
The Patent Law Association
of Chicago

Tax Guide for Patents, Trademarks & Copyrights

Clark Boardman Company, Ltd.

TAX GUIDE

for Patents, Trademarks & Copyrights

Fourth Edition, 1981

Taxation Committee of
The Patent Law Association of Chicago

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Foreword

The purpose of this *Tax Guide* is to provide an outline of the statutory, case, and regulatory law as it pertains to tax aspects of intellectual property, with the objective of indicating to the practitioner reader those aspects of a given situation, and the authorities involved, that need to be considered in order to make knowledgeable decisions.

The *Tax Guide* contains four substantive parts—the Patent Tax Guide, the Trademark Tax Guide, the Copyright Tax Guide, and Mergers and Acquisitions (which also covers evaluations). Each part is subdivided into four basic subdivisions—treatment of acquisition and development expenditures; proceeds from the transfer of rights; litigation expenses; and damages, costs, and settlement proceeds resulting from litigation. Also included are an appendix containing the sections of the Internal Revenue Code that bear on tax aspects of intellectual property and a bibliography listing useful background readings from tax periodicals, law reviews, and other sources (although this listing is not represented as all-inclusive). The table of contents and index will readily direct the reader to his or her specific category of interest. It should, however, be understood that in some areas several sections of the book should be reviewed to achieve balanced insight into any given question.

Case citations are ordinarily to the United States Patents Quarterly (USPQ). For decisions not reported in the USPQ, one of the other reporters is cited.

We gratefully acknowledge the contributions of the prior Taxation Committees of this Association over the last twenty years—contributions that formed the basis of this work.

We also wish to express the appreciation of ourselves and our Association to Clark Boardman Company, Ltd., for undertaking the printing and publication of this 1981 version (4th edition) of our *Tax Guide*.

1980 Taxation Committee
The Patent Law Association of Chicago

Abbreviations Used in This Work

- AFTR**—American Federal Tax Reports, Prentice-Hall, Inc., Englewood Cliffs, N.J.
- AFTR 2d**—American Federal Tax Reports, 2d Series, Prentice-Hall, Inc., Englewood Cliffs, N. J.
- ARR**—Appeals and Review Recommendations, See Internal Revenue Cumulative Bulletin, United States Government Printing Office, Washington, D.C.
- BTA**—United States Board of Tax Appeals Reports, United States Government Printing Office, Washington, D.C.
- CB**—Internal Revenue Cumulative Bulletin, United States Government Printing Office, Washington, D.C.
- CCH**—Commerce Clearing House Federal Tax Reporter, Commerce Clearing House, Inc., Chicago, Ill.
- Ct. Claims**—Court of Claims Reports, United States Government Printing Office, Washington, D.C.
- F.2d**—Federal Reporter, 2d Series, West Publishing Co., St. Paul, Minn.
- F.Supp.**—Federal Supplement, West Publishing Co., St. Paul, Minn.
- I.R.B.**—Internal Revenue Bulletin, United States Government Printing Office, Washington, D.C.
- IRC**—Internal Revenue Code, 26 U.S. Code, United States Government Printing Office, Washington, D.C.
- I.T.**—Income Tax Unit
- L.Ed.**—Lawyer's Edition
- Mo. L. Rev.**—Missouri Law Review, University of Missouri Law School, Columbia, Mo.
- OD**—Office Decision

Reg—Income Tax Regulations, United States Government Printing Office, Washington, D.C.

Rev. Proc.—Revenue Proceedings, Internal Revenue Cumulative Bulletin, United States Government Printing Office, Washington, D.C.

Rev. Rul.—Revenue Ruling, Internal Revenue Cumulative Bulletin, United States Government Printing Office, Washington, D.C.

TC—Tax Court of the United States Reports, United States Government Printing Office, Washington, D.C.

TCM—CCH Tax Court Memorandum Decisions, Commerce Clearing House, Inc., Chicago, Ill.

T.D.—Tax Decision

TM Rep.—Tax Memo Report

US—United States Reports, United States Government Printing Office, Washington, D.C.

USC—United States Code

USPQ—United States Patents Quarterly, Bureau of National Affairs, Washington, D.C.

USTC—United States Tax Court

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