Promoting Innovation and Growth:
The Intellectual Property Office at Work
2018-2019

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A strong and effective intellectual property system is a cornerstone of an innovative, successful economy and society. Our ability to innovate - to develop new ideas and put them into action – is one of our great historic strengths. As the Prime Minister recently stated the “UK is leading the world in so many of the areas that will define the coming decades. Our science and tech sectors are the best in Europe, and we are a country brimming with ideas and creativity”. Successes like the jet engine through to MRI scanners, from interactive textiles to the next generation of metamaterials, have and will continue to change the way we live our lives. All of these ground-breaking innovations have been developed and delivered with the protection and application provided by IP rights.

The UK’s IP regime is considered as one of the best in the world – whether it be the quality of the services we provide or how we tackle infringement of rights. We consistently rank highly for our rights-based services in the Global IP Index and we hold a top global position, alongside the US in their Chambers of Commerce International IP Index too. The continued strength of this framework will be key to delivering on the UK Government’s aim to be the world’s most innovative economy.

This report captures, not only the work of the IPO and progress towards its aim to become the best IP office in the world but also, how it contributes to growing our innovation strengths and maintaining the UK’s global leading position.

In order to put the UK at the forefront of the industries of the future, the Government has set out its Grand Challenges through its Industrial Strategy. The IPO has a key role to play in this in making sure the IP framework is fit to meet the demands of the innovative creators, inventors and businesses that will fuel this new industrial revolution. And its work supports the Industrial Strategy’s foundations of productivity whether it be building a future generation of entrepreneurs or focusing on impacts in local economies.

The IPO has also maintained its world-leading position around the protection and enforcement of IP rights, which is an essential element of stimulating the confidence to innovate. It continues to work closely with industry, delivering ground-breaking partnerships whether it be educating about the risks of fake car parts with the automotive sector or building a deeper understanding of digital infringement and supporting the work of the Police IP Crime Unit.
At the heart of this support for innovation and creativity is making sure the core rights-based services meet the needs of the modern customer. The IPO has put in place preparations to develop an end-to-end digital experience for its customers that will reduce unnecessary burdens and improve the experience. This comes in a year when the IPO has continued to deliver an outstanding service – it achieved a customer satisfaction rating of 87.5%, saw large increases in both trade mark applications and design applications, whilst improving the timeliness of the patent search process.

In fact, the IPO met all of its targets set at the beginning of the year, including delivering on its part of the Creative Industries sector deal, making sure that 80% of the businesses it engaged with could make informed decisions about their IP and embedding its new approach of mutual expectations with its staff. It also delivered on the external validation of the mental health provision for its staff by achieving a Gold Award in the Mind Workplace Wellbeing Index.

Like much of government, the IPO has focused on preparation for the UK leaving the EU. It has delivered on making sure there is legislative continuity at the point of exit including preparation for the continuation of rights and minimising disruption to businesses and rights holders. They have made sure they are ready for future negotiations with the EU and are able to continue to influence IP policy in Europe and beyond.

What is clear is that the breadth and depth of the IPO’s work is one that touches almost every aspect of economy and society. It supports and protects those that drive innovation and creativity today but has a clear vision firmly fixed on the future – that IP matters and has a key role in building an exciting future for the UK.

“\nThe UK’s IP regime is considered as one of the best in the world – whether it be the quality of the services we provide or how we tackle infringement of rights….the continued strength of this framework will be key to delivering on the UK Government’s aim to be the world’s most innovative economy.”
Innovation and creativity underpin modern lifestyles, businesses and wider society. In today’s constantly changing environment we not only take for granted technologies and services that could not be conceived of just a few years ago, but also have come to expect and depend on the constant generation of new ideas and products. Over recent years this has been exemplified by the huge growth in emerging technologies such as Artificial Intelligence.

This innovation creates economic growth and is why making the UK “the most innovative country in the world” is central to the Government’s vision for a more prosperous Britain under the Industrial Strategy, supported by the biggest ever increase in public R&D funding, an extra £7 billion. Innovation increases productivity, grows markets and creates jobs. Evidence shows that UK firms that innovate grow at around twice the rate of those that don’t. The UK is a global leader in innovation, ranked 5th in the World Intellectual Property Office’s Global Innovation Index 2019.

Intellectual Property (IP) is crucial to supporting innovation. Innovation involves taking a risk; investing money in new research & development; investing time in writing a book or a song; or using savings to launch a new brand. IP can reduce the risk by allowing innovators to protect their creations through the interconnected system of rights; trade marks, patents, copyright or designs. Protected by IP rights, inventors, researchers and creators can pour their time, money and knowledge into developing new and better things with the confidence that if successful, they can benefit from the result and make a return on their investment. By creating a temporary monopoly in which innovators are sufficiently rewarded, IP creates an incentive for R&D, leading to innovation.

Of course, innovation happens when knowledge is shared as well as when it is protected. IP rights are in the public domain, promoting the diffusion of ideas and the sharing of knowledge.

Investment in IP makes a significant contribution to innovation and productivity for the UK economy:

- In 2016, firms in the UK market sector invested an estimated £134.3bn in knowledge assets, of which £63.8bn was protected by intellectual property rights. This equates to 6.8% and 3.2% of total GDP, respectively.

- According to the EUIPO, industries with an above average use of IP rights, account for 43.7% of GDP and 26.8% of total UK employment. The UK IPO is currently working on a bespoke set of estimates on IP intensities across sectors using UK specific data.

- In 2017, the UK exported £17.6bn and imported £11.8bn of intellectual property services, resulting in a trade surplus of £5.7bn.
The Role of the Intellectual Property Office

The Intellectual Property Office (IPO) is the government body responsible for administering and granting IP rights in the UK. We are also responsible for developing the necessary legislative and policy frameworks, to give researchers, creators and inventors the confidence to invest and innovate.

IP touches everything that makes modern life more enjoyable, easier, safer, and prosperous. Our work gives researchers, inventors and creators, whether as individuals or businesses the confidence to invest their time, energy and money in doing something new – making life better.

The IPO’s ambition is to be the best IP office, helping the UK to become the most innovative and creative country in the world. To achieve this, we have two external-facing aims – to Deliver Excellent IP Services and to Create a World-Leading IP Environment, along with a people-based objective of making the IPO a brilliant place to work.

Delivering excellent IP services for our customers is central to the IPO. To be the best, we will build on our strengths in rights granting and related services, provide timely, reliable and quality services, develop end to end digital services and improve our data services.

We also want to create a world-leading IP environment. The UK has a world class IP system, but this is only part of the picture. We want the whole IP environment, from the legal and policy framework, to the level of IP knowledge and the ability to protect rights to be world leading and provide incentives to be creative and innovative. We will achieve this through developing the legislative and policy framework; increasing IP’s impact through awareness and education; and reducing IP crime and infringement.

To deliver the best service, we need happy and well-motivated people with the right skills, tools, values and behaviours, and working environment. The third strand of our strategy is therefore to make the IPO a brilliant place to work. This will create the conditions to allow our people to flourish and deliver the two key customer-focused objectives set out above. In 2018-19 we achieved all our Ministerial people targets including launching a cultural initiative to clarify the mutual expectations between the IPO and our people and also achieving a Gold Award in the Mind Workplace Wellbeing Index, reflecting our provisions for the mental health of our people.

This report outlines many of the things we are doing to support innovation and growth in delivering our two customer-facing objectives - Delivering Excellent IP Services; and Creating a World-leading IP Environment.
Delivering Excellent IP Services

Delivering IP services for our customers is central to the IPO. To be the best we will build on our strengths in rights granting and related services and improve our digital services and data. We aim to offer our customers the services that they need in the way that they need them.

Timely, reliable and quality services

Many of the ideas contained in the application process may not be successful and so the volume of rights applied for is not a direct indicator of innovation or economic growth. Nevertheless, processing applications in a timely way enables businesses to protect their IP and thereby encourages them to innovate and grow and for the country to prosper.

In 2018-19 we saw domestic trade mark requests continue to grow with an increase of 11.4% over the previous financial year. This is consistent with previous years where growth has been above 10% every year since 2011. This increase has been effectively managed, and the business has reduced the average time to issue examination reports from nine working days from receipt in 2017-18 to seven working days in 2018-19. We continue to process acceptable applications promptly with 99% of cases registered within four months of receipt.

Designs have also recorded the highest number of registrations during the FY, an increase of 18.9% over the previous period and we now issue over 95% of reports on e-filed cases within 10 working days of receipt.
Performance table

Trade mark rights granting

Requests

Average time to first examination

2 day improvement

Designs rights granting

Registered within 4 months

Designs rights granted

Issue of first design report on e-filed cases within 10 workings days

Patents

Applications

Searches

Exams

-9% Change

-11% Change

-8% Change

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Ministerial Targets

Our Ministerial Targets are set annually aligned with wider government objectives and our ambition and strategy. These are laid in Parliament in a written Ministerial Statement. The targets drive our performance and priority-setting and are formally reviewed at regular intervals at Board level.

Our Ministerial targets for Delivering Excellent IP Services and performance against these are set out below. We achieved each target set.

At least 85% of our customers will rate us 8/10 or higher for overall satisfaction.

Year-end position: 87.5%

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.

Year-end position: 96%

We will have prepared the systems supporting our trade marks service for the UK’s exit from the EU and the implementation of the EU Trade Marks Directive.

Year-end position: Legislatively we are entirely ready for the UK’s exit from the EU, and we are in a position to deliver the supporting IT change, so stakeholders can litigate and manage their rights upon exit.
Digital Transformation

The IPO exceeded a demanding target for overall customer satisfaction in 2018/19. 87.5% of customers surveyed rated us 8 out of 10 or higher against a new target of 85%. Less than 4% of customers interviewed gave the IPO a score below 6 out of 10, with many respondents commenting on our helpful people and easy online services. Nevertheless, the survey confirmed there is substantial customer demand for the IPO to replace remaining paper-based services with additional online options.

We remain committed to making our services, whether digital or analogue, as easy to access as possible. Recognising that our services have not kept pace with an ever-changing world, we have continued with our digital transformation programme to enhance the way our customers will do business with us.

We have a clear, simple philosophy that applying for, and managing, any IP right should be straightforward with a consistent experience. Our enterprise digital platform provides a full suite of digital services and this, together with our developing enterprise architecture, will allow us to create true digital services as opposed to digitised paper services.

Over the past year, we have continued to develop our new digital IP Renewals Service, which is our first example of a true digital service. In July 2019, we launched a test version of the service to selected customers with a view to introducing the full live service in the autumn. This new service allows customers to digitally renew single or multiple rights, either for a specific type of IP right or for a combination of rights. It replaces our existing online renewals services for patent and trade mark customers and introduces digital renewals for design customers.

The digital service provides a more streamlined experience for customers, providing upfront validation, clear error messaging and instant confirmation that the IP rights have been renewed via a digital renewal certificate. The digital service reduces the confirmation time for our customers from four days (on average) to a few minutes. The instant confirmation and updating of the IP Registers also provides more certainty to interested parties who may be monitoring the progress of the IP right.

Alongside the development of our renewals service, we have also been looking at developing a suite of digital services to allow customers to manage and update the names and addresses associated with their IP rights. Through the “Manage My” digital service we are looking to simplify the current 15 ways customers can change their details into one simple, self-service facility with instant notification that our records have been updated. These digital services will be accessed via a secure, authenticated customer account which we then intend to build upon to provide other digital capabilities such as digital examination reports and messaging for our customers. Our aim is to introduce the “Manage My” services in 2020.
Preparing for Brexit

The current UK Intellectual Property system combines elements of national, EU and international law. EU IP law mainly does two things: it creates new IP rights, and harmonises national law relating to IP. The UK is also party to a number of international treaties and agreements which protect and enforce IP rights, independently of our membership of the EU.

Much of our focus has been on preparing for Brexit. For example, we have identified international treaties and agreements that we are signed up to as members of the EU and we have legislated to ensure their continuity. In preparation for Brexit without a Withdrawal Agreement, we have passed six statutory instruments. These pieces of legislation will ensure continuation of rights (where appropriate) and a functioning statute book after Brexit and minimise disruption to businesses and right holders. We have also launched various communication products and participated in business outreach activities to keep stakeholders informed on how Brexit might affect them.

As EU Trade Marks and Registered Community Designs will no longer provide protection in the UK once the UK leaves the EU, the legislation included the legal creation of new UK equivalent trade marks and UK re-registered designs. We have done the same for international IP rights that designate the EU. This will guarantee that owners of these IP rights do not lose protection for their valuable property. To support this, we have been updating our IT systems to make sure that the extra 2m rights created by the legislation will be visible and accessible as soon as the UK leaves the EU.

We are also preparing for future negotiations with the EU and are working to maintain our existing relationships with current EU Member States in order that we continue to be able to positively influence IP policy in Europe and beyond. Our aim is to create a world leading IP environment and ensure a balanced and fit for purpose international intellectual property framework that maximises the benefits of innovation and creativity.
Creating a World-Leading IP Environment

The UK has a world class IP system, but this is only part of the picture. We want the whole IP environment, from the legal and policy framework, to the level of IP knowledge and the ability to protect rights to be world leading and provide incentives to invest in innovation. Our strategic approach is across three areas: developing the legislative and policy framework; increasing IP’s impact through awareness and education; and reducing IP crime and infringement.

The link between IP and the Governments Industrial Strategy

IP is the bedrock of innovation, and its importance means the IPO’s role in creating a world leading intellectual property environment is fundamental to the Industrial Strategy’s vision. Our work supports all five of the Industrial Strategy’s foundations of productivity:

Ideas

IP helps to make the UK the world’s most innovative economy by enabling entrepreneurs and SMEs to maximise the value of their ideas, and ensuring we protect the outcomes of our increased spending on R&D.

People

The IPO is making sure that everyone, from schoolchildren right through to postgraduate students and researchers, have the right awareness of the importance of IP and the skills to take their ideas forward, building a generation of entrepreneurs and supporting high-value jobs for the STEM pipeline.

Business environment

The UK is recognised to have a world-leading IP environment, and we are working to make sure IP is part of business planning right from the start, helping people to recognise IP’s value as a business asset, and use it to unlock investment.
Infrastructure

Alongside our work with businesses and universities, we are supporting the work of HM Treasury to get smart about IP in the public sector, seeking to ensure that good IP management principles are embedded throughout government, supporting a wide variety of public services including delivery of infrastructure projects.

Place

As Government commits to place, our ongoing approach is to co-locate policy advisors in the LEPs to influence Local Industrial Strategies and support their delivery by integrating IP into existing and new programmes that support innovation and business planning and build capability in Growth Hubs.

The Industrial Strategy outlines four Grand Challenges to put the UK at the forefront of the industries of the future. Challenges are framed around Artificial Intelligence and the Data Economy, Clean Growth, the Future of Mobility, and harnessing the power of innovation to meet the needs of an Ageing Society.

Whilst the IP framework is generally designed so as to be technologically neutral, these challenges involve global shifts towards new and revolutionary technologies, and the IPO is working to understand the challenges and opportunities for the IP framework posed by these technologies through our ‘Futures Programme’. Artificial Intelligence is a particular focus. We are considering emerging policy and legal questions in this area to ensure that the IP framework continues to appropriately support innovation. From a technical perspective we are also exploring the opportunities for the IPO to use Artificial Intelligence to improve our business processes.
Artificial Intelligence

Artificial Intelligence (AI) is growing at a great pace and is spreading across many industry sectors. AI refers to those computer systems capable of performing tasks that would normally require some intelligence if done by humans. AI as a concept was first coined in the 1950s and has been the basis for a plethora of science fiction novels and movies. Now, 60 years later, we interact with AI systems on a regular basis, for example in transport, e-mail, banking and social networking, and AI is fast becoming embedded into our everyday lives. The UK government is dedicated to advancing the UK’s AI sector, which is estimated to add £630bn to the UK economy by 2035; AI is one of the four Grand Challenges forming the UK government’s Industrial Strategy which aims to boost the productivity and earning power of people across the UK, and to increase the level of investment in Research and Development (R&D) from 1.7% to 2.4% of GDP by 2027.

IPO has published a study providing an overview of the AI patent landscape across the world and investigates the past and current trends in this rapidly advancing area of technology. It is one of the first to look more closely at patenting activity within the UK’s AI sector and how this compares with other countries. It provides insights into the leading UK-based applicants in the field, the location and extent of their future markets, as well as attempting to identify specific strengths within the UK’s AI sector.

The rapid growth of worldwide patenting in AI technologies over the past decade has seen increases of more than 400% in the number of published AI patent applications. In 2017, almost 30,000 global AI-related patent applications were published worldwide, which is twice as many as were published two years earlier in 2015. The UK AI sector has seen its patenting activity more than double over the same period. Key areas of AI patenting growth in the UK include transport, image processing and telecommunications. While the US and China remain key players in the AI patent landscape in terms of absolute numbers of applications, the proportion of AI patent applications in the UK is growing at a similar rate to that of the US.

Around 88% of AI-related patents first filed in the UK are also protected elsewhere, and this is in contrast with two big global players, the US and China, who have 53% and 19% respectively of patents protected in other jurisdictions. Patentees generally only take on the additional costs and delays of extending protection to other countries if they deem it worthwhile; the large proportion of UK patents protected elsewhere therefore reflects the global nature of the AI sector and a perceived importance for UK-based applicants and inventors to seek protection and commercialise their inventions in international markets, which may be driven in part by the larger markets found outside the UK.

The IPO report provides the basis for further research into the growth of AI at both the global and UK level, touching on areas of significance and highlighting differences across global players. AI is increasingly becoming integrated within modern society and, in this rapidly growing sector, it is important to note the role that patents, and IP more generally, have to play in facilitating this growth as the technology continues to develop.
>160,000
AI patents worldwide

>28,000
in 2017 alone

Neural networks
highest growth
AI technique
worldwide

88% of AI GB patents also protected elsewhere (US 53%, China 19%)

UK inventors ranked 6th worldwide

UK 2nd worldwide (behind US) for proportion of total patents relating to AI

400% increase of AI patents in past 10 years

UK AI strengths in transport, image processing and telecommunications sectors
Ministerial Targets

Our Ministerial targets for creating a world-leading IP environment and performance against these are set out below. We achieved each target set.

We will ensure that all of the IPO’s Statutory Instruments relating to EU Exit are drafted and ready for laying as required by the legislative authorities.

Year-end position: All Statutory Instruments relating to EU Exit have been laid, debated and approved in Parliament by the deadlines required.

60% of the businesses we reach and survey will confirm that they have made an informed decision on their IP.

Year-end position: 80% of businesses have confirmed that they have made an informed decision on their IP.

We will deliver our part of the Creative Industries Sector Deal and alongside industry, develop appropriate voluntary measures targeting online market places, social media and digital advertising.

Year-end position: We have held formal round tables and bi-lateral engagement on all three workstreams.
Encouraging Innovation through Policy Development

Our aim is to produce the optimal IP framework for the UK, one that promotes innovation and creativity, is easy to understand, and balances protection with access to knowledge. The following are some examples of how we have striven to achieve this aim.

Regulators’ Pioneer Fund

The UK Intellectual Property Office (IPO) was one of 15 public sector organisations to have been awarded a share of a £10M fund – The Regulators’ Pioneer Fund – to help drive forward innovation in the public sector and regulate the industries of the future. The IPO’s share of the funding will allow the organisation to explore AI solutions to enhance the intellectual property right (IPR) online filing process for applicants filing for patents, trade marks and designs.

Case Study Music 2025 – The Data Dilemma

In 2017, a report by Sir Peter Balzagette, “Independent Review of the Creative Industries”, identified significant challenges in ensuring fair remuneration of content creators. The report recommended developing innovative approaches to data transparency across the digital value chain to rectify this and so the IPO commissioned Ulster University to prepare an independent report.

Digital data is a problem for the music industry because of disconnections between the ways in which music can be created, disseminated and remunerated across digital platforms. Following over 50 high profile music industry interviews and excellent engagement across the industry, four recommendations were arrived at:

1. Education and awareness – improving the standards of data input at all points to ensure correct attributions in the digital space;

2. Collaboration – opportunities to improve communication across a diverse and fractured sector;

3. Interoperability – all players are developing their own datasets and databases in isolation so there is an opportunity to develop technical solutions to build better data;

4. Governance – opportunities for the music industry to learn from the banking sector in terms of governance, to ensure adherence to data standards.
Music 2025
The Music Data Dilemma: issues facing the music industry in improving data management

Growth of Streaming

Internet statistics

New Technologies – 5G, IOT, AI

5G (Fifth generation) wireless is the next mobile technology standard, based on the IEEE 802.11ac wireless networking standard, that will be succeeding the current 4G/LTE technology. 5G is expected to hit the market by 2020. By 2021, the number of 5G connections is forecast to reach a figure of between 20 million and 100 million. Some estimates put the figure at 200 million. Spending on 5G mobile infrastructure for that same year is forecast to be at around 2.3 billion U.S. dollars.

Sources:
https://newsroom.spotify.com/company-info/
https://www.youtube.com/yt/about/press/
https://www.statista.com/topics/3447/5g/
3D printing and IP Futures

We published a research report on 3D Printing and IP Futures, authored by a multi-disciplinary team working out of Queensland University of Technology, Australia. The report looked at the current and future relationship between 3D printing and IP in six countries—China, France, India, Russia, Singapore and the UK - to build a rich picture of this issue, comprising both developed and emerging economies.

The research builds on previous IPO research on 3D printing and was in response to calls from industry to monitor developments around this disruptive technology with the key findings being:

1. 3D printing does not appear to be posing fundamental threats to IP in any of the countries examined at this moment in time.

2. IP is not the only area of law involved with 3D printing and may not be the most important legal concern for those operating in the 3D printing industry. Medical device regulation, product liability, and health and safety laws may be more important legal considerations for industry actors.

3. The relationship between 3D printing and other emerging technologies such as automation, Internet of Things (IoT), artificial intelligence and blockchain is one of cross-fertilisation.

Work with the British Business Bank

We have seen evidence that there is a barrier to IP-rich firms using their intangible assets to access funding, and over the past year we have worked with the British Business Bank (BBB), HM Treasury, BEIS and industry to strengthen IP’s role as an asset to unlock investment. Our work has included holding roundtable discussions to improve our understanding of the issues and publishing a joint paper with the BBB, which examines the challenges facing Small and Medium Enterprises in using IP to access growth funding. We will continue our work and during 2019/20 will develop the evidence base and identify the data needed to influence lenders to consider IP as collateral in debt lending.
Increasing IP’s impact through awareness and education

One of the ways the IPO ensures that the UK’s IP framework is amongst the very best in the world is by increasing IP’s impact through awareness and education. To identify opportunities to increase the social and economic impact of our education resources, in October 2018 we commissioned a comprehensive independent review. We will use the evidence from this review to develop a clear policy on IP education in 2019-20 to ensure our education resources and activities are most effectively targeted.

To help PhD students and researchers understand how IP fits into their research and the commercialisation process, the IPO created the IP for Research programme, a set of online resources and an interactive half-day workshop. During the 2018/19 academic year we partnered with Vitae – the professional body for the development of researchers – to deliver IP for Research workshops to researchers in 15 universities across the UK.

IP in the classroom

Getting IP into the classroom, to help build long term understanding of why IP matters in our everyday lives, is central to our work. It underpins our aim of creating an IP literate future generation of innovators, able to cope with the challenges and make the most of the opportunities that the rapidly developing technologies of tomorrow will bring.

We work with students and teachers through a range of free activities and resources, in the classroom and on the road around the UK, to create a fun and focused approach to learning about IP and putting it into practice. Our suite of teaching resources, found on crackingideas.com, had more than 21,000 uses last year and attracted nearly 800 new registrations.

We conducted some research during the year of more than 6000 registered users to evaluate the use and value of our resources. The results not only reflected how teachers and students felt about IP – 85% felt IP was important for future careers - but provided thoughtful contributions on where we could expand our offering in the future.
Business engagement

Businesses face a range of challenges to make the most of their IP. Many do not understand IP or know they have it as a potentially valuable asset. In order to best support innovation and growth we have been constantly refining the way we engage with companies and business advisers with the aim of helping them make informed decisions about their IP. For example, we extended our cross-government working approach to webinars with Companies House and HMRC providing comprehensive advice to nearly 250 new businesses. We have also started updating and improving the quality of our digital tools, revising their content and designing a better online platform which will improve the experience of using them.

Last year we engaged with in excess of 90,000 firms and business advisers through more than 70 events, our successful IP Masterclass which we have taken to new venues in the UK, and our suite of digital tools. Of those businesses, more than 80% felt able to make informed decisions about their IP, which acts as a firm foundation for companies to build on and access the more focused support we provide.

To support university-business collaboration, a set of model IP agreements - the Lambert toolkit – was developed to help facilitate negotiations between potential partners. In May 2018 the toolkit was updated to meet the requirements of the General Data Protection Regulations (GDPR) to ensure it maintains its relevance and value as a reliable starting point for university-business negotiations. The Lambert toolkit received over 22,500 visits between April 2018 and March 2019.
IP Audits

This year we approved and part-funded 260 IP Audits for high growth potential businesses which were delivered through our partners Enterprise Europe Network in England, and Scottish Enterprise and the Welsh Government in their respective devolved areas. An IP Audit provides a complete overview of a business’s IP assets, assesses the effectiveness of the approach taken to management of this IP, and makes recommendations for any improvements.

We survey audit recipients six months after the close of the scheme to assess the impact on their activity. Evaluation carried out in October 2018, confirmed that the audits are continuing to have a positive impact by providing businesses with the knowledge to identify their IP assets, making them a priority for their business and understanding the value of their assets. In fact, 92% of businesses reported that the audit had had a positive impact on their business, with 66% reporting that they had changed or introduced an IP management strategy as a result.

Most of the businesses that have received an audit are taking action in a wide range of areas with 82% of businesses acting on all, most or some of their IP audit report’s recommendations and 13% expected to act within the next year. There has been a further increase in the number of businesses considering IP rights on an international basis (56% up from 52% the previous year).

The research also shows that the follow up support businesses receive from their coaches and appointed IP professionals remains integral to the success of the audit.

The evaluation also highlighted that businesses are aware of the risks/limitations to their IP and understand how to manage them. Not just potential infringement but also internal IP management strategies.

A mini-survey on the service quality of the 2018-19 scheme has been conducted which indicated that 92% of businesses were satisfied with the audit and 93% said that they would recommend the scheme to other businesses. Before receiving an audit just 25% of businesses rated their confidence in identifying their IP assets of 8/10, this rose to 86% after the audit process had concluded.
Our International Activity

Our priority is to ensure that a well-functioning and balanced international IP system maximises the benefits of innovation and creativity for the UK economy and society. In July 2018, we agreed a new international strategy for the office, which sets out our role in improving the international IP framework and supporting businesses in navigating it.

To make this happen, we have an established network of IP attachés based in key markets around the world. As a result of our new strategy, we have increased the size of our teams in China and South East Asia and appointed a new attaché post in Washington D.C. The new resource will build on already successful engagement with policy makers and businesses wanting to trade an export their IP. Over the past year, we have reached more than 5,000 UK businesses looking to manage their IP overseas and provided one-to-one advice to almost 500 companies with IP issues.

Looking forward, we will continue to work to maximise the opportunities for British businesses in overseas markets.

A new, independent trade policy will be crucial to making that happen. Work is underway to seek to maintain the benefits of existing EU trade agreements and to develop our future IP trade policy with new markets.

World Intellectual Property Organisation

The UK continues to push for a fit for purpose international IP system at the biggest stage. As a key forum of more than 180 countries, the UK used the national statement at the 2018 General Assemblies to underline the commitment to push for progress at a multilateral level and to build confidence in the UK system to ensure continuity of IP rights as we leave the EU. This was backed up with activity throughout the year, including the UK’s chairing of the Programme and Budget Committee and putting forward a proposal to improve patent quality.

Brazil

In October, the IP attaché to Latin America, launched an updated Brazilian research collaboration agreement tool, referred to as the Lambert Toolkit. The launch attracted around 100 delegates from Brazilian universities, industry and government. The session has proven to be very successful in increasing IP awareness and understanding for parties engaged in UK-Brazil collaboration.

In December, the IPO facilitated a UK visit by Brazil’s Federal Prosecutor from Sao Paulo, Dr Richard Encinas, who leads a special unit fighting organised crime on the internet. The visit led to Dr Encinas successfully blocking 30 infringing music domains in Brazil with a total of 55 million annual visits.
China

A successful IPO-led visit by Mr Justice Birss to China and Hong Kong in August 2018 cemented the UK’s positive influence on the progress of the Chinese IP legal system and on Hong Kong’s implementation of a new court structure following the same principles as the UK’s Intellectual Property Enterprise Court (IPEC).

In November, the UK’s IP attaché to China delivered a very successful roadshow of 20 events in six cities across the UK. The roadshow provided UK businesses and research organisations with information and one-to-one advice on developing and managing their IP in China.

South east Asia

The IPO and the UK’s IP attaché to South East Asia delivered the Annual UK-ASEAN Region IP Enforcement Event in Bangkok. The event promoted best practice on enforcement techniques in the digital space and improving cooperation between enforcement agencies.

In December, the IPO represented the UK at the regional ASEAN Working Group on IP Cooperation (AWGIPC), a rare opportunity to engage all 10 ASEAN countries on future UK-ASEAN IP cooperation.
Encouraging Innovation through enforcement

IP crime can cause significant harm - businesses lose sales and individuals are at risk from poor quality products. To create a world leading IP environment, we know we must reduce IP crime and infringement. Over time we believe that we can create a shift in attitudes towards infringement and the enforcement of IP, and work towards a time where infringement is seen as socially unacceptable by all.

During the year, we have worked with the Department for Digital, Culture, Media and Sport (DCMS) to deliver our part of the Creative Industries Sector Deal, facilitating roundtable discussions between rights holders and relevant intermediaries including online market places, social media firms, and digital advertising agencies with the ultimate aim of developing voluntary codes to reduce copyright infringement.

We have also delivered successful campaigns on the dangers of counterfeit goods. We launched a campaign with Audi and BMW to warn consumers that the sale of fake vehicle parts is on the rise. Audi used their own social media platforms to promote the campaign, which was a huge success.

We supported the National Markets Group with the launch of their Real Deal Online Toolkit, sharing on social media platforms. This was a new initiative to tackle the sale of counterfeit goods on social media ‘buy and sell’ groups.

The IPO also worked with the Independent Garages and Automotive Aftermarket Associations on a poster to be displayed in garages.

The Enforcement Outreach team also launched their 2018 #buyreal summer campaign at Bristol Airport followed by Cardiff International Airport, drawing attention to the often-hidden consequences of the counterfeit marketplace.

However, to really make infringement of IP socially unacceptable, we need evidence to better understand consumer attitudes to IP crime, and to develop a clear segmentation and channel strategy for messaging to reduce IP infringement. We have begun research to build our understanding around what type of messaging works in changing behaviour with different cohorts of the population. This includes questionnaires for the Online Copyright Infringement (OCI) and Counterfeit Goods surveys, and work by Organisation for Economic Co-operation and Development (OECD), European Union Intellectual Property Office (EUIPO) and industry and we will continue this work going forward.

The OCI Tracker survey looks at six main types of online content – music, film, TV programmes, eBooks, video games and computer software – and for each of these it assesses levels of infringement. The eighth wave in this series was published in July 2018.