

## TAX IN EUROPE ON IP TRANSACTIONS

The United Kingdom has now ceased to be one of the more difficult European states for recording assignments and licences relating to intellectual property. Tax has been payable on transfers and licences of patents, registered trade marks, registered designs copyright and plant breeders' rights. For any such transaction executed on or after 28 March 2000, such tax is no longer payable.

Where there is a mixed transaction, including UK property other than IP, tax is still payable on the other property. There has been an obligation to satisfy the UK Patent Office that any tax has been paid and it is not yet clear if any changes will be made in this respect. In a transaction between two non-UK parties, however, the only UK property involved is usually the IP.

We recommend that a separate assignment document is prepared to cover IP exclusively. We expect that this will permit recordal, at least between two non-UK parties, to be effected at the Patent Office without difficulty.

It is important to bear in mind that, in the UK, the **original** assignment of the IP has to be recorded. It is not permissible to have a first assignment of mixed property, which incorporates IP and a second assignment specifically for the IP, effectively assigning the IP a second time. If the IP is included in a mixed transaction, then the specific IP assignment must be a confirmatory assignment.

We believe that the only European Patent Convention countries still having such IP tax, and requiring payment before patent office recordal, are Spain and Ireland.

The information in this Newsletter was correct at the date of release. More up to date information is available by contacting Eric Potter Clarkson. All comments contained here are of a general nature and full professional advice should be sought on any specific problem. Please note that all our Newsletters can be found on our website at [www.eric-potter.com](http://www.eric-potter.com).

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