



Baroness Neville-Rolfe, DBE, CMG
Minister for Intellectual Property

Ministerial Foreword

Intellectual property (IP) plays a key role in how businesses compete, at home and in world markets. Getting the IP framework right is central to the UK's ability to generate growth and jobs. The Government appreciates this. It is reflected in our explicit manifesto commitments to make the UK the best place in Europe to innovate, patent new ideas and set up and expand a business, and to protect intellectual property. There is good evidence that IP can help us to build the more productive high wage economy we have pledged to deliver:

- Intellectual Property Rights (IPR) intensive industries generated an estimated 26.7% (7.8 million) of UK employment and 37.4% (£640 billion) of UK GDP in 2010.
- A 2011 IPO study found that firms that apply for trade marks are on average 7% more productive than those that do not.
- A 2012 study shows that around 35% (£139 billion) of UK exports come from industries that employ higher-than-average concentrations of designers, with design accounting for around 2% of UK exports.
- Gross Value Added (GVA) of UK Creative Industries was £76.9 billion (£8.8 million an hour) in 2013, accounting for 5 per cent of total GVA.
- The pharmaceutical sector has, over the past decade, consistently generated a large trade surplus for the UK – at around £5 billion per annum – greater than any other industrial sector in the UK.

The UK has a great creative sector and many leading innovative and high technology businesses. However, data collected by the IPO suggests that IP is being underutilised, leading to lost opportunities. For example, over ninety per cent of firms have not valued their IP and only one in ten has provided any IP training to staff. SMEs in particular often do not understand or know how to protect their IP.

Even a modest improvement in these figures leading to better exploitation of all intellectual property rights will have a significant impact on the UK economy. We need an IP environment where attention to IP is mainstream for business; where IP rights are respected by and work for consumers; where rights can be defended for a reasonable cost; and British IP can be safely exported to the rest of the world.

My vision for IP as an enabler of increased productivity and growth covers three lines of activity:

- Making it easy and attractive to use IP at home – it's vital that businesses recognise the value of their IP and how to maximise it. That young people are inspired and equipped to follow careers in which IP plays a significant role. Universities see the value in offering IP education to their students and have the tools to and are commercialising their research in the best possible way to promote innovation and growth. We have a well-regarded IP system but

improvements can be made to the way it works: providing smarter online services, helping start ups and SMEs to make the most of their IP, including through appropriate recognition on their balance sheet; keeping access to justice efficient and effective, including through alternative dispute resolution; and discouraging unjustified threats.

- IP knows no borders: international engagement is vital – strengthening overseas protection will increase exporter confidence. The IPO is influencing other governments; supporting businesses in market through our attachés; and pushing hard for progress on global treaties to create a more harmonised international system, making it easier to do business. Within Europe delivering the Prime Minister's vision for EU Digital Single Market will be crucial. Trade agreements need to treat IP appropriately and our businesses need to know how this will work for them.
- Changing perceptions of IP online – by working with search engines on reducing the visibility of sites offering infringing material, targeting their finances and creating effective sanctions for the worst offenders; but also working to provide consumers with reasonable and portable access to legitimate material whilst helping them understand the impact of IP infringement; and ensuring IP users have the best digital access.

Enforcement of IP rights is the thread that stitches all of this together, as a right that cannot be enforced is worthless. The challenge is enormous, but we are confronting it in many different ways, fighting counterfeit and online piracy. The Police and Intellectual Property Crime Unit and partners are fighting to reduce the flow of infringing goods and facilitate access to legitimate content that consumers want at a reasonable price. We are also working to reduce the amount of infringing material returned when consumers search for content online.

We have the building blocks and we have the vision. But we have plenty more to do. As IP Minister I am responsible for driving much of this agenda and the strategy that follows outlines the many things the IPO will be doing to bring this about. However, although IP policy is led by the IPO, the approach I have outlined straddles departmental responsibilities and requires a wider Government contribution. Picking out some examples, DCMS is charged with supporting the creative industries, which rely heavily on IP; responsibility for the courts falls to the Ministry of Justice; the Home Office and CLG are vital partners around enforcement and trading standards; UKTI and the FCO on overseas trade. Our approaches in these areas must complement each other. I will be making the case with my colleagues in Government whilst the IPO continues to build strategic partnerships at working level.

I believe that working together we can ensure that IP fulfils its potential as a creator of productivity and prosperity.



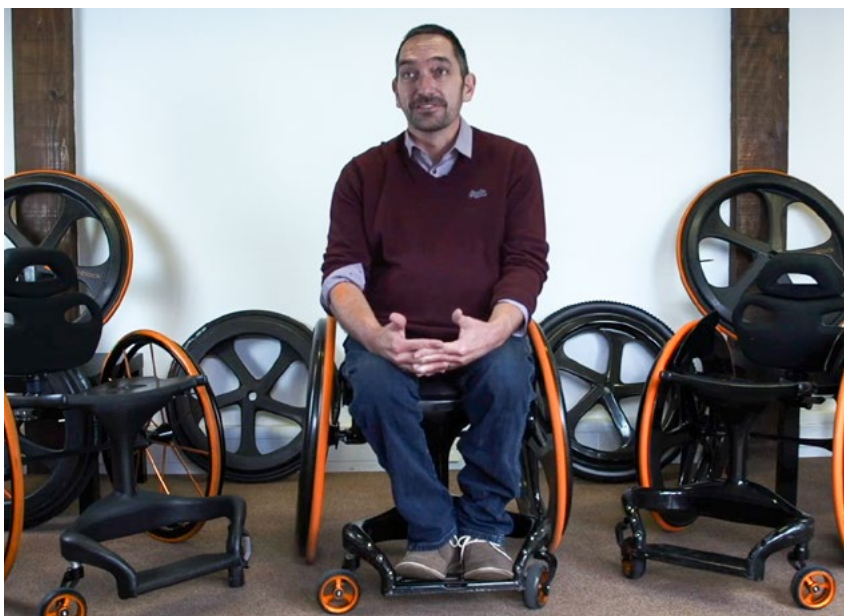
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Our Purpose:
Making life better
by supporting UK
creativity and
innovation.



Our Mission:

Dedicated to giving
everyone the confidence
to make best use of IP.

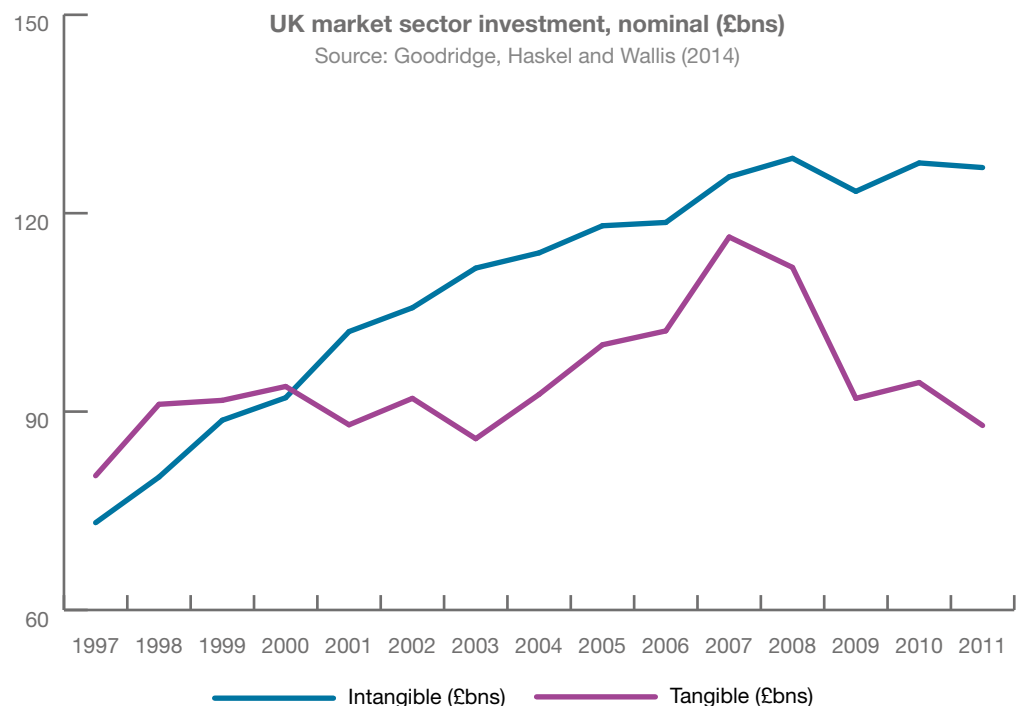


The Context – Intellectual Property and the IPO

The Role of Intellectual Property

Many sectors are dependent on their IP rights (e.g. pharmaceuticals, creative industries, consumer brands and technology companies), IP is not confined to niche areas, but touches almost every part of the economy. This means that managing and protecting a business' IP proactively will need to become an automatic element of doing business in the future, not a specialised area for a limited number of firms. This is not just true of large corporations: SMEs will also need to be IP savvy. Firms which manage their intellectual property rights (IPR) effectively, treating it with the same care and attention they would devote to other areas of their balance sheet, tend to have significantly better chances of survival and growth: in 2010, IPR intensive industries generated 27% of UK employment and 37% of UK GDP. IP also has a role to play in addressing the UK's productivity challenge: the use of patents and trade marks is associated with better creation, transfer and use of knowledge and higher firm productivity.

In terms of investment the role of ideas is increasingly important. Investment in intangible assets has outstripped investment in tangible assets every year since 2001, and the trend is of a widening gap. In 2011, UK firms invested an estimated £126 billion in knowledge assets, compared to £88 billion in tangible assets. Half of that investment was protected by intellectual property rights. Only the US has a similar intensity of intangible investment.



On consumer attitudes to IP there are conflicting dynamics. On the one hand there seems to be a growing awareness amongst consumers of piracy and the wider damage it does. On the other, there is frustration in some quarters that IP rules may be limiting the potential of new digital technologies. This in turn could undermine the work that has been done to improve respect of IP rights and ultimately their enforcement at home and abroad. With new technologies such as 3D printing and a plethora of publishing platforms, consumers have now become creators: ideas can be transferred at the speed of light and spread virally across the internet. Ensuring that the IP system remains relevant in such a fast moving environment is a global challenge.

The Role of the IPO

Our Purpose:

Making life better by supporting UK creativity and innovation

The IPO is responsible for UK IP policy, granting UK patent, trade mark 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.

In this way, the IPO supports innovation and creativity by encouraging investment in it, ensuring that the results of that investment are used and adequately protected, through a clear, accessible and widely understood IP system. The IP framework we deliver should incentivise and protect investment in IP while allowing knowledge to be shared and disseminated. A balance here is critical for innovation and creativity to flourish.

Our purpose also links to improvements in general well being, prosperity, growth and, of course, enjoyment. It is aspirational and yet, we have plenty of examples about how our work enables others to make life better – the health treatments, the arts and culture and the technological advances which change lives and drive economic prosperity.

Our Mission:

Dedicated to giving everyone the confidence to make best use of IP

Our mission recognises the professionalism and motivation of our people. It is inclusive – we are here for rights holders, business users of those rights, intermediaries and end consumers. Confidence captures the contributions we are making; providing rights with a high presumption of validity; protection which can be relied upon; giving consumers the sense that IP also works for them.

This can require difficult judgements about issues such as the length and breadth of protection, how protection is balanced against other public goods and the penalties associated with infringement. The IPO's approach is to base our judgements primarily on the best available empirical evidence about what will maximise the economic growth which is generated by innovation and creativity, whilst also recognising the social benefits. That also means we need to be attuned to external trends and analysis including through regular contact with our stakeholders and customers: open to new information about how innovation takes place and abreast of market and technological advances.

The increasing realisation that IP can help facilitate growth, productivity and prosperity is reflected in the demand for our rights registration services, which rose during the period of recession and low growth. It is reasonable to expect this trend to continue, if not increase, in the projected economic climate.

Our underlying philosophy: how we will work

We will:

- Work domestically and internationally to encourage an IP system that serves all in society, meeting customer needs and supporting the innovation and creativity that will bring prosperity and growth.
- Promote IP policies which both provide appropriate protection for the interests of rights holders and enable the legitimate transfer of knowledge within the wider economy and society.
- Base our activity on the best evidence available and continue to absorb the views of our all of our stakeholders and customers, testing them before drawing on their experiences when making decisions.
- Be agile, working hard to spot future trends and then match the pace of their development.



Our Strategic Goals

There are six strategic goals which explain how over the next five years we will champion IP in support of innovation and creativity, both within Government and the wider economy and society. They provide the direction for our decision making and will be the foundation for our annual planning process for the coming years as we take action on the Government's commitment to make the UK **the best place in Europe to innovate, patent new ideas and set up and expand a business and its commitment to protect intellectual property.**

We are ambitious: innovators and creators stretch themselves in their pursuit of improvement and we must do the same to support them. Our rights registration services are central to our purpose. Indeed, a significant part of our effort over the strategic period will be spent transforming our services. However, this alone is not enough. A right that cannot be enforced has no value. A business that does not know why or how it should protect its IP cannot make best use of its assets. While a sub-optimal IP framework, whether domestic or global, is a drag on innovation. This is why we will make these better too.

To do all of this we need to have an effective and efficient organisation. This means us having the right skills, and that our ways of working are fit for a 21st century operation. As always, we are committed to achieving value for money for our fee paying customers and will ensure that our ambitions are achieved within our means.

For each of our goals we have painted a picture of what success looks like, and highlighted some of the things we believe will demonstrate our success. To tell you how we will get there, for each goal we have identified the desirable outcomes that will move us towards achieving it. For every outcome we explain what we will do to make it happen.

GOAL 1:

Promoting UK Growth
through IP Policy





GOAL 1: Promoting UK Growth through IP Policy

What success looks like in 2020

The IP framework has kept pace with technology and markets, so promotes and incentivises innovation and creativity, increasing productivity and delivering wider government policy on economic growth, whilst respecting the need for balance and fairness. As the custodians of an effective domestic regime we are an authoritative and influential voice in international IP fora, including through our attaché network. We have helped to simplify the global IP system and increased protection. More UK IP rich businesses are trading internationally as they face fewer risks in respect of their IP assets. Our policy making is acknowledged as collaborative, transparent and evidence based.

How will you know if we have been successful?

- We remain in the top flight of countries (top 3) within independent analyses of global IP regimes.
- Evidence that IPO activity supports business growth (eg has a visible impact on a company's bottom line and/or the number of people it employs).
- Fewer businesses are put off trading internationally by perceived risks to their IP.
- Detailed post-implementation evaluation of our policies demonstrate intended impact.

The context

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, whether based in our major cities or remote studios.

We have policy responsibility for the IP framework and will take and create every opportunity using multiple communications channels to raise the profile of IP inside and outside of Government, championing its role in enhancing creativity and innovation in the modern economic environment. We know IP underpins the wider goals of competitiveness and growth (eg export targets, higher value added activity) and will use this to enlist the support of the rest of Government in delivering our ambitions. Our influence must also extend beyond the UK: our strong domestic performance, highlighted in global IP surveys by Taylor Wessing (UK ranked 1st) and the US Chamber of Commerce Global Intellectual Property Centre (UK ranked 2nd), evidences our expertise and gives us the influence and credibility to also play this role internationally.

OUTCOME



Improvements in the EU and UK IP framework keep pace with technology and markets, incentivising innovation in UK businesses.

Legislation at home

Domestically, our legal framework has undergone significant change over the last few years. It is well regarded but we are not complacent and will look to ensure it remains up to date and relevant. For example, we have already commenced a reform of the law relating to groundless threats to target abusive behaviour and enable attempts to settle disputes in good faith.

Legislation in Europe

We intend to take the lead and use our influence in Europe, as its legislation will play a key role in shaping our domestic regime in the coming years:

- Delivering the Prime Minister's vision for the Digital Single Market.
- Agreeing and implementing the Unitary Patent and Unified Patent Court to make protecting inventions across Europe a simpler proposition. We are clear that the affordability and sustainability of the Unitary Patent is crucial to its success.
- Implementation of the Trade Mark Directive will require us to make legislative and practical changes so that users can take advantage of a more streamlined trade mark system, reducing costs.
- The possible reform of the EU design system where we want to see a modernised system that meets the needs of design owners in the 21st century, that is cost-effective, and that helps designers make the right choice for them about how and where to protect their IP.

Within the term of this strategy the UK is due to hold the Presidency of the Council of the EU in the second half of 2017. Clearly this will present additional challenges for which we shall need to prepare and opportunities on which we will need to deliver.

Legislation is not the only answer

IP trading platforms are online mechanisms for advertising the sale/licensing of Intellectual Property Rights, potentially allowing the owners to extract more value from their portfolios. Although a number of electronic trading platforms exist, these have yet to scale-up. The IPO will take action to encourage the development and growth of an active and visible marketplace to support continued investment in

future innovation and build the confidence of financiers that their investment in innovative firms can be recouped even should the company fail.

Legislation should not be the first resort if we are to reduce the burden of regulation. Further, legislation cannot always keep up with market developments. Alternative mechanisms such as industry led initiatives, for example the Copyright Hub, or government-industry co-regulation need to be given priority where appropriate.

Finding the balance

All IP rights involve conflicting interests and changes to frameworks are often contested. We will champion IP, but with an overall eye to what helps innovation and to wider Government policy making. We must:

- Continue to engage at an early stage with a comprehensive range of interests and ensure we hear, and absorb, their views if we are to build a shared understanding of where the public interest lies.
- Commission and effectively use evidence.
- Be pragmatic; consensus is not always possible and we must have the courage to develop proposals which may not meet everyone's interests, if we believe they will support innovation and creativity overall.

IP Attachés at an IP Business Advisor Conference in London



OUTCOME



IP systems are simpler to use and less costly to operate.

Globally, businesses and consumers face a complex and somewhat fragmented IP system. Developing IP frameworks is an international process and we place great importance on our activity in this sphere, with IPO experts leading negotiations with the assistance of the FCO. We want to make it cheaper and easier for UK businesses with IP to protect those assets and do business internationally. There is no single, quick solution: we are pragmatic and envisage an incremental approach, prioritising areas of maximum economic or business impact. These could include:

- Better use of existing resources like the WIPO Patent Cooperation Treaty mechanism.
- Improving work sharing between national offices on patents.
- Strengthening international rules where there are gaps eg broadcasting, or
- Harmonising areas such as patent grace periods where national rules differ.

For consumers, difficulties with accessing digital content and limited portability due to complex and confusing licensing can be frustrating. We are helping to deliver the UK's vision for a Digital Single Market, where consumers are able to buy a wide range of digital products and services and use them wherever they are in the EU.

OUTCOME



UK businesses, including small businesses, are more confident in operating internationally as a result of better IP protection globally.

A quarter of exporters express concern over IP protection. By promoting strong IP regimes in key overseas markets, alongside effective protection in international treaties and trade agreements, we can help unlock and reduce the risks of foreign markets for our exporters. Our attaché programme will continue to be an important part across all of our international activities, both assisting UK companies who encounter IP difficulties in key markets and making the case to foreign Governments for better IP protection and enforcement. Our partnerships with UKTI, FCO and BIS overseas advisors will increase our reach beyond the attaché countries. Increasing the confidence around protection of IP rich exporters can make a significant contribution to the UK's £1 trillion export target. We will do this by:

- Strengthening protection for IPRs in key markets through government to government engagement, for example by hosting the regular UK-China IP Symposiums in the UK and our work in markets, meeting key officials in India, Brazil and China.
- Promoting awareness of the necessary precautions UK companies with IPRs should take before they go overseas.
- Providing direct support to UK companies in key markets through the IPO's specialist IP Attachés in China, India, Brazil and SE Asia.

We are aware that the message of the key role IP plays in underpinning prosperity for developed and developing economies is not always accepted uncritically. Unlocking progress globally will depend in part on demonstrating, through hard evidence, the contribution IP can make to economic growth and prosperity, drawing on our international reputation.

OUTCOME



The UK copyright system encourages creators while also supporting the wider information economy and being fair to, as well as understood by, consumers.

As the impetus of change to the copyright system, the proposal for the Digital Single Market is of huge significance to the UK. We will draw on our expertise and use our influence to ensure that Europe delivers an open, flexible market which reflects the dynamic nature of the digital economy and delivers benefits for our creators and businesses.

As the Digital Single Market delivers more choice for consumers we will use our resources, and work in partnership with the creative industries, to build greater respect for and understanding of the value of copyright. In this way, ensuring continued investment in creativity for the wider benefit of the economy and society.

GOAL 2:

Delivering High
Quality Rights





GOAL 2: Delivering High Quality Rights

What success looks like in 2020

Customers are at the heart of our services. Digital provision is comprehensive, but no customer is excluded. They are accessing services how they want, when they want and clearly understand what they need to do. We really understand what they demand of us and guide them to the services that best meet their needs. There is a better link between the services we provide and relevant related services provided by others, making life easier for customers.

How will you know if we have been successful?

- Increasing numbers of our customers will access our services digitally, with practically all doing so by the end of the period.
- We will be granting rights with optimal pace.
- Less customer and staff time will be wasted on deficient or invalid applications.
- Our management information will present a clear picture that we can act on with confidence.
- Our customers will love us.

The context

Our goal is to ensure that the UK is 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. We are committed to excellent rights granting and related services and know that this requires high quality skilled staff. But technology is also a key enabler. Making it as easy as possible to do business digitally is essential for our future success.

OUTCOME



Customers are able to access all the services and information in a way they want, when they want.

Digital by default

Our digital provision is behind the best but our aim is to transform our organisation to ensure that digital is the first way that is considered when carrying out a transaction – whether that is applying for a right, managing one, monitoring progress or sharing data. It does not mean excluding those who have limited or no access to the internet. Assistance, and alternative means of obtaining services and information, must also be provided.



Mask-arade

“Protecting your IP can be the difference between success and failure.”

Ray Duffy, Mask-arade

Everything starts with the individual customer

A strong customer ethos has long been a hallmark of the IPO's service delivery; we have also always emphasised the importance we, and our customers, place on the high quality of our products and services. That being said, the customer has not always been at the very centre of how we design our services from the outset. In introducing new digital services we will move away from systems designed purely for internal effectiveness and case processing to an approach which starts from the user's standpoint. Customer journey mapping is already providing valuable insights for changes we have started making, and will be central to successful transformation in the future.



“Some things are best to patent but others may be better as a trade secret, depending on what you want to be available in the public domain.”

Jane Ni Dhulchaointigh, Sugru

OUTCOME



Customers know what rights they need and how best to get them.

Customers get the services they need

We are dedicated to giving everyone the confidence to use IP rights effectively. It can be unclear to customers what the best service for them is and how to get it from us. Many do not fully appreciate that a registered right is available or suitable for their idea while, unfortunately, some waste time and money on applications that may not serve their needs, also diverting our resources away from valuable registrations. Whether this stems from complexities in the law (our ultimate aim is to simplify), or us not offering modern ways of accessing applications and information about them, we need to improve it. We will:

- Help people get the service they need more easily by building advice, prompts and validation into our processes and interfaces.
- Develop self-service to enable customers to access the level of service that best meets their needs.
- Change our culture so that registered rights and their applications are viewed as jointly managed with customers.
- Recognise that different customers may have different needs and treat them as individuals rather than categories.

Accurate, timely and correctly understood management information is important to effective services. By finding out more about our customers and the market, we can prioritise what we do. To this end, we will collect more and better data, join it up and introduce big data techniques with data science analytics to better interpret our data and improve user experience.

OUTCOME



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

Explore new joined-up services with domestic and international partners

Identifying and gaining appropriate IP protection is often just a part of the overall support package businesses need to grow and succeed. The IP rights they need may extend beyond the UK, to EU or international registrations, but owners of rights



The IPO welcomes a delegation from the Chinese State Intellectual Property Office'

may also need advice about exports or development funding, for example. We want to be able to help them identify and access these services in as seamless a way as possible. This means really understanding their journeys, not just through the IP part of their business development, but more widely.

To understand the requirements of all our different customers, especially start-ups, and anticipate what ancillary or related services they might need or find helpful, is an ambitious aim. Our approach will be to use smarter data analysis and look to work cross-sectorally with domestic and international partners (such as UKTI, Innovate UK, other IP offices) to identify connected services. That way we may be able to not only link existing services with those of other providers, but also design new innovative ones in collaboration with them, with the purpose of making life easier for customers.

OUTCOME



New processes and technology make it easier for our people to give great customer service.

Many of these initiatives are combined into an ambitious portfolio which we call Tripod – Transforming the IPO Digitally. It will touch every corner of the IPO and produce a stream of substantial improvements as it progresses. It will entail not only transformed systems and processes, but also transformation of the culture behind them. While we undertake this transformation, we will retain a sharp focus on our existing customer service, to ensure that the future is not created at the expense of the present.

GOAL 3:

Ensuring IP rights
are respected and
appropriately enforced





GOAL 3:

Ensuring IP rights are respected and appropriately enforced

What success looks like in 2020

IP's role is better understood by society, manifested in the acceptance of the concept of a fair return for innovation and creativity and a lack of tolerance of IP crime. Criminals face reduced access to the online marketplace and face appropriate punishment when convicted, whilst we have a better understanding of the availability of infringing goods. The cost of enforcing rights privately is reasonable. However, fewer resources are used in adversarial disputes, with mutually agreed solutions gaining currency, freeing time and money for investment in further innovation, whilst businesses can insure against the costs of unavoidable conflict.

How will you know if we have been successful?

- Consumers of digital goods will say that they can easily find their way to legitimate sources of content.
- The levels of downloading of content from illegal sources will fall.
- Businesses will increasingly say that they can tackle infringement of their IP rights.
- SMEs and individuals will increasingly say that they can assert their IP rights (i.e through increased small claims and mediation).

The context

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. This will help to ensure that innovators and creators secure a fair return on their investment and are able to generate economic value for the UK. Although the IPO is not an enforcement authority, we play a key role in ensuring that there is an effective infrastructure which both promotes respect for intellectual property rights and ensures that there are proportionate mechanisms in place which tackle infringement and allow disputes to be resolved.

OUTCOME



Consumers and users are educated to the benefits of respecting IP rights, and do so.

Reaching young people

Educating the young is vital, but they can be hard to reach, especially with potentially dry government messaging. Through the period of this strategy, we will work to ensure that our young people have an increased appreciation of intellectual property through the education system and other channels. Generating such an understanding will open their eyes to the many career choices that relate to IP and empower them to use online offerings both safely and legitimately.

Primarily we will seek to build understanding of why intellectual property rights are important, including how the individual might be called on to use them as an employee or entrepreneur. We will do this by:

- Ensuring that educators, in primary, secondary, further and higher education can access teaching resources which make it easy for them to draw IP into lesson and lecture plans and understand the value of doing so. Ideally, IP would be an integral part of the core curriculum, but we know many teachers already feel that it is at capacity. We will therefore centre our focus on complementing the core curriculum.
- Challenging ourselves to develop messages and materials which teachers and young people alike find both persuasive and worthy of inclusion.
- Working through other engaging mechanisms outside the schoolroom such as continued investment in the Music Inc app game, which builds understanding of the impact of music piracy and collaboration with Creative Content UK to boost consumer awareness of legitimate online content services and help reduce online copyright infringement. We are working with key stakeholders through a series of roundtables to reduce the amount of infringing content available to consumers when they search online.



International IP Enforcement Summit, June 2014 in London, jointly hosted between the IPO, OHIM and EU Commission

OUTCOME



Rights owners and rights users have access to proportionate and effective mechanisms to resolve disputes and tackle IP infringement.

Reduce tolerance of criminal infringement

IP infringement is often seen as a victimless crime. Quite apart from the economic damage, consumers are often unaware of the link between IP crimes like counterfeiting or illegal downloading and the drugs trade or terrorism. In addition to our work to reach out to those in education, we will:

- Work with partners including Trading Standards and the Police, and with industry, to help consumers understand the risks associated with IP crime and the damage it does. We have had success here already and are already supporting several cooperative initiatives.
- Join up with the EU and international partners, such as WIPO, OHIM, and individual states on awareness raising projects. The EU Observatory on Infringements of Intellectual Property Rights is already pushing in the same direction and we have already been successful in securing funding for two projects aimed at young people. There is potential here for significant continued cooperation which we will fully explore.

Provide strong leadership in enforcement

Educating the public to be intolerant of IP crime is important, but will not remove the need to tackle IP infringement. In respect of IP enforcement policy, we have significantly increased our activities in recent years and are highly respected in this area. We remain committed to having an enforcement framework that is accessible and affordable, and one in which we can continue to add value. Our role in this sphere is bringing thought leadership, building infrastructure and partnerships, providing the Intelligence Hub and some service development.

We will continue our efforts to tackle commercial scale IP crime through our work with the Police Intellectual Property Crime Unit; by stemming the flow of revenue to criminal sites through removing advertising and payment services; by continuing our work with search engines to ensure consumers are not directed towards the most infringing sites; by working closely with partners to clean up local markets and to reduce the flow of counterfeit goods entering the country.

Our enforcement strategy will set out some specific actions that we will take; leading our partners in industry and law enforcement, to reduce IP infringement and counterfeiting. Activity will include:

- Amending legislation to equalise criminal sanctions for offline and online copyright infringement.
- Action to ensure that .uk domain is clear of infringing websites; and
- Developing and introducing an 'availability index' to gain an accurate understanding of the prevalence and location of infringing goods.

Champion fair and cost effective conflict resolution

IP disputes are an inevitable part of any IP framework, but they can have an exaggerated impact on the use and perception of IP and be a drag on productivity. They can divert resources away from activity that promotes economic growth, and they can favour larger businesses which might have more of an appetite for litigation and a greater ability to absorb the associated costs. This may mean that smaller businesses feel unable to take action when their legitimate rights are infringed. The Intellectual Property Enterprise Court (IPEC) provides a streamlined and more cost effective forum for suitable cases, as evidenced by the review published in June. We will seek to ensure that the court system remains accessible to small business and that nobody gives up on securing IP protection because they fear they can't enforce their rights. We are also reforming the law on unjustified threats to better protect businesses being unfairly intimidated, creating consistency across the IP rights and targeting the wrong sort behaviour.

However further opportunities exist; we will work to widen access to justice and improve confidence by promoting simpler, cheaper and quicker dispute resolution, freeing time and resources to allow businesses to focus on growth, specifically:

- Explore different ways to manage the cost of disputes, such as legal expense insurance and other products. Whilst we have a central role in making the case for change, the development of new ways to manage the costs and risks of IP disputes rests with private sector interests, such as insurance companies.
- Enhance IPO services to support dispute resolution such as our opinions services and mediation.

GOAL 4:

Educating and enabling
business to understand,
manage and protect their IP





GOAL 4:

Educating and enabling business to understand, manage and protect their IP

What success looks like in 2020

Businesses will understand their IP: they recognise its value and how to extract it, confidently managing their IP assets and protecting them at home and abroad. IP rich businesses will prosper commercially and competitively, boosting the UK economy. Financial institutions recognise the value of IP and have the confidence to lend against it, increasing the incentives to innovate. More children and young people are leaving education understanding the rules and value around the ownership of IP, improving their employability.

How will you know if we have been successful?

- IP awareness within business will have increased from benchmarks in our 2015 survey.
- Schools, FE colleges and Universities will increase IP related course content.
- Businesses report that they can more readily access finance based on the value of their IP.

The context

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. Surveys have indicated that IP is being underutilised. The latest IP awareness survey reports that 96% of surveyed firms have not valued their IP, 79% of the respondents did not know that telling people about an invention before applying for a patent can lead to an unsuccessful application and less than 10% of firms provide staff training on IP.

This means businesses are missing out on profit making opportunities. Even a modest increase in the registration, protection and exploitation of IP would contribute to UK jobs and growth.

OUTCOME



Businesses understand how to manage their IP effectively to support growth, and take action to do so.

Our ambition is to ensure that all UK businesses are alert to the value of their IP assets and understand the importance of managing it effectively as part of their business strategy whether by taking action to protect their IP rights or by spotting and seizing the opportunities associated with their IP assets. The IPO has a small outreach function which provides well-regarded events and seminars to help build business awareness and to stimulate the actions that help businesses turn great ideas into growth. This service will continue, but its reach is inevitably limited. To fulfil our ambition we will:

- Gain a better understanding of how businesses use IP and what hinders or helps effective IP management to sharpen our input.
- Develop and market our portfolio of easy to access online tools that help businesses take action to manage their IP more effectively.
- Hone our approach to business awareness-raising, ensuring that we maximise both the reach and impact of our activity.

IPO staff at a business outreach event



Business and universities managing IP together

Through collaborative working with universities, businesses can access and develop research and innovation leading to increased productivity and growth. In 2013–14, businesses of all sizes spent nearly £900 million on university research, consultancy, professional development and other services. This figure has been growing strongly for four successive years. Businesses understand that there is value in university collaboration. The IPO has, in the past, developed tools to facilitate this. The Lambert toolkit sets out model agreements and guidance that; facilitate negotiations between potential collaborators, reduce the time and effort required to secure agreement and provide examples of best practice. To further develop IP based collaborations between universities and businesses we will:

- Launch a revised Lambert toolkit.
- Promote the revised toolkit to universities and businesses with a specific focus on SMEs.
- Work with local business support networks to encourage collaborative IP projects with universities.

Sunderland University Students at the New Designers show in London



OUTCOME



Businesses can find the help and support they need to manage their IP well

We will develop strategies to engage with business support networks on a national and local level to ensure that they understand the value of IP and that it is integrated into their policies and services at an early stage. For example, we will develop specific approaches for engaging with Devolved Authorities, Local Enterprise Partnerships and Growth Hubs to ensure that IP support is integrated into their business support offer. Our ambition is, by working with others, to build a network in every area of the UK which can provide low cost access to advice for businesses who need help to exploit their IP. We must:

- Continue to integrate IP into public and private sector business support through training of business advisors and joint working in order that our messages reach more businesses.
- Work with established and emerging business support networks and services at a national and more local level to ensure they understand IP and can signpost towards help and advice.

James and John Maddocks, Rad Wraps



OUTCOME**Businesses can find employees who understand IP**

Ensuring that businesses can find employees who understand IP is fundamentally an issue of higher and further education. We know that university students want to know more about IP – 80% of them said so in a survey we commissioned. They also told us that they experience difficulty in accessing learning on IP. Influencing leaders in this sector will require smart and targeted activity. Colleges, Universities and individual academics are independent thinkers who will require a compelling case from us to modify their approaches to course content; even communicating with such a disparate audience presents specific challenges and the need for different approaches.

Already we have developed new resources to make it easier for tutors to cover IP, for example the IP Tutor covers core IP know how in modules which can be tailored to the needs of different HE courses. To drive IP education forward in the coming years we now need to:

- Build a compelling case that joins up with other policy imperatives, for example employability, for the inclusion of IP in FE and HE course programmes and then use this to build active engagement with teachers and tutors.
- Develop and encourage the development of high quality resources that make it easy for teachers and tutors to cover IP within their syllabus.
- Recruit a strong network of partners who support our message and help deliver it.

“You have to be very careful. Make sure you know who owns the rights to the images that you’re using and that you have the correct permissions or licences to do so.”

James and John Maddocks, Rad Wraps

GOAL 5:

Improving the skills and capability of our people





GOAL 5: Improving the skills and capability of our people

What success looks like in 2020

Everyone at the IPO understands the contribution that they and the organisation make to supporting innovation and creativity, and its importance to the UK. Our confident leadership culture has inspired and empowered our people across the IPO, and is secured by a stream of future leaders identified and developed to perpetuate it. All of our people know what skills they need for personal success and the success of the organisation, proactively seeking them out, supported by a less bureaucratic system.

How will you know if we have been successful?

- Our people will be engaged in our journey and they will help shape our organisation so that it remains sustainable in the future.
- We will be working in a new operating model, developed with the customer at the heart and the support of our people.
- Our people will have new and different skills reflective of working and communicating in a digital age and they will be empowered to make decisions, innovate and make change happen.
- People will experience visible leadership, where our leaders inspire them to be the best.
- Our diversity strategy will be embedded; our success is the result of a diverse range of skills, perspectives and capabilities.

The context

The environment in which the IPO operates is changing fast. Ever higher customer expectations of the services we provide, public sector reform leading to radical reshaping of organisations, competition from other rights and offices and increasing internationalisation of IP mean that to stand still is to quickly fall behind. We are determined to ensure that the IPO is positioned to succeed in this environment. To do this we will need to develop the capability of both our people and our organisation.

As set out in Goal 2, our Tripod portfolio, will result in transformed systems, processes and culture and sits alongside our work detailed below to ensure we have the right structures, processes and people.

OUTCOME



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

We will require a workforce that is agile, multi-skilled and able to both anticipate and adapt to continued change. To enable our people to thrive and deliver the very best, we will:

- clearly communicate our purpose and organisational goals so that everyone in the IPO fully understands what we do and why it matters; to the individual creators and businesses who own IP rights, and more broadly, to growth and jobs in UK.
- ensure that our leaders are inspirational, confident, and empowering. An autocratic and top-down leadership culture will not engender the responsive, innovative and flexible organisation we will need to become. Strengthening our leadership and change management capabilities will be a developmental priority.
- give people access to the skills needed to anticipate change and empower them to innovate and make change happen. We have already had success here with staff led groups empowered to rewrite the rules to prepare us and our people for the future.
- maintain an inclusive, open environment where diversity is encouraged and differences are valued and future leaders of whatever background and attributes are identified and developed. As a knowledge-driven organisation, we need the best people giving their best in an environment that supports them doing so.

OUTCOME



Our structures, processes and people policies will be enablers of flexibility and business change.

We cannot capitalise on the full benefits of a skilled, inspired and empowered workforce if we are not prepared to challenge the way we do things and committed to continuous improvement. This is why we plan to:

- modernise our operating model to ensure that it fits the requirements of the digital age. This will clearly have implications for us as a business and we will need to take our people with us as we develop our thinking.
- improve the way we deliver our services to our customers and find new ways of working which may require different skills.
- remove bureaucracy from our internal processes and people policies so that our people are not stifled by the system.

IPO Apprentices crowned Money for Life National Champions 2015



GOAL 6:

Increasing efficiency and
delivering value for money





GOAL 6: Increasing efficiency and delivering value for money

What success looks like in 2020

Our culture of continuous improvement has provided tangible benefits for customers and staff, and freed resources for reinvestment in beneficial activity. Core registration services remain our priority for investment, are designed to help customers make good applications and are delivered with more efficiency following digitisation. This business model has ensured that we have delivered across the range of IP activity outlined in the strategy and met any challenges presented by changes in the external environment.

How will you know if we have been successful?

- Through increased productivity we can meet any increase in demand for our services with a proportionately smaller increase in resources.
- That the quality of our activity remains high regardless of the demands placed upon us.
- There will be a reduction in avoidable contact.
- We will be independently assessed as a mature organisation for continuous improvement ((e.g. Lean and Agile thinking).
- Demonstrably improved customer service and delivery, and operational efficiency and effectiveness by reporting on realised benefits compared with what we set out to do.

The context

Deficit reduction will continue to be central to wider Government policy during the period of the strategy and the Spending Review will fundamentally reshape the public sector. As a trading fund, we are committed to being a valued and trusted member of the BIS family and recognise that we have a part to play in any savings it has to make. This is likely to mean more working across organisations and a greater sharing of resources and services. We will review the opportunities and implications which flow from this. Over the life of this strategy we will be clear about how we measure our improving efficiency across the organisation. However, our range of activity from rights granting to policy means it can be tricky to devise a single

overall approach or measure of efficiency: clearly a one size fits all approach is not suited to our diverse operation and bespoke approaches need to be devised for each activity.

OUTCOME



We will deliver for our customers with demonstrably increasing efficiency and effectiveness.

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. Over the period of the strategy we will deliver this by:

Making the most of efficient digital services

Our digital transformation must be a driver of increased efficiency and productivity. Having the means does not guarantee the result:

- The benefits of digitisation must be harnessed and embedded within our culture if we are to realise their full potential.
- We will look beyond the traditional models of working and further develop our working policies to seek increased engagement and productivity. Our staff will have the tools and capability to work whenever and wherever they need to. We will pilot the best technology, sharing our experiences across Government.

Encouraging good filing practices

Changing customer behaviour can also contribute to efficiency by reducing our costs:

- We will make efficient digital access attractive to our customers. Customer engagement will be central to our approach, but we may seek to reinforce this through our fee structure, whilst not ruling out alternative methods of accessing our services for those who require them.
- As outlined in Goal 2, we will design services which help customers identify and pursue useful applications whilst discarding those with no value.



IPO staff workshops

OUTCOME



We will operate on a business model that is robust, realistic, future-focussed and adaptive.

Maintaining a flexible and adaptive business model

Our income is demand led and can be predicted to a certain extent, but it is impossible to fully control. Imminent developments such as the Unitary Patent could significantly impact our current business model, either through changed domestic demand or a reduction in renewal income from European Patents. Meeting a sudden increase in demand for our services could present difficulty – recruiting and training trade mark and patent examiners takes time and money. Of course, these impacts and any other unforeseen changes would likely not be immediate but our business model must be robust enough to cope with them. We will do this through:

- Rigorous long term planning, to give us space to phase our reaction in over time.
- Scaling our activity to our income while safeguarding those functions only the IPO can undertake for its customers, in particular rights granting.
- Improving the forecasting of our expenditure to get the most from the income we generate.
- Identifying a more flexible operating model as outlined in Goal 5.

Pursuing continuous improvement

The IPO is seen as successful financially, being able to self-fund the broad range of activities it undertakes to achieve its goals. A successful operation can become complacent. We will seek to avoid this through continuous review of our ways of working to avoid entrenched attitudes and identify new opportunities. This could be through joining up with other organisations where it makes sense to do so (we already share a base with the Office for National Statistics) or sharing resources. A particular example of the latter will be our pursuit of efficiency savings through adopting a different approach to our current shared corporate service arrangements – we have already embarked on a novel innovation partnership arrangement with Companies House to share their Finance System and Finance Director. Further opportunities exist with both Companies House and other BIS and wider Government organisations.

Thinking critically about our wider role

The IPO as an organisation has had many successes in a broad range of activities; given our perceived success and financial security, we are increasingly called upon to provide resources that it is believed others cannot. However, budgetary pressures raise questions about the sustainability of this approach. We are mindful that your income is provided by users of registered rights services and we may need to make difficult choices about where to lend support, with industry partners possibly asked to play an increased role.

OUTCOME



We will have a sustainable working environment that enables our people to deliver our goals effectively.

This will require us not only to consider the physical office space and IT, but also our ways of working. Our main base is Concept House in Newport, on a site shared with the Office for National Statistics, with the potential to host other organisations as we make ever more efficient use of our space. Concept House currently hosts over 1000 staff, with our headcount set to increase in line with demand for our services. It has recently gone through a major transformation but continued investment in this space will be necessary to ensure it continues to support our first class operation. Alongside this, we will need to support remote and homeworking to maximise our ability to provide services within a finite physical office space.

Measuring Our Progress

“However beautiful the strategy, you should occasionally look at the results.”

Winston Churchill

Unless we measure and track our activity, we will never know if we have achieved our aims. In each goal we have set out what success looks like and identified some of the things that will help us track it. But this is only the start of the measurement cycle. As we draw on the strategy to formulate our annual plan, setting out in detail the activities we will undertake, we will clearly define our measures and identify how these feed back into the broader strategic goals. We will continue to set ourselves realistic but challenging targets. The information we use will come from varied and reliable sources; customer insight, research, stakeholder input, data from partners, etc.



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INVESTORS
IN PEOPLE

