

2011 Practice Fees Submission

With this submission are the following documents

- Business Plan for 2011
- Budget for 2011
- Budget Notes
- (by way of background) the practice fee submission for 2010
- (by way of background) the approved budget for 2010

Background

The income projections for 2010 were very accurate. Income has been sufficient to meet the 2010 budget but after one year of operation the following is clear:

- The work load of the Chief Executive at present cannot be undertaken in 3 days.
- The Chairman and the Board members are working considerably more than the 10 days for which they are contracted.
- There is an urgent requirement for a fourth lay member to ensure compliance but also to deliver more resource especially in relation to the consumer.
- Communication with the public and registrants is hampered by a very limiting website.
- There are major changes underway in the education and qualification process which were implemented pre 2010 and, once “bedded in” over one academic year, will need an independent review/validation to ensure that the new systems meet the regulatory objectives.

The 2011 Business Plan has been developed to address these concerns and ensure that the Patent Regulation Board and the Trade Mark Regulation Board can meet their legal obligations.

The 2011 budget provides the necessary resource to deliver the 2011 Business Plan.

IPReg and CIPA and ITMA are conscious, however, of the need to keep any uplift in practice fees to a reasonable level whilst ensuring that the Patent Regulation Board and the Trade Mark Regulation Board can carry out their regulatory functions.

Consequently the desire to establish a reserve has been deferred for a year. The two 2010 contingencies amounting to £30,000 have been reduced to one contingency of £15,000. These decisions have been made on the basis that CIPA and ITMA will continue to guarantee the liabilities of IPReg. The 2011 budget is therefore £532,125

against the actual projected IPReg costs of £461,317 and the budget of £477,000. This increase requires a c11% - 12% increase in income overall.

The budget includes a possible increase in the LSB running cost levy. The practice fees will be adjusted (down or up) if that projection is incorrect.

Impact on Practice Fees

IPReg have considered whether the proposed increase should be spread evenly over the profession and it believes that this is the right approach.

In 2009 the Board consulted on and considered at some length the appropriate matrix for practice fees. IPReg has had some negative feedback from sole practitioners but otherwise has received only isolated objections based on concerns about complexity etc.

Whilst sole practitioners do not appear to present any heightened risk in terms of complaints (based on this year's complaints) it is very apparent that they require considerably more support from the IPReg office. This is something that may be resolved as time passes.

For the above reasons IPReg proposes that:

- There will be no change in the matrix for calculating the fees.
- Fees are increased by 12%

The attached table shows the resulting fees for 2011

Comparison

Even with this 12% increase the annual practice fees compare favourably with other regulated legal professions.

	Practice Fees – 2011	
	(2010 figures shown also for comparison)	
	Fee £	Fee £
	One Reg.	Both Reg.
Attorneys who are retired, inactive or are employed solely in industry	140 125	225 200
All Other Attorneys	170 150	280 250
Sole Traders	280 250	400 350
Sole Trader Employing Others - Base	280 250	400 350
Attorneys/Professionals employed by sole traders	55 50 for each employed registered Attorney, plus 225 200 for each unregistered professional providing legal services	55 50 for each employed registered Attorney, plus 225 200 for each unregistered professional providing legal services
Entities Firms/Companies -Base	280 250	
Attorneys/Professionals employed in entities	55 50 for each employed registered Attorney, plus 225 200 for each unregistered professional practising via entity	55 50 for each employed registered Attorney, plus 225 200 for each unregistered professional practising via entity