

Patent Box and the Self-Funding IP Portfolio

An SME Case Study

White Light Consulting (WLC) is a business strategy consultancy based near Newbury, Berkshire specialising in helping client companies build enterprise value from their intangible intellectual assets such as know-how, patents, designs, trademarks, etc.

The Rooflight Company (TRC) is an SME manufacturer based near Witney, Oxfordshire specialising in the design and manufacture of innovative, metal-framed windows for architectural and historic buildings.

WLC and TRC met at a networking event discussing the dilemma faced by many SMEs today of the long-term commercial benefits of protecting innovations versus their upfront legal costs. TRC had secured a GB patent some years earlier relating to an innovative thermal barrier technology used in many of its products. The patent had arguably been an effective ‘keep-off-the-grass’ sign, but had otherwise not explicitly been used to add any value through licence fees or royalties.

TRC was interested to know whether the Government’s new Patent Box tax relief scheme created an opportunity for its GB patent to start earning its keep. A quick review of the claims confirmed that a significant proportion of TRC’s products use the patented technology, a fact that led to HMRC approving a substantial tax rebate just a few months later. That was the good news.

The bad news was that the GB patent would soon be expiring and so too would the tax rebate. The challenge therefore for WLC was to identify subject matter for a new patent application to replace the existing patent and continue the Patent Box benefit. From TRC’s perspective this was potentially a tall order since the product range had not changed significantly since the GB patent was first filed almost 20 years ago. What was more, TRC’s products were about as publicly disclosed as it is possible to get – the products are literally on the side of buildings for all to see. Any prospects of securing a new patent surely had been lost? Not so!

Generally speaking, patents can be granted for products, processes, or apparatus. A patentable invention needs to pass three tests and is examined at the Patent Office on this basis: is the idea *novel*, *inventive*, and *useful*? If it passes these three tests then the idea is potentially patentable.

WLC spent an afternoon talking to TRC’s designers and engineers, reviewing engineering drawings, and seeing products being made in the factory. After discussing the future business plans with the management team, WLC arrived at a short-list of six candidate ideas for potentially patentable inventions that mapped directly onto TRC’s future profit streams. Some of the inventions involved know-how in terms of process steps used during manufacture, some involved undisclosed inventive features of the products themselves, and others involved confidential tooling and apparatus used during assembly.

Working closely with specialist Patent Box patent attorneys in London, the identified inventions were described in detail in a number of carefully drafted patent applications and filed at the UK Patent Office. The applications were written in a very specific way to maximise their chance of being granted relatively quickly in order to aid cash-flow and to maintain TRC’s tax benefit under the Patent Box.



Within 6 months the Patent Office provided preliminary feedback that the patents would be granted, ensuring that future claims for Patent Box tax relief would continue after the original GB patent had expired. Result!

According to Val King, co-founder and Managing Director of The Rooflight Company, “Working with White Light Consulting has completely changed our perspective on IP. Previously we viewed IP as a cost to the business, but now our intellectual assets contribute directly to the bottom line and are integral to our business strategy going forwards.”

TRC has now set the example for other innovative SMEs to follow, exploiting a virtuous circle of value creation driven by its own innovations and fuelled by a self-funding IP portfolio.

Take-aways

- Most companies have precious little time or resource to consider applying for tax rebates under the Patent Box scheme. Working with **White Light Consulting** to secure meaningful tax rebates under the Patent Box is easy, saves time, and saves money.
- Most companies in the design, manufacturing, or technology sectors use potentially patentable inventions within their business on a daily basis. **White Light Consulting** can help identify those inventions that are capable of supporting a claim for tax relief under the Patent Box, no matter how small the invention may be.
- Most patent attorney or accountancy firms have business models that are not motivated to helping their clients secure rapid and meaningful tax rebates under the Patent Box. **White Light Consulting** provides an initial, free, no-obligation IP Audit and operates a risk-sharing business model for all Patent Box projects.

White Light Consulting Limited is a Business Strategy Consultancy based near Newbury, Berkshire specialising in helping clients add enterprise value from their intellectual assets.

www.whitelightconsulting.co.uk

m: 07803 727878

e: andrewsant@whitelightconsulting.co.uk



The Rooflight Company is an award-winning organisation offering a wide range of innovative, market-focused and design-led window products for the marketplace.

www.therooflightcompany.co.uk

t: 01993 833155

e: info@therooflightcompany.co.uk

