

Intellectual Property Office
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In Response to: Industrial Strategy: Intellectual Property Call for Views

From: MCS Corporate Strategies Ltd (MCS), responding as an intermediary.

- MCS works with companies to identify and recover costs through Research and Development Tax Credits, Patents Box and e.g. grants.
- MCS has a turnover in excess of £1million and employs fifteen people as well as other support agencies.
- MCS operates across the UK and in foreign jurisdictions to support companies with UK registered entities.
- Observations and ideas given refer to UK based and UK companies operating overseas.
- MCS interests are in research, development, creation of IP and cost recovery techniques on behalf of clients.
- Of great and increasing value are the level of innovation in UK companies and that remain unexploited.
- Barriers are encountered in the low levels of IP knowledge UK firms and their directors possess. Overcoming this barrier of access to IP support levels is difficult. Patents are perceived as complicated, single purpose items that take a long time to prepare and submit and are expensive and complex for the apparent benefits conferred.

IP Trading Platforms

IP valuation is still a vague notion to many companies that have created new patents. The recent IPO report "Hidden Value" illustrates this issue and proposes how IP valuation might become more widely spread as a means to stimulate further IP creation and monetisation through grant of patents and implementation of Patent Box. Effective implementation of Patent Box would add to value of IP as an ongoing source of value creation and incentive to sustained profitability.

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B2B model IP agreements

The Lambert Toolkit approach would be useful in setting up IP model agreements. The advent of research and development tax credits support became available for companies working alone or in collaboration with Universities or others.

Where R&D collaboration results in grants of patents, agreements setting out the conditions for research, IP protection or monetisation asset value as support evidence for equality – funding – loan applications, standard agreement templates formats and guidance would be useful.

Voluntary IP Register

The advantages of Registry for IP and Copywrite are obvious. Registry has the effect of increasing IP protection awareness among those who create it and knowingly or unknowingly divulge "prior art". The UK seems to be largely IP ignorant and there is suspicion of patents and application for grant conditions and procedures. Registration would serve to raise awareness from early stages of R&D by keeping it simple as a fee saving requirement at the registration stage. "Copyright Hub" is a good model for emulation and for working up for use as a Government supported registration system.

New Financial Products

This proposal for comment is critical to the issue of IP and Patents and their use and development as valuable assets in support of collateral funding in the form of loans, equity etc. Where own and collaborative research and development has been carried out, as under R&D Tax Credits and Patent Box. The two schemes create ongoing sources of cost recovery and significant corporate tax relief options that should be formally recognised and valued as financial products for entry on company balance sheets and working capital support. Businesses can recover R&D costs and the opportunity exists for IP – Patent monetisation. Yet this is not used to full advantage.

IP Licensing Resolution

If SEPs lead to suspicion or actual manipulation and act as verification and barriers to active innovation due to perceived threats and challenges, then measures should be considered to provide clarity and guidance where SEPs are involved. Standards should be capable of permitting free compliance with necessary and unavoidable standards.

Royalty-free Patents

Royalty free patents have clear advantages in spreading innovation through open invitation to take part rather than hold back through fear of threat and undue complication. The proposal for UK patents to build in free patent status on the face of the patent is sound.

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IP Valuation standards

The IPO study "Hidden Value" is an excellent work on all aspects of valuation and creating a UK valuation market. UK firms are in need of an earlier assessed valuation market that reflects values of increasing IP through R&D Tax Credits and Patent Box. These latter schemes, unique to the UK are not presently valued or used in support of other activities.

Research & Development, Patent Box

I have read "Hidden Value" and other recent studies on UK IP creation and value. None of these otherwise excellent works deals adequately with the effects of Government stimulus of R&D through tax credits / reliefs and Patent Box. With reference to the foregoing, we urge move thought and positive proposals for incorporation of these two sources of support and growing value be considered.

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MCS Corporate Strategies Limited