EXPLANATORY MEMORANDUM TO

THE INTELLECTUAL PROPERTY FEES (MISCELLANEOUS AMENDMENTS, REVOCATION AND TRANSITIONAL PROVISIONS) RULES 2026

2026 No. 183

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Intellectual Property Office (IPO), an executive agency of the Department for Science, Innovation and Technology, and is laid before Parliament by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments and the Secondary Legislation Scrutiny Committee.

2. Declaration

2.1 Kanishka Narayan MP, Parliamentary Under-Secretary of State for AI and Online Safety at the Department for Science, Innovation and Technology confirms that this Explanatory Memorandum meets the required standard.

2.2 Steph Bell, Director of Strategy at the Intellectual Property Office confirms that this Explanatory Memorandum meets the required standard.

3. Contact

3.1 Michael Warren at the Intellectual Property Office can be contacted by email at the following address with any queries regarding the instrument: information@ipo.gov.uk. Alternatively, the department can be contacted by telephone: 0300 300 2000.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This instrument amends five pieces of secondary legislation which provide a total of 138 fees across the IPO's statutory functions[1], to increase the amount payable for the services carried out under those functions:

- the Design Right (Proceedings before Comptroller) Rules 1989 (SI 1989/1130);
- the Patents (Fees) Rules 2007 (SI 2007/3292);
- the Trade Marks (Fees) Rules 2008 (SI 2008/1958);
- the Trade Marks (International Registration) Order 2008 (SI 2008/2206); and
- the Registered Designs (Fees) Rules 2016 (SI 2016/889).

4.2 It also makes consequential amendments to two other statutory instruments, the Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/269) and the Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 (SI 2019/638).

[1] As set out in the Acts listed in paragraph 6.1.

4.3 The fee increases seek to ensure that the IPO can recover its current and future costs, as required of an arm's length body funded by fees. The changes are based on increases in costs since the IPO's fees were last reviewed (2016), as well as reflecting vital investment in modern digital services in line with the government's vision. Although some of this has been absorbed by ongoing efficiencies, it is no longer feasible to do so and maintain financial sustainability.

4.4 This instrument also removes temporary reductions in fees enacted using existing powers during the Covid-19 pandemic, as they have ceased to apply and are therefore redundant. This tidies up the statute book, avoiding confusion for customers.

Where does the legislation extend to, and apply?

4.5 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales, Scotland, and Northern Ireland.

4.6 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England and Wales, Scotland, and Northern Ireland.

5. Policy Context

What is being done and why?

5.1 The IPO is responsible for the UK's intellectual property (IP) framework, including formulating advice on and implementing IP policy. Its core responsibility is the examination and grant of IP rights – namely patents, designs, and trade marks ("registered rights") – the maintenance of the UK's statutory IP registers, and the operation of a quasi-judicial tribunal with jurisdiction over certain legal proceedings. Its mission is to help people grow the UK economy by providing an IP system that encourages investment in creativity and innovation. The UK is consistently rated as having one of the very best IP systems in the world, being ranked 2nd in the 2025 US Chamber of Commerce International IP Index in 2025[2], and the IPO achieved an overall customer satisfaction score of 89% in 2024/25[3].

5.2 The IPO operates as a Trading Fund under the Government Trading Funds Act 1973; the costs of its operations are funded by the fees it charges, rather than by general taxation. It is expected to maintain a sufficient level of working capital and return on capital employed, with the most recent Treasury Minute requiring a 3.5% return averaged over the five-year period from 1 April 2024[3].

5.3 In accordance with the principles in *Managing Public Money*[4], the IPO is expected to operate a fee structure which recovers the full cost of delivering its services. It is a long-standing principle for the IPO (as well as other IP offices globally) that application costs are set low so that users can access the IP system more easily, removing barriers to innovation and growth. The cost of processing applications is then recovered over the life of the right, through setting fees for maintaining granted IP rights at the appropriate level.

5.4 Demand for the IPO's services has increased significantly in recent years, with 2024/25 seeing the second-highest volume of applications for trade marks and designs on record[3]. The IPO has bolstered its frontline headcount of examiners and examination support staff to address this increasing demand whilst maintaining its high service standards.

[2] https://www.uschamber.com/intellectual-property/2025-ip-index
[3] https://www.gov.uk/government/publications/the-patent-office-annual-report-and-accounts-2024-to-2025
[4] https://www.gov.uk/government/publications/managing-public-money, section 6.

5.5 In addition, in line with the government's objective of modern digital services that make life easier for the public, are accessible to all, and designed around user needs, the IPO is looking to deliver the largest modernisation of its services in a generation. The One IPO Transformation programme seeks to provide a new integrated system for all registered rights using modern infrastructure, delivering more efficient internal processes and an improved customer experience which responds to current and future needs, beginning with patents services. Existing capital reserves have been fully committed to this vital investment in services, and further expenditure will be required for continuous improvement of the new system once launched.

5.6 The fees set for IPO services have not changed in many years. Some of the fees for higher-volume services in trade marks (such as application fees) have remained the same since 1998, whilst designs and patents fees have not been adjusted since 2016 and 2018 respectively. As a result, they have not kept pace with the impact of this growth in demand and investment in services on the Office's administrative costs. Although some of the increase in costs has been absorbed by savings from improved ways of working and other efficiencies – an average of 6.8% annually since 2016 – recent financial forecasting has indicated that this is no longer sufficient to address current and forecast cost pressures.

5.7 Fee increases are therefore necessary to ensure that the IPO has a sustainable income to enable it to continue to support innovation in the UK and help businesses and other users of the IP system to protect their ideas using efficient, modern digital services. If fees are not increased, this would impact on the IPO's ability to examine and grant rights in a timely manner, and to invest in effective digital services, as well as its wider work to support and encourage innovative businesses. It would have a significant effect on the IPO's reputation and its position as a world-leading IP office.

5.8 The instrument does not change the overall structure of IPO fees, but rather uplifts all fees across the registered rights. It maintains the current approach to cost recovery and the overarching principle of ensuring easy upfront access to the IP system.

5.9 Fees for patents will increase by between 25% and 40%, trade marks between 20% and 25%, and designs between 20% and 27%. The proposed increase in fees is significantly less on average (25%) than the baseline of inflation since 2016 – calculated at 33% - as it accounts for both the efficiency savings previously mentioned and future savings which IPO expects to make to meet the Government's efficiency drive set out in the 2025 Spending Review. Further information on fees which have been increased above the rate of inflation is provided in paragraph 11.2.

5.10 The new fee amounts are intended to be easy for customers to understand and adapt to, by favouring rounded values in cash terms, usually in multiples of £5 or £10, and avoiding amounts in pence. In some instances, because the fee itself is quite small, this means that the increase will be slightly higher than baseline inflation.

5.11 The amount by which individual fees will increase differs between the registered rights. This is because the increase must be distributed according to the costs that are attributable to each right or service, to ensure there is no cross-subsidisation between services. On that basis, fees for patents will change by an average of 32.7%, trade marks by an average of 23%, and designs by an average of 24%.

5.12 Costs attributable to patents are higher than the other rights, making up 55% of IPO costs on average over the last three financial years (trade marks being 36% and designs 7%, with 2% on other services). Patent examiners are employed at higher grades, due to the additional technical and scientific expertise required. Patents

services also rely on much older legacy IT systems, which have higher costs for ongoing support. For that reason, patents services are the initial focus of the One IPO Transformation programme, and so some of the costs associated with that programme are also weighted more towards patents. The increase in fees for patents is therefore larger than the other rights.

5.13 The government is currently reviewing the designs framework, to ensure that it is fit for the future and supports businesses of all sizes[5]. With that in mind, the changes to fees for designs are being made on an interim basis without full cost recovery, as the outcome of that review may affect the IPO's statutory services and require a re-examination of the fee structure for designs.

5.14 Although fees for IPO services will increase, they remain competitive compared to international counterparts[6]. For example, the fee for a trade mark application, which this instrument will increase to £205, is comparable to that charged for applications in Canada[7] (£258 equivalent), Australia[8] (£197), and the United States[9] (£264). The fee for patent examination, which will now be £170, is lower than Australia[10] and Canada[11] (£272 and £626 respectively) and significantly lower than the United States[12] and the European Patent Office[13] (£663 and £1681 respectively).

5.15 The increases in fees are intended to provide the IPO with a stable financial footing and sufficient working capital for at least the next five years. This will depend on the volume of applications over that period; the financial forecast has assumed that input will at least remain static compared to recent years. As statutory fees are often only a small part of the cost of obtaining IP protection, which includes legal representation and other expenses, the IPO does not expect these changes to affect application numbers to a significant degree.

5.16 During the Covid-19 pandemic, amendments were made to some of the fees legislation to set certain statutory fees or surcharges to zero, or an otherwise nominal amount, for a defined period to provide support to businesses. As this period has long since expired (ending on 31st March 2021), the provisions are superfluous and may create some confusion for customers or their legal advisers when trying to work out what fees apply. Accordingly, this instrument removes those provisions.

What was the previous policy, how is this different?

5.17 The previous policy was to absorb increases in costs through continuing efficiencies in the operation of services. Whilst that continues to be an important objective for the IPO, relying on these savings alone is no longer sufficient to maintain its financial position. They would not enable the IPO to cover future costs or to recover the necessary working capital to maintain adequate cash reserves for operating expenses.

[5] https://www.gov.uk/government/consultations/consultation-on-changes-to-the-uk-designs-framework
[6] Information on fees and currency conversion correct as of 1 December 2025.
[7] https://ised-isde.canada.ca/site/canadian-intellectual-property-office/en/trademarks/fees-trademarks
[8] https://www.ipaustralia.gov.au/trade-marks/timeframes-and-fees
[9] https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule#TM%20Application-related
[10] https://www.ipaustralia.gov.au/patents/timeframes-and-fees
[11] https://ised-isde.canada.ca/site/canadian-intellectual-property-office/en/patents/patent-fees
[12] https://www.uspto.gov/learning-and-resources/fees-and-payment/uspto-fee-schedule#Patent%20Exam%20Fee
[13] https://fees.apps.epo.org/prod/ui/?lang=EN&page=1&currency=EUR

5.18 The increase in fees set out in this instrument ensures the IPO has the necessary financial sustainability to continue to operate effectively. It ensures current levels of cost recovery are maintained and prevents the IPO from falling into deficit.

6. Legislative and Legal Context

How has the law changed?

6.1 The instruments listed in paragraph 4.1 make provision for the fees payable to the IPO in relation to its statutory functions, under delegated powers provided by the Registered Designs Act 1949, the Patents Act 1977, the Copyright, Designs and Patents Act 1988, and the Trade Marks Act 1994, the principal statutes on the registered rights.

6.2 In addition, the Department of Trade and Industry (Fees) Order 1988 (SI 1988/93), an order made under section 102 of the Finance (No.2) Act 1987, requires the Secretary of State to take into account the functions of the IPO and the costs incurred in carrying out those functions, as well as the need to secure a return on capital and deal with deficits and exceptional costs (amongst other factors), when determining the amount of the fee charged when exercising these powers.

6.3 This instrument uses these powers to amend the instruments listed in paragraph 4.1 to update the statutory fees charged by the IPO in relation to its registered rights services.

6.4 The Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 and the Designs and International Trade Marks (Amendment etc.) (EU Exit) Regulations 2019 were made pursuant to powers conferred under the European Union (Withdrawal) Act 2018; they created comparable trade marks and re-registered designs from pre-existing EU rights and international rights protected in the EU ("comparable rights") and made provision for the fees payable to the IPO in relation to those rights.

6.5 Schedule 2 to SI 2019/269 and Schedule 5 to SI 2019/638 provide that the rules on fees for domestic trade marks and registered designs also apply to the comparable rights. To ensure that the fee changes in this instrument will apply to those rights, maintaining symmetry with the fees payable in respect of domestic trade marks and registered designs, those provisions are amended to make it clear that the rules which apply are in the form as amended by this instrument. Paragraph 5(2) of Schedule 4 to the Withdrawal Act permits regulations to be made under paragraph 1 of that Schedule to alter the amount of fees and charges previously set under that paragraph, notwithstanding the sunset of that power.

6.6 The temporary fee reductions discussed in paragraph 5.16 were introduced by the Patents, Trade Marks and Registered Designs (Fees) (Coronavirus) (Amendment) Rules 2020 (SI 2020/644); this instrument will restore the provisions amended by that SI to their previous drafting and revoke the standalone rules that were inserted.

Why was this approach taken to change the law?

6.7 There were several ways in which to make these changes. One possibility would have been to revoke each of the existing instruments and remake them with the new fee amounts. Alternatively, the current legislation could have been replaced with a single instrument containing all fees for registered rights and other IPO services, relying on each of the delegated powers in combination.

6.8 However, the existing structure of separate Fees Rules for each right provides clear signalling as to which right the fees relate, whilst amending the existing legislation

gives customers an easy way in law of comparing the existing fees with the new fees, by presenting the two alongside each other. Since the delegated powers all require the negative procedure, it is possible to do this in a single instrument. The approach taken in this instrument was preferred for these reasons.

7. Consultation

Summary of consultation outcome and methodology

7.1 As it was considered essential to increase fees to ensure the IPO's financial sustainability, and no changes are being made to the overall fee structure, with the uplift being in line with costs attributable on a particular right, it was apparent that there were no policy options to consult on. Since consultation should seek views on policy for which a final view has not been made, it was not felt that a consultation on this change would serve such a purpose. The IPO has engaged with representative organisations and large filers to advise them that fee increases are taking place as public announcements were made.

8. Applicable Guidance

8.1 On 5 November 2025, the IPO published information on the upcoming changes to fees[14], to provide customers with advance notice. This set out the list of fees and their new amounts and advised that the changes would require Parliamentary approval before they could take effect. Further guidance was published on 12 January 2026[15], explaining the actions customers may need or wish to take in advance, and in what circumstances the old fees may still apply after 1 April 2026.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 A full Impact Assessment is submitted with this memorandum and published alongside the Explanatory Memorandum on the legislation.gov.uk website.

Impact on businesses, charities and voluntary bodies

9.2 The impact on business, charities or voluntary bodies is assessed at between £9-17 million per year in 2030/31.

9.3 The IPO receives a significant proportion of filings from non-UK entities seeking to protect their IP in the UK. When income from overseas sources is netted off against the costs to UK businesses and other users the net position for the UK will be positive. The net present value over the first 5 years of the fee increase is expected to be between £103-£169 million. This comprises a total income increase of £143-£245 million less the £39-£76 million paid by UK entities.

9.4 While the fee increases will increase costs to UK businesses and other users, this must be viewed in the context of the full cost of developing IP and its protection. Patent application and search fees will increase to no more than a few hundred pounds; however, the full cost of an application alone (when legal costs are included) can be between £2000 and £8000 for drafting and filing. In addition, not all filing is entirely economically rational. Some low value or unnecessary registrations may be avoided, which may foster a more judicial use of the system and yield additional benefit. The

[14] https://www.gov.uk/government/news/intellectual-property-office-fees-to-increase-from-april-2026
[15] https://www.gov.uk/government/publications/intellectual-property-office-new-fees-from-1-april-2026

last time patent fees were increased it was in part specifically designed to dissuade low value filings and save individuals and businesses money.

9.5 The legislation does impact small or micro businesses.

9.6 The new fees will apply to small and micro businesses on the same basis as other developers of IP. This is because the same fee should apply to all users of a service where the cost of supplying that service is the same, otherwise this would mean some users would be subsidising the activities of others. The IPO ensures that the IP system is accessible for innovative UK businesses of all sizes by maintaining initial fees for applying for and obtaining IP protection at a relatively low level. The IPO also offers support targeted at small and micro businesses to help them understand the IP system and empower them to make informed decisions about their IP.

9.7 The impact on the public sector is estimated to be a benefit to the IPO of between £32-£54 million per year by 2030/31, depending on demand elasticity.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The approach to monitoring this legislation will be through the IPO's established customer feedback mechanisms and its quarterly satisfaction survey, tracking any changes in demand and customer behaviour through analysis of trends and inputs. Future fee reviews, particularly where they may consider ways to drive more innovative customer behaviour and economic growth, will be considered as part of reviewing the IPO Strategy.

10.2 The instrument does not include a statutory review clause as, in accordance with section 28(3)(a) of the Small Business, Enterprise and Employment Act 2015, the requirement to do so does not arise where the power to make secondary legislation is exercised to amend provision in relation to fees and charges.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 As discussed in paragraph 5.12, costs attributable to patents are higher than the other rights for the reasons set out in that part of the Explanatory Memorandum. This means that the proportion of the increase falling to patents fees is much closer to the calculated rate of inflation. Also as mentioned, the IPO sought to provide a simple and easily understood set of fee increases, favouring multiples of £5 and £10 where possible, and whole pound values where amounts are small. This can lead to the fee increase being still higher in percentage terms.

11.2 The combination of these two factors means that, whilst 54 of the 67 fees relating to patents[16] will increase by the calculated rate of inflation of 33% or less, 13 fees will increase by more than that rate. These are:

- A 34% increase on:
  - the fee for a supplementary protection certificate (SPC) to take effect for year 2, which increases from £700 to £940[17], along with the additional fee due if that is paid late, which increases from £350 to £470,

[16] Counting the effect of the fee reduction for online requests for search and examination as separate fees.
[17] The fee given in legislation reflects the cumulative fee due for all years in force, of which this is a component.

- the fee for an SPC to take effect for year 3, which increases from £800 to £1070, along with the additional fee due if that is paid late, which increases from £400 to £535.

- A 35% increase on:
  - the fee to renew a patent for year 10, which increases from £170 to £230,
  - the fee for an application to extend an SPC by six months, which increases from £200 to £270,
  - the fee for excess claims on application, which increase from £20 to £27 (for each claim over 25),
  - the equivalent fee if excess claims have been added before patent grant, which also increases from £20 to £27, and
  - the fee for requesting a certified copy of a document or register entry, which also increases from £20 to £27.
- A 36% increase on the fee to renew a patent for year 7, which increases from £110 to £150.
- A 38% increase on the fee to make a late claim of priority, which increases from £40 to £55.
- A 40% increase on:
  - the fee for requesting to be informed of an event that occurs on a specific patent or application, which increases from £25 to £35, and
  - the fee for requesting an uncertified copy of a document, which increases from £5 to £7.

In each case, the increase maintains the principle of cost recovery across the life of the right in line with *Managing Public Money* and, overall, the full life costs of registering and maintaining rights remain below inflation.

11.3 The fee for requesting a statement of reasons for a decision on international trade marks is increasing from £20 to £125 in Schedule 5. Although appearing to be an above-inflation increase, this is a correction of an error in the existing legislation which was identified in preparing this instrument and which meant that the fee had been overcharged since its enactment.

11.4 Under the Trade Marks (Fees) Rules 2000 (SI 2000/137), the amount for this action was set at £100. When the Trade Marks (International Registration) Order 2008 was drafted, a decision was taken to include all fees applicable to international registrations in that instrument in order to provide a complete code[18]. The policy intention was for the fee amounts to remain the same; however, the amount for this action was inadvertently stated as £20. How this error came about is not known.

11.5 Because the fee was not intended to change, the amount charged in practice continued to be £100. This means that a fee amount greater than that set in statute has been charged inappropriately, which presents a risk of legal challenge on that basis. 27 cases have been identified where this applies, with the total amount paid in excess being £2160.

11.6 The IPO acknowledges that this is a serious error which should have been identified earlier and is working to contact all affected parties to advise them of the error and

[18] The 2000 Rules were revoked in two stages: first, by the Trade Marks (Fees) Rules 2008 save insofar as they related to international registrations, with that saving revoked by the Trade Marks (Fees) Revocation Rules 2008.

offer a refund of the overpayment as restitution. However, given the passage of time in some cases, the parties may not be contactable or may not respond. The IPO has also monitored for any new cases which might arise before the error is corrected by this instrument, to ensure that they pay only the fee specified in statute.

11.7 This instrument provides an uplift to that fee based on the amount that was originally intended; this means customers will pay an increase of 25% over the fee paid in practice. Because the provision addressing the error does not simply correct matters but is intended to change the amount of the fee in any event, the free issue procedure is not considered to apply.

11.8 The amendments discussed in paragraph 6.5 rely on powers provided by Schedule 4 to the European Union (Withdrawal) Act 2018. An instrument containing regulations under that Schedule is subject to the negative procedure where the provision relates to altering the amount of a fee or charge to reflect changes in the value of money (see paragraphs 12(1) and (2) of Schedule 7 to that Act). As the increases to fees are at a rate less than inflation (see paragraphs 5.9 and 5.11), the power can therefore be exercised in this instrument as the other measures are themselves subject to the negative procedure.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is made, in part, under paragraphs 1 and 5(2) of Schedule 4 to the European Union (Withdrawal) Act 2018 and therefore relates to the withdrawal of the United Kingdom from the European Union. As set out in paragraph 6.4, fees relating to the comparable rights are charged by way of provision made under these paragraphs and will be subject to the same increase in fees created by this instrument as ordinary domestic rights.