

Business Update:

Isle of Man - IP Holding Companies

The Isle of Man has ratified the key international IP treaties/conventions and, as such, an Isle of Man company is the best offshore vehicle for holding IP rights.

The Isle of Man and Intellectual Property

The Isle of Man has fully developed laws protecting IP rights. The IP laws of the Isle of Man are based on the relevant statutes of the UK, subject to certain modifications, either by way of an extension of the UK IP Acts to the Isle of Man (in the case of trademarks and patents) or by virtue of Isle of Man law mirroring a particular UK IP Act (in the case of copyright). Further, registration of trademarks and patents are done through the UK's Intellectual Property Office which allows potential applicants to submit an online application.

The table below highlights the numerous key international treaties/conventions in relation to trademarks, patents and copyright, which have been extended to the Isle of Man:

	Trademarks	Patents	Copyright
Madrid Protocol	✓		
Community Trade Marks	✓		
Paris Convention	✓	✓	
TRIPS Agreement	✓	✓	✓
Patent Cooperation Treaty		✓	
European Patent Convention		✓	
Patent Law Treaty		✓	
Berne Convention			✓
Universal Copyright Convention			✓
Rome Convention			✓

The 2006 Act Company

A company incorporated under the Isle of Man Companies Act 2006 (a "2006 Act Company") is business friendly in that, amongst other things:

- a 2006 Act Company is simple and quick to incorporate and easy to administer;
- there is confidentiality of the registers of directors and shareholders; and
- the declaration and payment of dividends/capital contributions are subject only to a simple statutory solvency test.

The Isle of Man's favourable tax regime

In addition to the flexibility of the 2006 Act Company, there is no corporation tax or stamp duty payable in the Isle of Man. Further, no capital gains tax is payable upon a sale of any IP assets and there is no withholding tax payable on dividends or IP licence payments. As a result, royalties received may be accumulated in a favourable tax environment.

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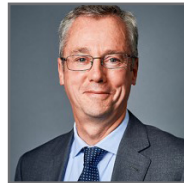


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