EIP

Patent Box claims reach £942.5 million

New preliminary data published by the UK Government for the tax year ending 2017 shows companies have saved a total of £942.5 million in tax relief by using Patent Box. When full results are published in 2019 this figure could even exceed £1 billion.

Patent Box is a UK Government scheme which allows companies to apply a lower rate of Corporation Tax on profits gained from patented inventions, from 19% to 10%. The Patent Box was introduced in 2013 to increase the level of patenting and development of IP created in the UK. The scheme also encourages companies to locate high-value jobs associated with the development of patents in the UK.

James Seymour, Partner at EIP, said: "Patent Box provides an incentive for UK companies to innovate in the UK, and to develop and commercialise their intellectual property globally. Data from the most recent complete financial year, 2015-16, shows that the benefits can be significant, with 1,160 companies using the Patent Box to claim an average of more than £650,000 relief. However, the Patent Box is not only for large companies, as those classed as small or medium accounted for almost half the total claimants, claiming on average more than £55,000 of tax relief each."

Any UK company that owns and profits from a patented invention may be eligible to benefit from Patent Box, potentially saving them thousands of pounds in Corporation Tax. The savings achieved in tax relief may also offset the costs of the patenting process, making it potentially a sound investment for those considering filing for patent protection.

James added: "While it is clear that UK companies are taking notice of the Patent Box, with the total relief increasing significantly year-on-year, there are thousands more who are potentially missing out on the substantial savings available."

If you would like to learn more about Patent Box and how it can help your business, visit

our dedicated Patent Box website, Patentise, or contact James Seymour.

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