministerial responsibility for intellectual property.

The Government recognises the importance of intellectual property to innovation and growth, a fact underlined by two specific manifesto commitments: making the UK the best place to innovate, patent new ideas and set up and grow a business; and to protect intellectual property by requiring internet service providers to block sites that carry large amounts of illegal content, including their proxies. And we have been delivering on both these promises. For example, the landmark agreement on a voluntary code of practice will see search engines and the creative industries work together to stop consumers being led to infringing websites by reducing the prominence of infringing links in online search results.

There are numerous statistics which confirm why these commitments are important. In 2014 firms in the UK market sector invested an estimated £132.6 billion in knowledge assets, over half of which was protected by intellectual property rights<sup>1</sup>, whilst industries that rely heavily on intellectual property generated 37% of UK GDP and 27% of UK employment in 2010<sup>2</sup>.

Ensuring that the UK continues to capitalise on the strength of its IP intensive industries requires a strong domestic and international legal framework, reliable and efficient mechanisms for acquiring and enforcing IP rights, and an environment in which they can be monetised. The commitments in this plan set out how the IPO is going to build further the UK's reputation as a great place to do IP-related business.

1. IPO calculation based on an ONS estimate of UK GDP, and estimated investment taken from P. Goodridge, P. Haskel, J. and G. Wallis (2016)
2. [EPC/ OHIM. \(2013\). 'Intellectual property rights intensive industries: contribution to economic performance and employment in the European Union: UK'](#).

In doing so, the IPO will be delivering into two major elements of the Government's agenda: the preparations for the UK to leave the EU and the creation of a modern Industrial Strategy.

In January 2017 the Prime Minister set out the twelve negotiating objectives for leaving the EU. Along with the subsequent White Paper, we have a clear articulation of our approach in the forthcoming negotiations and a positive vision for the UK. This heralds a period of unprecedented opportunity which we must ensure is identified and delivered, including in the field of Intellectual Property. We must also work to minimise any regulatory uncertainty for business as we move to our new relationship with the EU. The IPO has a key role here in helping make this happen.

As we negotiate to leave the EU, the Government will be forging a new relationship between government and industry. The green paper "Building our Industrial Strategy" confirms our intention to improve living standards and economic growth through increased productivity and growth across the whole country. This begins the conversation needed to develop the strategy and make sure the UK remains one of the best places in the world to innovate, do business and create jobs. As the world's fifth biggest economy, with an employment rate that has never been higher and world leading industries based on creativity, innovation, branding and design, we are well placed to do this. There is a role for intellectual property across the ten pillars of the Strategy. The IPO is already implementing some specific actions to support the green paper's objectives, and will look for further opportunities to do so.

Much of what the IPO plans to do will take time and sustained effort over the medium-term. To ensure that there are important and tangible outcomes during the coming year, I have set ten specific targets. These Ministerial Targets cover a range of activity, from the time taken to deliver services, the number of people positively influenced by the IP message, to demonstrating a measurable increase in efficiency.

All of these targets will have a real impact on users of the IP system and customers of the IPO. Taken with the rest of the plan I am confident that they will ensure that the UK Intellectual Property system and the IPO will continue to support UK innovation and creativity.

**Jo Johnson**

**Minister of State for Universities, Science, Research and Innovation**





**Sean  
Dennehey**  
Acting Chief  
Executive  
and Comptroller  
General, IPO

## Chief Executive's introduction

Welcome to the IPO's Corporate Plan for 2017-2020. I hope you find it an interesting read which gives you a clear picture of how we shall be working to shape the IP environment as an integral part of the Government's Industrial Strategy as the UK leaves the EU.

It was not so long ago that talking about intellectual property was considered esoteric and making the case for its contribution to economic growth felt like an uphill battle. However, over the last decade and more, significant changes in how we find and share information, access entertainment, use and tailor services, and buy goods, has driven IP into the public arena. It is no overstatement to say that there is no field of human activity in which IP does not, or at least should not, play a part.

Now IP is more widely discussed, and if it is not as well understood as we would like, it is generally accepted that IP is valuable and important to the economic well-being of the UK.

Within government, the IPO is responsible for ensuring that the IP system supports innovation and economic growth; it works for businesses and consumers; and supports the transfer of knowledge. This is expressed in our mission: dedicated to giving everyone the confidence to make best use of IP.

The IPO has I believe a good reputation for the quality of rights it delivers for customers, its pursuit of improved IP outcomes domestically and across the globe with our international partners, its support for effective enforcement and its evangelising the IP message. But good is never good enough, and to stand still is to be left behind. This plan sets out how we will continue to build on the progress we have made:

- Delivering quality rights granting services in the face of ever increasing demand is a challenge. This plan therefore includes Corporate Priorities which focus on changes to our renewals services and the use of our accommodation, underpinned by our overarching aim to make accessing our services as straightforward and cost effective as possible. Ministerial Targets on the timeliness of our patent and trade mark services, as well as overall customer satisfaction, will ensure we deliver the services our customers need and expect.
- The UK's decision to leave the EU will have an impact on all aspects of British life and all arms of government and is clearly reflected in the plan. Until the UK exits the EU, we will continue to work in Brussels to influence new laws that are being negotiated, for example under the Corporate Priority on the Digital Single Market, whilst the preparations for exit will focus on ensuring IP rights remain protected and enforceable, again a Corporate Priority.

- The publication of the Green Paper on the UK's Industrial Strategy has set a clear direction for Government policy in pursuit of economic growth right across the country. Corporate Priorities that support this commit us to helping businesses and research institutions understand and maximise the impact of their IP and to pilot placing IP advisors in regional networks. A Ministerial Target which requires a proportion of the businesses we reach with our messages to take an informed decision on their IP will ensure our work has a measurable impact.
- Retaining a global outlook is more important than ever. Our Corporate Priorities here are working to make the global IP system function more smoothly, within institutions such as the World Intellectual Property Organisation and the World Trade Organisation, and working bilaterally with key partners through our IP attachés. To support our exporters we have a Ministerial Target on providing market specific IP advice alongside bespoke support activity.
- Effective enforcement must underpin all IP rights. Our Corporate Priorities are to provide leadership and strategic direction in the multilateral enforcement landscape, and help consumers understand the need to respect the IP of others, whilst a Ministerial Target is aimed at addressing illicit streaming.
- The IPO has a committed workforce and we are committed to them. I am proud that one of our values, in addition to delivering for our customers and innovating for success, is valuing our people. Ensuring all our people have the skills and support they need in a changing workplace is a Corporate Priority, while our determination to be champions of diversity and inclusion is embodied in a Ministerial Target which will see us secure external validation of our commitment to difference.
- Driving for ever greater efficiency, and measuring it, should be built into everything we do, to deliver the best value from the income we receive from fee-paying customers. Ministerial Targets on the level of efficiency and the return on our capital will provide a transparent barometer.

In this introduction, I have only briefly touched on some of things the IPO is determined to achieve. The plan itself sets out in more detail what we will do and why. I hope having read it you will want to work with us to make it a reality.



**Sean Dennehey**  
**Acting Chief Executive and Comptroller General, IPO**

## The context and the IPO

### The decision to leave the EU, industrial strategy and this plan

Events over the past year have fundamentally changed the context that we are operating in. Exiting the EU will impact on every part of government and we are no exception, whilst the Government's commitment to Industrial Strategy charges us and other arms of government to do more to make sure the whole of the UK prospers.

The recent White Paper, "[The United Kingdom's exit from and new partnership with the EU](#)" has set out twelve principles to give a clear direction of travel on how the UK will exit the EU. Many of these principles have direct relevance to IP and our work, in particular, but not exclusively; ensuring free trade with European markets; securing new trade agreements with other countries; taking control of our own laws; ensuring that the UK remains the best place for science and innovation; continuing to cooperate to fight organised crime; and ensuring an orderly exit from the EU. The principles set out in the White Paper have influenced the priorities and targets set out in this plan as we play our part in making a success of the UK's exit from the EU. As the situation develops we will work for the best outcome for IP and IP users in the UK, as we leave the EU and into the future.

Alongside the positive vision for the UK outside of the EU in the White Paper is the Government's Green Paper "[Building our Industrial Strategy](#)". The strategy is being designed to improve living standards and economic growth by increasing productivity and driving growth across the whole country. Of the ten pillars in the strategy, those on investing in science, research and innovation; developing skills; supporting businesses to start and grow; encouraging trade and inward investment; cultivating world-leading sectors; driving growth across the whole country; and creating the right institutions to bring together sectors and places are of particular relevance to our mission and purpose. Although still at Green Paper stage, we have already identified specific activities in this plan that will see us make a contribution to delivering the strategy and its vision. We will continue to search for further opportunities for IP and our work to help ensure the strategy achieves its objective.

Fully reflecting the changed environment and broader Government approach laid out in these two papers, this plan covers our key objectives for the next three years, and specifically our priorities for the forthcoming year. These priorities are the key activities we will undertake to help achieve the goals and outcomes described in the corporate strategy<sup>3</sup>.

Many of our priorities will deliver benefits over the medium term. We also set out a number of in-year Ministerial Targets, agreed with Ministers, and our top priorities for delivery in 2016-17.

3 ["Making Life Better by Supporting UK Creativity and Innovation: The IPO's Five Year Strategy 2015-2020"](#)

## The IPO

Our responsibilities are for UK IP policy, granting UK patents, trade marks and design rights, improving IP awareness and education, and supporting effective IP enforcement. We have a strong international reputation for the quality of the services we deliver and the contribution we make to international thinking on global and European IP policy challenges.

As a self-funding agency (Trading Fund) our income derives from customer fees for patent and trade mark registration and renewal. Our operation is overseen by a Steering Board of non-executives.

We employ around 1000 people, mainly based in Newport with a small London office and a storage facility at Nine Mile Point, South Wales. Our skills base includes specialists in rights granting, IP policy, IT, HR and Finance.

## Our relationship to BEIS

We are an Executive Agency of the Department for Business, Energy and Industrial Strategy (BEIS).

BEIS's vision is an economy that works for everyone – so that there are great places in every part of the UK for people to work and for businesses to invest, innovate and grow.

We are helping to deliver the BEIS vision by delivering excellent IP rights services and developing our own IP regime, and working with international partners, to ensure that IP continues to support investment, encourage innovation and underpin business growth.

## Our governance

### Our Executive Board:

- Sean Dennehey, Acting Chief Executive Officer
- Louise Smyth, Chief Operating Officer
- Ros Lynch, Director of Copyright & IP Enforcement
- Pippa Hall, Acting Director of Innovation and Chief Economist
- Adam Williams, Acting Director of International Policy
- Steve Rowan, Acting Director Tribunal, Trade Marks and Designs Division
- Julyan Elbro, Acting Director of Patents
- Neil Hartley, Director of Finance
- Mike Fishwick, Chief Technology Officer

### Our Non-Executive Board:

- Bob Gilbert CBE (Chair)
- Gary Austin
- Iain Maclean
- Tim Suter
- Nora Nanayakkara
- Mandy Haberman
- Andrew Mackintosh
- Paul Hadley (BEIS)

# Our purpose: Making life better by supporting UK creativity and innovation.



## GOAL 1: Promoting UK Growth through IP Policy.

### Corporate priorities

We will deliver the Unified Patent Court.

We will continue to build upon the strength of UK/China relations to help UK businesses in China, focussing on bad faith trade mark applications and IP protection on e-commerce platforms.

We will deliver positive outcomes for the UK in the Digital Single Market negotiations.

We will work through our IP attachés and with our partners to help UK businesses trade more internationally.

We will prepare for the UK's departure from the EU, striving for the best possible outcomes on intellectual property.

### Ministerial Target

We will have ratified the Geneva Act of the Hague Agreement for international registration of designs by 31 March 2018 and be in a position to launch the service on 6 April 2018 (the common commencement date).



## GOAL 2: Delivering High Quality Rights.

### Corporate priorities

We will deliver high quality and timely rights granting, rights management and tribunal services for patent, trade mark, and designs customers.

We will improve the IP Renewals services for individuals and Renewals Agents.

We will provide a new digital Supplementary Protection Certificate filing service for our customers and new supporting electronic processes for our people.

### Ministerial Target

We will publish 90% of acceptable applications for national Trade Marks for opposition within 90 days of filing.

We will offer faster handling of patent applications, by providing an examination report with a search report when both are requested at the application date, and meeting at least 90% of requests for an accelerated two-month turnaround for search, publication and examination.

We will ensure that overall customer satisfaction is 80% or more.



## GOAL 3: Ensuring IP rights are respected and appropriately enforced.

### Corporate priorities

We will provide leadership, coordination and strategic direction in IP enforcement.

We will strengthen our work with industry and academic partners to support the development of more effective tools and interventions to improve understanding of, and respect for, IP.

### Ministerial Target

We will work with industry and enforcement partners to build a coordinated response to the growth of illicit streaming, including robust analysis of current legal sanctions and developing proposals for change as appropriate.

# Our mission: Dedicated to giving everyone the confidence to make best use of IP.



## GOAL 4: Educating and enabling business to understand, manage and protect their IP.

### Corporate priorities

We will support UK innovation by providing access to tools and resources that improve the ability of the business and research communities to derive value from their IP and to stimulate collaboration.

Working with partners from around the UK we will build on the work we did in 2016-17 to develop our IP place offering. Through integration of IP into regional and business support we will catalyse growth and build local capability to commercialise IP.

We will develop high quality IP based learning resources that support the national curriculum and higher education courses in subject areas identified by teachers.

### Ministerial Target

We will increase the number of businesses that better understand how to manage their IP: At least 35% of an expected 100,000 businesses we reach will make an informed decision regarding management of their IP.

We will provide market specific IP advice to 5,000 current and prospective British exporters. As part of this work, we will deliver bespoke one-to-one business support activity to at least 200 companies annually.



## GOAL 5: Improving the skills and capability of our people.

### Corporate priorities

We will develop and implement a 3 year People Strategy that supports the values and goals of the IPO.

We will develop individual resilience and communication skills to support our people through our transformation.

### Ministerial Target

We will demonstrate our commitment to diversity by securing external validation for our approach to inclusion for under-represented groups.



## GOAL 6: Increasing efficiency and delivering value for money.

### Corporate priorities

We will implement the first phase of the accommodation strategy to create modern, flexible and sustainable workspaces which enable smarter working.

We will change the technology used to access office tools to increase the mobility of our people.

We will develop a model and the culture to properly capture and realise the benefits of change.

### Ministerial Target

We will deliver and efficiency gain of 3.5%.

We will achieve a return of capital employed of at least 4%.



**Our Purpose:**  
Making life better  
by supporting  
UK creativity  
and innovation.



**Our Mission:**  
Dedicated to giving  
everyone the confidence  
to make best use of IP.



# Our Year – Highlights from 2016-17



## Promoting UK growth through IP policy

**A good IP regime incentivises innovation and investment in creativity and knowledge, boosting national productivity. The system must work for everyone, everywhere: businesses, small, medium and global; individual creators and innovators; and consumers. Our activity in 2016/17 included:**

-  Working with the Law Commission to deliver The Intellectual Property (Unjustified Threats) Bill<sup>4</sup>, making the law of unjustified threats easier to navigate for rights holders, professional advisers and third parties.
-  Continuing to develop UK-China relations to achieve a better IP framework for UK businesses working in China. Some key activity was hosting the third UK-China Symposium and attending a series of visits. These included a Copyright Expo in Guanzhou which showcased UK creative and

copyright industries, where the UK was country of honour. We have also had a number of outreach visits across China whilst also hosting reciprocal visits.

-  Building an evidence base to better understand making the UK 'the best place to innovate and patent new ideas'. This included: looking at the link between patenting and innovation; the propensity to patent in the UK; the efficiency of the patent system; enforcement, legal protection and culture, and stakeholder views.
-  Influencing the text of the Portability Regulation, securing our main aim to enable British consumers to access content while travelling in the EU without undermining copyright owner's ability to protect their rights.



## Delivering high quality rights granting services

**We want the UK to be the best place to protect and use IP. This means ensuring that we have the right legal framework, but also services that compare with the very best. Making it as easy as possible to do business digitally is essential for our future success. This year:**

-  Demand for our Trade Marks and Designs registration services saw a marked increase with almost 65,000 domestic trade mark applications received in 2016/2017 (against just under 55,000 in the previous year) and just over 13,000 registered design applications, almost double the previous year's input. Demand for patents was stable, with almost 22,000 applications received.
-  We completed the digitisation of our registered design services with the addition of the digital and integrated back-office system. This reduced the number of errors made in applications and improved efficiency.

-  Our trade mark customers continued to receive world leading turnarounds, as we published 95% of acceptable applications for national trade marks for opposition within 90 days of filing.
-  Our customers continued to value our service: overall customer satisfaction during the financial year was over 80%.
-  We successfully took action against two companies that were using similar names to the IPO in order to dupe rights owners into making inflated renewal payments.



## Ensuring IP Rights are Respected and Appropriately Enforced

**IP rights have no value unless the owner can assert economic control over them. Detecting and prosecuting those who seek to profit from others' IP remains important, but generating an increased awareness and respect for IP rights amongst consumers will reduce demand for infringing goods and material. We have:**

-  Published our enforcement strategy, "[Protecting Creativity, Supporting Innovation: IP Enforcement 2020](#)" setting out how we will address the multiple and growing challenges posed by IP infringement and counterfeiting.
-  Helped broker a landmark agreement which will see search engines and the creative industries work together to stop consumers being led to copyright infringing websites. A Voluntary Code of

Practice sets out agreed targets for reducing the prominence of infringing links in search results, as well as specifying other areas such as autocomplete and domain hopping.

-  As part of the Enforcement Outreach program, held an IP awareness and education workshop with 20 representatives from the IP Crime Group. The workshop identified the awareness and education was being undertaken by members, through messages, guidance and campaigns, as well as areas where members and the IPO can collaborate/support.



## Educating and Enabling Business to Understand, Manage and Protect their Intellectual Property

**The role of IP development, protection and exploitation in driving growth at the company and economy level needs to be better understood by entrepreneurs and SMEs. Even a modest increase in the registration, protection and exploitation of IP would contribute to UK jobs and growth. To encourage this:**

-  In October 2016 we launched the updated Lambert Toolkit. This toolkit and model agreements can help users from research and industry to negotiate IP-creating collaborative projects, and has been updated to include six new agreements and changes in terminology.
-  Our Business Outreach teams began a series of Facebook Live broadcasts. Running during the summer months, the first live broadcast looked at IP's deadly sins and reached over 8,000 people in seven days.
-  We approved funding for 250 IP Audits to be delivered through our partners.
-  We continue to target businesses with IP messages to increase the number who better understand how to manage IP, reaching over 200,000 this year.
-  We provided education, advice and specific case support to nearly 5,500 UK businesses during the financial year, helping them in their export activity.



## Improving the skills and capability of our people

**The environment in which we operate is changing fast. We are determined to ensure that we are positioned to succeed in this environment. To do this we will need to develop the capability of both our people and our organisation:**

-  Our Diversity and Inclusion Group ran the highly successful 'Time for Inclusion' conference, which brought diversity to life by using personal stories told by IPO people, helping us to personalise the message. Significantly increased our diversity declaration rates.
-  We held workshops demonstrating 'Doing it differently: building a great place to work' at the Civil Service Live (the largest annual conference for Civil Servants) events in both London and Cardiff, presenting to over 200 people.
-  Our commitment to valuing our people meant that staff engagement levels remain high, within 1% of the Civil Service High Performer Benchmark.
-  Our award winning #Adaptive initiative continued its staff led exploration of changing the way we work, holding extensive trials for remote working and a quiet carriage for contemplative working; and examining the possible impact of measuring success through outputs not hours in the office.
-  We went live with a new HR, Payroll and Expenses system on 30 August. The system we have now is more efficient and cost effective, and offers opportunities to be further developed with more online functionality in future.



## Increasing efficiency and delivering value for money

**As a customer-funded organisation, efficiency and delivering value for money are as important for us and our customers as they are for the wider public service. In 2016-17:**

-  We delivered an efficiency gain of 3.5% through a combination of absorbing increased demand, new systems, innovative use of our space and resources and careful management of travel budgets.
-  Our procurement team saved over £1m from our spending on goods and services.
-  We successfully moved our legacy patents data systems off the mainframe, delivering an interim solution as we continue towards full transformation of our patents services.



# Goal 1

IP encourages innovation by ensuring those who take the risk of investing in new approaches and ideas can reap the rewards of the resulting creation, invention, design or brand. Taking the right policy approach towards IP will underpin wider objectives of increased competitiveness and growth, and the Industrial Strategy. We take the Government's manifesto commitment to make Britain the best place in Europe to innovate, patent new ideas and set up and expand a business as a call to action to make the UK the best place to make best use of all IP. There is not one single approach that suits all; we must be prepared to innovate for small businesses whilst providing legal certainty for big business, although these are not mutually exclusive.

The UK's IP regime is already highly regarded<sup>5</sup> and the priorities and targets we have set in this plan will build on this reputation; by securing the optimal outcome for the owners and users of IP in leaving the EU and the DSM; providing new services for IP owners by joining the Hague Agreement<sup>6</sup> on designs and delivering the UPC; and working with the Department for International Trade (DIT) and our international partners to smooth out IP issues holding back trade.

Our approach to all of our policy objectives is underpinned by robust data and evidence. This is delivered by our Economics Research and Evidence team (ERE), via a mix of externally commissioned research and internal analysis.

## At home

Our highly regarded IP regime is a result of several factors, one of which is the quality of our domestic framework. The UK's framework seeks to strike a balance across ease of registration, certainty of rights, fair access and the ability to enforce. Over recent years a lot of work has gone into implementing the recommendations of an independent review of intellectual property and growth, undertaken by Professor Hargreaves<sup>7</sup> and last year we completed our work with the Law Commission on groundless threats<sup>8</sup>. Clearly, much of our domestic focus will be on determining the optimum IP regime once we leave the EU and taking an active role in delivering the Industrial Strategy so that IP fulfils its cross-cutting enabling role. However, we will also be exploring how best to implement the new Trade Mark Directive and offering new services, such as joining the Hague Agreement.

5 [Global Intellectual Property Index 5th Report](#) and [US Chamber international IP Index](#)  
6 <http://www.wipo.int/treaties/en/registration/hague>  
7 [Digital Opportunity: A review of Intellectual Property and Growth](#) (2011)  
8 <http://services.parliament.uk/bills/2016-17/intellectualpropertyunjustifiedthreats.html>

Joining the Hague Agreement on designs will also make the UK a more attractive place for overseas companies by providing them a direct route to UK designs protection, making it easier for them to do business here.

### Ministerial Target

**We will have ratified the Geneva Act of the Hague Agreement for international registration of designs by 31 March 2018 and be in a position to launch the service on 6 April 2018 (the common commencement date).**

The Hague Agreement created a system which makes it possible for designers to obtain protection in multiple countries and jurisdictions by filing a single application with the World Intellectual Property Office (WIPO). Whilst the UK is currently not a member of Hague, our designers have access to this route through our membership of the EU, which of course is due to end. The UK has previously signalled its intention to become a member in its own right; we have consulted widely and this year we will press ahead with the remaining policy and business changes needed for us to ratify the agreement and launch the service shortly after.

The new service will give UK businesses, especially SMEs a simpler and more cost effective way to register and manage their rights across multiple jurisdictions. Joining the Hague Agreement on designs will also make the UK a more attractive place for overseas companies by providing them a direct route to UK designs protection, making it easier for them to do business here.

## In Europe

The UK's decision to leave the EU is likely to require changes to our law and practice. Nothing will change in the short term and after leaving the EU we will continue to meet international standards. However, various parts of the UK IP regime are currently aligned with the EU framework, including the unitary trade mark and design rights in particular, and we will have to decide on the best approach for this. As well as deciding what to do with the existing state of the law, we are involved as EU IP rules continue to evolve, for example the continued negotiation on copyright reforms stemming from the move to deepen the digital single market. Whilst the precise detail of what will need to change will become clear as negotiations between the UK and our EU partners progress, the twelve principles set out in the Government's White Paper on exiting the EU set the framework for us to work in.

Of course until the UK exits the EU we remain full members with all of the rights and responsibilities that entails. This means we will continue to implement existing EU rules, for example the Trade Mark Directive<sup>9</sup>, apply new rules and take an active part in negotiating new proposals.

### Corporate Priority

We will prepare for the UK's departure from the EU, striving for the best possible outcomes on intellectual property.

Through internal analysis and working with stakeholders we have identified the areas where European rules have an impact on the UK IP framework, including the EU-wide trade mark and design rights; the harmonisation of copyright rules and some specific aspects of patents. Other areas include more specific IP rights, like geographical indications; the rights of UK IP professionals and the exhaustion and enforcement of IP rights. Some of these things may be handled by changes to UK law, whilst others will form part of the negotiations with the EU. Whichever category each may fall into, all will need to be considered carefully before a course of action is settled upon. In line with the Government's commitment in the White Paper to an orderly exit from the EU, we will be working internally and with government colleagues to ensure that the best possible solutions are in place.

Since the referendum we have engaged with our stakeholders, reassuring them following the vote and working with them to identify issues and opportunities for the future.

9 [Directive \(EU\) No. 2015/2436 of the European Parliament and of the Council of 16 December 2015 to approximate the laws of the Member States relating to trade marks](#)

“ The UK creative industries are among the best in the world and provide a significant economic contribution; their Gross Value Added was estimated £84.1 billion in 2014, accounting for 5.2 per cent of the UK economy. ”

### Corporate Priority

We will deliver positive outcomes for the UK in the Digital Single Market negotiations.

The European Commission proposals are aimed at reforming copyright to help build the digital single market (DSM). The UK creative industries are among the best in the world and provide a significant economic contribution; their Gross Value Added was estimated £84.1 billion in 2014, accounting for 5.2% of the UK economy<sup>10</sup>. If this is to continue it is essential that any changes made to the copyright landscape do not undermine future investment in creation.

Although the UK will leave the EU, our creative industries will continue to operate in that market and we place enormous value on ensuring that the reformed regime strikes the right balance. We will therefore be actively participating in the negotiations and have reason to remain optimistic about our ability to shape the future, as our input into the negotiations on DSM issues that have progressed so far has proved effective, for example on the portability regulation<sup>11</sup>.

### Corporate Priority

We will deliver the UK elements of the Unified Patent Court.



In November 2016 the Government confirmed that it is continuing with its preparations to ratify the Unified Patent Court Agreement (UPCA). This is part of the process to realise the Unitary Patent and Unified Patent Court. Under the new regime, businesses will be able to protect and enforce their patent rights across Europe in a more cost-effective way, with a single patent through a single patent court. This will make it easier for British businesses to protect their investment in their ideas by preventing the results from being used by companies in other countries.

## The rest of the world

The UK has always been an open and forward thinking trading nation, and this outlook will be even more important in a post-EU future. Competing on the global market has significant benefits, and business that export generate vital income and improve the trade balance of the UK economy. As described in the White Paper, after leaving the EU the Government will look to increase significantly UK trade with the fastest growing and most dynamic export markets in the world. Whilst the UK cannot agree new trade deals until after we have left the EU, the Government has established a Department for International Trade (DIT), and many countries, including those with the largest markets, have signalled their interest in enhancing their trading relationships with the UK. The Government has also committed to developing trade to improve economic growth in its Industrial Strategy and we have a contribution to make here.

IP and the IPO have roles to play in supporting existing and future UK export activity. IP can allow our businesses to take their competitive advantage abroad (whether this is through a new process, product or brand), and exploit markets beyond our shores. But this is not always easy. Not all IP systems work in the same way or are as equally aligned with international norms. Surveys of British businesses indicate that significant numbers are put off exporting due to concerns about their IP<sup>12</sup>. We will work with colleagues in DIT to ensure future trading relationships recognise the importance of IP and directly with businesses to help them make the most of their IP abroad as well as avoid the many pitfalls.

### Corporate Priority

We will work through our IP attachés and with our partners to help UK businesses trade more internationally.

Making doing business abroad easier and safer for British IP businesses is about improving legal frameworks, but it is also about agreeing practical approaches with counterparts based on the strength of relationships. We continue to be in a good position to make a positive difference to how IP systems operate around the world, based on our reputation as architects of an evolving and effective IP regime.

Changes to multilateral legal frameworks are hard to secure and require long term engagement. This is important and we will continue to invest our time in trying to improve the global IP system. Much of this work will involve WIPO where our focus will be on building alliances and maximising our influence to make progress. Specifically we will champion progress on patent harmonisation discussions in Group B+, alongside some more practical initiatives to improve the global system, continuing improvement of the Patent Cooperation Treaty (PCT) and increasing collaboration and work-sharing between different offices. We will also engage with the WTO, mainly through our participation in the TRIPS<sup>13</sup> Council, the agreement that integrates IP into international trade law.

Alongside our work in multilateral fora, we have achieved a great deal by developing bilateral relationships with counterparts in key markets, in particular by deploying our IP attachés in China, India, Brazil and SE Asia. This approach has served us well and we will build on it during the period covered by this corporate plan. We continue to consider the size and shape of our attaché network, in the context of our new relationships as we leave the EU.

### Corporate Priority

We will continue to build upon the strength of UK/China relations to help UK businesses in China, focussing on trade mark practice and procedures as well IP protection on e-commerce platforms.

China's importance to global economic growth has not diminished and the strategic importance of the UK's relationship with China remains apparent. This is especially true when it comes to IP; as the world's second largest economy with a desire for the UK's know how, creative content, design flair and iconic brands, China presents a huge opportunity for UK companies with valuable IP. Coupled with the particular challenges posed by China's sheer scale and the energy of its entrepreneurs, some of whom overstep the mark, this warrants the extra focus we are placing on working with China. Having secured our position as China's premier partner on IP, we will be seeking to deepen our cooperation with our Chinese counterparts to advance both nation's interests.

# Goal 2



## Delivering high quality rights granting services

Our services are well used and well regarded, with our customer satisfaction remaining high. Demand for trade marks and registered designs continues to rise. Our patent regime was rated as number one in the most recent Taylor-Wessing survey<sup>14</sup>, scoring particularly well for obtaining a patent.

That does not mean that we are complacent about the services we offer. The 21st Century 'instant' culture, where consumers can access goods and services when they want, leads to greater customer expectation and faster turnarounds. Whilst we always look to respond to customer needs, quicker is not always better. We must balance speed against maintaining the quality of our examination processes that add value to UK rights.

Our focus will be on making our services as customer-centric as possible, for both those who file with us direct and those who use legal representatives. In line with our mission to give everyone the confidence to make the best use of IP, our long term aim is to make our services and processes as straightforward as possible; reducing avoidable contact with applicants or their representatives and enabling as many people to handle their applications themselves, where it is appropriate to their situation and the right that they are seeking. Straightforward processes and reduced contact benefits all parties, minimising costs for applicants and representatives and increasing our productivity.

### Corporate Priority

We will deliver high quality and timely rights granting, rights management and tribunal services for patent, trade mark, and designs customers.

Delivering the rights granting, management and tribunal services our customers expect becomes ever more challenging; it is not a static target but requires us to continue to innovate and increase our productivity. Demand for trade marks has been increasing for a number of years and has increased further following the referendum result; demand for designs has grown since the launch of our new digital service and reduction in fees, and again following the referendum result; whilst demand for patents had outstripped our specialist capacity for some time, leading to a backlog, which we are now beginning to reduce. The demand for our IP rights directly feeds an increase in demand for dispute resolution processes, namely our patent, trade mark and designs tribunals. Through a combination of new technology, increasing specialist capacity and streamlining processes we will continue to deliver for our customers.



Through a combination of new technology, increasing specialist capacity and streamlining processes we will continue to deliver for our customers.



For designs we are setting a challenging internal target of registering 95% of electronically filed applications that have no deficiencies or deferral requests within 10 working days. We know that designs customers want the certainty of registration as soon as possible, so have significantly cut the target from its previous level of 30 days, partly enabled by the efficiencies delivered by the new digital application service and the staff DEPS<sup>15</sup> system.

The trade mark and designs tribunal has been experiencing increased volume of oppositions and cancellation proceedings, which is only natural given the consistent increase in demand for these rights. Dealing with this workload as quickly as possible is important for our customers, it keeps legal costs down and gives them the certainty to continue with the economic activity associated with the trade mark or design in question. We have set an internal target of dealing with 85% of trade mark and designs opposition or cancellation cases within 12 months.

### Ministerial Target

**We will publish 90% of acceptable applications for national Trade Marks for opposition within 90 days of filing.**

This target ensures that we continue to examine trade marks at optimal pace, maintaining our position as one of the fastest trade mark services in the world. Our customers value our speed, consistency and accessibility. Through workforce planning, recruitment and training we will do all we can to ensure that the increase in demand will not adversely affect any of these qualities.

### Ministerial Target

**We will offer faster handling of patent applications, by providing an examination report with a search report when both are requested at the application date, and meeting at least 90% of requests for an accelerated two-month turnaround for search, publication and examination.**

The completion of our patent examiner recruitment programme has set us on the path towards tackling the backlog and achieving our medium term ambition of reducing the maximum time to grant to 54 months. Training examiners and allowing them to gain the experience necessary to effectively carry out examinations takes time, but indications are that we have reached the tipping point.

The target on patent applications measures how effective we are at giving patent customers what they want, when they need it. For those customers who need quick turnarounds, the target will ensure that we are able to meet that requirement as we work on bringing down processing times across the board.

### Ministerial Target

**We will ensure that overall customer satisfaction is 80% or more.**

Delivering against a tough set of metrics tells only part of the story on our customer experience. It is important that we gauge how customers feel about their experience to make sure we are getting it right. We regularly survey customers of our transactional services in line with industry best practice; our target is to receive a rating of at least 80%, which means customers on average rate us as 8 out of 10 or higher. This is a stretching target and higher than the UK average of 77.4%<sup>16</sup>.

## Transforming our services

We have been transforming the way we provide services through our TRIPOD portfolio. A very visible change was the launch of our fully electronic designs registration service, which along with a reduction in fees, has already increased demand for UK design rights. Not all of the output from TRIPOD is front end user experience, for example a significant achievement this year has been transferring from our existing mainframe provision for patents. The focus this year is on improving the renewals process and making progress on our Patent Transformation Project.

### Corporate Priority

**We will improve the IP Renewals services for individuals and Renewals Agents.**



We know that rights owners can find renewing their rights confusing. Many do not know how easily they can renew rights directly with the IPO, sometimes paying for professional advice when they may not need it, whilst others fall victim to scammers who masquerade as professional IP offices and charge exorbitant fees for 'renewal'. Digital tools have the potential to improve the experience of those seeking to renew across all IP rights, but alone they will not be enough. We will review and revise where necessary our organisational structure and business processes, as well as the technology, which enables renewals across all IP rights. The objective will be to drive an increase the electronic take-up, reduce the opportunity for misleading IP Right Renewal services and simplify internal administration.

## Corporate Priority

We will provide a new digital Supplementary Protection Certificate filing service for our customers and new supporting electronic processes for our people.

The Patents Transformation Project will deliver a fully digital patent filing, examination and management system. Having successfully prototyped File+, which allows customers to set up a new account, file a new application and see messages and documents in their account we can continue our journey to the full solution for Patents Transformation. Over the next year this will include a fully digital service for applying for Supplementary Protection Certificates<sup>17</sup>, which will form a model for the new patents service. We are also planning on introducing a new single search facility for customers which will improve their searching experience by replacing the separate patents journal and Ipsum services with one single search service.

# Ensuring IP rights are respected and appropriately enforced



## Goal 3

The enforcement of IP rights is crucial to their value. Any IP system, however well designed, is only as good as the ability of IP owners to prevent those who haven't contributed to the creation of the IP using it or gaining economically from it. If we are to give everyone the confidence to make the best use of IP, there needs to be a coordinated and cogent response to tackle those that illegally access and share digital content, deliberately copy patent or design products, or sell counterfeit goods.

Alongside our activity to coordinate criminal enforcement, we work to ensure that owners of IP can assert their rights through civil avenues. We do this directly through our IP tribunals and our mediation services, but also by working with partners, such as the Ministry of Justice, to ensure avenues like Intellectual Property Enterprise Court (IPEC) remain viable.

We have been working closely with partners in industry and law enforcement to address the multiple threats posed by IP infringement. This is not just about rogue traders on market stalls; evidence from Trading Standards indicates that there are strong links between IP crime, organised crime, drug dealing and violence. Our partners in the EU play an important role in helping to tackle the issue of IP crime and its wider impacts. This is true now and, with the continued cooperation in the fight against organised crime standing as one of the principles of the Government's plan for exit, we will work to ensure it remains so after the UK leaves the EU.

Under this plan we will; have a specific focus on providing leadership and strategic direction in IP enforcement; form a response to the growth of illegal streaming of digital content; and create educational resources that will build greater respect of IP amongst young people.

### Corporate Priority

We will provide leadership, coordination and strategic direction in IP enforcement.



Alongside our activity to coordinate criminal enforcement, we work to ensure that owners of IP can assert their rights through civil avenues.



Effective IP enforcement is built on a broad coalition of different government agencies, law enforcement and industry bodies. This includes the Police Intellectual Property Crime Unit (PIPCU), the IP Crime Group with whom we publish the annual IP Crime Report<sup>18</sup>, Trading Standards, the Home Office, WIPO and many other organisations both at home and abroad.

- The IPO is not an enforcement authority, but our specialist IP knowledge and data gathering capability makes us well suited to lead the fight against IP crime. We provide strategic leadership and coordinate efforts to bear down on IP crime. The objectives we want to achieve with our partners over the coming years are set out in our IP Enforcement strategy, which runs until 2020.
- Reducing the level of illegal content online – making it easier for consumers to recognise and avoid infringing material and supporting legitimate websites.
- Tackling the trade in counterfeit goods – we have a clear role to play in acting as the focal point in the UK for collecting data on trends and emerging issues.
- Further strengthening the legal framework to facilitate easier access to justice – ensuring legal recourse for IP infringement is consistent and effective across all IP rights.
- Increasing education, awareness of and building respect for IP –providing advice and support to businesses and educating consumers.
- Making it safer for UK rights holders and businesses to trade internationally – working in key overseas markets with governments and wider civil society to improve attitudes to IP.
- Improving the evidence base – developing better understanding of the scope and scale of civil infringement and IP crime to inform policy interventions.



## Ministerial Target

**We will work with industry and enforcement partners to build a coordinated response to the growth of illicit streaming, including robust analysis of current legal sanctions and developing proposals for change as appropriate.**

The significant increase in the use of illicit streaming boxes is presenting very serious challenges to the audio visual (AV) and sports sectors. This has seen the act of infringement shift from the company creating 100's of pirated DVDs for sale to a few unscrupulous traders, to individual consumers accessing the material directly in their homes. Something has to be done to avoid irrecoverable damage to the industry. This issue has received attention in Parliament, as well as in a number of international forums. Showing leadership here will not be easy but has the potential to set the standard internationally, as well as offering genuine benefits to major UK rights holders. In developing a response we will work with a wide range of businesses for whom IP is important including; rights holders; publishers and broadcasters; online platforms; and new market entrants.

## Corporate Priority

We will strengthen our work with industry and academic partners to support the development of more effective tools and interventions to improve understanding of, and respect for, IP.

 We believe that integrating IP into curriculum-based education is still the most effective and cost effective way for us to make a difference.

Although attitudes are changing<sup>19</sup>, it is still true that many people who would balk at the idea of taking a physical item from a company or individual do not attach the same significance to taking digital content. We believe that nurturing a knowledge of and respect for IP amongst young people which they will carry with them for the rest of their lives will make further inroads.

There are various channels, including some which are industry led, but we believe that integrating IP into curriculum-based education is still the most effective and cost effective way for us to make a difference. That said, this is a challenging and long-term project; there is immense pressure on the curriculum and convincing educators to make time for IP requires us to demonstrate the benefits and build trust in our materials. To do this we will take a more significant leadership role in IP education, especially on copyright, facilitating the co-ordination of academia and industry, specifically:

- Conducting research with users of our resources to evaluate impact and demonstrate the relevance of IP and how it supports the curriculum.
- Coordinating and informing the delivery of IP education across those industry sectors represented on the Copyright Education and Awareness Group.
- Supporting the Creative Content UK anti-piracy campaign.

# Educating and enabling business to understand, manage and protect their intellectual property



## Goal 4

The Industrial Strategy is the centre-piece of Government's policy to increase UK growth and productivity. IP is a key enabler of innovation and economic growth; its importance and potential impact on the UK economy is recognised by its inclusion in the Industrial Strategy Green Paper. On top of the specific references to IP in the Green Paper, IP also has a much bigger, cross-cutting role in securing its objectives. Whilst it is fairly obvious that investment in science, research and innovation will produce IP that needs to be protected and effectively commercialised, IP also has a place in supporting businesses to start and grow, in international trade and in cultivating world-leading sectors.

To ensure that IP fully plays its part in delivering the increased growth and productivity the Government is driving for we want IP to be better understood by business. IP that is not fully exploited is a missed opportunity for growth, which could limit further investment in innovation.

Large companies are more likely to be aware of how valuable their IP is, but surveys tell us SMEs and micro-enterprises may lose out because they do not even know what their IP is, let alone how to protect it and exploit it to its full effect<sup>20</sup>. With over 5 million small businesses in the UK, taking into account that IP will not be relevant to many of them, there is huge untapped potential.

Even a modest increase in the registration and use of IP would contribute to economic growth.

It is clear that our ambition and what we will deliver aligns with the overall objective and several pillars of the Industrial Strategy:

- “Driving growth across the whole country” – we are putting a greater emphasis on the importance of ‘place’, by piloting embedding IPO staff into regional support networks.
- “Investment in science, research and innovation” – we are supporting innovation by encouraging collaboration between business and research communities through IP tools and resources, as well as improving IP valuation.
- “Supporting businesses to start and grow” – we are working to help more business make informed choices about their IP.
- “Encouraging trade and inward investment” – we are providing specific support and advice to those looking to export.
- “Developing skills and cultivating world leading sectors” – we are helping to develop the IP skills and know-how of tomorrow's innovators through further and higher education.

“ With over 5 million small businesses in the UK, taking into account that IP will not be relevant to many of them, there is huge untapped potential. ”

### Corporate Priority

We will support UK innovation by providing access to tools and resources that improve the ability of the business and research communities to derive value from their IP and to stimulate collaboration

There is good evidence that IP can help to build the more productive high wage economy the Government has pledged to deliver. It is not just existing businesses that will benefit from greater knowledge of how to use IP. Universities and research institutions can create valuable IP but often lack the knowledge to get commercial value out of it.

We believe that providing resources that encourage and facilitate better collaboration between the research sector and business will lead to an increase in the commercialisation of innovations. This will certainly include use of the Lambert Toolkit, but could also involve us considering key account managers for larger clients and universities.



The lack of a proper understanding or agreed methodology for the valuation of IP can be a blocker to its better commercialisation and trade. We know that IP rich businesses struggle to secure lending against their IP due to the opaque nature of the asset and can be one of the things preventing them from scaling up. This is why we will help lenders better understand the nature of IP as an asset and will facilitate the market in IP. Our activity will include:

- Promoting and reviewing the use of the Lambert Toolkit<sup>21</sup> for industry-university collaboration.
- Influence the development of the four pilot University Enterprise Zones in Bradford, Bristol, Liverpool and Nottingham to ensure that they enable participating businesses to unlock the value of their IP.
- Producing an up-to-date guide to help research organisations to develop IP strategies for the benefit of regional and national innovation and growth.
- Developing and refreshing our tools and policies to ensure that IP valuations become reliable and trusted.

### Corporate Priority

Working with partners from around the UK we will build on the work we did in 2016-17 to develop our IP place offering. Through integration of IP into regional and business support we will catalyse growth and build local capability to commercialise IP.

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<https://www.gov.uk/guidance/university-and-business-collaboration-agreements-lambert-toolkit>



The importance of 'place' is one of the key aspects of the new Industrial Strategy to drive growth across the whole country. We are responding to the Government's call to action and our activities under this priority are squarely rooted in the principle of taking support to the places where innovation is happening. Better linking IP within the emerging business support landscape will ensure businesses are able to access timely IP information and we will be particularly interested in reaching start-ups in digital and new model businesses. Our work will include:

- Piloting two regional posts embedded within key business support providers in the Northern Powerhouse and Midlands Engine regions to develop and encourage local action.
- Working with Local Enterprise Partnerships responsible for delivering business support within their regions and the Devolved Administrations in Scotland, Wales and Northern Ireland to ensure that IP is integrated into their innovation and business support schemes.
- Seeking to identify new opportunities and initiatives to ensure that businesses and universities have access to combined business and IP advice in their region.
- Providing support and training to ensure that IP is recognised and understood by advisors who are able to signpost towards further help and advice.

## Ministerial Target

**We will increase the number of businesses that better understand how to manage their IP: at least 35% of an expected 100,000 businesses we reach will make an informed decision regarding management of their IP.**



We have a mature and effective model for reaching businesses with IP messages, with an emphasis on improving understanding and management of IP within the wider business context, through activity including:

- Using our “IP for Business” brand to deliver a programme of targeted events and activities to engage with small firms and business advisers.
- Further building our national network of business advisers and evaluate their engagement with and impact on businesses when managing IP.
- Identifying priority business sectors where we can encourage better understanding, protection and commercialisation of IP.

Previously our targets to measure the impact of our work have focussed solely on hitting a set volume. However, this does not capture if our efforts have influenced any behavioural change. This year we are increasing our ambition and will not just measure how many people we reach, but what difference we make, by looking for businesses to make informed decisions on IP. We will do this with a mix of various surveys and application data matching.

### Ministerial Target

**We will provide market specific IP advice to 5,000 current and prospective British exporters. As part of this work, we will deliver bespoke one-to-one business support activity to at least 200 companies annually.**

Much of our international work is focused on broader strategic issues, such as seeking reform of global IP systems or working with our opposite numbers to achieve a shared understanding of IP issues in their jurisdictions. But that is just one part of the package to encourage trade and providing hands-on support for businesses who want to export can make a positive difference. We have targeted 1-2-1 business engagement for the first time as we know that is the most valuable in terms of return on investment for the businesses and ourselves. Most of this will be through our attachés in India, China, SE Asia and Brazil, as they work in-country and have the local knowledge and contacts to help smooth out issues that arise. Several high-profile cases where UK IP attaché support has secured fair and appropriate outcomes for UK businesses are testament to the value they bring.

## Corporate Priority

We will develop high quality IP based learning resources that support the national curriculum and higher education courses in subject areas identified by teachers.

One way to get the wealth creators of tomorrow ready to make best use of IP is to catch them during further and higher education. Going into the workplace, or starting out on their own, with a working knowledge of IP will give them a head start in taking advantage of the possibilities afforded. We have been providing tools and resources for the FE/HE sector for some time, but are now adding a new facet by targeting post graduate research students with IP knowledge and skills. This focuses on those students most likely to develop IP that can be commercialised.

Along with this new direction we will build on our work to embed IP within the wider FE and HE systems, so that students will recognise where IP is relevant within their courses and future work. This will be a collaborative effort, working with universities and the Chartered Institute of Patent Attorneys (CIPA). We expect to:

- Work with regional partners to develop the knowledge and skills of PhD students and early career researchers to engage in knowledge exchange and commercialisation.
- Encourage stakeholders in the further education sector to address the gaps in IP education for 16-18 year olds by incorporating more IP content and resources.
- Deliver an ambitious series of IP-specific lectures to a range of undergraduate courses around the country in collaboration with the university sector and CIPA.
- Influence the development of the Quality Assurance Agency for Higher Education benchmark statements to incorporate IP into university courses.



# Improving the Skills and Capability of our People



## Goal 5

We are undertaking a change journey that impacts on every aspect of our work through; our ambition to become digital by default (TRIPOD); the need to adjust our operating model to match the modernisation of our services; and the drive to make better use of our accommodation. Pulling all of this change together into a single coherent narrative will enable our people to see a positive vision of the future, making it easier for them to help shape, and support, our transformation. Creating the vision is just one aspect, we must communicate it frequently and with confidence, constantly challenging ourselves on what constitutes 'good enough'. It will require empathy and we will work hard to anticipate different reactions and be ready to support people through them.

As well as this overarching effort, to be successful we will focus on some specific activity; ensuring our people have the skills and values that will support our goals; continuing to value difference in the IPO; and transitioning to a more transformational form of leadership.

### Corporate Priority

We will develop and implement a 3 year People Strategy that supports the values and goals of the IPO.

In our corporate strategy we explained how we would need a workforce that is agile, multi-skilled and able to anticipate and adapt to continued change. Our digital transformation and alignment of our operating model are making new demands of our people. We will support the Government's drive to develop data and analytical capabilities in South Wales, along with other data rich bodies; the ONS; Companies House; and the DVLA; and continue to build links with cutting-edge analytical firms working with IP data. Ensuring that our people can flourish and continue to evolve with the IPO requires us to define and deliver a clear vision of the skills they will need and the behaviours they must demonstrate. A piecemeal approach will not deliver the broad shift that we require, so we will implement a People Strategy which clearly explains our key people priorities, such as delivery, change, efficiency and diversity, and sets out how we will achieve them.

### Ministerial Target

**We will demonstrate our commitment to diversity by securing external validation for our approach to inclusion for under-represented groups.**



Creating the vision is just one aspect, we must communicate it frequently and with confidence, constantly challenging ourselves on what constitutes 'good enough'.



We believe we are an organisation where difference is valued and one where our people feel able to bring their whole selves to work. Nobody in the IPO should have to change who they are when they come to work just to 'fit in'<sup>22</sup>. Leadership in the IPO means living our values, whether this is role modelling behaviours or sharing personal perspectives and experiences to demonstrate that the IPO is a place where we are all valued. Alongside holding conferences on diversity and inclusion, events to support awareness of mental health and our policies on part time and flexible working, this signals the importance we place on every aspect of the lives of our people. By securing external validation of our approach, we will ensure that we are not being complacent, reinforcing our claim to be a great place to work.

### Corporate Priority

We will develop individual resilience and communication skills to support our people through our transformation.

The IPO is a complex organisation and has rightly relied on transactional leadership to ensure it delivers the services that customers expect and rightly earn the reputation as one of the world's leading IP offices. Such leadership relies on setting clear goals and targets, responding to and dealing with present issues, and using technical knowledge to determine change. However, in complex organisations that are undergoing a high amount of change, the position we are in now, a higher degree of transformational leadership is required. Transformational leadership is about being proactive, creating opportunities for staff and engaging hearts and minds.

This year we will support our leaders to have transformational rather than transactional conversations with their teams and each other; creating a leadership culture that will help us deliver true organisational change.

Increasing efficiency and  
delivering value for money



# Goal 6

We are committed to being as efficient as possible. Our income derives from our customers' fees for patents, trade marks and designs, and if we are to maintain their trust we need to make the best use of every penny. This means looking for efficiencies across the business, from procurement to the amount we print, and making sure we secure an adequate return on our capital employed. As fees must support all of our activity as we are asked to do more, it may also mean finding opportunities to increase our revenue, perhaps through data services, and consider what governance model suits us best. Over the course of this plan we will also make better use of our accommodation, decide on how we capture and realise the benefits of change, reimagine how our people access the tools they need to do their jobs, and meet targets for efficiency and return on investment.

## Corporate Priority

We will develop a model and the culture to properly capture and realise the benefits of change.

We are currently part way through a significant period of change, delivered through TRIPOD and the Operating Model, supported by our continuous improvement culture. Some of the changes we have made and those to come have intrinsic benefits that are automatically realised. For example, our new digital design system made it easier for customers to register and for our staff to process and examine, bringing immediate efficiencies. Other changes require further positive action to ensure the benefits are realised, whether that is co-locating teams or removing redundant processes. Change is not happening for its own sake, but to make things better and more efficient. We have not always been good at ensuring that we realise all of the benefits of the changes we make or adequately capturing them. We plan to put a harder edge on the benefits of change so that we can tell the story of the increased productivity and efficiency that our change programmes have enabled. Included here will be some form of benchmarking against other offices and other similar organisations.

“ Our primary objective is to deliver the very best working environment that we can for our people: modern, flexible work spaces that support the culture of excellence in the IPO. ”

### Corporate Priority

We will implement the first phase of the Accommodation Strategy to create modern, flexible and sustainable workspaces which enable smarter working.

Our new Accommodation Strategy is set to deliver on the corporate strategy commitment to providing a sustainable work environment which enables our people to deliver our goals effectively. Building on the changes introduced by Working Beyond Walls<sup>23</sup>, our primary objective is to deliver the very best working environment that we can for our people: modern, flexible work spaces that support the culture of excellence in the IPO. Drawing together the expectations of a modern workforce, the needs of our customers and Government's drive to make the most efficient use of its building, it sets a vision to increase occupancy of our estate, become a multi-occupancy site (i.e. with paying tenants) and encourage and support remote/mobile working.

### Corporate Priority

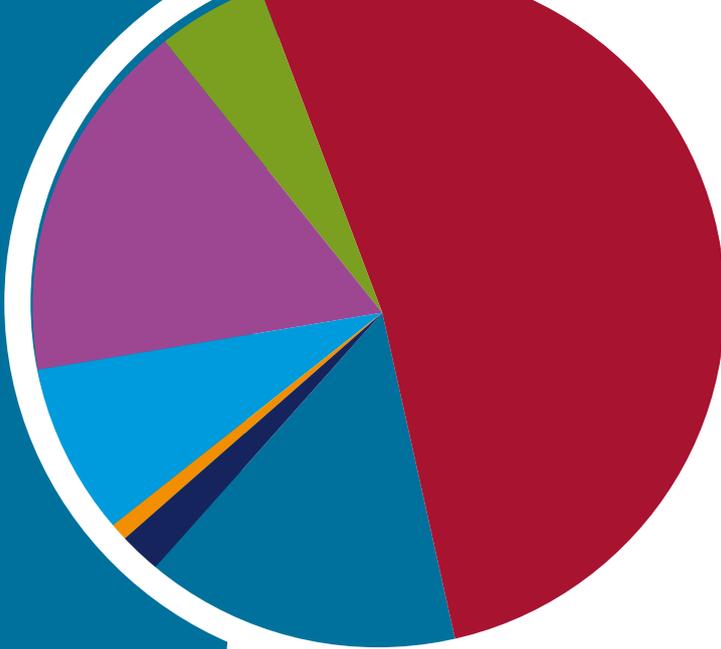
We will change the technology used to access office tools to increase the mobility of our people.

We plan to radically change the way our people are able to access the tools they need to do their jobs. Our current desktop solution developed over a number of years is more suited to the static, office based workforce of the past. The needs and expectations of our workforce and our customers have changed, and we must ensure that our desktop solution catches up. Changes to the technology we use will allow us to become more mobile and able to work from any location, as envisaged by the Accommodation Strategy. Microsoft Exchange will be our first service migrated to the cloud as part of the IT Strategy and act as a trailblazer for other services.

As well as providing better and more flexible tools for staff, costs will be reduced and resilience improved as services are migrated and moved from “on-premises”. Currently we lack the flexibility, adaptability and resilience required to meet changing business needs in the event of IPO needing to invoke the Business Continuity Plan. Using technology and service delivery from the cloud will significantly reduce the risk of being able to recover services, reduce costs by not basing everything “on-premises” and adapt more quickly to any difficult situations.



# Our Finances



## Ministerial Target

**We will achieve return of capital employed of at least 4%**

## Ministerial Target

**We will deliver an efficiency gain of 3.5%**

Our Trading Fund status means we fund our activities through the fees we receive for patents, trade marks, designs and the registration and other functions associated with those rights, rather than via the Parliamentary supply process. This provides us with greater financial flexibility and autonomy.

In exchange, we are required to achieve, on average and in real terms, at least a 4% Return on Capital Employed (ROCE) over a fixed five year period. This return is paid to BEIS as a dividend each year. We entered into a new 5-year period in 2014-15 ending in 2018-19.

## Finance and Investment

### Operating Account

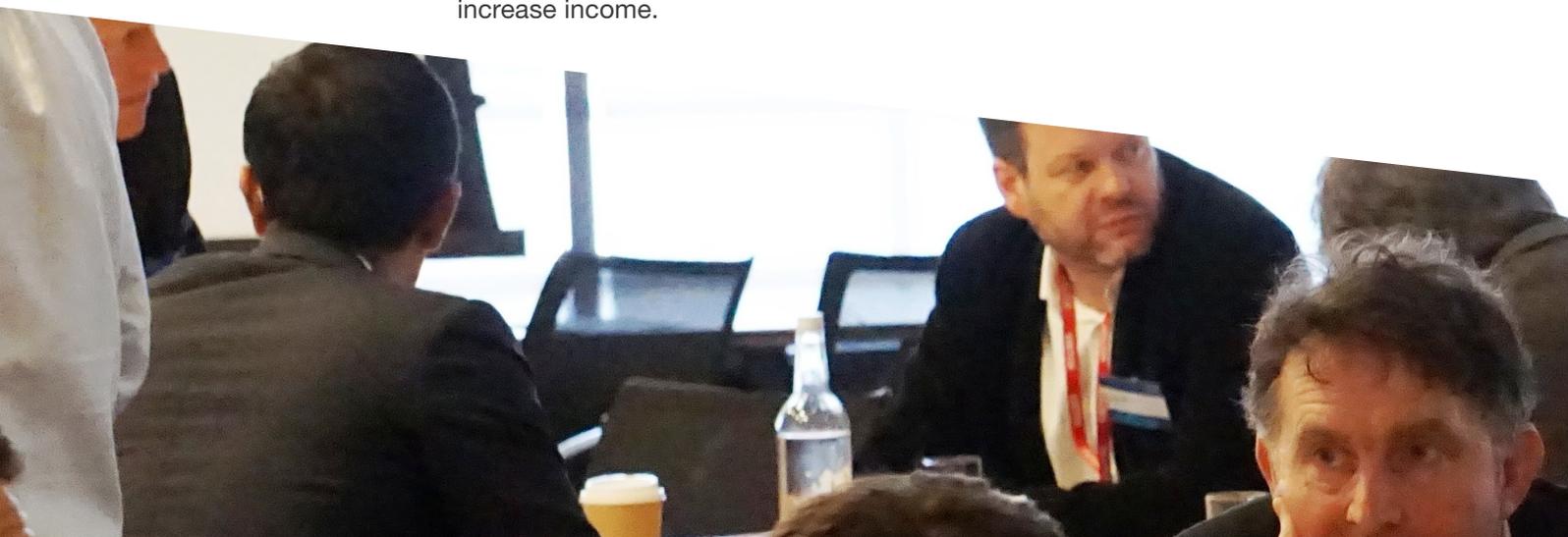
The table below sets out our operating account for the period covered by the Corporate Plan. It also shows the relevant period for the target of achieving a 4% Return on Capital Employed.

|                            | Corporate Plan Period £'000 |          |          |
|----------------------------|-----------------------------|----------|----------|
|                            | 2017/18                     | 2018/19  | 2019/20  |
| Total income               | 89,332                      | 92,142   | 94,572   |
| Total expenditure          | (82,856)                    | (87,433) | (86,404) |
| Depreciation & interest    | (2,111)                     | (1,949)  | (1,829)  |
| Surplus                    | 4,365                       | 2,760    | 6,339    |
| Dividends                  | (3,328)                     | (3,315)  | (3,303)  |
| Retained surplus / deficit | 1,037                       | (555)    | 3,036    |
| Return on Capital (ROCE)   | 5.2%                        | 3.3%     | 7.7%     |

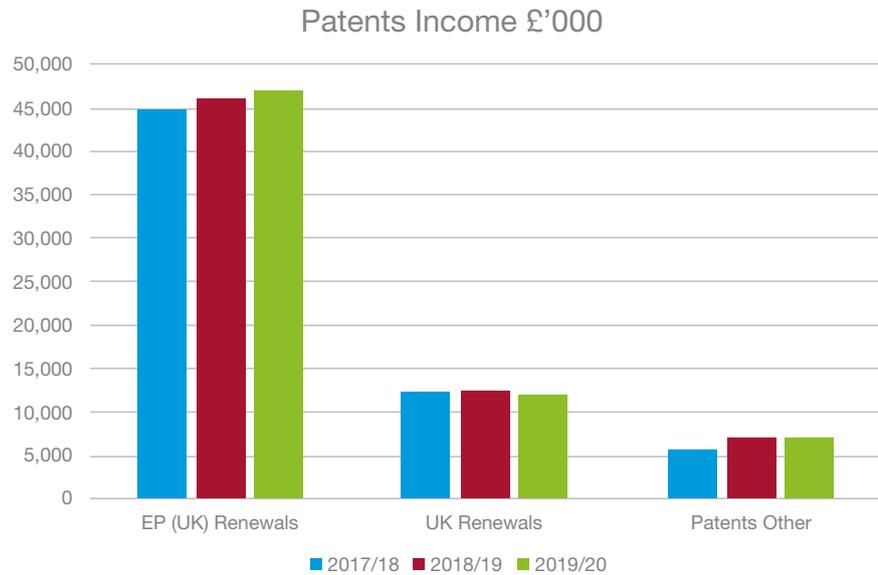
### Income

Our main income source is from renewals. In the case of patents, renewal fees increase according to the age of the patent as they become commercially more valuable and to encourage rights holders to relinquish patents they are not exploiting. For planning purposes we have taken a prudent view of the possible outcomes from the recent patent fee consultation.

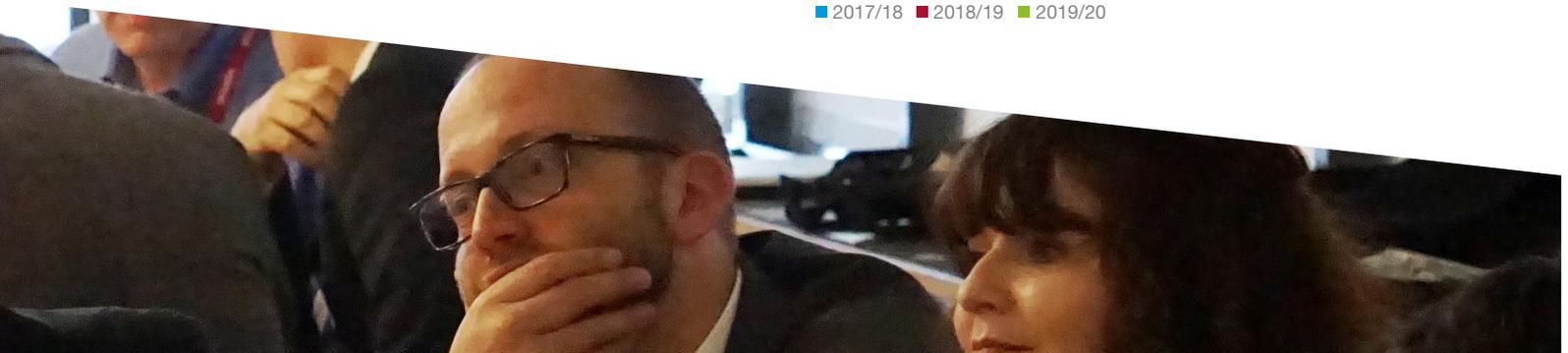
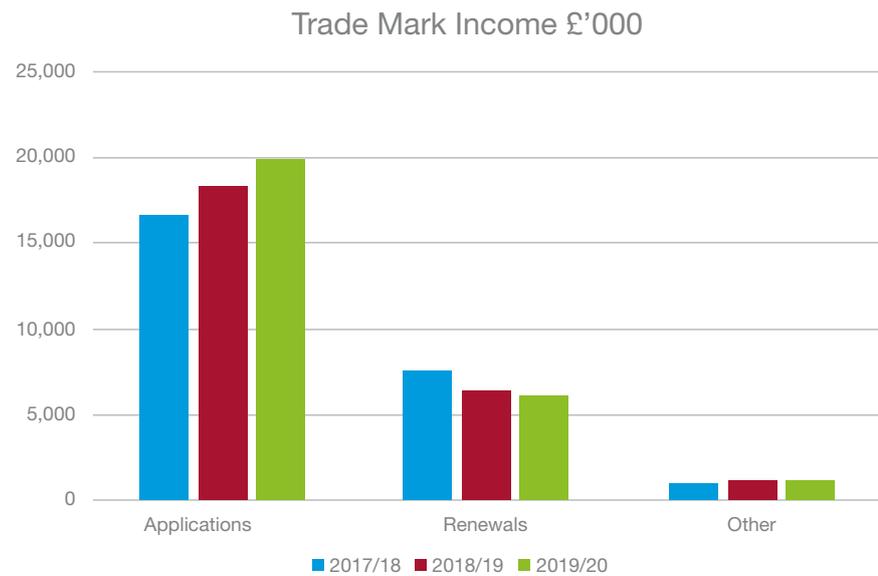
For the purposes of setting an income budget, we have assumed that the renewal rate will remain constant for each year but that the growth in patents available for renewal, due to increased granting by us and the European Patent Office (EPO), will increase income.



Demand remains difficult to predict and will be closely monitored, particularly for the impact of the Unitary Patent which is expected to come into force during the life of the plan.



We forecast that the recent strong growth in trade mark applications will continue over the lifetime of the plan. The trade mark renewals are smaller in value and cyclical in nature due to changes introduced in the 1994 Trade Mark Act, meaning there were fewer cases due for renewal from 2018-19 compared to the earlier years.

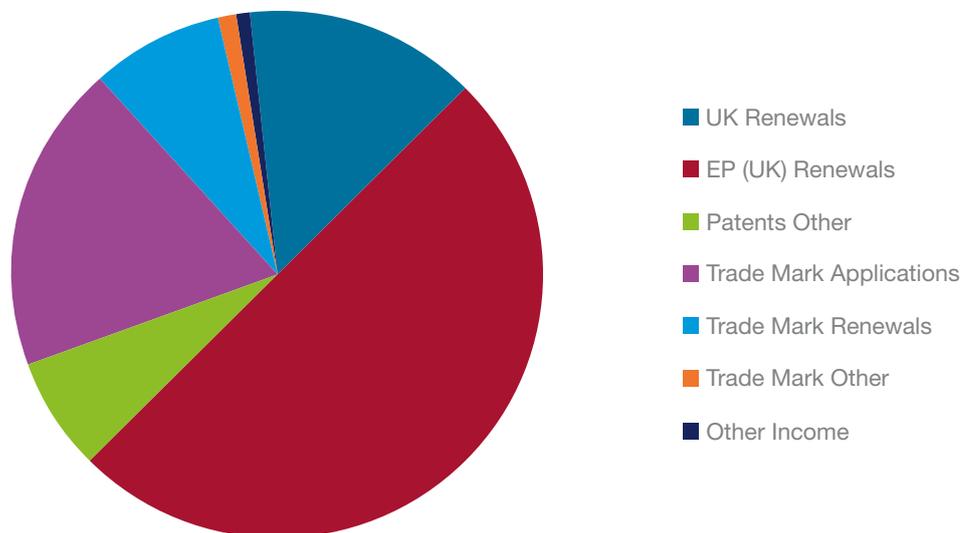




## Budget 2017-18

|                         | £'000         |
|-------------------------|---------------|
| UK Renewals             | 12,499        |
| EP (UK) Renewals        | 44,699        |
| Patents Other           | 5,836         |
| Trade Mark Applications | 16,740        |
| Trade Mark Renewals     | 7,428         |
| Trade Mark Other        | 1,032         |
| Other income            | 1,098         |
| <b>Total income</b>     | <b>89,332</b> |

## 2017-18 Income





Although overall staff numbers are not increasing, pay costs rise as the 150 new examiners recruited in the previous period move from their training to fully competent pay rates.



## Expenditure

Overall expenditure is expected to increase from £83m in 2017-18 to £86m in 2019-20.

This includes pay costs which will increase by £2.5m. Although overall staff numbers are not increasing, pay costs rise as the 150 new examiners recruited in the previous period move from their training to fully competent pay rates. An average 1% pay increase has also been assumed each year, and the impact of changes to employer contributions and the apprenticeship levy have been included.

Other noteworthy new expenditure includes the Unified Patent Court running costs and commercial rental charges for our accommodation in line with the approach announced to create a new Government Property Agency.

Currently, 2018-19 shows a moderate deficit after dividends are paid, however we will develop further efficiency plans in the coming year to ensure we do not incur a loss.

## Investment

In our chapter on delivering a high quality rights granting service we set out our plans to complete the digital transformation of our services. In 2017-18 we have set aside £2.9m for investment, much of which will be spent on developing systems and supporting infrastructure in line with these plans.

# IPO: income and expenditure projections

## 2017-18 – 2019-20

| IPO Corporate Plan Operating Statement |        | 17/18          | 18/19          | 19/20          |
|--|--------|----------------|----------------|----------------|
| Income                                 | Patent | 63,035         | 65,307         | 66,159         |
|  | TM     | 25,199         | 25,707         | 27,161         |
|  | Other  | 1,098          | 1,128          | 1,252          |
| <b>Total Income</b>                    |        | <b>89,332</b>  | <b>92,142</b>  | <b>94,572</b>  |
| Pay costs <sup>(1)</sup>               |        | (53,616)       | (55,714)       | (56,163)       |
| Other Expenses <sup>(2)</sup>          |        | (29,240)       | (31,719)       | (30,241)       |
| <b>Gross Surplus</b>                   |        | <b>6,476</b>   | <b>4,709</b>   | <b>8,168</b>   |
| Depreciation <sup>(3)</sup>            |        | (2,201)        | (2,049)        | (1,931)        |
| Interest Receivable                    |        | 110            | 110            | 110            |
| Interest Charge                        |        | (20)           | (10)           | (8)            |
| <b>Depreciation &amp; Interest</b>     |        | <b>(2,111)</b> | <b>(1,949)</b> | <b>(1,829)</b> |
| Total                                  |        | 4,365          | 2,760          | 6,339          |
| Dividend <sup>(4)</sup>                |        | (3,328)        | (3,315)        | (3,303)        |
| <b>Retained surplus / deficit</b>      |        | <b>1,037</b>   | <b>(555)</b>   | <b>3,036</b>   |

- (1) Pay costs are pay, employer pension and national insurance contributions. The increase reflects new examiners going through the pay scales.
- (2) Other expenses include accommodation, IT bought in costs plus major items such as UPC.
- (3) Depreciation decreases as we move more to software as a service.
- (4) This excludes any special dividends payable to BEIS which do not pass through the operating account i.e. for the innovation fund.



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