



Steering Board Meeting Note

Date: Wednesday 10 June 2020

Time: 10.00

Location: Remote meeting held via Microsoft Teams

Attendees: Tim Suter (Chair), Tim Moss, David Rawlins (BEIS), Lopa Patel, Andrew Lawrence, Mandy Haberman, Kevin Orford, Laurie Benson, Karin Schulte (Board Apprentice), David Holdsworth, Mary-Anne Venables, Patrick Lucas (Observer), Maria Ciavatta, Secretariat

Apologies: None

1. Chair's Introduction

- 1.1. Tim Suter welcomed everyone to the remote meeting, in particular Patrick Lucas (Associate Patent Examiner) who attended as an observer.

2. Apologies

- 2.1. None.

3. Approval of the minutes from the previous meeting

- 3.1. Minutes from the previous meeting were agreed.

4. Actions

- 4.1. An information paper on Average Working Days Lost was provided and the action was noted as closed.

5. Declarations of interest

- 5.1. No additional declarations of interest were raised. Karin Schulte said she had a new Non-Executive role for ShareSoc, the UK individual shareholders society, but noted this was not a conflict of interest.

6. Update from ARC

- 6.1. Andrew Lawrence provided an update from the Audit and Risk Committee meeting of 22 May. He said the Committee was encouraged and pleased with the level of preparation for the annual report and accounts, noting that this was far advanced compared to this time last year. Andrew said NAO and KMPG provided an update on final audit preparations which were going well.
- 6.2. Andrew said the Committee had received a report from GIAA including a moderate opinion for the annual internal audit report for the IPO. He said this gave both the Committee and Tim Moss as Accounting Officer assurance and noted the opinion feeds into the annual governance report. On the internal audit plan for 2020-21 Andrew said the Committee was

encouraged to see the clearer links with the strategic risk register and that the Committee had given its support and approval of the plan.

- 6.3. Andrew explained that the risk register had been reviewed by the Committee and highlighted that he and Kevin Orford would be meeting with Karen Powell (Head of Governance and Assurance) to look at ways of improving how the risk register works. He said this would include discussion on the organisation's risk appetite which would then be brought to Steering Board.
- 6.4. Andrew concluded the report by noting that the ARC meeting had gone well and enabled the Committee to give assurance to the Steering Board and Accounting Officer in the approach to finalising the accounts on 30 June.
- 6.5. The Chair thanked Andrew for the update and emphasised the thanks to the annual report and accounts team, noting the current position was a tribute to the thoroughness with which the team addressed the difficulties of the previous year.
- 6.6. The Board asked if there was a progress report on the external audit. Tim Moss said this was progressing well and the interim meeting had not raised any key issues. He highlighted there were still discussions around some of the main issues discussed at Audit and Risk Committee including the cost allocation of trade marks and designs income and accounting of the PIPCU funding. He said the laying of the accounts was still on track.
- 6.7. The Board queried if there was any update on the issue with CISCO infrastructure raised at the ARC meeting. Tim said a review was ongoing and further investigation of the procurement routes was underway. He noted that there were no security implications.
- 6.8. The Board discussed the purpose of the risk appetite document. Andrew advised that the current risk appetite was agreed in the previous year and would need a fresh look given the current context and different ways of operating. Tim said the risk appetite was useful to give a strategic view and provide context for the organisational appetite. The Chair noted that a broader discussion on organisational appetite would be beneficial in a future Steering Board meeting.

7. Verbal update from BEIS

- 7.1. David Rawlins provided an update from BEIS, first noting that the Permanent Secretary Alex Chisholm had moved on to the Cabinet Office and the acting Permanent Secretary was Sam Beckett.
- 7.2. David said a document was being prepared on the Research and Development (R&D) Roadmap noting this work was driven by No.10 but was being led by BEIS. He said Pippa Hall's team in the Innovation Directorate were inputting on behalf of the IPO. David explained the roadmap was to start a conversation about how to effectively use the R&D budget to encourage more innovation, attract talented and diverse people into R&D, revitalise infrastructure and institutions post-Covid-19, and improve collaboration with global partners.

7.3. David said BEIS had met with Amanda Solloway MP, Minister for Science, Research and Innovation, to discuss the BEIS partner organisations including the IPO. He said she was keen to meet the CEOs in a roundtable discussion in the near future.

7.4. The Chair thanked David for the update.

8. Executive Board Report and Update on COVID-19 Impact and Response

- 8.1.1. Tim Moss presented the Executive Report and an update on the IPO's response to the COVID-19 crisis. Tim highlighted the great work completed over the past few months to transform the IPO to allow for remote operating and said there had been positive feedback from IPO people and customers. Tim said the number one focus was the wellbeing of staff and explained the results of a recent Civil Service-wide Pulse survey had shown over 90% of staff felt supported by managers and their team and were confident in the leadership of the organisation.
- 8.1.2. Tim highlighted the key achievements from the past year including preparations for Brexit, changes to performance management, progress on the Transformation programme and the wide variety of work focused on delivering for our customers. Tim then explained the current position noting that the organisation was incredibly busy, with the move to remote working, the various ongoing negotiations on the trade side, and the engagement with BEIS and wider government on the research and development roadmap and the role the IPO can play.
- 8.1.3. Tim gave an overview of preparations for the return to office working and explained that around 100 members of staff were expected to return to the office in July in order to maintain a strong customer service particularly when the period of interrupted days comes to an end, and noted that some people were returning to the office due to wellbeing factors. He said work was ongoing on the full risk assessments and the communications needed before people return to the office.
- 8.1.4. Tim highlighted other key work areas including the planned stakeholder round tables with the Minister, the wider thinking around the EU Exit agenda and what more the IPO could do to prepare our policy positions for the future. Tim then passed over to David Holdsworth to give an update on operations, customers and the transformation programme.
- 8.1.5. David explained the registered rights input over the past few months. He said there was initially a drop in trade mark applications as a result of the COVID-19 crisis but this has since recovered to 12% up on forecast; he noted analysis was ongoing to understand if this was the start of the expected increase in applications as a result of EU Exit or if there were other reasons for the trend. On patents input, David noted requests for search and examination were down 10% but initial applications were steady against forecast.
- 8.1.6. David said that in response to the crisis there were plans to put a Statutory Instrument in place for when the period of interruption ends which would allow companies, particularly SMEs and individual innovators, to delay payment and remove the fee for requesting delay.
- 8.1.7. David highlighted the lobbying by stakeholders regarding the future plans for the 'address for service' for registered rights when the EU Exit transition period ends, and the work with BEIS and Ministry of Justice on this front to manage the issue due to the change in political direction.

- 8.1.8. David informed the Board about some trade mark applications relating to the Black Lives Matter movement that had been received and noted that plans were in place regarding media handling of this sensitive issue.
- 8.1.9. The Chair thanked Tim and David for the update and asked the Board for comments and questions.
- 8.1.10. The Board asked if productivity levels had been affected by remote working, noting that it appeared there were lower levels of annual leave being taken than previous years. Tim agreed that there were a number of factors to consider, particularly special leave for caring responsibilities, and explained that productivity varied by team with some being able to work very effectively from home. David said a survey of registered rights teams had been undertaken to measure the impact of the crisis on the ability to work which showed that the patents workforce was relatively unaffected but was impacted by the inability to send out reports to customers without an email address on file. He said trade marks teams were more greatly impacted due to the different profile of staff and that there had been an 8-10% drop in productivity but it was being managed.
- 8.1.11. The Board asked if the backlogs of work caused by the crisis would require a plan to overcome; David explained in terms of traditional backlogs of, for example, patent examinations the Office is actually in a better position than in previous years. He again highlighted the challenge of getting reports and other work to customers given the traditionally paper-based processes. He highlighted a particular challenge with contacting customers regarding trade mark renewals as many do not have up to date contact details. The Board asked how backlogs in work were communicated to customers, particular non-digital customers, and how the Office planned to solve the issue on lack of contact details. David explained that the website FAQs cover many of these points and that attorneys were aware due to communications via the umbrella bodies. He noted the main concern was around communicating private applicants and said his teams were considering how to address this.
- 8.1.12. The Board asked if the annual leave issue would create a bottleneck and if there were plans to mitigate this. Tim said this was closely monitored by the Executive Board and staff had been reminded about the importance of taking time off work to relax. He said a full discussion was planned to consider if more action was needed to avoid a build-up of annual leave.
- 8.1.13. The Board asked if there was a way to communicate the surge in trade marks to the public as a good news story. Tim and David noted that communications were currently limited to focus on the COVID-19 crisis but that this would be discussed with BEIS as it feeds into work on buoying the economy. Tim highlighted that more data was needed to understand the trends first but noted that many IP offices globally had seen a similar trend.
- 8.1.14. The Board queried how the trade mark applications relating to the Black Lives Matter movement would be handled. David explained the legality of the applications was under review to consider if they were able to be registered. He highlighted there were clauses around public offence that would also need to be considered.
- 8.1.15. The Board asked about the IP crime and infringement pilot and queried if there were guidelines to help consumers identify a counterfeit product. Tim agreed that education was a key factor. He explained that the work on behavioural change and insight focuses on what drives people to knowingly buy counterfeit goods in order to help with the messaging and

approach. The Board asked how the Office and PIPCU handled counterfeit goods on online platforms. Tim explained that investigations covered both online and physical products and highlighted the OCI tracker and counterfeit goods availability index work that provided analysis to PIPCU. He noted that addressing online counterfeits was a very complex area of work.

- 8.1.16. The Board asked if the patents fast track was still operational and if it had much demand. David explained it was operational and said there was a review underway to consider if the criteria were at the right level, noting that our criteria are higher than those at the EPO.
- 8.1.17. The Board asked how long the planned Statutory Instrument on delayed payments would be in place. David explained that it was planned to be in place until March 2021 with a potential review to bring this forward if needed. The Board recommended considering a mechanism to extend it as well as bring it forward.
- 8.1.18. The Board noted that there was a potential need for legislation related to aspects of the Transformation Programme and asked if there would be difficulties in doing this given the ongoing crisis. Tim explained that work was in train to understand what would be needed as part of the mobilisation phase and acknowledged that legislative slots would be difficult to establish.
- 8.1.19. The Board noted that the organisation had shown how the IP system had been a positive impact in the crisis but highlighted that there was some discussion on whether IP is an inhibitor in the fight against the virus; the Board queried whether there was any evidence to support this. Tim said this had been an interesting debate and the IPO had been involved alongside WIPO and the EPO. He said there had been little evidence that the IP system had inhibited the response to the crisis and in fact there had been a great deal of collaboration and sharing of IP. He highlighted a note from IPFed on this matter.
- 8.1.20. The Board asked if the ongoing relationship with stakeholders would change in light of the crisis. Tim noted that there had been more informal communication and relationship-building with other IP offices and the umbrella bodies, particularly the Four Presidents group, which had been incredibly positive. He said he was considering the right model going forward.
- 8.1.21. Tim highlighted that the Executive Board were considering the big questions for the future of the organisation including how the estate was used, how to work with stakeholders, and what changes put in place should be made permanent. He asked the Board to feed in any lessons learned from other organisations they are involved in or any other thoughts that may help the Executive on this discussion.
- 8.1.22. The Chair thanked Tim for the report and offered commendation to the whole IPO for the energy and purpose shown in keeping the organisation going in the time of crisis.

Action 1: Steering Board members to send thoughts on the future way of working for the IPO and lessons learned from other organisations to Tim Moss.

9. Customers

- 9.1 Simon Haikney and Sarah Whitehead joined the meeting to present an update on customer satisfaction for 2019-20 and plans for implementing the customer strategy in 2020-21. Simon explained that a new customer survey method had been used in 2019-20 which had gathered almost 6000 responses in comparison to the previous method which only used 200 responses.

He reminded the Board of the development of the new dedicated customer strategy and said early progress had been made with customers being more at the forefront of people's mind in the IPO. Simon said the next steps were to build on the progress and embed the customer-centric approach.

9.2 Sarah presented the high-level results of the most recent customer survey and explained how the data was being used. She said there had been a high response level with a spread across all IP rights. She highlighted that the overall satisfaction level for 2019-20 had shown 85.6% of respondents gave the IPO 8 or more out of 10, meeting the Ministerial Target. Sarah said there had been movement in satisfaction levels throughout the year and this would be compared with previous years' responses to see if there is a pattern of seasonality.

9.3 Sarah showed the Board the satisfaction levels by IP rights, by customer group, and by service. She noted the ties with the ongoing benchmarking work. Sarah noted the successes shown by the survey results, particularly the consistently high scores for staff attitude and knowledge. Sarah also highlighted the improvement in timeliness of some services has shown increased satisfaction each quarter. On opportunities for improvement Sarah noted that empathy and consistency of service could be improved, and guidance on the external website could be clearer.

9.4 Simon demonstrated the Customer Experience Dashboard which showed key issues identified through a number of channels and the mitigations in place to address these. Sarah showed the timetable of key activities planned for 2020-21 and highlighted that the customer strategy underpins the work.

9.5 The Chair thanked Simon and Sarah for the paper and noted that the dashboard was particularly useful. The Board commended the team for the creation of the customer service unit and the progress made over the past year. The Board recommended consideration of the customer journey, particularly the difference between customers using analogue and digital services. The Board requested that the breakdown of customer type was included in future Executive Reports.

9.6 Tim Moss highlighted the links between the customer work and the IPO strategy strand on delivering excellent IP services, particularly on the cultural shifts to achieve this. He said he was pleased with the great progress and the work the team has done.

9.7 The Board asked for more information on how the 85.6% overall customer satisfaction score compares with other organisations. Simon agreed to share more information on this point. David Holdsworth highlighted that this year, the team applied the Institute of Customer Services methodology and we compare very favourably with leading organisations that use this method.

Action 2: Simon Haikney to share information with Steering Board on how our overall customer satisfaction score compares with other organisations.

9.8 Sarah explained the wider benchmarking work, noting that it looks at different aspects of the service as well as overall satisfaction levels. She explained that customers were being interviewed to understand the key issues that matter to them. Tim highlighted that the 85% target was ambitious especially in the context of EU Exit transition and of Covid-19. He said the organisation's foundations were in the right place to drive up satisfaction levels in the long term.

10. Steering Board Role June – September Plans

- 10.1. Mary-Anne presented the paper including the recommendations that in light of Covid-19 and the inability to hold a traditional awayday in September, the Steering Board could hold more regular, shorter meetings. She highlighted that the Executive Board would undertake a quarter 1 reforecast in July and it would be useful for the Steering Board to discuss the outcomes of this. She suggested two other meetings focused on progress against the IPO strategy and work in the current environment, and on the future of the IPO in supporting UK innovation.
- 10.2. The Board discussed the recommendations and gave some suggestions on potential discussion topics including diversity. The Board noted that the awayday format allowed for continued conversation given the large amount of time spent together and asked if this could be replicated in some way for the future remote meetings.
- 10.3. The Chair highlighted the importance for the Steering Board to discuss the reforecast given the significance for the way the organisation would work in the future. He agreed with the principle of having a rolling conversation but said that having a single day with multiple sessions did not tend to be productive. Tim Moss stressed the need to prioritise discussions around the big issues facing the organisation, particularly EU Exit Transition. The Chair noted that a call for the Non-Executives after the next Chair and CEO meeting would be beneficial.

Actions:

3. Mary-Anne Venables, Tim Suter and Tim Moss to discuss future meetings for the Steering Board.

4. Maria Ciavatta to schedule a NED call after the next CEO/Chair catch up.

11. Reflection and Close

- 11.1. The Board noted the information papers. The Chair thanked everyone for their input to the meeting, noting the excellent work of the IPO as shown in the Executive Report and the Customers presentation.

Date of Next Meeting: To be confirmed