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IT sector wanted reform to UK patents

Reforming the roots and branches of the UK patent system could have done more to help IT innovators than a £750m investment fund offered in last week's Budget.

Delivering the verdict, IT patent lawyers at Mathys & Squire doubted that the chancellor's shot in the arm for tech-led firms was enough to kick-start the economy.

The main problem was the "UK's strict implementation of patent law", which credited a belief, rife in the IT sector, that the UK's patent office was "unwelcoming to innovators."

Pointing to [Symbian's battle to get a UK patent](#), Mathys & Squire added that home-grown applications had been rejected by the UK office, but approved by its European counterpart.

Speaking to the Financial Times, Ilya Kazi, IP partner at the firm, reflected: "Under the current system, the UK's message to inventors is very mixed.

"On the one hand, we have Alistair Darling making a public statement that the government is encouraging innovation, yet when they apply to protect innovation in the UK, they face hurdles and extra costs."

In contrast, Europe's IP office introduced its second price cut in five years last month, slashing fees by 40% to those seeking intellectual property rights covering the 27-country EU bloc.

The UK Intellectual Property Office is consulting on dropping its fees by 10%, and will introduce the lower rate, alongside a new 'early assistance' service for applicants, in October.

Moreover, the Budget confirmed policymakers do have intellectual property on their minds, as it said ministers would ponder the tax treatment of IP to "enhance the competitiveness of the UK."

Peter Cussons, tax partner at PwC said: "We welcome the decision by the chancellor, to consider changing the way the tax system treats innovative activity by companies, which gives rise to new intellectual property.

"This would bring the UK up to speed with regimes such as Belgium, Luxembourg and the Netherlands – putting the UK at the forefront of the larger EU economies."

For now, however, IT innovators can only check to see which, if any, part of the £750m investment fund could benefit them, their business or their client's business.



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According to its details, the fund will be available to the Department for Business, Enterprise and Regulatory Reform over the next two years, with £400m allocated this year.

Corporation Tax Calculator

It includes £250m to invest in low carbon businesses, including those in the nuclear and renewable sectors, £10m to help exports and £50m for the Technology Strategy Board.

Rate Increase Calculator

NI / PAYE Calculator

The government said the board would be looking to "significantly expand its work with business" to foster innovation and new technologies, as part of the package to 'help Britain win as a knowledge economy.'

IR35 Calculator

Limited Company Calculator

NESTA, which called for the fund, said it was vital that a proportion of the total investment was allocated to early stage, technology-led businesses that showed high growth potential.

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