

RECOMMENDATION TO THE LORD CHANCELLOR UNDER SCHEDULE 10, PART 1 OF THE LEGAL SERVICES ACT 2007

1. The Intellectual Property Regulation Board (**IPReg**) on 21 May 2013 formally made an application to the Legal Services Board (**the Board**) on behalf of the Chartered Institute for Patent Attorneys (**CIPA**) and the Institute for Trade Mark Attorneys (**ITMA**) under the Legal Services Act 2007 (**the Act**), for the Board to recommend to the Lord Chancellor that an order be made designating CIPA and ITMA as licensing authorities for their existing reserved legal activities, as set out in paragraph 4 below.
2. The regulatory functions of CIPA and ITMA are delegated to the Patent Regulation Board and Trade Mark Regulation Board respectively. These work together as IPReg, to whom CIPA and ITMA have delegated their authorisation and regulatory functions.
3. The effect of the application if granted would be to allow IPReg to authorise and regulate entities as alternative business structures (ABS) on behalf of CIPA and ITMA.
4. This is a recommendation from the Board to the Lord Chancellor that CIPA/ITMA be designated as licensing authorities for their existing reserved legal activities of:
 - The exercise of a right of audience;
 - The conduct of litigation;
 - Reserved instrument activities; and
 - The administration of oaths.
5. IPReg is an existing approved regulator for these activities and it already authorises and regulates some firms that have a similar structure to ABS.
6. The application does not seek to regulate or to go beyond IPReg's current organisational expertise and IPReg intends to build on its existing capability.
7. At its meeting on 27 November 2013, the Board resolved to grant the application to make a recommendation to the Lord Chancellor for an order to be made designating ITMA and CIPA as licensing authorities for their existing reserved legal activities. The Board also agreed that in making the recommendation to the Lord Chancellor, it would include a recommendation that the licensing rules be approved for use by the licensing authority when the Lord Chancellor exercises his authority in making an order.
8. In making its decision, set out in the Decision Notice, sent to you with this recommendation, the Board considered the criteria in paragraphs 11(2) and 11(3) of Schedule 10 to the Act. The Rules for Licensing Authority Designation Applications provide the mechanism through which the LSB carries out its assessment against these requirements and the LSB has therefore satisfied itself of compliance with the requirements of paragraphs

11(2) and 11(3) by an assessment of the application and proposed regulatory arrangements against these rules.

9. In accordance with paragraph 14(2) of Schedule 10 to the Act, the Board recommends to the Lord Chancellor that CIPA and ITMA be designated as licensing authorities and that IPReg's proposed licensing rules are at the same time treated as having been approved by the Board (under paragraph 16(1) of Schedule 10).
10. A copy of this recommendation has been published on the Legal Services Board website (paragraph 14(3) of Schedule 10).

David Edmonds
Chairman, Legal Services Board
6 December 2013