

Facts & Figures 2021



Hungarian Intellectual
Property Office



Content

Foreword by the President

1. 125 Years in the Service of Innovation	4
2. Activities as an Industrial Property Authority	6
3. Competence of R&D Qualification	8
4. Preparation of Draft IP Legislation	26
5. Activities as a Copyright Authority	28
6. International IP Diplomacy	30
7. Development of Intellectual Property Protection Culture, Information	33
8. Efficient Management	36
9. Bodies	44
	47

Dear Readers,

Last year, despite the difficulties that emerged in 2020 and have remained with us ever since, was once again a year that confirmed the mission and main goals of the Hungarian Intellectual Property Office. As a result of the pandemic, the role of intellectual property (IP) has increased worldwide: beyond the value of physical assets and human capital, it has become far more important for a country and its economy to be able to innovate and exploit the results of innovation.

This trend is also reflected in statistics on Hungary, but we still have work to do, because economic operators in our country are not sufficiently aware of the value of IP protection.

In the European Union nearly 9% of small and medium-sized enterprises have some form of registered protection, in Poland this proportion is 10%, while in Hungary it is just over 3%. We need to raise awareness that everyone has some kind of intellectual property (a company name or the brand created thereby, just to mention the most evident ones), which – enhanced by trademark, design and geographical indication protections is the key to competitiveness, even in difficult economic times.

While the protection of intellectual property is gaining ground and the weight of IP is increasing in the international economy, the number of IP rights based on research, development and innovation (such as patents and utility models) is still low in Hungary, despite the growing activity of Hungarian applicants. The reason therefor is not that Hungarians are not creative enough, or that research and development cannot yield sufficient results: it is simply that in the domestic economic scene, especially in the field of RDI (universities, academia, domestic SMEs, etc.), it is still not sufficiently understood that monopoly IP rights ensured by obtaining protection can be the key to the exploitation of innovations, to an increase of market share, to entering the international market or to the improvement of their economic performance. Still, as a consequence of the development of the Hungarian innovation ecosystem, in 2021 the exploitation of innovation by Academia and the universities has gained new momentum, at times producing hundreds of research results that could soon become patentable.

It can be considered as a positive outcome that the number of national design (869) and trademark (4,192) applications filed, which are among the protections constituting the cornerstones for market access of products and technologies and

↑65.2%
increase of design
protections granted

4 192
trade mark
applications filed

for brand building, increased by 65.2% compared to the previous year, and by 5.1% respectively. Trademark applications, the most accessible form of protection for most businesses, are now in their heyday again. The year 2021 can be seen as an outstanding year, being the second most intense period in the last 10 years:

only in 2012 did the Office receive more trade mark applications (4,599), and the numbers have been also steadily increasing over the last 4 years.

This is why, after 2020, one of our most important steps was to transform HIPO into an even more modern office in 2021 by “moving” it into the digital space and communicating more and more with customers online. As a result, the share of electronically filed official documents has increased to 54%.

Appreciating intellectual property at its real value has become particularly important in our world today, when we are facing multiple challenges. The coronavirus crisis has brought about countless innovations that no one would have thought necessary, but the spread of the disease has spurred creative minds to action, and, it seems safe to say, if not yet with certainty, that their efforts have been crowned with success as we have been able to fight the disease successfully on several fronts.

Creativity is indeed a tool that can help you at all times, and we are grateful to all creative people who have turned and are going to turn to us so that we can protect their innovation and help them strengthen our national pride with the protections they acquire.

Our Office's main goal is therefore to continue going the extra mile to help domestic inventors, R&D specialists and innovators turn their inventions into economic value through protected intellectual property.

In our daily work, we make a special effort to ensure that an ever-wider range of Hungarians become familiar with, and become conscious users of, the rich toolbox of intellectual property protection. It is our declared goal to bring the number of intellectual property rights close to the EU average.

We do not intend to stop here. In 2022, we will be addressing and exhorting more and more businesses, inventors and creative workshops to protect their intellectual property, because many of them hold “trump cards” the value of which they are unaware of. We are the ones who can help them use these “cards” to their maximum advantage.

54%
electronically filed
official documents



Gyula Pomázi
President, Hungarian Intellectual
Property Office

1 125 years in the service of innovation

The Hungarian Intellectual Property Office (hereinafter "HIPO" or "the Office") is the authority in Hungary that has the longest history of dealing with innovation. It celebrated its 125th anniversary on 1 March 2021. Its predecessor, the Hungarian Royal Patent Office was established on 1 March 1896 pursuant to Act XXXVII, and was the first independent national authority of the Austro-Hungarian Monarchy.

The Office performs the core task of protecting creative Hungarian intellectual works and the protection of the most modern innovations for 125 years.

Representatives of the national and international IP protection community commemorated the 125th anniversary with an online ceremony at the Budapest Music Center on 1 March 2021. At that illustrious event, following the Presidential and Secretary of State's welcome speeches, the leaders of international organisations, Daren Tang, Director General of the World Intellectual Property Organisation, Christian Archambeau, Executive Director of the European Union Intellectual Property Office and António Campinos, President of the European Patent Office, greeted HIPO in a video message.

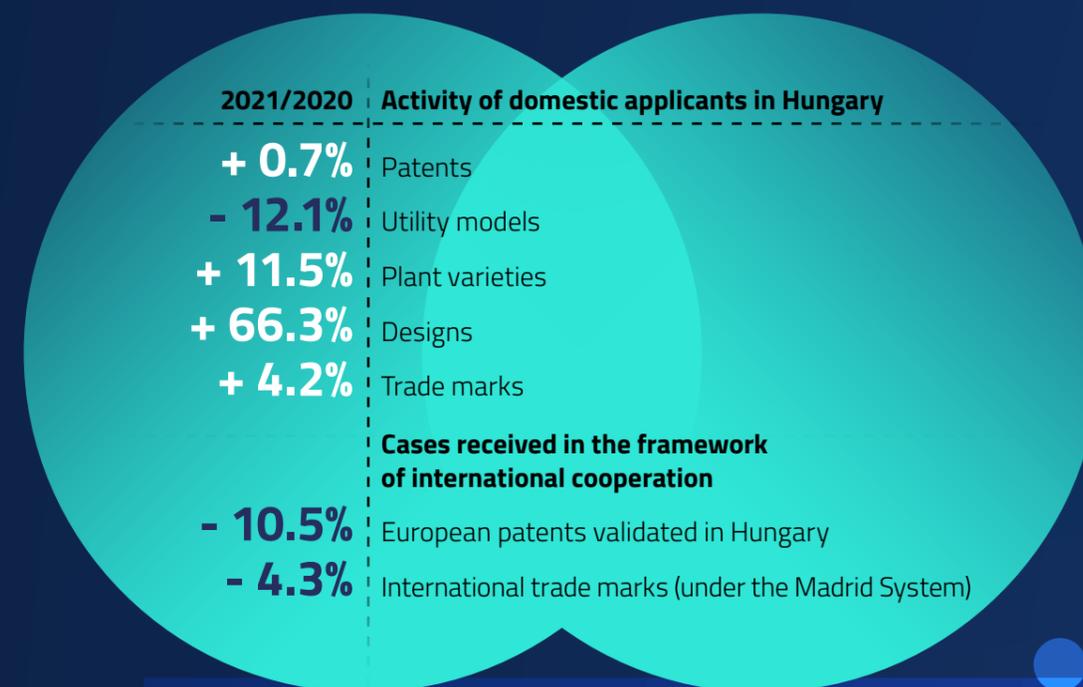
HIPO is the central government office responsible for the protection of intangible assets of the economy, as well as of science and culture. Its activities cover the areas of industrial property protection and copyright, and they also include the tasks relating to the qualification of R&D activities, as well as the tasks relating to the registration of startup enterprises. HIPO is directed by the government and its supervision, as laid down in an Act, is exercised by the Minister for Innovation and Technology.

In line with the expectations of 125 years of tradition, and despite the COVID-19 epidemic, HIPO continued to perform its activities in 2021 efficiently and to a high standard, with a focus on customer orientation.

The number of domestic applications increased for almost all forms of protection.

This shows that, thanks to the maturity of R&D applications and the awareness-raising activities of HIPO, the protection of intellectual property is becoming increasingly important for domestic organisations as well.

Main data on industrial property protection activity



~70%
proportion of electronically filed trade mark applications

As a result of the epidemic, the spread of electronic administration has continued, with the decline of face-to-face administration. The Office received 54% of all official submissions electronically. The highest proportion of electronically filed applications was in the field of trade marks. This was close to 70%.

HIPO operates according to the requirements of ISO 9001:2015 quality management and ISO/IEC 27001:2013 information security management standards, as confirmed by an external review audit conducted by an independent certification body in December 2021.

2/1 Activities as an industrial property authority

Valid protections in Hungary

The economic significance of valid protections in Hungary is that all operators on the Hungarian market – from domestic SMEs, Hungarian farmers to multinational companies operating in the country – should pursue their activities by taking account of the exclusive IP rights, otherwise they are committing infringements.

At the end of December 2021, the number of valid patents in Hungary amounted to up by 1,231, or 3.7%, compared to the end of the previous year.

34 797

The increase was driven by a 5.3% increase in the number of European patents validated for Hungary, while the number of nationally granted valid patents decreased to 1,240. In addition, 798 utility models and 209 nationally granted plant variety protections were in force. The number of valid national designs exceeded 8 500,

while the number of national trade mark protections remained at the same level as in previous years, at approximately

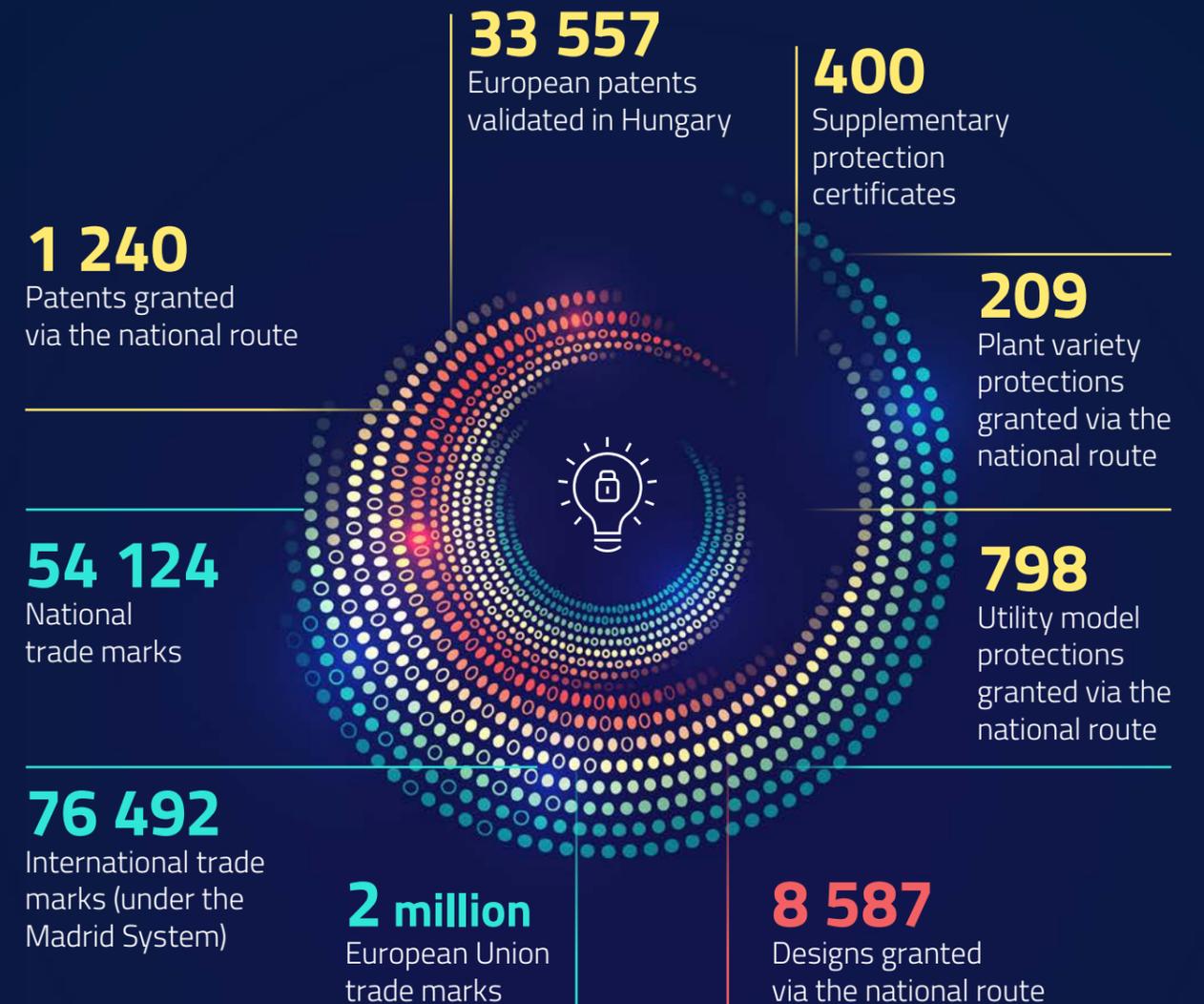
54 thousand.

The number of international trademarks (under the Madrid System), although down on the previous year, exceeded 76 thousand.

The number of EU trade marks, which ensure protection for the whole territory of the EU, including Hungary, continued to grow, reaching

2 million.

Number of main valid protections in Hungary at the end of 2021



2/2

Administration in patent matters

Under the Patent Cooperation Treaty (PCT),

which is the basic framework of international patent cooperation, patent (or utility model) applications may be filed – by way of one single application – with effect for 193 countries in the world. The number of international patent applications (PCT applications) has been rising year on year, slowed somewhat by the COVID-19 pandemic. In 2021, the World Intellectual Property Organization (WIPO) recorded 276.8 thousand such applications, up 0.7% on 2020. Only a small proportion of applications result in protection extending also to the territory of Hungary at a later phase of the proceedings. In 2021, 6 PCT applications entered the national phase in Hungary. And 114 proceedings were initiated by Hungarian applicants under the PCT system, compared to 140 in the previous year.



European patents

can be obtained in 38 Contracting member States under the European Patent Convention (EPC). In 2021, the number of European patents granted by the European Patent Office (EPO) with the designation HU was

108 364.

Since the accession to the European Patent Convention in 2003, foreign patent applicants typically no longer apply for patent protection in Hungary through the PCT system and by entering the so-called national phase, or by filing directly with the Office. Typically, they choose the European route and request the validation in Hungary of their European patents granted by the EPO. Hungarian applicants filed 118 European patent applications in 2021,

up 8.3 on the previous year.

The number of requests for the validation of European patents in Hungary peaked in 2019. Since then, their number has decreased, presumably due to the introduction of the system of European patents with unitary effect in the near future. The 4 567 requests for validation received in 2021 are 10.5% down on the previous year, with 535 requests.



Number of requests for validation of European patents in Hungary (2017-2021)



The number of patent applications filed via the national route

in 2021 was 446,

10 applications down on the previous year.

The applications filed via the national route include patent applications of domestic origin on the one hand, foreign applications filed directly with HIPO and PCT applications entering the national phase on the other.

The number of patent applications filed by Hungarian,

i.e. domestic applicants

was similar to the previous year, as it increased by 0.7%.

(431)

In the field of patents, the growth of electronic filing continued in 2021.

55% of applications were filed electronically, up from 39% in 2020.

The proportion of applications filed in person fell from 42% to 29% probably also in order to keep distance during the epidemic.

More than half of the requests submitted by domestic applicants were so-called individual applications from natural persons, and the other half were so-called institutional applications from entities.

On a positive note, the number of patent applications from domestic institutional applicants increased significantly by 34.4% that is by 53 applications.

53

Most patent applications were filed by

the University of Pannonia (7), the University of Debrecen (7) and the Budapest University of Technology and Economics (6).

Breakdown of domestic applications by type of applicants (2021)

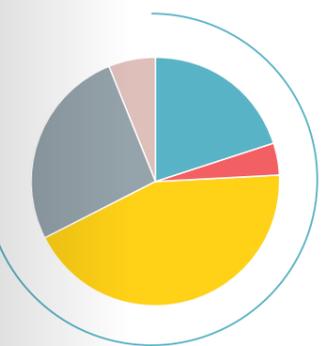
48%

Applications filed by entities



52%

Applications filed by individuals



In the field of patents, **532** proceedings started via the national route were completed in 2021.

Only a small proportion of the applications proved patentable, with **20.1%** of the completed proceedings resulting in the grant of a national patent.

4.3% of cases ended in refusal,

43.2% in withdrawal,

26.3% in surrender and

6% in termination for non-payment of fees.

The number of pending national patent cases was 834.

National patent proceedings

1 240
Valid national patents

446
Applications

219
Publications

532
Closed proceedings

107
Grants

834
Pending cases

In the patent granting procedure, **the Office prepared 283 novelty search reports.**

Of these, 140 were accompanied by a written opinion. 74 of these were requested by clients in an accelerated procedure. The option to request a written opinion on the basis of an English-language patent specification and claims, which has been open since May 2019, was used in 18 cases.

The average gross pendency time¹ for patent application filed via the national route in 2021 was 24.0 months, which is 22.1%, or 6.8 months shorter than in the previous year.

The average net pendency time of cases decreased from 21.5 months to 16.7 months, a decrease of 22.5%.

If applicants have an interest in speeding up the proceedings, they can request earlier publication free of charge, but clients generally do not take up this option. In the majority of cases, early disclosure of the invention to be protected is contrary to the interests of the applicant, for example because of the process of preparing for market entry.

1 | Average gross pendency time indicates the time period between the date of application and the conclusion of the patent granting proceedings. If we subtract from the gross pendency time the time periods at the disposal of the applicant to prepare his replies to the invitations during the proceedings, we obtain the average net pendency time, which includes the mandatory 18 months' waiting period pursuant to the Patent Act.

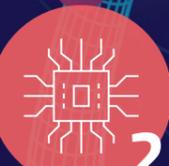
Among the **34 797** valid patents in Hungary, pharmaceutical patents ranked first in terms of the breakdown by industry sectors, as in previous years.

It was the leading sector in terms of both nationally granted and validated European patents. The fact that

34.5% of valid patents in Hungary are in this one sector indicates a strong concentration.

TOP5 sectors

Number of valid patents in Hungary by the five most popular industry sectors (2021)



2 567
Electronics



2 741
Chemistry
other than
pharmaceuticals



3 306
Instruments and
appliances



3 838
Other
equipment



12 018
Pharmaceuticals

TOP10 patent holders

- 1 443** Qualcomm Incorporated (US)
- 311** Telefonaktiebolaget LM ERICSSON (SE)
- 237** BASF SE (DE)
- 218** NOVARTIS AG (CH)
- 186** Philip Morris Products S.A. (CH)
- 182** Huawei Technologies Co. (CN)
- 181** Apple Inc. (US)
- 172** F. Hoffmann-La Roche AG (CH)
- 149** ArcelorMittal (LU)
- 147** Boehringer Ingelheim International GmbH (DE)
- 147** LG Electronics Inc. (KR)

TOP10 countries of origin

Breakdown of valid patents (granted via the national route as well as European patents) in Hungary by countries of origin of the right holders (2021)

USA	8 466
Germany	6 521
Switzerland	2 423
Japan	2 081
France	1 966
Italy	1 753
United Kingdom	1 468
Netherlands	1 059
Sweden	1 004
Hungary	967

The high proportion of foreign right holders is consistent with the structural features of the economy, the flow of imports into the country and foreign working capital. As in previous years, foreign patent holders with the largest share of valid patents were mostly based in the United States (24.3%) and Germany (18.7%).

The vast majority (more than 97%) of right holders of valid patents (granted either via the national route or validated European patents) in Hungary have been foreigners for years. The proportion of Hungarian patent holders is less than 3%.

The more than 34 thousand valid European patents in Hungary are typically (99%) owned by foreign patent holders, with only about 0.7% of Hungarian patent holders.

Foreign-based companies top the list of holders owning most nationally granted patents and validated European patents in force. Among Hungarian patent holders, **Richter Gedeon Plc.** ranked 17th in this TOP list.

The holders with the most nationally granted patent protections are **Richter Gedeon, EGIS Gyógyszergyár Zrt., Chinoin Gyógyszer és Vegyészeti Termékek Gyára Zrt. (HU), the University of Pécs (HU) and the University of Szeged (HU).**



66

Hungarian universities and research institutes had valid patents.

The higher education institutions with the most valid patents

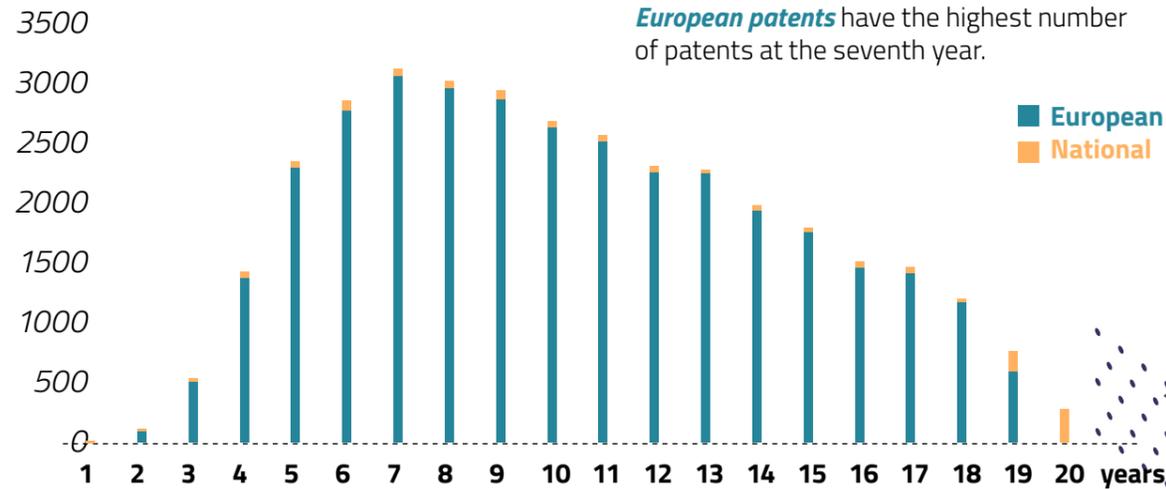
15 patents
University of Pécs

15 patents
University of Szeged

7 patents
University of Debrecen

Age pyramid of valid patents in Hungary

In terms of the age pyramid of valid patents, **nationally granted** patents have the highest number of patents at the twentieth year, while **European patents** have the highest number of patents at the seventh year.



Administration in utility model protection matters

The Office received **211** applications for utility model protection, 16 fewer than in the previous year. Of the applications filed nationally, **90%** were from domestic applicants

and 8% from foreign applicants, and the percentage of PCT applications that entered the national phase was 2%. In the case of applications for utility model protection,

40% the number of electronically filed applications increased from 22% to but 44% of customers still filed their utility model applications in person.

Almost two-thirds of the applications received via the national route came from individual applicants and one third from institutional applicants. The largest number of applications for utility model protections in 2021 from institutional applicants was submitted by

**Astron s.r.o. (SK),
Műszer Automatika Kft. (HU)
and Hot & Cold Kft. (HU).**



National utility model protection proceedings



798
Valid national utility model protections



211
Applications



224
Closed proceedings



147
Grants



178
Pending cases

The Office closed 224 proceedings, two-thirds of which (147 applications) met the protectability criteria and resulted in a grant, 73 cases were terminated and only 4 ended in refusals.

Thanks to the expeditious processing, the number of pending cases was the lowest since 2015 at the end of 2021 (178 cases).

The average net pendency time for cases received and completed by the Office in 2021 was 6.13 months, which is 20% shorter than the 7.69 months of the previous year.

At the end of the year, 798 national utility model protections were in force, 39 fewer (4.6%) than in the previous year.

Supplementary protection certificates

Supplementary Protection Certificates (SPCs) are used to extend the term of protection of medicinal products or plant protection products protected by patents. During 2021, the Office received 57 SPC applications, the same number as in the previous year. During the year, 94 proceedings were completed, resulting in 78 SPCs being granted. The number of proceedings pending at the end of the year was 76.

Of the 400 SPCs granted, 83 had expired basic patents at the end of the year, meaning that in these cases the invention was already protected by the SPC. However, for 317 SPCs granted, the basic patents were still in force, so the term of protection of the SPCs had not yet started.

Administration in plant variety matters

30

The exclusive exploitation of plant varieties is ensured by a separate form of protection, the plant variety protection. In 2021, *applications for plant variety protection were filed with HIPO,*

which is 15.4% more than in the previous year. Periodic fluctuations in the number of applications for plant variety protection are a natural phenomenon, as it takes several years to breed a given plant variety.

22

During the year, 31 proceedings were completed, of which protections were granted by the Office.

The number of nationally granted valid plant variety protections at the end of the year was 209. In addition, according to the Community Plant Variety Office (CPVO), the number of Community plant variety rights in force in the Member States of the European Union, including Hungary, was

29 583.

Administration in design matters

The number of Registered Community Design (RCD) applications filed with the EUIPO in 2021 was more than

32 thousand

and the number of designs included in those applications was more than 100 thousand.

These figures represent an increase of 5.3% and 1.1% respectively compared to the previous year. Registered Community designs have a scope which extends also to Hungary. Foreign applicants typically choose the European Union route to obtain rights in Hungary and obtain a Community design at the EUIPO. In the field of Community design, from among the most active Hungarian applicants



the TOP3 Hungarian right holders are Julius-K9 Zrt., Fireplace Kft. and CSEPI.

In the framework of international cooperation (under the Hague Agreement), the Office examined 15 international industrial design applications in which Hungary was designated. These applications included a total of 52 designs.

■ Number of protections
■ Number of designs



2 505

8 587

Valid national designs



110

869

Applications



139

930

Closed proceedings



75

391

Grants



48

283

Pending cases

National design protection proceedings

In 2021, the Office received 110 national design applications with 869 designs filed.

This was an outstanding increase in the number of designs filed, representing a further 65.2% increase compared to 2020, while the number of applications filed decreased by 20.9%.

A new trend can be observed. Applicants are increasingly taking advantage of the possibility to request the Office to examine up to 50 designs at a time in a single application, thus reducing their costs and administrative burden.

Compared to an average of 3.1 designs in Community design applications, the average number of designs in national applications was 2.5 times higher at 7.9.

The proportion of applications filed by individual applicants remained high at a further increase of 4% compared to the previous year.

88%,

The proportion of customers opting for electronic communication in the field of designs has also continued to increase.

63%

In 2021 already of applications were filed electronically,

up from 26% in 2019. At the same time, the proportion of applications filed in person has fallen to 17%.

In 2021, the Office closed 139 cases and examined 930 designs. While the number of cases closed was the same as in the previous year,

*the number of designs examined increased by **69.7%.***

In 37% of the cases examined, a decision was taken granting all the designs for which protection was requested in the application. However, in 3% of cases where the application contained more than one design, the decisions were partial, where only part of the designs in the application were granted. 30% of cases were withdrawn, 4% were rejected and 26% of cases were still pending at the end of the year.

2/7 Trade mark administration



In 2021, the European Union saw a lively activity in trade mark applications. More than thousand EU trade mark applications were filed with the EUIPO,

197

11.7% more than in 2020. In total, more than 180 thousand EU trade marks were registered in 2021, up 17.6% on the previous year. The scope of registered EU trade marks extends also to Hungary. This brings the total number of valid EU trade marks in Hungary to 2 million.



The activity of domestic applicants filing trade mark applications abroad also continued to increase in 2021.

917

EU trade mark applications were filed with the EUIPO, up 10% from 2020.

821

EU trade marks of Hungarian origin were registered in 2021 up 19.7% from 2020, or 135 trade marks.

TOP5
Hungarian holders of EU trade marks

1. URSA Salgotarjan Glass Wool Close CO.
2. Zwack Unicum Nyrt.
3. Richter Gedeon Nyrt.
4. MOL Nyrt.
5. Hell Energy Magyarország Kft.



1 190

In 2021, the WIPO-administered system for the international registration of trade marks received international trade mark applications and requests

for subsequent territorial extension designating Hungary, which is 3% lower than in 2020. The Office transmitted 198 international trade mark applications and other submissions under the Madrid Agreement and Protocol filed by domestic trade mark applicants, up 2.6% from the previous year, or 5 applications.



International trade mark proceedings (under the Madrid System)



76 492

Valid international trade marks



1 190

Applications



1 275

Publications



1 323

Closed proceedings



1 200

Registrations (grants)



265

Pending cases

The two-year-long epidemic continues to be behind the decline in new international trademark applications.

Numerous offices in Member States participating in the Madrid System were closed during the pandemic or international mail was at times disrupted. This made it more difficult to file international trade mark applications designating Hungary.

1,275 international trade mark applications were published in the Gazette for Patents and Trade Marks.

The Office examined 1,323 international trade mark applications designating Hungary and requests for subsequent territorial extension and recognised protection in 1,200 cases.

A total of 118 international trade mark applications were refused. There were five applications for revocation of international trade marks. At the end of 2021, 265 international trade mark applications were pending, one-third less than the previous year.



The average pendency time for international trade mark applications and requests for subsequent territorial extensions has decreased for all types of cases.



In 2021, the number of nationally filed trade mark applications grew by 5.2%, that is by 204 applications, to **4 192**.

As in previous years, more than 90% of national trade mark applications – 3 789 applications – were filed by Hungarian applicants. The increase in the number of domestic applications was 4.2%. A further 403 applications were filed directly with HIPO by foreign applicants.

Almost two-thirds of the nationally filed trade mark applications came from institutional applicants and one-third from individual applicants.



the largest national trade mark applicants in 2021

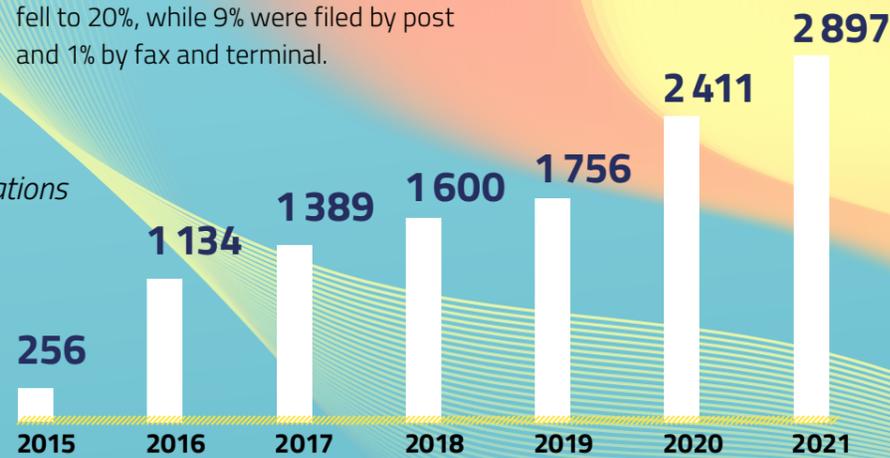


70% of national applications were filed electronically,

Of all the forms of protection, electronic filing has been the most popular in trade mark applications. In 2021, nearly up from 60% in 2020. The share of filings in person fell to 20%, while 9% were filed by post and 1% by fax and terminal.



Electronically filed trade mark applications (2015–2021)



Customers have the possibility to speed up administrative proceedings through so-called accelerated procedures and special accelerated procedures. The Office has examined a total of 234 applications under these fast-track procedures. 87 requests for accelerated procedures and 147 requests for special accelerated procedures were received.

Main data of national trade mark registration proceedings (2021)



54 124
Valid national trade marks



4 192
National trade mark applications



2 886
Publications



4 329
Closed proceedings



3 404
Registrations (grants)



2 406
Pending cases



The number of publications in 2021 was 2 886, up 11.8% on the previous year. The Office closed

4 329 cases in 2021, which was 9.3% more than the previous year.

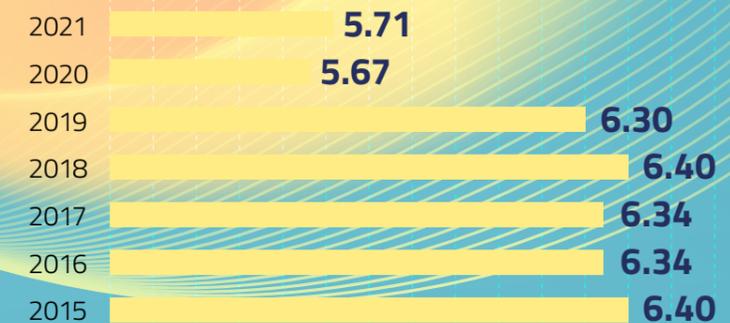
Registrations continued to dominate, accounting for 78.6% of the total. In 2021, the Office registered 3 404 national trade marks, an increase of 15.2% on the previous year. The refusal rate was 3.3% and the termination rate was 18.1%. The number of these types of cases was lower than in the previous year.

Average pendency time for nationally filed trade mark applications (2015–2021)



24.7 weeks, i.e. less than 6 months.

We managed to maintain the average gross pendency time for the national trademark registration procedure at the previous year's favourable level: it was



Valid national trademarks

54 124

The number of valid national trademarks was which is in line with the 54 thousand that have been maintained in previous years.



In 2021, two-thirds of the more than 54 thousand valid trade marks in the national trade mark register were still owned by Hungarians and one-third by foreigners.

Breakdown of valid national trade marks by countries of origin of right holders (2021)

TOP10
countries
of origin

Hungary	38 436
USA	5 949
Germany	1 136
United Kingdom	1 100
Switzerland	1 021
Japan	923
Netherlands	665
France	548
Republic of Korea	377
Austria	313

« As in previous years, foreign right holders were mainly based in the United States, Germany and the United Kingdom. »

Right holders of most valid national trademarks (2021)

TOP10
right holders

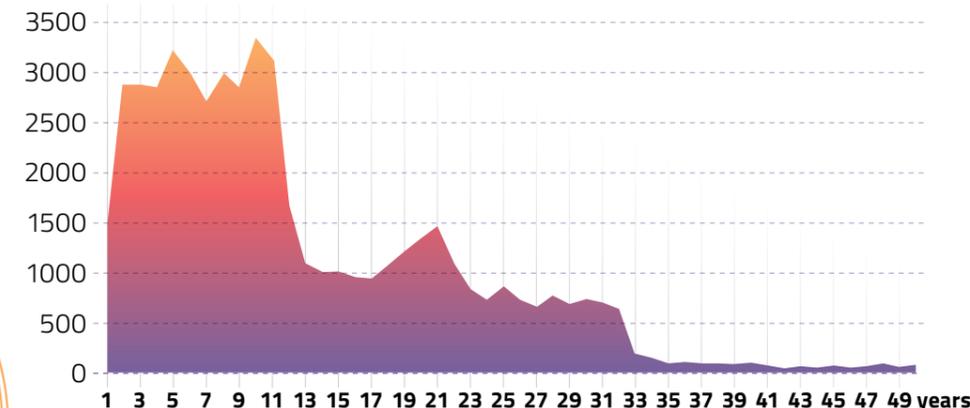
Richter Gedeon Nyrt. (HU)	1 097
EGIS Gyógyszergyár Zrt. (HU)	971
Médiaszolgáltatás-támogató és Vagyonkezelő Alap (HU)	278
Mediaworks Hungary Zrt. (HU)	261
Unilever IP Holdings B.V. (NL)	196
Philip Morris Brands SárI (CH)	174
MARS, INCORPORATED (US)	149
Zwack Unicum Nyrt. (HU)	146
TV2 Média Csoport Zrt. (HU)	132
OTP Bank Nyrt. (HU)	115

« In 2021, two big Hungarian pharmaceutical companies continued to top the list of holders of the most valid national trademarks. »

10

As for the age pyramid of valid national trade marks – similar to the previous years – the number of valid trade marks is significantly higher in the first years than the number of those renewed in subsequent cycles.

The age pyramid of valid national trade marks (2021)



At the end of 2021 in the national trade mark register the number of right holders having a trade mark of more than a hundred years old was over 60. The oldest trade mark is the "ODOL" sign filed by Panadol GmbH with a filing date of 26 July 1895. Right holders who have a trade mark, which is more than a hundred years old are, among others, Bayer ("ASPIRIN") of 1899, GRUPA MASPEX Sp.z.o.o. Sp.k. ("APENTA") of 1899, Aesculap AG. ("AESCULAP") of 1900, Daimler AG ("DAIMLER") of 1900, and Valvoline LLC ("VALVOLINE") of 1902.

The Hungarian right holder with the oldest trade mark is Richter Gedeon Nyrt., whose sign "TONOGEN" is entered in the register with the filing date of 19 November 1902.

2/8

Geographical indications

Geographical indications may be protected if there is a demonstrable connection between the quality parameters of the marketed products and their area of origin. This protection ensures that right holders be able to act against all those who use those indications without authorisation.

During the year, the Office received six applications for geographical indications and four applications for international appellations of origin designating Hungary.

1 382

The number of valid EU geographical indications for agricultural products and foodstuffs was at the end of 2021, of which 28 were of Hungarian origin,

according to the eAmbrosia database. The number of EU geographical indications for wines reached 1,611 at the end of the year, of which 38 were of Hungarian origin. The number of EU geographical indications for spirits at the end of 2021 was 241, of which 12 were of Hungarian origin.

Of the valid international appellations of origin under the Lisbon Agreement 28 were of Hungarian origin.

3 / Competence of R&D Qualification

A decade ago, HIPO was also granted R&D qualification powers. The aim of this is to strengthen legal certainty in the use of grants and tax incentives related to R&D. A decision or expert opinion issued by the Office serves as a guarantee for both clients and the State.

The Office can examine the R&D content of a project in three different procedures. Within the framework of official proceedings, the Office can be requested to prepare a – preliminary – R&D qualification of a project. Within the framework of a project group qualification, several projects can be assessed at the same time. In addition to these, HIPO also prepares expert opinions at the request of other authorities and courts, as well as third parties, concerning the R&D qualification of specific activities.

Of the 209 submissions received by the Office in 2021, 47 were requests for project qualification and 159 were requests for expert opinions. In addition, three project selection requests were received in the project group qualification procedure. The latter can be considered as “prototypes”, as none of these proceedings have yet been completed.

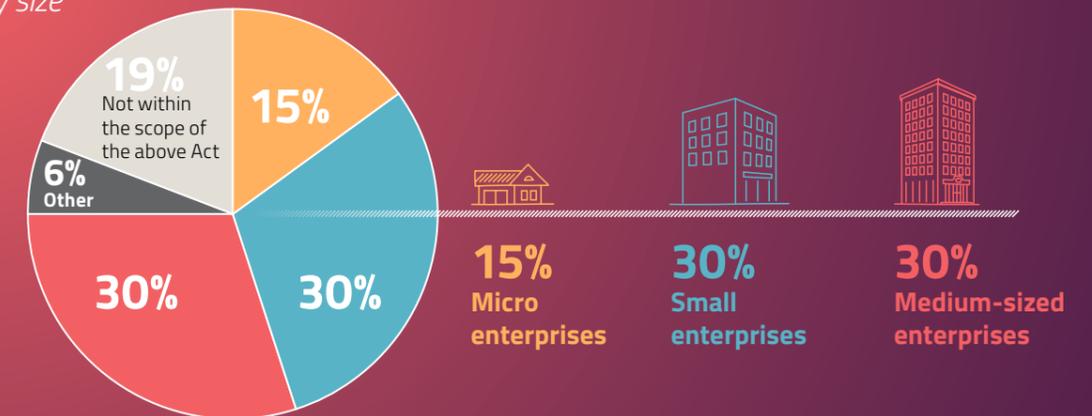
215, *The number of R&D qualification cases closed by the end of the year 2021 was the same as in the previous year.*

HIPO continued the good practice of prior, face-to-face, online and written consultations with clients, which was launched in 2019. Such meetings took place 92 times during the year.

94% *HIPO closed 48 preliminary R&D qualification cases, of which were qualified as R&D or partly R&D.*

This high rate is largely due to client-friendly preparatory activities. 98% of the cases were in technical fields, including ICT and IT. There was one project involving a non-technical discipline. Three-quarters of the project qualification requests were submitted by SMEs.

Breakdown by applicants of completed project qualifications by company size (2021)



16–17 *The Office complied with the statutory 30-day administrative time limit, with an average processing time of days, half of the time available.*

88% *The number of completed requests for an expert opinion was 167. Of these, were qualified as R&D,*

of which 2% were only partially R&D. 12% of cases received a negative opinion. In terms of the nature of the cases, 97% of the closed expert opinions were in a technical field.

A quarter of the requests for an expert opinion came from a public authority that had ordered an audit of previously paid grant money or the control of tax allowances resorted to earlier.

The Office undertakes to issue expert opinions on average with a 45 days deadline, but in 2021 the actual processing time was much shorter, 34 to 36 days.

We managed to continue our close cooperation with the **National Investment Promotion Agency (HIPA)** in relation to R&D project funding that can be granted on the basis of an individual decision of the government. As a result of this cooperation, 14 R&D centres of large foreign companies in Hungary have submitted to the Office requests for qualification.

In addition, 28 expert opinions were prepared for the **Deputy State Secretariat for Regional Development Programmes of the Ministry of Finance**. The funding decisions for the **GINOP Plus 2.1.1** call for applications announced in 2021 will only be published in 2022.

A gap-filling publication – the **R&D White Paper** – has been produced to serve as a practical guide for preparing the R&D evaluation of **GINOP Plus** proposals.

4 / Preparation of draft IP legislation

Preparing the drafting or amendment of intellectual property legislation is a major task of the Office.



On 26 November 2019, the European Union acceded to the Geneva Act of the **Lisbon Agreement on Appellations of Origin and Geographical Indications**. Following the accession of the EU, the Geneva Act entered into force on 26 February 2020. Hungary has also ratified the Geneva Act. HIPO prepared the Hungarian translation of the Geneva Act and the Common Implementing Regulations and participated in the preparation of the ratification proposal in cooperation with the Ministry of Justice. The Bill was adopted by the National Assembly at the spring session of 2021, and Hungary deposited its instrument of ratification on 10 June. The Geneva Act entered into force in Hungary on 10 September.



*The Office participated in the preparatory work for the amendment of the **Patent Act** initiated by the Hungarian Pharmaceutical Manufacturers' Association.* The industry proposals were aimed at amending the bifurcation model, the compensation for damages caused by unjustified provisional measures in patent litigation and the Bolar exception rules. The amendments to the Act entered into force on 1 January 2022.



*In view of the provisions of Regulation (EU) 2019/787, which also contains provisions on the protection of geographical indications for spirit drinks, it was necessary to amend the provisions of Act XI of 1997 on the Protection of Trade Marks and Geographical Indications concerning geographical indications for spirit drinks. The relevant provisions were promulgated by **Act XXXVI of 2021 amending the Trade Mark Act**.*



An important legislative task was the implementation of the EU legal acts adopted in the framework of the EU copyright reform in coordination with the Ministry of Justice.

From the end of 2019 until May 2021, HIPO was continuously involved in the transposition processes of the so-called **SatCab** Directive and the so-called **CDSM** Directive in cooperation with the Ministry of Justice.

As part of the transposition process, HIPO and the Ministry of Justice conducted several rounds of public consultation from autumn 2019 until the first quarter of 2021. Direct public consultation on the proposal took place between 17 February and 1 March 2021. After its adoption by the National Assembly, the proposal was promulgated in the Hungarian Official Journal No. 81 on 6 May 2021. Its explanatory memorandum was published in the Bulletin of Explanatory Memoranda, No. 58, on 12 May and the Amending Act entered into force on 1 June 2021.

During the preparation of the amendment to Government Decree 26/2004 (26.II.) on the rules necessary for the implementation of European Community regulations on the supplementary protection of certain products, HIPO prepared the substantive text of the proposal. The law entered into force on 1 March 2022.



The Office continuously monitors intellectual property cases before the Court of Justice of the European Union (CJEU) and reviews CJEU judgments, which are published in a searchable CJEU case search database² on the Office's website.

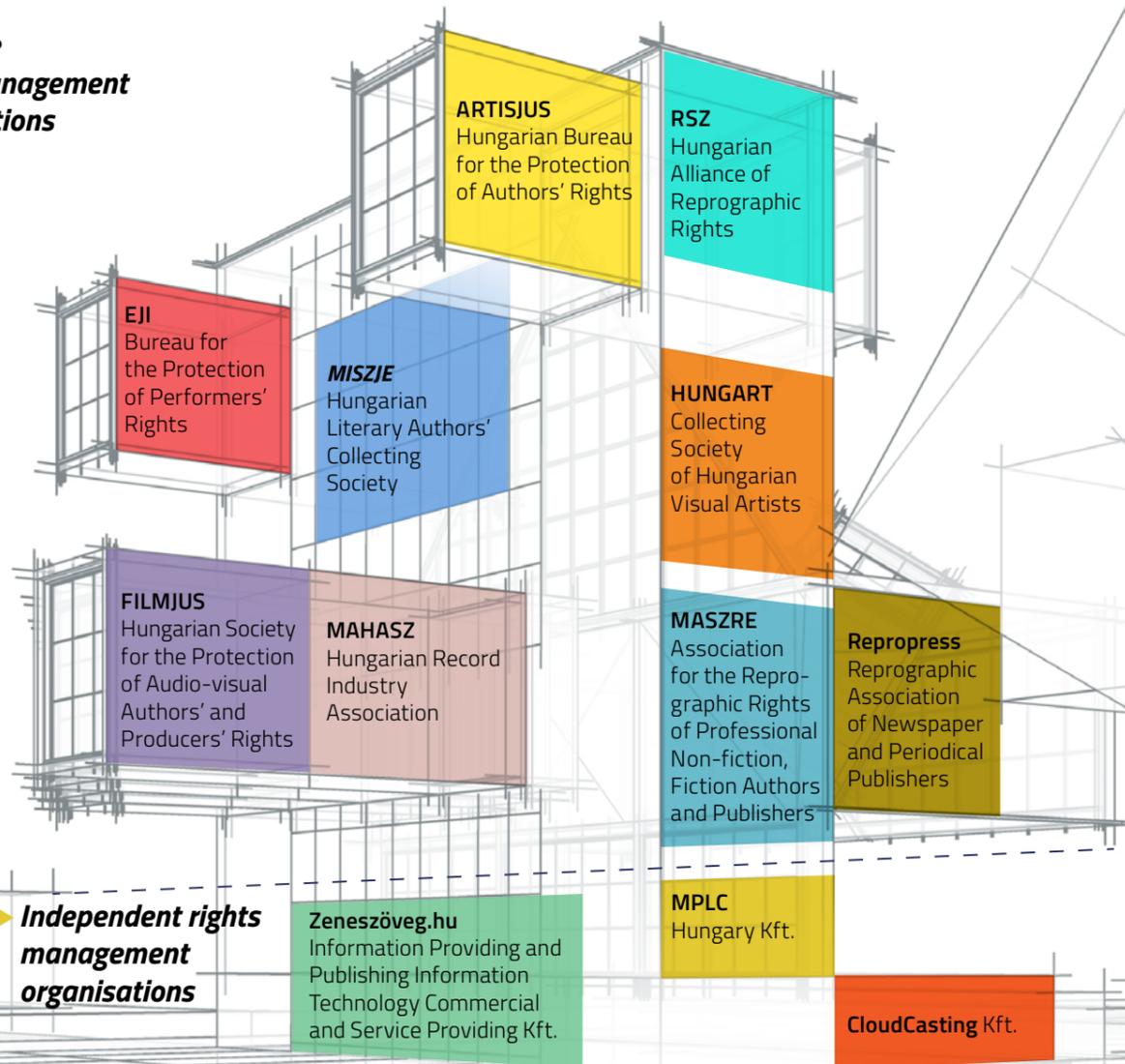
² | <https://www.sztnh.gov.hu/hu/szakmai-oldalak/joggyakorlat/eub-iteletek-kereses>

5/ Activities as a copyright authority

The tasks related to the supervision and registration of *collective rights management organisations (CMOs)* belong to the competence of the Office. In performing these tasks, HIPO provides for the maintenance of the online register of CMOs, updates the registered data, and uploads the documents to be published by the organisations. This competence extends to independent rights management organisations and to the authorisation of the activity of representative CMOs.

The following associations and companies were listed in the publicly accessible register (<http://kjk.szttnh.gov.hu>) at the end of 2021

Collective rights management organisations



Independent rights management organisations

One CMO, the **DIGITALFILM** Film Creators' Hungarian Digital Rights Society, submitted a request for removal from the register on 5 March 2021, reducing the number of supervised organisations by one.

17 CMOs have initiated registration proceedings in 2021.

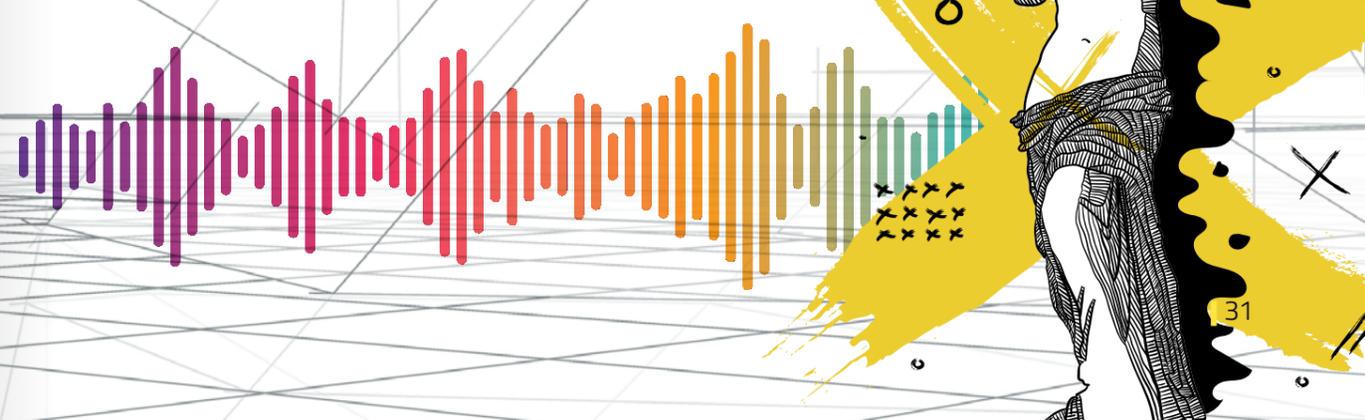
The supervision of collective rights management and independent rights management is subject to the obligation to initiate supervisory proceedings once a year in accordance with the rules of official control, and may be supplemented by **supervisory proceedings** as necessary. HIPO conducts annual supervisory proceedings each year following the submission of the annual reports of the CMOs. The supervised organisations have finally complied with their obligations to submit their **annual reports**. The Office has carried out the tasks related to the administration and registration of the **supervision fees** payable by the CMOs and the independent management organisations.

In the course of the annual supervisory proceedings of 2021, in addition to verifying compliance with the calls made in the monitoring proceedings for 2020, HIPO also examined the current operation of CRMs

and whether the conditions for registration were met on an ongoing basis. Of the 12 annual supervisory proceedings, five proceedings were concluded by decisions and the remaining seven by notifications. On 14 April 2021, HIPO initiated *necessary supervision proceedings* against a rights management organisation pursuant to Section 112(3) of Act XCIII of 2016 on the Collective Management of Copyright and Related Rights.

21 Six CMOs submitted tariff schedules to the Office

within the framework of the tariff approval procedure by the statutory deadline of 1 September 2021, in order to initiate the opinion procedure. The Minister responsible for justice approved 16 tariffs in their final form in the opinion procedure on 24 November 2021 and five tariffs on 29 December 2021.



Since 2006,
works and other subject-matters

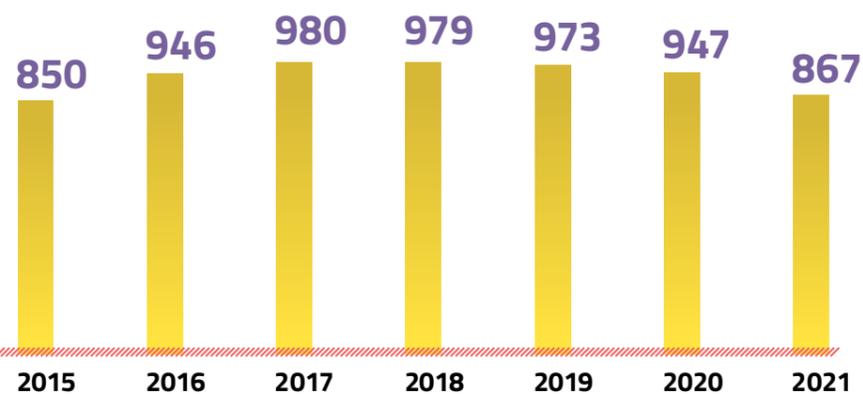
covered by Act LXXVI of 1999 on Copyright may be entered in the voluntary register of works kept by HIPO at the central customer service of the Office.

900 *The number of requests for registration has typically been around per year in recent years.*

The possibility of full electronic administration for the voluntary registration of works has been used in 418 cases. As a result of daily digitisation, all documents are available electronically on the Office's e-search platform.

Number of requests for works to be entered into the voluntary register of works

(2015–2021)



Orphan works are creations that are difficult to use because the right holder of the works is unknown or in an unknown place and the user cannot obtain permission from the author for lawful use. In order to address this situation, HIPO has become the authority responsible for the authorisation of the use of orphan works. During 2021, 12 applications were made for authorisation to use orphan works, 5% of which were for architectural works.

A comprehensive change in the way licence applications are handled was needed to deal with the new types of requests for use of architectural works.

6/ International IP diplomacy

In our international cooperation activities, we focused on exercising *Hungary's rights and fulfilling its obligations as a Contracting State of the European Patent Convention (EPC)* and a Member State of the European Union, on our international professional activities conducted within the framework of WIPO, as well as on our regional and bilateral IP cooperation. Owing to the coronavirus pandemic, most international events had to be organised online or in a hybrid format.

In the European Patent Organisation, at the meetings of the Administrative Council HIPO was represented by the President and the Vice-President for Technical Affairs. Our colleagues participated in the work of different bodies of the Administrative Council (Select Committee, Budget and Finance Committee, Technical and Operational Support Committee, Committee on Patent Law), played an active role in the working groups, and attended further trainings organised online by the European Patent Academy.

As in previous years, the staff of HIPO regularly participated in the meetings of *the Working Party on Intellectual Property of the Council of the European Union*, as well as in the committees operating alongside the European Commission, at expert meetings and other IP conferences.

The intensive cooperation with EUIPO was continued and further deepened. The senior management of HIPO participated in the ordinary meetings of the EUIPO Administrative Board and Budget Committee, while HIPO experts took part in the liaison meetings on trade marks and designs, as well as in the plenary sessions and numerous other events of the European Observatory on Infringements of Intellectual Property Rights. Within the framework of the EUIPO–HIPO cooperation agreement

27 *projects have been implemented.*

HIPO represented Hungary in the international cooperation within the framework of WIPO, and participated in the work of its committees, working groups and attended important events of the organisation. The 62nd WIPO General Assembly took place from 4-8 October 2021. At the session of the General Assembly on behalf of Hungary **Péter Szijjártó**, Minister of Foreign Affairs and Trade took the floor and ceremonially handed over a **Teqball** table to the international organisation, symbolising the combination of Hungarian innovative spirit and sportsmanship, which was followed by a bilateral meeting with Director General **Daren Tang**.

It is a sign of the success of Hungarian IP diplomacy that the member states elected **Csaba Baticz**, Head of Department of HIPO, Vice-President of the General Assembly of the Lisbon Union. The *Standing Committee on Copyright and Related Rights* of WIPO held its meeting on 28 June 2021. **Péter Lábod**y served as Vice-Chair of the Committee.



The Budapest-based Visegrad Patent Institute

(hereinafter "VPI") was established as an intergovernmental organisation in the field of patent cooperation by the four Visegrad countries, the Czech Republic, the Polish Republic, Hungary and the Slovak Republic. It acts as an *International Search Authority (ISA)* and an *International Preliminary Examining Authority (IPEA)*. As of 1 June 2017, the VPI receives search requests relating to international patent applications from nationals, enterprises and other organisations established in Lithuania, and as of 1 September 2020, it receives such requests also from users in Serbia. In 2021, the VPI received 116 requests for international search reports and 3 requests for international preliminary examination reports. Approximately two-thirds – 68% – of the requests were submitted in a national language (Hungarian, Czech, Polish or Slovak), and 32% were submitted in English.

5th *The VPI celebrated its anniversary on 1 July 2021.*

To mark this occasion, an online conference was organised by the VPI, under the auspices of the Ministry for Innovation and Technology, with the support of the National Research, Development and Innovation Office and in cooperation with the national intellectual property offices of the VPI's contracting states, including HIPO, on 7 July 2021.

On 6 January 2022, the Minister for Innovation and Technology appointed **Péter Lábod**y, Vice-President for Legal Affairs of HIPO, as the person authorised to represent Hungary, and confirmed the appointment of **Dóra Gyetvainé Virág**, Vice-President for Technical Affairs of HIPO, as substitute representative in the Administrative Board of the VPI.



Hungary will chair the Administrative Board in 2022.

7

Development of IP culture and information

The professional partners and the customers of HIPO, interested in issues of intellectual property protection, were able to choose from a variety of services and programs of awareness raising, information provision and education also in 2021.



Among **enterprises** – especially among small and medium-sized enterprises (SMEs) and startups – and among the professors and students of **higher education institutions**, HIPO raises awareness of the importance of enhancing knowledge of industrial property and copyright protection, of the fact that obtaining IP rights ensures a competitive edge for them on the market.

1 Awareness raising among enterprises

In the field of enhancing the IP knowledge of enterprises, HIPO found an important partner in **Piac és Profit** business magazine, which regularly organises conferences for SMEs, in co-operation with the local chambers of commerce and industry. In 2021, by joining the virtual events,

20

HIPO could reach as many as 1,900 SMEs by awareness-raising presentations.

16

*HIPO has contracts for an indefinite period with **County Chambers of Commerce and Industry and 6 PATLIB centres***

(University of Debrecen, University of Miskolc, University of Sopron, University of Pécs, University of Győr and University of Szeged) to operate an IP info point.



In the second half of 2021, the EPO launched a programme for PATLIB centres, called **Patlib 2.0**, with the aim of renewing the centres and their service portfolio. Currently, the assessment of the level of the centres' services is taking place in order for HIPO to get a picture where it can count on them or where they expect assistance from the Office.



In the framework of examining the service opportunities for supporting the Hungarian SMEs, in 2021 HIPO prepared the concept of domestic certification of the **ISO 56005:2020 IP management standard**.



At the November event of FIVOSZ, called **Week of Enterprises**, one of the participants of the IP rights round table was the President of HIPO.



The Office participated, among others, in the **Digital Startup Safari** event with a presentation on IP, a trade mark and design workshop and with dedicated customer service hours.

2

IP education



The Office operates the education system on IP, organises the industrial property and copyright exams, as well as the patent attorney exams. With regard to the pandemic, similarly to the previous year, HIPO organised its trainings in an online format also in 2021.

HIPO can look back on a long history of cooperation with the Hungarian higher education institutions.

In this framework in 2021 IP protection as an independent subject of a semester was announced in 12 faculties of **9 higher education institutions**.



In a further 4 higher education institutions the teaching of IP knowledge was integrated into a subject offering entrepreneurial/ technical/ legal/ social and/or scientific knowledge. The teaching of the subjects "Intellectual property protection" and "Innovation management and industrial property" was realised in E-learning format in 6 higher education institutions, with the participation of a total of **758 persons**.

758

The basic, intermediate and advanced level industrial property courses, the basic and intermediate level copyright courses as well as the specially targeted courses organised by HIPO play an important role in IP knowledge sharing.



Basic level industrial property course took place on 5 occasions with **172 participants**,

basic level copyright course took place on 3 occasions with **86 participants**.



26 participants concluded successfully an intermediate level **industrial property course**,

while **intermediate level copyright course** started with **32 participants**.



The fourth semester of the **advanced level** industrial property course took place in 2021.

In September a new advanced level industrial property course commenced with the participation of the officials of the Office.



On 25 occasions, HIPO organised specially **targeted courses**, further education on IP and search practice for various institutions and target groups. In addition, HIPO participated in exhibitions, international fairs with counselling and presentations.

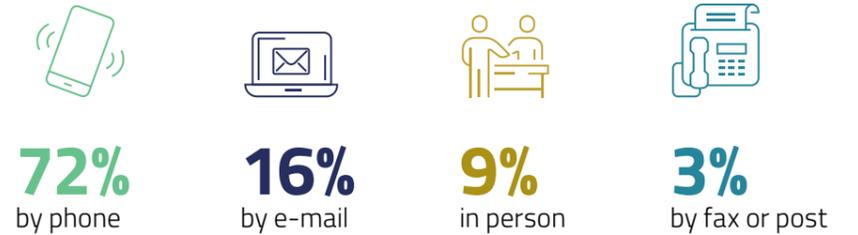
Courses on intellectual property given in cooperation with HIPO at higher education institutions



University	Separate course	As part of other courses	E-learning
Corvinus University of Budapest	Yes	Yes	No
Budapest University of Technology and Economics	Yes	Yes	No
Eötvös Loránd University	Yes	Yes	No
Hungarian University of Agriculture and Life Sciences	Yes	No	Yes
University of Miskolc	Yes	No	No
University of Nyíregyháza	Yes	No	Yes
University of Pannonia	Yes	No	Yes
University of Sopron	Yes	No	Yes
University of Szeged	Yes	No	No
University of Pécs	No	Yes	No
Moholy-Nagy University of Art and Design	No	Yes	No
University of Debrecen	No	No	Yes
Eszterházy Károly University	No	No	Yes

7/3 Customer service

Breakdown of queries received by the central customer service by its means



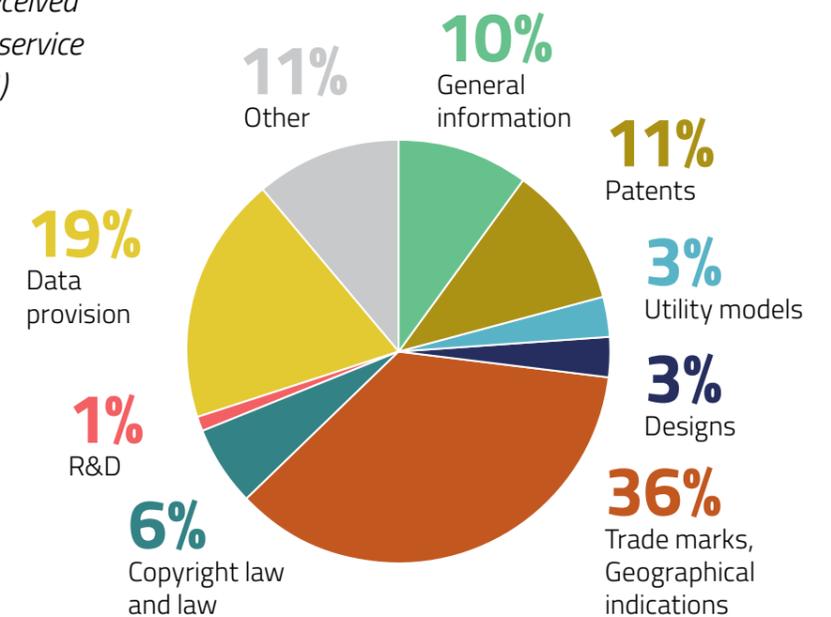
18 072 In 2021 the Office's central customer service received queries, which was 15% higher

than the previous year's number. Among the forms of information request, the queries made by phone were the most popular. 71.8% of the queries were made by phone. About 13 thousand such queries were received by the Office. As a consequence of the pandemic, the number of queries made in person further decreased by one-third (1,543), its proportion fell to 8.5% from 15% in the previous year. Also, as a consequence of the pandemic, the number of queries received in an electronic way increased considerably – by 32% – (2,823). The number of queries received by fax or post decreased (620).

In line with the expectations of a quality service Office, HIPO offers, in addition to the cost-free customer service information, advanced level **intellectual property services** for its clients subject to payment.

HIPO thus offers two trade mark and seven patent search services, the patentability report related to the IPARJOG call for applications, as well as the free of charge IP Diagnosis service.

Breakdown of queries received by the central customer service by field of interest (2021)



74 Provision of comprehensive information on Intellectual Property protection



The official journal of HIPO, *the Gazette for Patents and Trade Marks*, containing our official publications, is published with free of charge access on the website of HIPO in pdf format, in electronic form and certified by electronic signature, in line with Act CXXX of 2010 on legislation. The publication continues to be widely read by interested professionals.



254 In 2021 more than thousand pdf documents were downloaded, the number of html visits surpassed 208 thousand.

The Industrial Property and Copyright Review has been published bi-monthly for 16 years as an independent periodical. As a result of the Office's change of attitude, the periodical is accessible already at its publication in its entirety and can be downloaded in electronic format from the website.



The website of HIPO – www.sztnh.gov.hu –

can offer professional information both to potential clients who are less well-informed and to professional users. The high interest in the portal is shown in the fact that in 2021 **493** thousand individually identifiable visitors visited the portal on 1.39 million occasions and downloaded 13.5 million pages. The amount of the downloaded data was 4,658 gigabyte (turnover without robots).

Users can access useful e-administration and information services on the website such as **e-administration, e-search and e-register**. In addition to these, they can use the **TM e-Filing** system to file trade mark applications, the **TMView** system for electronic trade mark search, the **DesignView** database, which contains designs protected in the European Union, as well as the **GIView** database containing geographical indications.

Visits to HIPO's website



Year	Number of visitors	Number of visits	Pages downloaded	Data downloaded
2020	496 thousand	1.23 million	13.0 million	4 128 GB
2021	493 thousand	1.40 million	13.5 million	4 658 GB

In the field of press and communication it was an important goal to make more and more layers of society and economic actors aware of the Office's work and activities, and to educate enterprises, researchers and interested circles so as to enable them to achieve a greater economic advantage through intellectual property protection. Thus, news about the Office were published ever more intensively both in the print media and in the radio or television.

Last year

10	40	14	950	150
press events,	press releases,	interviews with the President,	news items,	radio and television interviews or reports

conveyed the Office's activities to the public.

In the field of sponsored contents, HIPO has a permanent section every Wednesday morning in Jazzy Radio.

1 019 

HIPO's presence in the social media further intensified, the number of followers increased. This is demonstrated by the 1019 followers on LinkedIn, the 4,200 followers on Facebook, the 330 followers on Instagram and the 234 subscribers of Youtube. With its posts HIPO could reach up to 15-20 thousand persons. The most popular posts were those describing inventors, well-known personalities or interesting inventions.

4 200 

330 

234 

The Frecskay János Special Library is a nation-wide public special library, which has a unique collection in the field of intellectual property; most of its reference books and periodicals cannot be found in other libraries in Hungary.

25 292 documents were taken stock of at the end of 2021



– printed, audio-visual and electronic publications. In order for user-friendly accessibility and searchability of this unique public collection content by the broader public, 400 thousand pages have already been digitalised. The digitalised, text searchable pdf files were published on the Hungaricana Hungarian Cultural Heritage Portal.

75 IP events, prizes

HIPO plays a leading role in the organisation of domestic IP events and in giving recognition to creators and communities of creators showing outstanding achievements. Due to the pandemic, the events were organised in an online or hybrid format by the Office.

125th

The most prestigious event of the year 2021 was the jubilee of the establishment of HIPO; on this occasion on 1st March the Office celebrated its anniversary with a grand gala.

On 26 April 2021, on the occasion of **the World Intellectual Property Day** the virtual festivities were enriched by an online conference, entitled "IP and SMEs: Taking Your Ideas to Market", co-organised by professional organisations.



The **Jedlik Ányos Prize** giving ceremony took place on 9 June 2021. **Jedlik Ányos Prize** was awarded to:



Imre Dékány DSc full professor, professor emeritus;

Andrea Fekete DSc paediatrician, associate professor of the 1st Department of Paediatrics at Semmelweis University, Executive Director of SigmaDrugs drug development startup;

Katalin Karikó DSc research biologist, biochemist, Senior Vice-President of BioNTech RNA Pharmaceuticals GmbH;

András Kotschy DSc, Director of Servier Hungária Pharmaceuticals and leader of the research group;

András Szecskay attorney-at law, founding partner of Szecskay Attorneys at Law, Chairman of the Hungarian IP and Copyright Association.

At this event HIPO's special prize, **the Hungarian Innovation Grand Prize** was also awarded. The recognition was given to **Hagyó Kft.**



On 2 September 2021 the Office organised **the Millennium Prize** giving ceremony at the MOME University of Art and Design. The awardees were the following:

Cirko Film – Másképp Foundation,
Research Centre for Natural Sciences
of Eötvös Loránd Research Network,
Élet és Tudomány weekly,

Hungarian Design Cultural Foundation,
REGIO Toy Kft.,
SANOFI,
Tankcsapda.



On 3 November 2021, on the occasion of the celebration of Hungarian Science, **the Academy Patent Prize** was awarded. In 2021 the Academy Patent Prize was presented to:

Klára Mészáros DSc, PhD, senior research fellow at the Centre for Agricultural Research of the Hungarian Academy of Sciences;
László Bartha DSc, doctor of the academy, professor emeritus;
András Málnási-Csizmadia DSc, doctor of the academy;
Dezső Varga PhD, senior research fellow.

The Office continued with the **webinar series** introduced in the previous year. At the events organised in this framework the number of interested participants multiplied compared to the previous year's 30-40 professional participants.

On 30 March at the webinar, entitled "**Patenting strategies**" 152 persons registered, and on 13 July at the webinar, entitled "**Protection of innovations in the world of IT**" 144 persons registered. It is an important result that by the series we could also reach experts outside the profession.

The business conference, entitled "**Value from an idea. Conscious protection of intellectual creations**" co-organised by HIPO and Világ gazdaság, held on 9 September, attracted numerous participants. At the conference outstanding representatives of the IP profession gave presentations on the importance of intellectual property protection.

In November the HIPO-MIE conference, entitled "**Topical questions of intellectual property protection**" was organised in hybrid format. The conference was announced at the Hungarian Bar Association (HBA) as a training event, therefore, the participating members of HBA gained credit points. 72 attorneys, trainee attorneys, legal counsellors of the chamber claimed the eight credits available.



8/1 Efficient management Information technology



Also in 2021, HIPO's IT system effectively and seamlessly provided the information technology background necessary for the official and service activities,

it successfully performed the tasks related to the increased use of e-administration. The IT department took part in the systematic planning of the analytic, integration and data migration tasks of the **Back Office** project, which aims to renew the internal case management system of HIPO. The IT team also participated in the discussions with the project organization and the experts of the EUIPO.

The development of digitalisation, the gaining ground of e-administration generate surplus tasks, as the ratio of *official documents filed electronically increased to 54%, which means a monthly average of 1200 documents.*

The ratio of applications filed electronically also increased considerably for every title of protection.

The most important IT development tasks performed in 2021 by the IT department were the following



Árfor (Nice Class Hun-English translator application)	eSignature (HIPO electronic signature microservice integration with BO)	ELO_Numbering (ELO Application number service)	Accepto (HIPO Similarity search system)
CTI - Former TM/DS View (Former TM DS View service to be replaced by CTI)	WIPO IF (WIPO International TM interface for bilateral communication)	EPUB (HIPO Publication database and search services)	SAP (HIPO Accounting system for payment integration)
Authentication (Authentication infra service integration)	User-Roles-Groups (User roles and groups management)	Audit (Log management)	Kibana (Reporting tool)
Software Package (Overall architecture document)	Alfresco (EUIPO Document Management System)	ELO Correspondence	ELO eFiling, Decision Desktop (EUIPO Letter management tool)

HIPO's information security is stable.

The Office fulfilled the information security obligations prescribed for public administration organs. As a result of the staff's awareness and the operation of a multi-level information security system, no serious information security incident occurred in the Office.

2 Financial management

The operational expenditures of HIPO are covered by its own income that originates from administrative, service, maintenance and renewal fees regulated by a ministerial decree, from revenues due for international proceedings, revenues based on agreements, from payments for services performed by the Office, as well as from other revenues.

HIPO's expenditure structure is stable and has not changed for years.



Operational expenditures

33.1%
current (goods) expenditures

10.1%
other operational expenditures

45.2%
personnel costs and contributions

11.6%
investments

3 966.2

In 2021 for the continued operation of HIPO, HUF million were available as original estimate of expenditure.

The 94.0 % use of the modified estimate of expenditure resulted in an actual expenditure of HUF 4 932.9 million.

3 996.2

The Office's grand total of revenues in 2021 was set at HUF million.

The actual revenue of HUF 4 714.4 million without the financing revenues surpassed the original estimate by 18%.



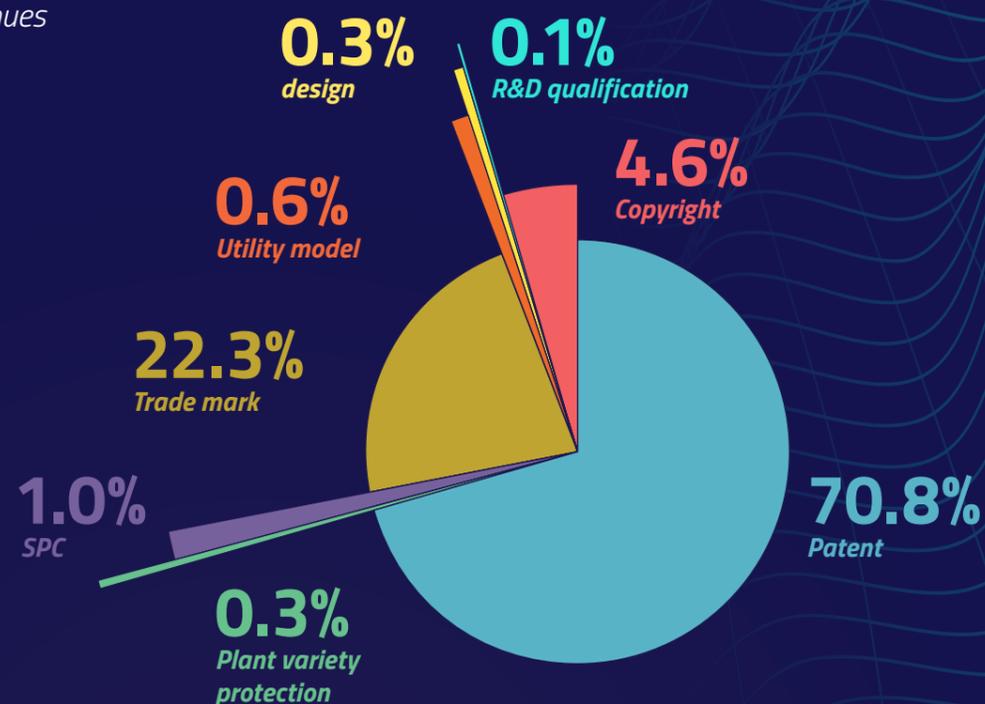
93.1%

94.1% of the Office's revenues consisted of administrative fee revenues. Also in 2021, the largest proportion of the latter – 70.8% – came from patent administrative fee revenues and trade mark administrative fee revenues – 22,4%.

In 2021 approximately of the patent administrative fee revenues originated from

fee payments effected by right holders who had their seat abroad. These latter were procedural and maintenance fees for European patents validated for Hungary and international patent procedural fees.

Breakdown of administrative fee revenues (2021)



One of the biggest institutional projects of the year 2021 was the moving of the administrative official documents into new, secure archives from the central archives of the Office consisting of six basement storages.



Until 30 April 2021, the lessor arranged and fitted out the new archives in the earlier selected premises to meet the needs of HIPO. The new archives can be found in the 9th district of Budapest, under 158 Soroksári út, on the ground-floor of a listed building. It is a storage room of

1000 m² of floor area with 4 meters of interior height,

with its own front door, which the National Archives of Hungary also found appropriate for the purposes of archives.



9/1 Bodies Hungarian Design Council

Several bodies operate alongside HIPO, which plays a determining role in their work. From among these the most important ones are the Hungarian Design Council, the National Board Against Counterfeiting, the Council of Copyright Experts and the Body of Experts on Industrial Property.

The Hungarian Design Council (HDC) as a consultative body assists the strengthening of the Hungarian national economy's competitiveness with the tools of design culture. The presidential tasks of the HDC are performed by the President of HIPO, **Gyula Pomázi**.

42th The Hungarian Design Award competition was announced in the name of the Ministry of Innovation and Technology for the time in 2021.

One of the main purposes of the competition was to showcase the economic potential of design. 11 works won the 6 awards and 4 special awards of the competition in 4 categories: product, design, visual communication and student work.

The Design Management Award, founded by the HDC, was presented to **the Radnóti Miklós Theatre Nonprofit Kft.** in 2021.

HIPO's **intellectual property diagnosis special prize** was awarded to **Györgytea Kft.**,

a further three organisations – **Artmagazin, BuildEXT, Hard Body Hang** – received a document of recognition.

For more than three decades, the **Moholy-Nagy László Design Scholarship Programme** has supported the professional development of young designers. One of its successful projects is the latest version of **"Start Up Guide – Business advice for start-up enterprises in the creative industry"**, an online, up-to-date, freely downloadable practical guide.

10 days
200+ programmes
40 countries
250 000 people reached (online)



One of the tasks of the HDC is the organisation of the **Budapest Design Week**, which is by now an internationally recognised festival of the design profession. For ten days, the design event was open to the public with exhibitions, presentations, workshops, open work rooms, and roundtables, with more than 200 programmes. Its online sites were visited from more than 40 countries. Its central Facebook event reached as many as 180 thousand persons, the programmes' own events reached more than 250 thousand persons on the largest social media site. On the occasion of the **Budapest Design Week**, a new Budapest Design Map was issued, as the most comprehensive guide of the capital's design life.

9/2

National Board Against Counterfeiting

In order to reduce the supply of counterfeit and pirated products,



to enhance the effectiveness of enforcement action in the fight against counterfeiting and to mitigate the infringement of IP rights, the National Board Against Counterfeiting (NBAC) draws up proposals for regulation, organises awareness-raising events and conducts surveys. The President of the NBAC is **Judit Varga**, minister of justice, its Vice-President is **Gyula Pomázi**, President of HIPO.

NBAC brought about close cooperation with domestic and international organisations interested in the fight against counterfeiting. It participated in international actions, like **STOP, SHIELD and PANGEA**, aiming at the containment of counterfeit products.



Also in 2021, NBAC prepared its annual survey on the population's attitude towards counterfeiting and piracy, and carried out its current survey on food supplements. It also took part in the organisation of several conferences.



In co-operation with the National Institute of Pharmacy and Nutrition (NIPN) it organised a scientific-professional further training programme, entitled **"The 21st century challenge of drug and patient safety: Mitigating the risks of online distribution of pharmaceuticals and counterfeit medicines"**.

It co-organised the online brand protection training, entitled **"PHARMA WEBINAR: COVID-19 vaccines and face masks"** with the anti-counterfeiting service, REACT, based in the Netherlands. At the enforcement conference of 2021 the experts of the EUIPO, EUROJUST, the National Tax and Customs Administration (NTCA), the National Police Headquarters, NIPN, the Ministry of Justice, HIPO and NBAC discussed in an online form the current international and domestic issues of enforcement.



With the assistance of the marketing authorization holders, the distributors and the NIPN, NBAC organised the compiling of the **"Vaccine guide"**, by which it supported the work of NTCA's experts, and thus, it facilitated that the vaccines reach their destination through legal channels during the pandemic.

9/3

Expert bodies

The Council of Copyright Experts gives expert opinion to the courts and other authorities on issues arising in copyright legal disputes, and expert opinion may also be requested from the body before the starting of legal proceedings or for out of court purposes. In 2021 the Body received 39 invitations or appointments for giving expert opinion and 3 requests for supplementary expert opinion, concerning 16 types of work. During the year 37 expert opinions were completed.

On legal disputes concerning industrial property rights the courts and other authorities as well as clients may request the opinion of the Body of Experts on Industrial Property.

In 2021 the Body received a total of 13 requests or assignments. Regarding their subject matter, they mostly concerned the different fields of industrial property protection.





Hungarian Intellectual
Property Office

Imprint

Published by the Hungarian Intellectual Property Office in April 2022

Responsible publisher: **Gyula Pomázi**

Editor: **Krisztina Botos-Penyigey**

With the contribution of: **Erika Sajtiné Sándor**

Peer-review: **Borbála Bak**

Graphic design: **Míra Judit Szántó**

Translation into English: **Ágnes Kincses, Gábor Somogyi**

Peer-review of the translation: **Csaba Baticz**

HIPO, 2022

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