

Licensing Application

Financial Framework with CIPA and ITMA

Purpose

This framework document sets out the manner in which the parties have agreed that the set up costs of their licensing application are to be met.

The Application

The application, technically, will be made by the Patent Regulation Board but the application itself and all other relevant documentation will make it clear that for all other purposes the project is an IPReg (i.e. both PRB and TRB) project and is fully supported by CIPA and ITMA.

The proposed name for the new licensing body is IPReg LA

Budget

It is estimated (based on the costs of the CLC) that the budget will be £130,000 plus the LSB fees.

LSB Fees

The LSB fees (expected to be £22,000) will be shared by IPReg, CIPA and ITMA equally.

Start Up Costs

IPReg will meet the costs incurred in 2011 of any necessary additional resource both within the IPReg office (for example, to enable Ann Wright to work on the application) and of external consultants to a maximum of £30,000.

CIPA and ITMA will match the above by each providing £15,000 in January 2012.

Additional funding will be met by entity registrants only

There will be a temporary % increase in the entity practice fee. Whilst it is intended that the additional funding will be raised in two tranches in 2012 and 2013, an increase in 2013 will only be applied if, and to the extent, required.

Income from registered entities in 2011 is £132,000. The temporary increase to be applied in 2012 will, therefore, be 50%.

Accounting

Separate accounts will be kept and made available to all registrants via a dedicated part of the website.

Any temporary cash flow issues caused by the split of the levy over two years is to be supported by CIPA and ITMA by way of an interest free loan. Any loan would be paid back in tranches of £25k each year until repaid.

However this is not likely to occur (in the absence of a significant complaint) as IPReg has a reserve of £25k from 2010 and expects a similar figure this year.

Surplus from set up costs

Any surplus, after all set up cost have been paid, will not be ring-fenced to ABS regulation/entities and will become part of the general funds of IPReg with a view to bringing ABS and non ABS entities and individual registrants into one financial accounting structure.