

Dawn Reid
Legal Services Board
Sent by email only
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Date: 22 July 2013 Direct line (020) 7211 8324
Email Adam.Watts@oft.gsi.gov.uk

Dear Ms Reid

Application from the Chartered Institute of Patent Attorneys and the Institute of Trade Mark Attorneys for a recommendation for designation as a licensing authority

Thank you for sending us the Intellectual Property Regulation Board's (IPReg) application to become a licensing authority under schedule 10 of the Legal Services Act 2007 (LSA07) as made on behalf of the Chartered Institute of Patent Attorneys (CIPA) and the Institute of Trade Mark Attorneys (ITMA).

As you are aware, the OFT has a statutory duty under LSA07 to review applications to become a licensing authority and provide the Legal Services Board (LSB) with such advice as we 'think fit' regarding whether the application should be granted. In providing our advice we have to consider whether any given application, if granted, would (or would be likely to) prevent, restrict or distort competition within the market for reserved legal services to any significant extent.¹

The OFT's default position in this regard is that an application to become a licensing authority, unless there is compelling evidence to show a significant detriment to competition through foreclosure and/or a substantial degradation of consumer protection, is unlikely to raise any substantive concerns since it is likely to increase choice for consumers and professionals. However, where an application to become a licensing

¹ LSA07, Schedule 10, s4(2)



authority does include a provision that has the potential to restrict competition, the OFT would expect that to only be permissible when evidently justified by one of the objectives set out in the LSA07.

In light of the OFT's default position, we have considered the application by IPReg and, if granted, we advise that we find no current evidence to suggest that IPReg becoming a licensing authority under the LSA07 would (or would be likely to) prevent, restrict or distort competition within the market to any significant extent.

Therefore, the OFT considers that allowing IPReg to authorise alternative business structures (ABS) may strengthen competition and promote innovation in the market for reserved legal services pertaining to intellectual property. Potentially, this could place competitive pressure on the pricing of these services and broaden access to justice.

Yours sincerely

A handwritten signature in black ink, appearing to read "Adam Watts", with a long horizontal stroke extending to the right.

Adam Watts
Case Officer
Services, Infrastructure and Public Markets