

Patents: How to make fiscal money out of your innovation

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PATLIB Centexbel

It's all about the money...



How to make fiscal money out of your innovation?

Centexbel as a PATLIB centre

The rule of 80%

What about the rest?



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Centexbel is a PATLIB centre in Belgium



Centexbel is a collective centre

Born in 1947, from and for textile companies

1300 customers from more than 30 countries

turnover: 12,5 million € in 2010

150 employees

research – services - testing



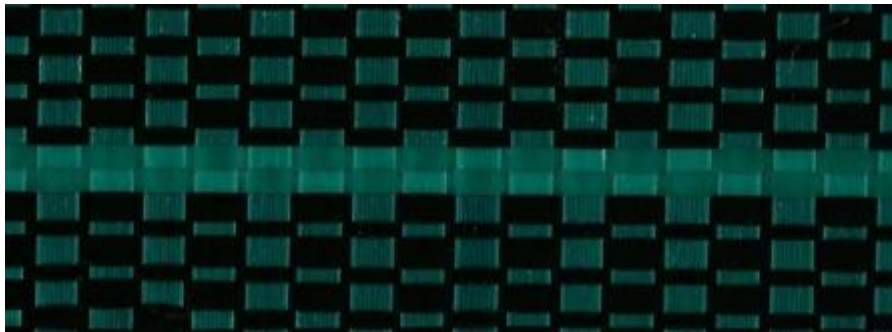
Centexbel services the large number of Belgian textile SME's

	EU27	Belgium
Employees	730.000	29.000
# of companies	41.000	600
Turnover (€)	92.000 million	6.700 million
<i>Turnover/employee</i>	<i>126.000 euro</i>	<i>231.000 euro</i>
Export	39%	75%

The Belgian textile SME's direct a lot to technical textiles

	Clothing textiles	Interior textiles	Technical textiles
Belgium	10%	50%	40%
EU27	65%	20%	15%

Technical textiles are knowledge and innovation intensive



The other collective research centers in Belgium are also PATLIB centers

Construction

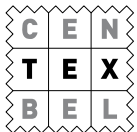
WTCB

Materials

SIRRIS

Textile

CENTEXBEL



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Fiscal rule: the rule of 80%



The profit of the taxable
timeframe is decreased

with **80 %**

of the patent revenues

Ratio legis – why did the Belgian government implemented this law

Stimulate Belgian companies to:

Perform technical innovation

Obtaining intellectual property

European question



Fiscal rule started from assessment year 2008

Revenues of patents used by

Products of Services of a

Belgian Society

Not before 1 januari 2007

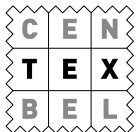


Creation of Art. 205 WIB

Not applicable on patent applications

Licences can be used as well, with special deductions

**!However: improvement needs to be done!
R&D centre**



In which country do you need to have a valid patent?

2 different cases:

Either you have a patent in the country where you produce your good/service

Either you have a patent in the country where you Commercialize your good/service



You have a patent in the country where you produce your good/service

All the revenues obtained from the commercialisation of the product or process in ANY country apply for the fiscal deduction

No issue on if you have a patent in the country where you commercialize your goods/services



You have a patent in the country where you commercialize your good/service

All the revenues obtained from the commercialisation of the product or process in THAT country apply for the fiscal deduction

No issue on if you have a patent in the country where you produce your goods/services



Tax Form 275P/N

Berekening van de aftrek voor octrooi-inkomsten

A. Inkomsten of het gedeelte van inkomsten uit octrooien die geheel of gedeeltelijk door de vennootschap werden ontwikkeld en waarvan zij octrooihouder is	(A) <input type="text"/>
B. Inkomsten of het gedeelte van inkomsten uit octrooien die de vennootschap heeft verworven van derden	(B) <input type="text"/>
B.1. Vergoedingen of het gedeelte van vergoedingen die aan derden zijn verschuldigd voor de octrooien die de vennootschap heeft verworven	(B.1) - <input type="text"/>
B.2. Afschrijvingen of het gedeelte van de afschrijvingen die zijn toegepast op de aanschaffings- of beleggingswaarde van de door de vennootschap verworven octrooien	(B.2) - <input type="text"/>
C. Totaal van de onder B gecorrigeerde aftrekbare inkomsten (B - B1 - B2)	(C) <input type="text"/>
D. Berekeningsgrondslag van de aftrek voor octrooi-inkomsten (A + C)	(D) <input type="text"/>
E. Aftrek voor octrooi-inkomsten : 80 % van (D)	(E) <input type="text"/>

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Europe is bigger than Belgium



Looking in the countries around Belgium: The Dutch 'Innovatiebox'

Similar system, explicit lower tax rate of 5%
(similar to 80% of reduction)

Only 625 million available in 2012

Can be used before an issued patent

The Dutch Tax office implies that 'because of the difficulty of the innovationbox, you should go and see them.'



Looking in the countries around Belgium: The patent box in Luxemburg

Similar system, also using a 80% reduction

Also applicable on designs, domain names,
models,...

Can be used for licensed patents

From 2008



UK's proposed patent box

UK is thinking about a similar system that will be effective on April 1, 2013

strategy: encourage high-value jobs

Optional for company's; tax from patent income will be 10% instead of 26%



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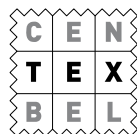


Fiscal rule to stimulate the role of patents

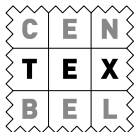
Belgium created the '80%-rule'

Centexbel as a PATLIB centre aids the SME's in implementing this rule

Different European countries have similar mechanisms



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