

Patent Box: Water Technology

A water technology service provider developed a unique floating water treatment system that incorporated several patented technologies.

INITIAL CONSULTATION

As an existing R&D tax relief client of Visiativ UK, the company was able to consult with a Patent Box expert during the filing of these patents and received advice and guidance in relation to the benefits of the Patent Box scheme. This resulted in two strategic changes in the company's IP strategy and its approach to its Patent Box claim:

1. The company strategically timed the election into the Patent Box scheme so that it only started claiming Patent Box once the patents were profitable. An election into the Patent Box scheme when the patents were loss making would have meant that the losses would need to be carried forward to a year when the patent was profit making, reducing future tax benefits.
2. The company strategically developed its product offering to ensure the patent was incorporated into all systems it was developing, leveraging its IP protection and maximising the tax benefit of the Patent Box scheme.

FOLLOW-UP

Once the patents were granted and a claim could be filed, Visiativ worked with the company to assess its IP income to ensure that all income claimed was compliant with the Patent Box rules.

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FOLLOW-UP (cont)



As an example, the company was able to include both the sale of their patented floating water treatment system and the associated installation and commissioning fees in their Patent Box claim. This was possible because the installation method was also patented, with verification required thorough analysis of various construction contracts by Visiativ.

OUTCOME



The end result for the company was a significant tax benefit of over £115,000 for the relevant financial year.

This case highlights the critical need for businesses to leverage technology advisors, such as Visiativ, to prepare Patent Box claims: ensuring nothing is overlooked, and applying strong due diligence to remain compliant with the complex rules of the scheme.

About VISIATIV

Visiativ is a professional services and consulting business, dedicated to helping UK companies accelerate and fund their innovation and digital adoption strategies. We enable innovation for our clients through a combination of funding, technology and digital adoption products and services, empowering employees and transforming businesses.