

11 April 2017

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## VIA EMAIL ONLY

### **NZIPA Submissions on Income Tax - Treatment of New Zealand Patents - PUB00262**

#### **Introduction**

The following submissions are made on behalf of the New Zealand Institute of Patent Attorneys (“NZIPA”).

NZIPA was incorporated in 1912 and represents most, although not quite all, New Zealand patent attorneys that are resident and practicing in New Zealand.

Patent attorneys hold a unique position in New Zealand's innovation sector. The patent attorney profession continues to evolve and respond to the changing needs of the New Zealand and global environments. Patent attorneys provide real support to New Zealand's innovators through identification and enhancement of ideas, protection and commercialisation. That support is not limited to patent law, and covers a broad range of legal and commercial issues.

#### **Comments on the Interpretation Statement**

NZIPA generally welcomes the changes due to:

- the improved clarity / certainty this may provide in the tax treatment of patent-related expenses
- the change in tax treatment of various expenses, such as renewal fees, which will likely be of financial benefit to many innovative New Zealand entities

The second point is particularly important. Large resources are expended on research and development and it takes great focus and commitment to then go through with the expense, risk and effort of commercialising and protecting innovations. Any assistance therefore is a help.

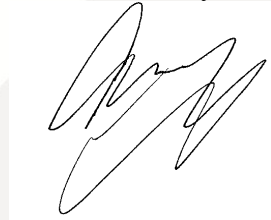
Further, since the benefits are limited, they would be unlikely to result in new abusive behaviour patterns. More particularly, scrutiny would still need to be applied as to whether to maintain a patent or whether to engage in litigation.

We trust these submissions are of assistance and are more than happy to answer any questions in relation to them or be contacted by officials should the need arise.

For any questions or any further information on the above submissions, please contact:

The Secretary  
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P O Box 5116  
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Yours Sincerely

A handwritten signature in black ink, appearing to read 'Chris Way', is placed within a white rectangular box.

**Chris Way**  
**Councillor**