



Coming to the UK

The UK needs to remain patent and business friendly if it wants to secure foreign investment in the future, according to Novum Global Strategies CEO Joan Mill.

Mill pinpointed changes to the Patent Box tax break coming into effect on 31 December as a potential detractor to foreign entities investing in the UK.

The Patent Box initiative, launched in 2013, encouraged non-UK companies to complete their research and development and subsequent patent applications in the UK by charging just 10 percent on profits earned from patented inventions.

But a global crackdown on tax avoidance, specifically artificial profit sharing, prompted the UK to limit the Patent Box, meaning that from 1 January, UK patent owners had to show a connection between their R&D work in the UK and profits going through the Patent Box to benefit from the 10-percent rate of corporation tax.

Mill called the Patent Box a “significant factor” in the expansion of IP in UK business.

At the same time, Mill said UK patent filings could suffer further as a result of the debate around the UK’s place in the EU, which will be put to a referendum before the end of 2017.

Mill said: “31 December 2015 signalled the end of the highly successful initiative and with a debate about the UK’s place in Europe firmly underway, British patent filings could suffer further. “

“For long-term investment in the UK, commercialisation and the future of the UK, the perception of IP in Britain must be altered,” added Mill. “But this will be a huge challenge.”