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From: [REDACTED]@gmail.com>
Sent: 24 October 2017 20:36
To: industrialstrategy
Cc: [REDACTED]
Subject: Input to the UK IPO Consultation process

Hello,

Firstly, allow me to properly introduce myself. My name is Donal O'Connell and I am the Managing Director of Chawton Innovation Services Ltd.

Previously I was VP of R&D and Director of IP at Nokia. As well as my role at Chawton Innovation Services, I am Adjunct Professor of IP at Imperial College Business School in London and I have been on the IAM300 (top global IP strategists) list for the past few years.

I am interested in the subject of trade secrets and trade secret asset management

Why trade secrets?

Well trade secrets protection is a timely topic.

Over the past few years the relevant laws and business landscape have changed dramatically.

The US Defend Trade Secrets act was enacted in 2016 – and on paper has provided a very powerful set of tools to trade secret owners - though how the act will work in practice is still an open question.

Similarly, in Europe the EU Directive on Trade Secrets is due to be implemented across all member states by June 2018.

From an accounting perspective the OECD instituted new rules for transfer pricing, base erosion and profit shifting which could significantly impact the accounting for trade secrets and increase the pressure for companies to have up-to-date trade secret protection policies and processes.

A number of European countries have 'patent box' tax regimes in place to encourage creativity and innovation. A 'patent box' is a special tax regime for intellectual property revenues. However, the name 'Patent Box' is somewhat misleading as it suggests that patents are the only form of qualifying IP. This is certainly not the case. Interestingly, in a number of countries, trade secrets also qualify.

I believe that the future of innovation will rely much more heavily on trade secret protection. There is a trend taking place in IP away from regulation by a central authority toward regulation by contracts.

I hope that these few comments are of interest and of value as input to your consultation process

Best regards

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