



Steering Board Meeting Note

Date: Wednesday 3 April 2019

Time: 10:00am

Location: B3 Concept House, Newport

Attendees: Tim Suter (Chair), Tim Moss, David Rawlins (BEIS), Nora Nanayakkara, Lopa Patel, Andrew Lawrence, Kevin Orford, Mandy Haberman, Neil Hartley, Dominic Houlihan, David Holdsworth (Charity Commission), Mary-Anne Venables, Stephen Driver (Observer), Secretariat

Presenters: Adam Williams, Simon Haikney, Mike Fishwick, Andy Bartlett, Peter Slater, Tracy Waters, Ben Fitzsimmon, Matthew Cope, James Bruckel, Jon Cox

Chair's Introduction

1. Tim Suter welcomed everyone to the meeting, including Stephen Driver as an observer. He noted that David Holdsworth would later be joining the meeting to introduce himself, as he will be joining the IPO as Deputy CEO. Tim noted that this would be Kathryn Ratcliffe's last meeting as Head of Secretariat and thanked her on behalf of the Steering Board for all her hard work.

Apologies

2. No apologies were received.

Approval of the minutes from the previous meeting

3. Minutes from the previous meeting were agreed.

Actions

4. One action remained open from the previous meeting, for Tim Suter, Tim Moss and Andrew Lawrence to discuss how Steering Board can contribute effectively to the budget planning process. All other actions were noted as closed.

Declarations of interest

5. No declarations of interest were raised.

6. Governance and Performance

6.1 Executive Report including Finances

6.1.1 Tim Moss introduced the Executive Report, highlighting key points and providing updates. Under the section on Delivering Excellent IP Services, he informed the Board that March had been a record month for Trade Marks input, noting that examining time had been maintained at five days despite the high input. He explained that some interesting applicant trends were emerging, and the Office was using the data to adjust input forecasts for Trade Marks.

6.1.2 Tim moved on to explain that Patents input had gone down since last year and the Office is investigating this, particularly with key high-volume applicants. He noted that as last year was a peak year, this was not of great concern. Tim explained that there has been great progress in hitting the six-month search target in all examining groups, with continued support from the EPO on biotech and chemistry searches, and noted that a cohort of new examiners had joined the office on 1 April.

6.1.3 Tim moved on to the section on Creating a World-Leading IP Environment, noting that EU Exit planning continues to dominate many areas of work, and said that a full update would be provided later in the meeting. Tim also noted that the Minister's planned trip to China is no longer going ahead, but representatives from the IPO would still be visiting China to share knowledge. Tim said that plans for the UK/WIPO AI conference plans were progressing well, with a venue now chosen. He noted that there had been good engagement with the Office for AI and a number of AI-related businesses and stakeholders.

6.1.4 Under Making the IPO a Brilliant Place to Work, Tim highlighted that The Deal had been signed off by the Executive Board at the end of March, noting that the five key principles would be used as a test for everything the IPO does to build a culture based on our values, principles, and good conversations.

6.1.5 Tim updated the Board on his attendance at the Steering Group for Knowledge Assets in the Public Sector, which is headed by Andrew Mackintosh. He explained that the Group is looking at incentives for the public sector, and ways more support and education can be provided. He noted that the Office will continue to work closely with BEIS on these areas.

6.1.6 Tim said that he had recently attended the Administrative Council for the EPO, noting that there has been a change in direction since the new President, Antonio Campinos, has been in place. He highlighted that it appears there is some friendly competition emerging from the EPO, and that this is a good point to be clear on our unique selling points for our customers.

6.1.7 The Board thanked Tim for his updates, and provided comments on the report. They noted that they liked the structure of the report, particularly the quick read pages and the increase in external benchmarking. The Board commented that they would appreciate a more detailed report on Customer Insight, and Tim agreed, noting that this would be particularly relevant given the planned shift to be customer orientated rather than individual registered rights focused. The Board asked whether the responses to the Customer Satisfaction Survey covered a broad spectrum of customers, and Tim agreed to include more detail in the next report. He noted that the number of survey responses collected this year will be a magnitude greater than in previous years given the shift in methodology.

6.1.8 The Board queried whether any trends could be identified in numbers of tribunals taking place, and asked for more information in the next report. They also recommended that the dip in patents input should be investigated as soon as possible. The Board asked that productivity figures for Trade Marks and Designs were included in the report, in addition to those for Patents. Tim noted that productivity is not an area of concern in Trade Marks and Designs, but that the figures would be included for the next report. He explained that generally this is captured in the efficiency measures, particularly given the quick turn-around for these rights. Tim also highlighted that the Office is considering whether the five day turnaround for Trade Marks is sustainable and necessary, and whether any changes are needed.

6.1.9 The Board noted that the name “Availability Index” for the counterfeit goods availability index is somewhat misleading, and suggested that this could be “Counterfeit Index”. The Board commented on the IP Valuation Fund work, noting that this is an important area for innovation and the industrial strategy and could be highlighted more under that banner.

6.1.10 The Board discussed the various pieces of work that had been commissioned over the past year, as mentioned in the Executive Report, and noted that there have been positive, negative and neutral experiences. The Board queried the level of skills at commissioning work in the IPO. Tim said that there is a mix of commercial skill level across the organisation, and there have been different degrees of success. He noted that there is ongoing work looking at improving commercial skills.

6.2 Audit & Risk Committee Report to Steering Board

6.2.1 Andrew Lawrence provided an update on the Audit and Risk Committee meeting of 14 February. He explained that the Committee has discussed the Finance Report and the Corporate Performance Report and agreed to look at the high-level reports in the future. He noted that the Committee discussed the year-end accounts and timetable, the commercial and contracts capability, had an update on GDPR compliance, the high-level projects report and a detailed look at the Disaster Recovery project. He noted that the Committee reviewed the counter-fraud standards, the sub-committee risk registers, and discussed the progress on internal audits carried out by Government Internal Audit Agency.

6.3 Corporate Performance Scorecard Review & Business Planning Updates

6.3.1 Tim Moss and Mary-Anne Venables presented this item. Mary-Anne Venables explained that the Corporate Performance Scorecard had undergone major changes, and had been reduced to a four page report, down from 30-plus pages. She highlighted that the report focuses on the key priorities, and measures outcomes and tracks progress of projects and other pieces of work. Tim asked the Board to sense check the new scorecard, to ensure that the right priorities were being tracked and that there was a good balance. He highlighted that the report was in the early stages and iterative improvements would be made over the next few months as the report is used in earnest.

6.3.2 The Board noted the significant advance in reducing the report to four pages. They suggested showing headcount and productivity figures together. The Board asked whether the progress of multi-year projects and programmes such as the Transformation work could be demonstrated more clearly. The Board suggested that mission critical items could have an extra page on the report if needed, and Tim said that many of the key items would be on every Executive Board agenda, so would not need such detail on the Scorecard.

6.3.3 The Board advised that the report should include a way to indicate if something had gone wrong, if there was an intervention and if the intervention had improved the situation. They queried where interventions would otherwise be recorded if a target was being missed. The Board noted that it would be easier to see gaps once the report is being used. Tim highlighted that the report would be linked strongly with the Executive Report to allow the Steering Board to link the key targets of the Scorecard with the narrative in the Executive Report.

6.3.4 Tim asked for comments on the Corporate Plan and Ministerial Targets, noting that these were awaiting sign off by the Minister. The Board were pleased with the plan, noting that the use of plain English was a positive.

6.4 BEIS Verbal Update

6.4.1 David Rawlins gave an update on the current priorities for BEIS. He noted that BEIS continued to plan for a no-deal EU Exit and that the IPO was in a good place with its preparations. He explained that it seemed likely that the Spending Review would start in the summer, and in the build-up, BEIS had undertaken an internal exercise to estimate future capital expenditure, but this did not affect the IPO.

6.4.2 David said that the BEIS Director General responsible for the IPO, Gareth Davies, was moving to the Department for Transport, and that two new DG-led groups would be established: Business Sectors Group and Industrial Strategy, Science and Innovation Group. David said he would remain as the BEIS representative on the IPO Steering Board.

6.4.3 Dominic Houlihan and Neil Hartley queried whether BEIS had a view on the current discussions that the Government Property Agency were holding with BEIS agencies, noting that these were voluntary discussions. David Rawlins agreed to investigate and discuss with Dominic Houlihan.

Action: Dominic Houlihan to discuss with David Rawlins the GPA contacts with BEIS agencies, to establish the BEIS point of view and how the IPO should be engaged.

7 Strategic

7.1 Enforcement Framework Review

7.1.1 Matthew Cope presented the item on the Enforcement Framework Review, explaining that the IPO commissioned a review of the IP enforcement framework which was initially planned in two phases, with the first phase being an analysis of challenges or obstacles to enforcement, and the second phase to look at problematic areas identified and make recommendations as to any changes required.

7.1.2 Matthew explained that Bournemouth University were commissioned to undertake the review but that the first phase of the review was not delivered to the standard required, noting that the mapping of the framework took up a lot of time and was deemed unnecessary, and there were a large number of factual errors. He highlighted that the report went through peer review which confirmed that it was not up to standard, and at that point the contract was terminated.

7.1.3 Matthew explained that the next steps were to commission phase two of the review as a consortium bid, and this would include the parts that were missing from the incomplete phase 1. He noted that the commission would ask for a split between registered and unregistered rights, and a focus on problems and deficiencies in the current Enforcement Framework, backed by case studies.

7.1.4 The Board asked if the report was likely to bring up anything that was not already known to the IPO, and Matthew said that it may not bring anything new, but should hopefully provide evidence to support issues that have only ever been raised anecdotally.

7.1.5 The Board questioned the initial commission process, asking if there was a quality evaluation undertaken and how many bids were received. The Board asked for more information about the withholding of the final payment. Matthew explained that there were three bids for the initial tender,

and the chosen bid had expertise across all rights so were a reasonable choice. He confirmed that the withholding of final payment based on quality of the report was in the initial contract, and that the number of significant inaccuracies in the report had led the team to make the decision.

7.1.6 The Board asked for sight of the lessons learned once they had been captured. They asked if the review would still deliver the results needed considering that it had been descoped significantly. Matthew confirmed that the scope change meant the review was more focused and this would provide a useful outcome with issues in the framework being clearly laid out.

7.2 EU Exit, Trade & TM10 Verbal Update

7.2.1 Adam Williams provided an update on the EU Exit and Trade work for the period January – March 2019.

7.2.2 Adam Williams and Simon Haikney then took the Board through the recent TTMD EU Exit Programme work and EU Exit contingency planning. Adam explained that all the Statutory Instruments for a no deal Exit had been laid successfully, and that scenario planning was ongoing. He noted that morale amongst the teams is fairly good, although the uncertainty is not helping, and explained that the teams are being supported as much as possible.

7.2.3 Simon Haikney explained the current status of cloning of EU Trade Marks and EU Design rights and International Trade Marks and Designs designating the EU. He highlighted some small issues with incremental updates to the EU Designs, and explained that both International Trade Marks and International Designs would be held from going live until two weeks after Exit day in order to de-risk the process. Simon noted that there would be minimal impact to customers and that a work-around had been put in place internally for the business.

7.2.4 Adam confirmed that all the legislation was now in place so that once Exit day passed all the rights would exist legally but would not appear on the register for a few weeks. He explained that a splash notice was prepared for the external website to explain the situation, and that a script was prepared for the Information Centre.

7.2.5 The Board queried whether the testing teams were adequately resourced, and Adam confirmed that they were, explaining that any delays were due to completing development later than hoped, not due to testing capacity. The Board asked if Disaster Recovery plans were in place to cope with potential overload of capacity, and Dominic Houlihan confirmed that it was linked in, and all systems could be brought back within an acceptable time frame. Adam noted that there was a special team in place to respond to any software and database issues caused on Exit day.

7.2.6 The Board said that they were impressed with the formidable and impressive achievement and passed on their congratulations and thanks to the teams involved.

7.3 Digital Transformation

7.3.1 Tim Moss introduced this item about the Transformation Programme. He began by providing context of the Programme, explaining that in order to deliver the goal 'Delivering Excellent IP Services' in the IPO Strategy, the IPO needs to fundamentally change the services for the customer, creating a customer experience that is truly end-to-end digital. Tim Moss introduced Andy Bartlett, sponsor for the Transformation Programme.

7.3.2 Andy Bartlett began by highlighting the name change from 'Digital Transformation' to 'Transformation', explaining that the programme encompasses technical transformation, the customer experience, and business processes all overlapping. Andy took the Board through the current state of our digital services, giving examples of archaic processes and policies such as having a customer address assigned to every individual IP right, rather than one address for a customer. He highlighted that current processes are for individual rights types, and there needs to be a move to an 'all rights together' approach. He explained that the Renewals project would go live in June, and the 'Change My' delivery phase would begin in June.

7.3.3 Mike Fishwick, Chief Technology Officer, then took the Board through the proposed Digital Delivery Model, first explaining how this aligns with the four key principles of the IT strategy: Componentisation; Commercial off the shelf; Cloud first; Configure not code. He explained that the Executive Board had committed to a model called 'Renewals+' based on the current Renewals project model, for the next 12 months. He explained that the model would be resourced 35% by IPO people and 65% by third-party partner. Mike said that by working with a third-party partner, projects gain a greater focus on delivery.

7.3.4 Mike then explained the Change Management aspect of the Transformation work. He said that there would be specific Change Managers in post, focusing on the Operating Model and role changes. He explained that IT Business Analysts would use a method to assess the whole organisation for the impact for each piece of digital transformation work, and would then hand the results over to the Change Managers to manage.

7.3.5 Tim Moss concluded the presentation by saying that it is important to have the thinking right at the outset. He said that a milestone plan would be in place, but the large pieces of work are already noted in the Corporate Plan. He highlighted that the Transformation work represents a change in thinking to our digital processes. Tim invited the Board to comment, and particularly asked if there were any major concerns.

7.3.6 The Board provided comments, noting it was helpful to lay out the thinking particularly how the IT Strategy overlays the Transformation Strategy, and welcomed the high-level plan. The Board said it would be helpful to see the detailed plan, particularly the critical path with all slack removed and glide paths for component completeness. They recommended using stage gates with pass or fail criteria rather than RAG status.

7.3.7 The Board queried whether we were the only IP office carrying out work of this nature, and if there was anything to learn from others. Tim confirmed that, although other IP offices are carrying out some work in this area such as automating of systems, we are going a step further. He noted that the Transformation team are visiting the Australian IP Office to see how they use Artificial Intelligence.

7.3.8 The Board agreed that the 'Renewals+' approach seems to be a good delivery model. They highlighted that the cultural change management is incredibly important. The Board queried how they could input into the process, and where their role would lie. They noted that there needs to be an appropriate level of Steering Board and governance interaction, and agreed to discuss this outside of the meeting.

Action: Tim Suter and Tim Moss to discuss how Non-Executive Directors can helpfully input into the Transformation work, via Steering Board, Audit & Risk Committee, and/or individual experience.

8. Renewals Show & Tell

8.1 The Chair welcomed Peter Slater, Tracy Waters, and Ben Fitzsimons to give a demonstration of the Renewals portal prototype. The team showed how individual or bulk numbers of registered rights could be renewed very quickly via the portal, in comparison to the current system which can take days with a lot of manual input.

8.2 The Board were impressed with the demonstration. They raised a concern around the unauthenticated process, and Tim Moss confirmed that the current process is similarly unauthenticated and is not considered a high risk. He confirmed that the decision was made and recorded at Change Committee. Tim also highlighted that once the 'Change My' project was complete, Renewals would come behind the customer authentication process.

9. IPO Security Operations Centre Presentation

9.1 The Board attended a demonstration of the IPO Security Operations Centre.

Date of Next Meeting: Monday 24 June 2019