



IPReg consultation – removing restrictions on providing pro bono advice

Introduction

0. The following is the IP Federation's response to the above consultation. The members of the IP Federation are companies most if not all of which rely on the services of in-house UK patent and/or trade mark attorneys. A list of the Federation's members is attached.

Question 1: what are your views on our proposal to allow in-house attorneys and inactive attorneys to do pro bono work?

1. On 1 November 2017, the IPReg Chief Executive was kind enough to meet the Federation to discuss the issue of in-house attorneys and pro bono work. The Federation is pleased that IPReg is addressing the issue *via* the present consultation. The Federation is desirous of having a clear regulatory basis on which a company's in-house department head can encourage (or instruct) his or her attorneys to undertake pro bono work in paid company time. The undertaking of such work demonstrates "Corporate Social Responsibility" and also develops attorneys' skills. Some Federation members may wish to instruct attorneys to undertake this work through CIPA clinics rather than as part of a direct company initiative, and this point is dealt with under the heading "CIPA Clinics" below.
2. The Federation, though its members are not directly affected, sees merit in providing for inactive attorneys to perform pro bono work.

Question 2: are there other categories of attorney that are currently prevented from providing pro bono advice as a result of IPReg's regulatory arrangements? ...

3. The Federation cannot think of any such categories.

Question 3: what are your views on IPReg's proposed approach and on the proposed drafting? If you consider the drafting could be made clearer, please provide suggestions.

4. In *the first bullet point* of the proposed new rule (empowering in-house attorneys), the syntax could be improved by replacing "clients who do not fall within the definition of 'corporate work' in these Rules of Conduct" by "clients other than those specified in the definition of 'corporate work'".
5. The Federation suggests that under *the second bullet point* (empowering inactive attorneys), "patent and/or trade mark work" be replaced by "work", consistently with the first bullet point applying to in-house attorneys. The Federation can see no reason for such a limitation. It would *not* want the inconsistency with the first bulleted condition to be removed in the opposite sense, *i.e.* by applying the limitation to in-house

attorneys, since patent and trade mark attorneys advise competently more widely than this.

6. As to the *first bulleted condition* (relating to professional indemnity insurance (PII) “reasonably equivalent to the requirements [on private practice under Rule 17]”), the Federation makes the following points:-
 - (i) Senior attorneys of Federation member companies have met in-house solicitors to discuss their approach to pro bono work, and also insurance departments. So far, these discussions indicate a mismatch between the general approach to insurance in companies and the PII policies of patent and trade mark attorney private practices.¹ To make further progress, it would be helpful for the Federation to know IPReg’s requirements as communicated to the “participating insurers” whom private practices must use under Rule 17.
 - (ii) It occurs to the Federation that it might be possible to encourage existing participating insurers to provide policies purely for pro bono work, both for in-house attorneys and inactive ones. One would expect these to be, respectively, considerably cheaper than normal policies of private practices of a similar size or of sole practitioners. An in-house department might be seeking only (say) coverage of 10 attorneys to undertake between them no more than 200 hours of pro bono work in the insurance year, so the risk covered by the insurer would be low.
 - (iii) While the Federation is reasonably confident that insurance need not present an insuperable problem, the issues are quite technical and may be best clarified in a meeting between IPReg and the Federation.
7. As to *the second bulleted condition* (which excludes undertaking reserved legal activities), the Federation is content. It recognises the constraints imposed on IPReg by LSA Section 15.
8. The Federation notes that, since the first bulleted condition already covers PII, *the third bulleted condition* (referring to regulatory requirements generally) has the effect that for pro bono work in-house attorneys are subject to the same general rules as apply to their performance of corporate work, but in addition need a complaints procedure complying with Rule 12. The Federation is content with this.

Questions 4 and 5 (relating to CPD and inactive attorneys)

9. The Federation makes no comment.

¹ One area of mismatch may be “excesses”, the amount of a claim which the insured party bears itself. Companies which have in-house IP departments tend to be large (turnovers > or >> £1bn/annum), and with such large turnovers it is commercially sensible in general to have insurance policy excesses in the *millions* of pounds, and to “self-insure” for claims of this order. It seems that the “excesses” in private practice PII insurance policies are in the low thousands, consistently with Pamia’s website at <https://www.pamia.co.uk/insurance-cover/premiums-terms-and-excesses>. The Federation assumes that this reflects public policy considerations regarding legal PII, not merely the relatively low turnover (< or << £100M/annum) of most patent and trade mark attorney private practices.

Question 6: what are your views on whether the Litigation Rules need to be amended? ...

10. On account of LSA Section 15, the Federation agrees with IPReg that no purpose would be served by amending these to cover pro bono work, at least in relation to in-house attorneys.

Question 7: what are your views on [proposed guidance referring to the Law Works Pro Bono Protocol]?

11. The Federation considers that IPReg's proposal for Rule 22 adequately corresponds to the Protocol, so far as in-house attorneys are concerned; any reference to the Protocol, which was devised for solicitors, barristers, and legal executives, and contains references specific to them, would create uncertainty. If there is any specific point in the Protocol which is not already covered in the proposed Rule 22, then the Federation suggests it should be *textually* incorporated into the Rule or associated guidance, *not* by reference.
12. The Federation was somewhat puzzled by the words "whatever their employment status" under the "Proposed Guidance ..." heading in the consultation, since these words seem not to relate to "removing restrictions on providing pro bono advice" but rather to giving guidance to private practitioners as well as in-house and inactive attorneys. Private practitioners are presently free to do pro bono work, since there is no limitation on the classes of client they may serve - though admittedly it may not be entirely clear that in giving such advice private practice patent attorneys need to observe the Rules of Conduct in exactly the same way as when they perform paid work (in which case IPReg may wish to put an additional paragraph into Rule 22). While the Federation cannot speak for private practice, it seems to the Federation that private practice, like in-house practitioners, should *not* be referred out to the Law Works Pro Bono Protocol because of the uncertainty this would create.

CIPA Clinics

13. It is important that the framework provided by the CIPA pro bono clinics should facilitate compliance with the IPReg Code, so that any practice (in-house or private) can with confidence send attorneys to serve in those clinics. When the Federation met IPReg on 1 November 2017, IPReg was considering discussing the clinics with CIPA. The Federation would be interested to know of any outcome.
14. The Federation would be very happy to discuss any of the above points with IPReg at a meeting. It has been noted under 6 above that the question of insurance is one on which a meeting would especially facilitate progress towards creating an environment encouraging pro bono work.

IP Federation
7 October 2019



IP Federation members 2019

The IP Federation represents the views of UK industry in both IPR policy and practice matters within the EU, the UK and internationally. Its membership comprises the innovative and influential companies listed below. The CBI, although not a member, is represented on the Federation Council, and the Council is supported by a number of leading law firms which attend its meetings as observers. It is listed on the joint Transparency Register of the European Parliament and the Commission with identity No. 83549331760-12.

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BAE Systems plc
BP p.l.c.
British Telecommunications plc
British-American Tobacco Co Ltd
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Canon Europe Ltd.
Caterpillar U.K. Ltd
Cummins Ltd.
Dyson Technology Ltd
Eisai Europe Limited
Eli Lilly & Co Ltd
Ericsson Limited
Ford of Europe
GE Healthcare
GKN Automotive Limited
GlaxoSmithKline plc
Hitachi Europe Ltd
HP Inc UK Limited
IBM UK Ltd
Infineum UK Ltd
Johnson Matthey PLC
Juul Labs UK Holdco Ltd
Merck Sharp & Dohme Ltd
Microsoft Limited
Nokia Technologies (UK) Limited
NEC Europe
Ocado Group plc
Pfizer Ltd
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