PRACTICAL GUIDANCE ON USING AN INTELLECTUAL PROPERTY HOLDING COMPANY

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Category: CNPupdates

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- A note on tax issues relating to IP creation, development, and acquisition, including the availability of deductions for expenditure on IP in Singapore
- Discussing reasons for incorporating an IP holding company

This note is provided by way of background information and does not constitute advice that is intended to address any particular client's situation.

In this note, IP means: registered rights, such as patents, registered trademarks and registered designs, unregistered rights, such as copyright, unregistered design rights, and database rights, and information and techniques not protected by a right above, but having industrial, commercial or other economic value, that is, confidential information and know-how.

Intellectual property (IP) rights can be a significant part of a company's assets. The importance of a particular IP right will differ depending on the company or industry in question. For a company that is reliant on an invention or R&D output, it will be patents and confidential information (or know-how).

IP can accumulate within a company in a variety of ways. This could include it being:

- Produced directly by the company (or, more accurately, its employees).
- Produced by third party consultants under a contract with the company, such as software developers.
- Licensed in from associated companies and third parties.
- Acquired from associated companies and third parties.

Frequently, IP is created by a mixture of the above.
When a company incurs expenditure in creating and developing IP, ideally the company would like to benefit from corporation tax relief for the expenditure that it has incurred. So long as the R&D is done in Singapore, a company can qualify for tax deduction regardless of whether the R&D expenses are incurred in respect of the company's existing trade or business. For Years of Assessment ("**YAs**") 2015 to 2018, the tax deduction is 400% of qualifying R&D expenses on the first $400,000 of expenditure. R&D costs (comprising staff costs and consumables) exceeding the cap will still enjoy a 150% tax deduction if the R&D is done in Singapore. Any other R&D expenditure, including money spent on R&D done overseas, will enjoy a 100% tax deduction.

To encourage more R&D collaborations, Singapore allows taxpayers to claim writing down allowances (WDAs) of 100% of their share of R&D expenditure incurred under an approved cost-sharing arrangement (see below). Capital allowances and investment allowances are also available for qualifying capital expenditure for an R&D project, including capital expenditure involved in acquiring legal or economic ownership of IP or a building specially designed for carrying out an R&D project. A valuation report from a qualified independent third party may be required.

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A project is a qualifying R&D activity if it meets the definition under Section 2 of the Income Tax Act and does not fall within the list of specified excluded activities. Under Section 2, R&D means any systematic, investigative and experimental study that involves novelty or technical risk carried out in the field of science or technology with the object of acquiring new knowledge or using the results of the study for the production or improvement of materials, devices, products, produce or processes.

The Singapore government has been actively promoting Singapore as a tax-efficient IP location and management hub. There are various tax incentives that can enable a qualifying taxpayer to reduce its effective tax costs on income earned from business activities which involve management and exploitation of IP and R&D. These tax incentives can be granted for a period of 3-20 years and reduce the applicable tax rate to 5-15%. Please see the annex to this memo on incentives. In the Singapore budget in March 2015 it was stated that in the next Research, Innovation, and Enterprise five-year plan, the government will step up efforts to help companies develop, test and commercialise new products and solutions. More details will be provided later in the year.

In a group of companies, one group company may possess specific expertise for developing IP. It may be "hired" by another group company to develop IP that will be exploited by that other group company. In these circumstances, transfer pricing rules may require that the "hired" group company that provides the services and carries on the development work for the benefit of the other company is properly and fully remunerated on an arm's length basis for the work it performs. If this is not the case, the profits of the companies may be adjusted for tax purposes to reflect an arm's length price.

Generally, in determining the appropriate fee to be paid to the company that does the development work, a cost-plus basis of remuneration may be used, with the precise mark-up dependent on the precise services performed. The disadvantage of structuring the remuneration in this way is that it will give rise to a tax charge in the company that carries on the development work. By creating taxable income in this way, the company that performs the development work may be required to pay tax at a time when there is no revenue being generated from the IP (indeed, there may never be any income-earning IP generated from the activities). This will be a particular problem for early-stage businesses, as tax may be payable at a time when the group has no revenue-earning business or assets. At the very least, this may result in serious cash flow problems for an early-stage business.

It should be possible to structure the development work to avoid the payment of tax in these circumstances. The company that carries on the development work must be properly remunerated to comply with the transfer pricing rules. The question is how can it be remunerated in a way that does not give rise to a current tax charge?

Rather than paying the company that carries on the development work a fee, the remuneration that it receives for providing the development services can be a portion of the rights in any IP that is developed. For example, the consideration can be the right to exploit any IP that it develops in a limited number of jurisdictions. The tax authorities will generally accept that giving the company that carries on the

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development work these rights will satisfy the requirement for arm's length remuneration. This will also have the benefit of a positive effect on the cash flow of the business.

It will be necessary to consider the precise rights that should be awarded to the company that carries on the development work on a case-by-case basis. A good starting point is usually to consider the right to exploit the IP in its home jurisdiction.

To minimise the potential cost that may arise in applying the transfer pricing principles discussed above, two or more companies may enter into a cost-sharing agreement.

A cost-sharing arrangement exists where two or more companies contribute to the cost of developing an asset, such as IP, and each company derives certain specified rights in the IP that is developed.

The use of a cost-sharing arrangement can be beneficial to a group of companies in two ways:

1. It allows each company to own the specific rights that it would like to exploit commercially from inception, avoiding a potential tax charge arising on a transfer of the IP rights between group companies.
2. It removes the need for intra-group payments during the development of the IP. These payments would create taxable income in the hands of the company that carries out R&D activities for another group company.

The following points should be reflected in structuring cost-sharing arrangements:

- The rights in any IP developed that are allocated to each company under the cost-sharing arrangement must be commensurate with the share of the costs borne by each company to the arrangement.
- Tax authorities will question a cost-sharing arrangement where one company bears a significant amount of the cost and does not receive significant ownership rights in any IP that is developed and vice versa. This is particularly true where an entity in a high tax-paying jurisdiction incurs a significant proportion of the development costs, but the majority of the IP rights are ultimately owned by a subsidiary in a low tax jurisdiction that has contributed little, if any, of the costs that have been incurred.
- The contractual arrangements should properly reflect the cost-sharing arrangement that is in place, with each participant owning from inception the rights to which it is entitled under the cost-sharing arrangement. Problems can arise, particularly in a group situation, where any IP rights that are developed are owned by a single company in the cost-sharing arrangement, and then transferred from that initial owner to one or more group companies. At the time of the initial transfer of the IP rights, a tax charge may arise.

As an alternative to self-developing IP, a business can acquire IP developed by someone else.

IP can be acquired by an outright purchase (assignment) of the relevant rights or there may be a licence of

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IP. The terms of a licence can vary from an exclusive, irrevocable worldwide licence, to a non-exclusive licence to exploit IP in one or a limited number of jurisdictions for a limited purpose.

If a company is considering the acquisition of IP, there are two important tax questions. These are:

1. Will a deduction be available for the cost of acquiring the IP, and if yes, on what basis can the deduction be claimed?
2. How can the IP be exploited in a tax-efficient way?

The basis for claiming a tax deduction is different where the company is granted a licence to use the IP rather than acquiring it outright. The basic rule in these circumstances is that, provided the royalty payments are recognised in the accounts, a tax deduction should be available when the royalty payments are made.

The distinction becomes somewhat blurred where the terms of the licence are effectively similar to a sale of the IP, for example, where the licence is an exclusive, irrevocable worldwide licence. For practical purposes, this arrangement would provide the acquiring company with similar rights in the IP to the rights that it would have acquired if it had simply purchased the IP outright. A lump-sum payment can be paid in both circumstances, so it is necessary to consider the basis of the payment in determining the correct tax analysis. A distinction may be drawn between a lump sum payment that allows the acquiring company to make a certain amount of use of a product and a lump sum licence payment that allows the acquiring company to make as much use of the product as it likes. The former is likely to be treated like a royalty, which is spread over time, while in the latter case, the lump sum payment is likely to be an acquisition cost, which would be amortised in the accounts.

A good example might be an industry where there are milestone payments, such as the pharmaceutical industry. In these industries, it is common for there to be low upfront payments, but significant subsequent payments when significant milestones are reached. When pharmaceutical trials are carried out, initially the trials may be highly speculative, so low initial payments would be made. However, significant payments may be triggered in the event of successful later phase pharmaceutical trials (when there is greater certainty that a successful product may be developed). Payments on this basis cannot really be said to be payments for the use of the product (as no product yet exists), and so are unlikely to be treated as royalties. The more likely treatment would be that the payments represent a series of part payments for the acquisition of the IP.

Ultimately, the most important consideration is the accounting treatment of the payments.

Why establish an IP holding company?

An IP holding company is a group company that is the owner of the worldwide IP of a multinational group of companies. A group may own a large portfolio of IP, which requires strategic decisions to be made on a group-wide basis. If this is not done effectively, a complicated structure may be developed on a piecemeal

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basis that does not achieve the best practical or tax results.
Significant benefits and savings may be made by streamlining the ownership and exploitation of the group IP in one company. Some of the benefits of establishing a single IP holding company include the following:

- By concentrating all of the IP in a single group company, the management of intra-group licensing arrangements will be streamlined and simplified.
- The staff needed to manage the IP can be employed in a single company, providing substance to the company and concentrating the group skills and know-how.
- It provides an opportunity to minimise the overall rate of tax for the group.
- The management of the tax issues that may arise will become easier as there should be fewer types of licensing arrangements and there will be regular licensing arrangements between the same jurisdictions.
- The work required to identify the IP assets of the group and ensure that these are adequately protected should be simplified.
- It may be possible to attribute a higher value to the IP based on the income streams being earned by the IP holding company from the various IP rights it holds. It should also make it easier to separately value the IP.

Ideally, if an IP holding structure is to be used, all IP should either be owned by the IP holding company from its inception or alternatively transferred at a time before it has significant value. Any tax consequences of transferring IP to an IP holding company will need to be considered in the overall cost-benefit analysis of establishing a specific IP holding company.

It is important to identify where the IP will be exploited. If, for example, a multinational group develops its IP in the US but 90% of the exploitation of the IP takes place outside the US, the US company will have a significant tax liability for the royalties earned by it from the worldwide exploitation. In addition, there may also be significant compliance costs in establishing and administering the worldwide licensing arrangements. This will include tax compliance costs (dealing with royalty withholding tax issues and complying with the transfer pricing regimes in various countries), internal management time and the fees incurred by external lawyers and accountants.

In this scenario, it may be preferable for the IP to be held in a non-US jurisdiction. The impact of controlled foreign company rules (which may tax a parent company on the profits of lightly taxed overseas subsidiaries) will need to be considered, as will any costs incurred in transferring the IP. This is where a cost-sharing arrangement for the development of the IP may be helpful.
By contrast, if the IP is developed in a low tax jurisdiction, and used exclusively in the US, it may be preferable to hold the IP in a US company. In particular, holding the IP in the US may allow significant savings on withholding tax.

In addition to taxation issues, bear in mind that, as a practical matter, the transfer of IP rights to a group company that does not directly exploit that IP may create difficulties when it comes to enforcement.

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Generally speaking, provided the entity that exploits an IP right is the exclusive licensee, it will acquire a right to bring an infringement action as though it were the owner. However, to avoid problems on enforcement, it is worth explicitly stating in the intra-group licence agreement which company will bring any enforcement action and pay the associated legal costs.

From a general tax perspective, it may be possible to reduce the overall group tax burden by transferring the IP to low tax jurisdiction. The overall tax and tax compliance costs could be reduced if the IP was owned by an IP holding company located in a low tax jurisdiction (depending on where the IP is to be exploited). Having said that, the possibility of exit tax must be considered as certain tax authorities may levy a tax based on the value of any outgoing intangible.

One advantage may be a reduction in the rate of tax payable for the licensing income earned within the group and also from external exploitation. Singapore wises to promote its jurisdiction as an attractive jurisdiction in which to hold and manage IP. It is a lower tax jurisdiction offering favourable tax rates or an exemption from tax for some or all of the profits earned from the exploitation of IP and also any gains arising from the disposal of IP.

Tax compliance costs may also be reduced. For example, if a multinational group develops IP in a number of jurisdictions, it may be expensive from a compliance perspective if the group has to ensure compliance with many varied transfer pricing regimes (both from a commercial perspective and in documenting the various arrangements).

Another method of minimising a group's overall tax burden is to structure the intra-group arrangements to allocate a greater portion of the profit earned from third-party sales to a group company located in a lower tax jurisdiction. This can be partly achieved through the establishment of an IP holding company, but the tax savings will be greater if the IP holding company can provide additional services or assume more risks in the transaction as a whole. However, it will be important to ensure that the company has adequate resources (both financial and physical) to justify the provision of services and/or the assumption of risk.

Where royalties are paid cross-border, consideration must also be given to any obligation to withhold tax. This cost can be substantially reduced or eliminated by the application of a double tax treaty. If tax treaty relief is necessary to reduce or eliminate withholding tax liability, this will be an important factor in determining the most favourable location in which to establish an IP holding company. Many jurisdictions limit the availability of relief under a tax treaty to entities that have genuine substance, arguing that in the absence of substance, the company is not the beneficial owner of the relevant underlying asset.

Any IP holding company should be tax resident in its jurisdiction of incorporation, i.e. its "central management and control" or its "place of effective management", as the case may be, is being carried on in that jurisdiction. Decisions are taken by the directors in the jurisdiction, ideally in the forum of board meetings held in that jurisdiction. Further, the directors should have the skill and experience to properly take these decisions and they should receive adequate information on which to make their decisions. In particular, the local directors should not be (and should be seen not to be) merely "rubber-stamping"

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decisions made elsewhere. The IP holding company should have employees with the requisite skill and knowledge to make the key decisions of the company. As far as possible, the activities of the IP holding company should be carried on in its home jurisdiction. In particular, all major decisions, such as the signing of new contracts, should be taken in the home jurisdiction. All of the above activities should be properly documented.

Anti-abuse rules appear in a variety of forms. Some countries include specific anti-abuse rules in their tax legislation.

The IP holding company must demonstrate that it is in charge of the management of the IP and have adequate financial resources to cover the risks that it assumes in developing and exploiting IP to avoid a challenge under CFC or transfer pricing rules. This requires a reasonable level of capitalisation for the company.

Having set out the various possibilities to structure operations in a tax-efficient manner, it is worth noting that the position adopted by the Organization for Economic Co-operation and Development ("**OECD**") in relation to global trends of tax structuring. In 2012, the OECD released a paper titled 'Base Erosion and Profit Shifting' ("**BEPS**") and this paper were followed up with an action plan shortly after.

The BEPS action plan targets, among other things, what the OECD considers as "abusive tax practices" in certain circumstances. Some of the ideas set out above demonstrate features of "abusive tax practices" and it is important to be mindful that compliance with the BEPS paper is helpful, though not essential as things currently stand.

Having said that, the OECD has placed substantial emphasis on the concept of substance in relation to the allocation of profit and, in view of this emphasis, tax authorities worldwide have stepped up their scrutiny of cross-border transactions, particularly those involving low-tax jurisdictions and related party transactions.

Comparison of jurisdictions for establishing IP holding companies

There are many countries that may be considered when establishing an IP holding company. These countries range from pure tax havens to high tax countries with a favourable tax regime for certain types of IP. The country that will be the most tax-efficient while providing adequate protection for the IP will depend on the precise circumstances of any particular situation. The table below provides a general discussion of some jurisdictions that can be used to hold IP, including Singapore.

Country	Rate of Tax	IP regime

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UK	Patent box regime: 10%. Regular rate of corporation tax: 21% (2014- 15), 20% (2015-16)	The UK has introduced a patent box regime that will be phased in over five years from April 2013. Under this regime, a 10% rate of corporation tax will apply to net income arising from patents. The 10% tax rate will be available to royalty income from patents and "embedded income" included in the price of patented products.
Belgium	A patent income deduction (PID) allows corporate taxpayers to deduct 80% of qualifying patent income from their tax base, resulting in an effective tax rate of 6.8%.	Limited to income derived from patents, it does not extend to other IP rights. The patent can be developed by the Belgian company or acquired from a third party (in the latter case, the company must develop the patent further). A PID is available for income from licensing the patent. In addition, where the patent is used in a manufacturing process, the proportion of the income derived from the process that equates to an arm's length royalty is also
Bermuda and the Channel Islands	Tax-free receipt of income and capital gains.	No tax treaty relief available. Therefore, if withholding tax on royalties paid to these jurisdictions, this will be a real cost (possibly as much as 30%).

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Hong Kong	Ordinary corporation tax rate of 16.5%.	Hong Kong does not have a specific IP tax regime. However, it does offer a fairly low rate of corporate tax coupled with a source-based system of taxation. The active management of IP in Hong Kong is considered to give rise to Hong Kong sourced income (taxable at the 16.5% rate). A five-year amortisation is available for the purchase of copyrights, registered designs, and registered trademarks.
Ireland	Ordinary corporation tax rate of 12.5%	There is no reduced rate of tax for IP exploitation, but the tax base is reduced through three features of the Irish tax system: 1. Tax depreciation is available for capital expenditure incurred on intangible assets used for the purposes of a company's trade. The relief is available for intangible assets acquired from either thirdparty entities or related entities. 2. Ireland provides unilateral tax relief for foreign tax suffered on royalties received from abroad. This generally results in no further Irish tax liability. 3. The availability of an R&D tax credit (see Ireland).

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Luxembourg	An IP regime provides for an 80% exemption of the net positive income and capital gains attributed to a wide range of IP acquired or developed after 31 December 2007. This gives an effective tax rate of 5.72%.	The Luxembourg IP regime is wide, and applies to income and capital gains derived from software copyrights, patents, trademarks, domain names, designs and models. In addition, the IP regime applies to the economic owner of the IP. Strict legal ownership is not necessary: economic ownership may be achieved by the grant of an exclusive licence to exploit the IP for its expected lifetime in a certain territory. The IP regime applies to IP developed by Luxembourg companies and also it can apply to IP acquired from foreign entities, even if the entities are related.
The Netherlands	Patent royalty box regime: effective tax rate of 5%.	Applies to profits derived from IP developed by the company, where a patent has been granted (either under a general technology patent or an agriculture related patent). It also applies where the IP does not qualify for a legal patent, provided that the tax authorities issue a R&D declaration. A significant benefit is the availability of an advance tax ruling on proposed transactions.

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Singapore	Various tax incentives available which will reduce the effective rate of tax.	Tax incentives that may be available for IP holding companies include: · Development and expansion incentive: a tax rate of no less than 5% for an initial period of up to 10 years on incremental income from qualifying activities. · Writing down allowances over five years for the acquisition of qualifying IP. For the 2016-2018 years the R&D deduction will be enhanced from 150% to 400% for the first SGD$ 400,000 of qualifying expenditure incurred in respect of qualifying activities. Additionally, for 2015-2018, SMEs will enjoy a 400% enhanced tax deduction on an additional SGD$ 200,000 of qualifying expenditure.

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Switzerland	It is possible to reduce the cantonal tax to nil (by establishing your company in the right canton, such as Zug). Federal tax at a rate of 8.5% will apply.	No specific IP regime (apart from the Canton of Nidwalden which has implemented a reduced CIT rate from net licencing income from the use of intellectual property), but IP holding companies may benefit from special tax status if they meet certain criteria, for example, the holding company regime. An effective combined federal-cantonalcommunal tax rate of 8-11% can apply on foreign sourced net royalty income, depending on the location of the IP company. Moreover, the effective tax rate on royalty income over the life of the IP can be significantly reduced by IP amortisation

Annex

Singapore Grants and Tax Exemptions for businesses involving IP and R&D

The relevant agencies administering incentive and collaboration schemes are:

- Economic Development Board of Singapore ("**EDB**");
- National Research Foundation ("**NRF**"); and
- Inland Revenue Authority of Singapore ("**IRAS**")

1) Relevant Schemes from EDB

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Pioneer Incentive

Provides corporate tax exemptions on income from qualifying activities.

Requirements:

- Applicants are required to submit plans for new, substantive economic contributions which must include commitments in:
    - significant incremental capital expenditure,
    - business spending and skill jobs in Singapore, as well as
    - anchoring leading-edge technology, skills or activities in Singapore.

Factors of consideration to grant the scheme include:

- Significance of the proposed investment to the development of industries in Singapore,
- Contributions to the growth of R&D and innovation capabilities, as well as
- The potential spin-off to the rest of the economy

Development and Expansion Incentive (DEI)

Provides a reduced corporate tax rate on incremental income from qualifying activities

Requirements:

- Applicants are required to submit plans for substantive commitments in manufacturing or growing leading-edge activities or capabilities in Singapore

Factors of consideration to grant the scheme include:

- The significance of the proposed investments to the development of the industries in Singapore,
- Contribution to the growth of R&D and innovation capabilities, as well as
- A potential spin-off to the rest of the economy

Headquarters Award

The Headquarters Programme provides the appropriate incentive tools to encourage companies to use

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Singapore as a base for conducting headquarters management activities to oversee, manage and control their regional and global operations and businesses.
The Regional Headquarters Award and International Headquarters Award provide a reduced corporate tax rate on incremental income from qualifying activities.

Requirements:

Applicants are required to submit plans for substantive regional or global headquarters activities to be carried out in Singapore, including proposed commitments in incremental business spending and creation of professional employment.

Initiatives in New Technology (INTECH)

The scheme awards government training grants to encourage capability development in applying new technologies, industrial R&D and professional know-how.

Point of Contact from EDB to find out more about the schemes:

Biomedical Sciences and Consumer Businesses
Kevin Lai (Executive Director)
Email: kevin_lai@edb.gov.sg
Phone: +65-68326832
Pharmaceuticals & Biotechnology
Ms Ho Wengsi (Head)
Email: ho_weng_si@edb.gov.sg
Phone: +65-6832617

2) Relevant Schemes from NRF

Translational and Clinical Research (TCR)

Flagship Programme

- TCR Flagship Programmes provide significant levels of funding to build up a critical mass of experienced high-level researchers to facilitate a broader research platform and increase collaboration both locally and internationally.
- Individual programmes can receive up to a maximum of S$25M in funding, inclusive of indirect costs, and must be led by a well-qualified clinician-scientist, who served as the Lead Principal Investigator. Three thematic grant calls were conducted and led to the funding of five programmes in the niche areas of Gastric Cancer (Oncology), Eye Diseases, Schizophrenia (Neuroscience), Dengue (Infectious Diseases) and Metabolic Diseases. All five programmes were funded by the National Research

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Foundation (NRF).

- offers two tiers of funding for over 5 years, to provide existing programmes renewal opportunities and to allow for the funding of new programmes.
    - Tier 1 which is capped at S$9M inclusive of indirect cost and;
    - Tier 2 which is capped at S$25M inclusive of indirect cost
- The new programmes will continue to be funded by the National Research Foundation (NRF). **Funds** will be drawn from the Research, Innovation, and Enterprise (RIE) 2015 Open Collaborative Fund (OCF) budget where S$175M is allocated for the TCR Flagship Programmes.

Global Entrepreneur Executives (GEE)

- This is a co-investment scheme to attract high-growth and high-tech venture-backed companies with Global Entrepreneurial Executives (GEEs) in information and communications technology, medical technology and clean technology to relocate to Singapore.
- NRF invests up to US$3 million in matching funding to eligible companies in the form of convertible notes.

Corporate Laboratory @ University Scheme

- The Corporate Laboratory@University scheme, launched by the NRF in March 2013, supports the establishment of key laboratories by industries in our universities. The scheme seeks to strengthen Singapore's innovation system by encouraging public-private R&D collaboration between universities and companies. It ensures that universities achieve impact by developing cutting edge solutions for problems faced by the industry.
- The scheme attracts foreign and Singapore companies to collaborate with autonomous universities on industry-relevant research. It enhances collaborative partnerships between universities and industries and enables faculty, researchers, Ph.D. and Master's students to work alongside companies on programmes that have direct relevance for the industry. This will support the effective translation of laboratory work for the marketplace.
- Students gain industrial experience, preparing them for employment in high value-add sectors. Industry partners can tap scientific and technological capabilities built up in our universities to develop new products and services. Research is geared towards supporting business growth for companies, generating economic benefits for Singapore, and creating good jobs for Singaporeans. - See more here

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3) Relevant Scheme from IRAS

- Productivity and Innovation Credit ("**PIC**") Scheme
  - Under the PIC scheme, a business may enjoy:
    - 400% tax deductions/allowances; and/or
    - 60% cash payout
  - There is also the PIC Bonus, which is a dollar-for-dollar matching cash bonus given on top of the existing 400% tax deductions/ allowances and/or 60% cash payout. Please note that this PIC Bonus will expire in YA 2015.
  - The tax benefits are available from the Years of Assessment (YAs) 2011 to 2018, for investments in any of the six qualifying activities (mentioned below) relating to innovation and productivity improvements.
  - Six activities are covered under PIC:
    - Research & Development Registration of Intellectual
    - Property rights ("**IPRs**")
      - g. patents, trademarks, designs, and plant varieties
    - Acquisition and in-licensing of IPRs
      - g. buying a patented technology or copyright for use
    - Acquisition or leasing of prescribed automation equipment
    - Training of employees
    - Approved design projects

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