



copy-right = (C) the legal right to let the
only producer or seller of a book, play, film, etc.
record for a specific length of time. When you
the copyright of this book / see the sign of
copyright / **copyright** is / **copyright** v (T)
pa-tent n 1 (T) a special document that
says that you have the right to make or sell a
new invention or product and that no-one
else is allowed to do so. When does the patent
expire? / take out a patent on sth is get sth
officially 2 (T) the right given by this
document to make, sell, something that no
other person is allowed to copy. The machine is
protected by patent
patent v adj (only before noun) 1 a patented
invention or product is protected by a patent
so that nobody else can copy it. a patent law 2
patent law / impossible / etc. formal
something that is really a lie etc. (sarcastic)
— see also: trademark

● LUXEMBOURG, AN ATTRACTIVE PLACE FOR YOUR IP ASSETS



THE GOVERNMENT
OF THE GRAND DUCHY OF LUXEMBOURG
Ministry of the Economy

luxembourg
for business

Intellectual Property as a key asset

Intangible assets play a critical role in business performance and economic growth in our knowledge-based economies. While in the past manufacturing-based economies spent heavily in plant and machinery, companies now invest in R&D, software and information technology, human resources and branding. As a result, an increasing share of corporate market value and economic development is generated from intellectual property (IP). Thus companies need to manage their intangible assets more actively, including consolidating and migrating IP portfolios and innovation bases to attractive destinations.

Innovative ideas drive global competitiveness. Luxembourg is well aware of this challenge and so offers a responsive and supportive environment to stimulate research, reward innovation and excellence, and enable intellectual property management.

An IP-conscious environment

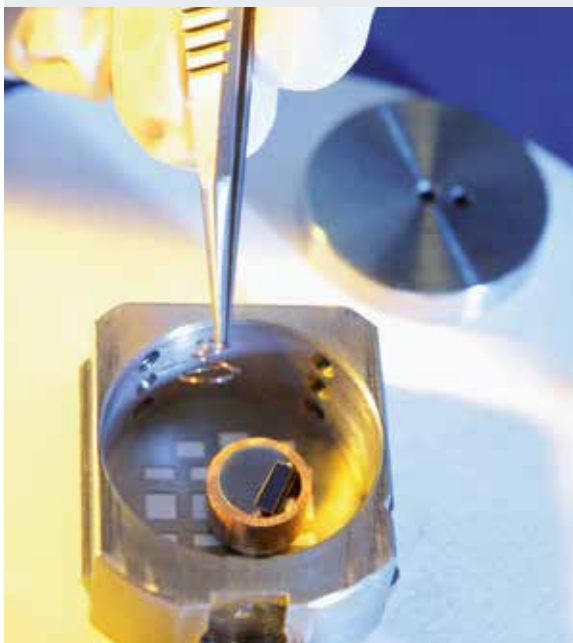
Luxembourg has been proactive in developing its IP standards, and is party to all the major IP treaties and conventions, including the Bern Convention, the Patent Cooperation Treaty (PCT), the Paris Convention, the Patent Law Treaty (PLT), and the Madrid Agreement and Protocol. The country signed the European Patent Convention in October 1977, which established the European Patent Office (EPO).

Luxembourg's authorities have created a safe environment for IP by implementing EU directives as well as international agreements and treaties, such as the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS).

IP litigations is dealt with by the local courts, the so-called "tribunaux d'arrondissement".

○ The Intellectual Property Institute Luxembourg (IPIL) : your key partner

One of the key elements in the Luxembourg Government's policy of adding value and support to the field of IP is the creation of the IPIL. Officially approved in August 2014, the IPIL gathers, within one place, both national and international expertise in the fields of identification, securisation, protection, exploitation and legal aspects of IP rights. By aiming its services at innovative companies and businesses, as well as research stakeholders, public institutions and interested members of the public, the IPIL helps make Luxembourg an attractive IP destination.



Fostering innovation for success

Luxembourg's Government is committed to providing an environment conducive to the creation, development and management of IP.

○ A high tech environment

Research, development and innovation are critical to ensuring competitiveness and success. Hence the establishment of the research-driven University of Luxembourg and several Public Research Centres. Their mission is to boost and foster R&D activities in Luxembourg, to encourage technical and scientific cooperation as well as technology transfer between the public and private sectors and to stimulate new economic activities.

○ The University of Luxembourg

Research-oriented, interdisciplinary, internationally focussed and multilingual, the University is also committed to education, particularly to post graduate level. There are well-resourced research capabilities in its three faculties and two interdisciplinary centres: the Faculty of Science, Technology and Communication; the Faculty of Law, Economics and Finance; and the Faculty of Language and Literature, Humanities, Arts and Education, the interdisciplinary Centre for Security, Reliability and Trust and the Luxembourg Centre for Systems Biomedicine.

○ Luxinnovation

Luxinnovation is the national agency for innovation and research and acts as the one-stop shop for information and guidance on

research, development and innovation. It offers a full, integrated, personalised and free service to businesses of all sizes and to research organisations. It identifies financial and technological support best suited to each case, and facilitates access to support programmes for innovation and research at the national and European levels.

○ Public Research Centres

The Luxembourg Institute of Science and Technology is an important player in research and innovation. It has more than 600 people working across the entire innovation chain: fundamental and applied scientific research, knowledge and skills development, experimental development, incubation, and the transfer of new technologies, skills, products and services. It also offers vocational training, training courses and conferences. The Institute concentrates on three main areas: materials, environment and IT.

The Luxembourg Institute of Health covers fundamental, applied, clinical and public health research. Its laboratories research virology, immunology, oncology, cancer and cardiology. It brings together a wide range of high-level expertise in epidemiology, biostatistics, quality systems, health economics and the management of sanitary information systems.



Incubators

Business and innovation centres are a platform to host and assist entrepreneurs and technology-based start-ups.

Incubators provide just the right support for new projects to help them grow. They also serve as a temporary location for international companies setting up their business in Luxembourg.

Technoport S.A. has three platforms (the technology-oriented business incubator, the co-working and the Fab Lab) that foster creativity and innovation. They combine tailor-made services with business networks and infrastructure to make an excellent professional environment.

The House of Biohealth hosts companies active in life sciences, clean technologies, ICT and media.

Financial support

Luxembourg offers a full range of custom-made investment incentives that give new ventures a head-start and foster R&D and innovation.

Financial support helps specific investments and R&D projects, complementing equity and bank financing. Medium and long-term loans at interesting rates are available from the Luxembourg public-law banking institution, the SNCL. CD-PME, a joint-venture between public and private banks, also finances innovative projects.

Rewarding tax environment

Luxembourg has the lowest level of VAT in the EU and its effective corporate tax ranks among the most favourable in Europe. Accelerated depreciation and tax credits, applied to qualifying investments, add to an attractive tax climate, thus helping start-ups and facilitating return on investment.

Furthermore, Luxembourg offers an attractive environment for intellectual property management, including an absence of withholding tax on royalty payments and an extensive network of double tax treaties.

To encourage R&D activity, the Luxembourg Government passed a law in 2008 that provides for an 80% exemption of certain types of IP-related income (or of deemed IP-income if a taxpayer creates IP for their own use) as well as capital gains realised on the disposal of such IP.



Why Luxembourg?

What sets Luxembourg apart is that it combines a unique set of attributes:

○ Sound economic fundamentals

Far-sighted, well-designed pro-business policies, supported by a strong national political consensus, have enabled Luxembourg to meet recent challenges of economic change. The Grand Duchy enjoys one of the highest standards of living in Europe, low inflation, low unemployment, competitive corporate and personal income taxes, a balanced budget, and low public debt.

Luxembourg is centrally located in Europe, has a cosmopolitan population and a highly educated, productive multilingual workforce. Thus it offers an ideal platform to access over 500 million European consumers, and also a place to base an international headquarters. There is an excellent range of business support services, research and development, and intellectual property management options. Thanks to the large number of law and accountancy firms, Luxembourg is well-positioned to serve as an efficient shared services and management centre for international economic activities.

○ An exceptional business environment

Luxembourg's economic policies demonstrate how successive governments value the strength that comes from private initiative and the spirit of innovation. A pro-market approach gives businesses broad freedom of action. As a small country we cherish pragmatism and flexibility, so we offer easy access to decision-makers. The result is tailor-made solutions for investment, research and development, which are created in close cooperation with the business community.

Luxembourg is also one of the few European countries to have the highest credit rating (triple A) from the three main agencies Moody's, Standard & Poor's and Fitch.

○ Social and political stability

Public policy is characterised by predictability and continuity between successive governments. Social conflict is avoided by regular consultation between the various social partners and the Government. These are just some of the reasons why there has hardly been a strike in almost a century.

○ A good place to live

Luxembourg City offers the vibrant, cosmopolitan atmosphere you would expect from a European capital, yet it is only a few minutes away from sweeping forests, splendid natural views and picturesque historical sites. It is a good place for culture, with world class theatre and music, with a range of venues able to host events to suit every taste. Sport is also important and clubs reflect the diversity of the country's population.

Luxembourg is also proud of its high education standards, with the internationally oriented University of Luxembourg the pinnacle of the system. The country's cosmopolitan character is reflected in the offering of international schools, such as the European School, the French Lycée Vauban, the British St. George's School and the International School.

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Luxembourg's IP legislation

The court for IP litigation is the "tribunal d'arrondissement". It can order someone suspected of IP infringement to stop their activity pending completion of the trial. If the infringement is proven in court, this activity must stop permanently and compensation and damages must be paid to the owner of the IP rights.

TYPE OF IP	LAW	REMARKS
Patents	Patent Law of 20 July 1992	Amended in 1998, 2001, 2004, 2006, 2008 and 2009
Trademarks	Benelux Intellectual Property Convention (trademarks and designs)	Came into effect on 1 September 2006 *
Industrial Designs	Benelux Intellectual Property Convention (trademarks and designs)	Came into effect on 1 September 2006 *
Copyrights, Related Rights and Databases	Copyright Law of 18 April 2001	Amended in 2004, 2009 and 2015

** In September 2006, the Benelux laws on trademarks and on industrial designs (which came into force in 1971 and 1975 respectively) were transferred into a new Convention, which established the Benelux Organisation for Intellectual Property. The former Benelux Trademark Office and Benelux Designs Office were merged into the Benelux Office for Intellectual Property (BOIP), located in The Hague..*

Treaties and conventions signed by Luxembourg

TREATY / CONVENTION	AREA	EFFECTIVE FROM
Bern Convention	Literary and artistic works	June 1888
Paris Convention	Industrial property	June 1922
Madrid Agreement	International registration of trademarks	September 1924
Uniform Benelux Marks Act	Trademarks	January 1974
Uniform Benelux Designs Act	Industrial designs	January 1975
Benelux Intellectual Property Convention	Intellectual property	September 2006
Nice Agreement	International classification of goods and services for trademarks	March 1975
WIPO Convention	Intellectual property	March 1975
Rome Convention	Performers, producers of phonograms and broadcasting organisations	February 1976
Geneva Convention	Protection of phonograms	March 1976
Strasbourg Agreement	International patent classification	April 1977
European Patent Convention	Patents	October 1977
Patent Cooperation Treaty	Patents	April 1978
The Hague Agreement	International deposit of industrial designs	April 1979
Vienna Agreement	International classification of the figurative elements of marks	August 1985
Madrid Protocol	International registration of trademarks	April 1998

How to obtain patent protection in Luxembourg

Patent protection in Luxembourg can be obtained in three ways:

- the application of a Luxembourg patent;
- a European patent application designating Luxembourg;
- an international PCT application for a patent designating Luxembourg or the European Patent Organisation.

The European patent system has a centralised patent granting procedure carried out by the European Patent Office (EPO) in Munich and The Hague.

An international patent application under the Patent Cooperation Treaty (PCT), applicable in up to 146 countries, can be deposited at the World Intellectual Property Organisation (WIPO) in Geneva. A novelty search and preliminary examination are carried out in a centralised procedure, while the patent is granted in the national offices of the designated countries.

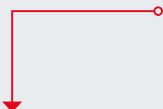
The European and international procedures result in a patent with the same legal effects as a national patent.

Deposit of the patent application file
at the Intellectual Property Office at the
Ministry of the Economy

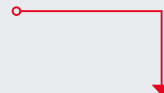


Regularisation

Fulfilment of the statutory and regulatory
conditions, and payment of the filing and
publication fees within a month after filing
the patent application.

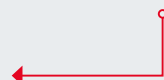


Novelty Search
by the European
Patent Office



Classification

of the invention for which
the patent application
has been filed



Publication

of the patent application



Modification

to take account of the results of the search report



Grant

Annual fees for patents in Luxembourg

YEAR	COST	YEAR	COST
Third	EUR 33	Twelfth	EUR 165
Fourth	EUR 41	Thirteenth	EUR 180
Fifth	EUR 52	Fourteenth	EUR 198
Sixth	EUR 66	Fifteenth	EUR 213
Seventh	EUR 82	Sixteenth	EUR 230
Eighth	EUR 99	Seventeenth	EUR 246
Ninth	EUR 115	Eighteenth	EUR 262
Tenth	EUR 131	Nineteenth	EUR 281
Eleventh	EUR 148	Twentieth	EUR 300

Fees for trademarks and designs in Luxembourg

Fees for individual trademarks

TYPE OF FEE	COST (online filing)	(filing on paper form)
Basic fee for 10 year registration	EUR 240	EUR 276
Supplementary fee for every class after the third class	EUR 37	EUR 42
Supplementary fee for fast registration	EUR 193	EUR 221
10 year renewal fee	EUR 260	EUR 260
Renewal fee for every class after the third class	EUR 46	EUR 46

Registration fees for industrial design

TYPE OF FEE (single design)	COST
Filing fee for 5 year registration	EUR 108
Publication per representation	EUR 10
Publication with description of characteristics	EUR 40
5 year renewal fee	EUR 95

Contact details and useful links

INSTITUTE	TELEPHONE	E-MAIL ADDRESS	URL
Ministry of the Economy - Intellectual Property Office - Directorate for Research and Innovation	+352 24 78 41 13 +352 24 78 41 28	dpi@eco.etat.lu contact@investinluxembourg.lu	http://www.gouvernement.lu/pi
Intellectual Property Institute Luxembourg (IPIL)	+352 42 59 91-1	info@ipil.lu	www.ipil.lu
Benelux Office of Intellectual Property (BOIP)	+31 70 34 91 11-1	info@boip.int	www.boip.int
ALGOA Association luxembourgeoise de gestion des œuvres audiovisuelles	+352 27 39 70 12 30	nsteil@algoa.lu	www.algoa.lu
Luxorr Luxembourg Organisation for Artistic and Literary Rights	+352 26 68 35 76	info@luxorr.lu	www.luxorr.lu
SACEMLux Société des Auteurs, Compositeurs et Éditeurs de Musique	+352 47 55 59	info@sacemlux.lu	www.sacemlux.lu www.sacem.lu
University of Luxembourg	+352 46 66 44-1	sigmar.lampe@uni.lu	www.uni.lu
Luxembourg Institute of Science and Technology (LIST)	+352 27 58 88-1	info@list.lu	www.list.lu
Luxembourg Institute of Health	+352 26 97 01		www.lih.lu
Technoport S.A. Incubator for innovative and technology-oriented companies in Luxembourg	+352 54 55 80-1	incubator@technoport.lu	www.technoport.lu
Luxinnovation National agency for innovation and research	+352 43 62 63-1	info@luxinnovation.lu	www.luxinnovation.lu

Luxembourg's rewarding fiscal environment

Companies in Luxembourg are subject to a corporate income tax and a municipal business tax. In 2015, the nominal combined tax rate is 29.22% for companies based in Luxembourg City. This rate is generated by combining the corporate income tax rate of 22.47% (including a 7% employment fund contribution) and the municipal business tax rate for the city of Luxembourg, which is 6.75%. Municipal business tax rates vary slightly according to location.

IP and R&D incentives

In 2007, Luxembourg passed a law¹ to encourage R&D and the creation of IP. Indeed, income from intellectual property acquired or created after 31 December 2007 will benefit from an exemption of 80% of the IP-related income (or of deemed IP-income if a taxpayer creates IP for their own use).

The exemption applies to income paid to Luxembourg taxpayers (individuals or companies) for the use of any software copyright, any patent, trademark, design, and model or domain name.

Patents developed and used in-house may under certain conditions generate a deemed income deduction.

Capital gains generated on IP are exempt up to 80%.

Contrary to companies located in offshore jurisdictions, a Luxembourg resident is entitled to benefit from a reduction of withholding tax on royalty income received from abroad. This is based on the current EU directive on royalty payments or the relevant double tax treaties.

Furthermore, on 1 January 2009, net wealth tax was abolished on qualifying intellectual property.

Overview of the new tax regime

General conditions to benefit from the IP regime (article 50bis, §§4 and 5 LIR)

Article 50bis §§ 1 and 3 LIR introduced an 80% exemption regime for income derived from IP and from the sale of IP. IP acquired from a third party may include patents, software copyrights, trademarks, designs, models or domain names.

In addition, article 50bis §2 provides for a deemed deduction for patents developed in-house. This exemption is limited to registered patents only.

The regime is available to both individuals and corporations.

The regime is subject to the following three conditions:

- The IP must have been acquired (or created as the case may be) after 31 December 2007;
- Expenses in direct economic connection with the IP must be recorded as an asset in the balance sheet during the first year for which the benefit of this tax regime is claimed;
- The IP may not have been acquired from a person that is assimilated to an "affiliated company". Company A is considered as being legally affiliated to company B for these purposes if:
 - (a) A directly holds at least 10% of the share capital of B;
 - B holds at least 10% of A's share capital;
 - (c) At least 10% of the share capital of A and of B is directly held by a third company.

¹ «Loi du 21 décembre 2007 modifiant, entre autres, la loi modifiée du 4 décembre 1967 concernant l'impôt sur le revenu (L.I.R.)»

Income from intellectual property (article 50bis, §§1 and 2, LIR)

According to article 50bis §1 LIR, any net income derived by a Luxembourg taxpayer as a consideration for the use of any copyright on software, patents, trademarks, design models or domain names will benefit from an 80% exemption. Net income is defined in the law as the gross royalty income received by the taxpayer reduced by the amount of expenses in direct economic connection with this income, including annual depreciations and write-downs.

Article 50bis §2 LIR allows a taxpayer that has developed and used its own patent to benefit from a notional deduction amounting to 80% of the net positive income it would have received from a third party as consideration for the rights to use of the said patent. Net positive income is defined in the law as the fictitious gross royalty income as referred to above, reduced by the amount of expenses in direct economic connection with this income, including any annual depreciations and write-downs.

Capital gains on the disposal of intellectual property (article 50bis, §§3 and 6 LIR)

Capital gains realised on the disposal of IP, as defined in §1, benefit from an 80% exemption.

The gain will remain taxable up to the extent of the expenses in direct connection with the income (as well as depreciations and write-downs) that has reduced the tax base of the taxpayer in the tax year of the disposal, or in any previous tax year. If no market value is available, article

50bis §6 provides that the estimated market value of the IP, as defined in article 27, al. 2, LIR, could be determined according to any well-accepted method for the valuation of intellectual properties. In addition, companies that fulfil the required conditions to be considered as a small or medium-sized enterprise (as defined in a Grand-Ducal Decree, dated 16 March 2005) are entitled to evaluate the intellectual property at 110% of the expenses that have reduced their tax base for the tax year of the disposal, and of any previous tax year.

Thus, the present regime combines two objectives effectively. It allows for the full deduction of all R&D expenses. Moreover, successful R&D projects are not penalised through excessive taxation once they come to fruition.

BUSINESS CARD

Area:	2,586 sq km / 999 sq miles
Population:	562,958 inhabitants (46% foreigners)
Languages:	Lëtzebuergesch (mother tongue), French, German, English
Currency:	Euro
Political System:	Constitutional Monarchy Parliamentary Democracy
Head of State:	HRH Grand Duke Henri

EUROPEAN UNION CAPITAL

European Commission Services (Translation, Publications, Statistics) | European Court of Auditors | European Court of Justice | European Investment Bank | European Investment Fund | European Stability Mechanism | Secretariat of the European Parliament

FOUNDING MEMBER OF MAJOR INTERNATIONAL ORGANISATIONS

Benelux | Council of Europe | European Union | NATO | OECD | United Nations | WTO

ECONOMIC HIGHLIGHTS

An open, diverse, stable economy

Top GDP growth performance

AAA rated country

Sound macroeconomic fundamentals

State-of-the-art infrastructure

Excellent ICT connectivity to the EU and worldwide

Central location within a day's reach of 60% of EU markets

DISTANCE FROM CAPITAL TO

France: 20 km (Paris 380 km)

Germany: 25 km (Frankfurt 250 km)

Belgium: 20 km (Brussels 200 km)