

Title: Intellectual Property Bill IA No: Lead department or agency: Department of Business, Innovation and Skills Other departments or agencies:	Impact Assessment (IA)		
	Date: 16/04/13		
	Stage: Final		
	Source of intervention: Domestic		
	Type of measure: Primary legislation		
Contact for enquiries: Charlotte.Heyes@ipo.gov.uk			

Summary: Intervention and Options	RPC Opinion: RPC Opinion Status
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Cost of Preferred (or more likely) Option			
Total Net Present Value	Business Net Present Value	Net cost to business per year (EANCB on 2009 prices)	In scope of One-In, Measure qualifies as One-Out?
£19.61m	£35.96m	£-3.83m	Yes OUT

What is the problem under consideration? Why is government intervention necessary?

This Bill contains 23 clauses and a Schedule, accompanied by 11 impact assessments. There is an IA for every measure in the Bill that requires one. Most of the measures in the Bill deliver many of the remaining commitments from the Government's response to the Hargreaves Review of Intellectual Property and Growth, commissioned by the Prime Minister in November 2010. The Government committed to implementing its commitments in time to have a positive impact on the ground before the end of the Parliament. The rationales and impacts of each of these areas are assessed/quantified and reported in the accompanying specific Impact Assessments.

The cumulative net quantified effects of these intervention areas are summed above.

What are the policy objectives and the intended effects?

The Bill will simplify and strengthen design protection for the UK's hugely important design sector; it will help to make the IP system clearer and more accessible to SMEs; it will increase legal certainty and reduce risks in IP intensive markets; and will help ensure the UK IP system is operating efficiently.

The individual policy objective and intended effects of each of these areas are assessed/quantified and reported in the accompanying specific Impact Assessments.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Please consult the 11 accompanying specific Impact Assessments for full option appraisal of each strand to the Bill.

The cumulative net present values presented here pertain to the estimated impacts of applying the preferred policy option(s) in each of these 11 areas as stated in their Impact Assessments.

Will the policy be reviewed? It will be reviewed. If applicable, set review date: 04/2018					
Does implementation go beyond minimum EU requirements?			No		
Are any of these organisations in scope? If Micros not exempted set out reason in Evidence Base.	Micro Yes	< 20 Yes	Small Yes	Medium Yes	Large Yes
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: n/a		Non-traded: n/a

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: Younger of Loekie Date: 8.5.13

Summary: Analysis & Evidence

Policy Option 1

Description: Intellectual Property Bill

FULL ECONOMIC ASSESSMENT

Price Base Year 2012	PV Base Year 2012	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: Optional	High: Optional	Best Estimate: 27.8

Description and scale of key monetised costs/benefits

Revision of scope of design protection: Total Net Benefit £0m ; Business Net Benefit £0m

Introduce a criminal offence for the deliberate infringement of a UK or EU Registered Design: Total Net Benefit £-8.18m ; Business Net Benefit £0m

Amend appeal route for design decision of the IPO: Total Net Benefit £0.05m ; Business Net Benefit £0m

Amendments of design ownership provisions: Total Net Benefit £0m; Business Net Benefit £0m

Expansion of the Patents Opinion Service: Total Net Benefit £0m ; Business Net Benefit £0m

Inspection of Documents: Total Net Benefit -£0.029m ; Business Net Benefit £0.007m

Introduce a Design Opinion Service: Total Net Benefit £0m ; Business Net Benefit £0m

Joining the Hague Agreement on Designs: Total Net Benefit £0.09m ; Business Net Benefit £0.09m

Providing constructive notice in relation to patented products: Total Net Benefit £0m ; Business Net Benefit £0m

Changes to references to "counsel" in the Patents Act 1977: Total Net Benefit £0m; Business Net Benefit £0m

Work Sharing with International Partners: Total Net Benefit £35.9m; Business Net Benefit £35.9m

Other key non-monetised costs/benefits

Revision of scope of design protection:

- Modernise and simplify the law to provide a clear, consistent and equitable framework for protection of designs.
- Could allow investment in new product design with lower risk of copying and the potential for an increase in trade.

Amend appeal route for design decision of the IPO:

- Flexibility to business where complex matters could go to court where time/costs are not limited, or, businesses could use the less formal AP system where resource costs are likely to be lower for business.
- Parity with the current system for trade marks.

Amendments of design ownership provisions:

- Clarity of ownership, reduced scope for unnecessary legal disputes due to uncertainty and reduce the administrative burden with official recording of registrations.
- Reduce resources needed by business to consider complex ownership rules, and thereby avoid disputes.
- Businesses can have greater confidence in proceeding with agreements to manufacture or license.

Expansion of the Patents Opinion Service:

Inspection of Documents:

- Quicker, environmentally friendly and cheaper alternative to the current process.
- Parity with the IPO's provision of information for patents.
- Improved knowledge of registered design rights which may prevent inadvertent copying.

Introduce a Design Opinion Service:

- A cost effective alternative to civil litigation and a useful barometer in deciding whether to pursue disputes more formally.
- Design right holders and businesses involved in disputes will be able to take quicker and more informed decisions on what, if any, action they wish to take in disputes on validity, subsistence and the existence of rights.

Joining the Hague Agreement on Designs:

- Enable designers, particularly SME's, to take full advantage of the flexibilities and economies of using Hague to gain protection at home and in important overseas markets.
- Businesses could save money on design registrations overseas and protect their IPR more efficiently.
- The provision could encourage non-UK owners of design to register their rights in the UK for manufacturing, distribution or licensing of their intellectual property.
- The provision will increase flexibility for UK applicants and harmonise our approach with the EU.

Providing constructive notice in relation to patented products:

Introduces an easier way for patent owners to provide public notice of their patent rights through the introduction of an option to mark a product with the details of a website (or a specific webpage) which details the specific patent number(s) associated with the patented product. This will make it easier and reduce the costs for those businesses who chose to mark their products with their patent details.

Changes to references to "counsel" in the Patents Act 1977:

This will provide greater choice for patent proprietors in the representation they can appoint when dealing with disputes in relation to the Crown use of patented products. It also brings the patents legislation in line with the other legislation which allows more general rights of audience and removes the need for counsel.

Work Sharing with International Partners:

- Will facilitate more work sharing between the UK and other patent offices to help speed up international patent processing.
- Help UK businesses who apply for international patent protection by reducing delays in gaining patent protection

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m:			In scope of OIOO?	Measure qualifies as
Costs:	0	Benefits:	3.83	Net: 3.83
			Yes	OUT

Evidence Base (for summary sheets)

Please consult the eleven accompanying specific Impact Assessments for full intervention rationale, option appraisal, cost-benefit analysis, equalities impacts and evidence base discussion.