



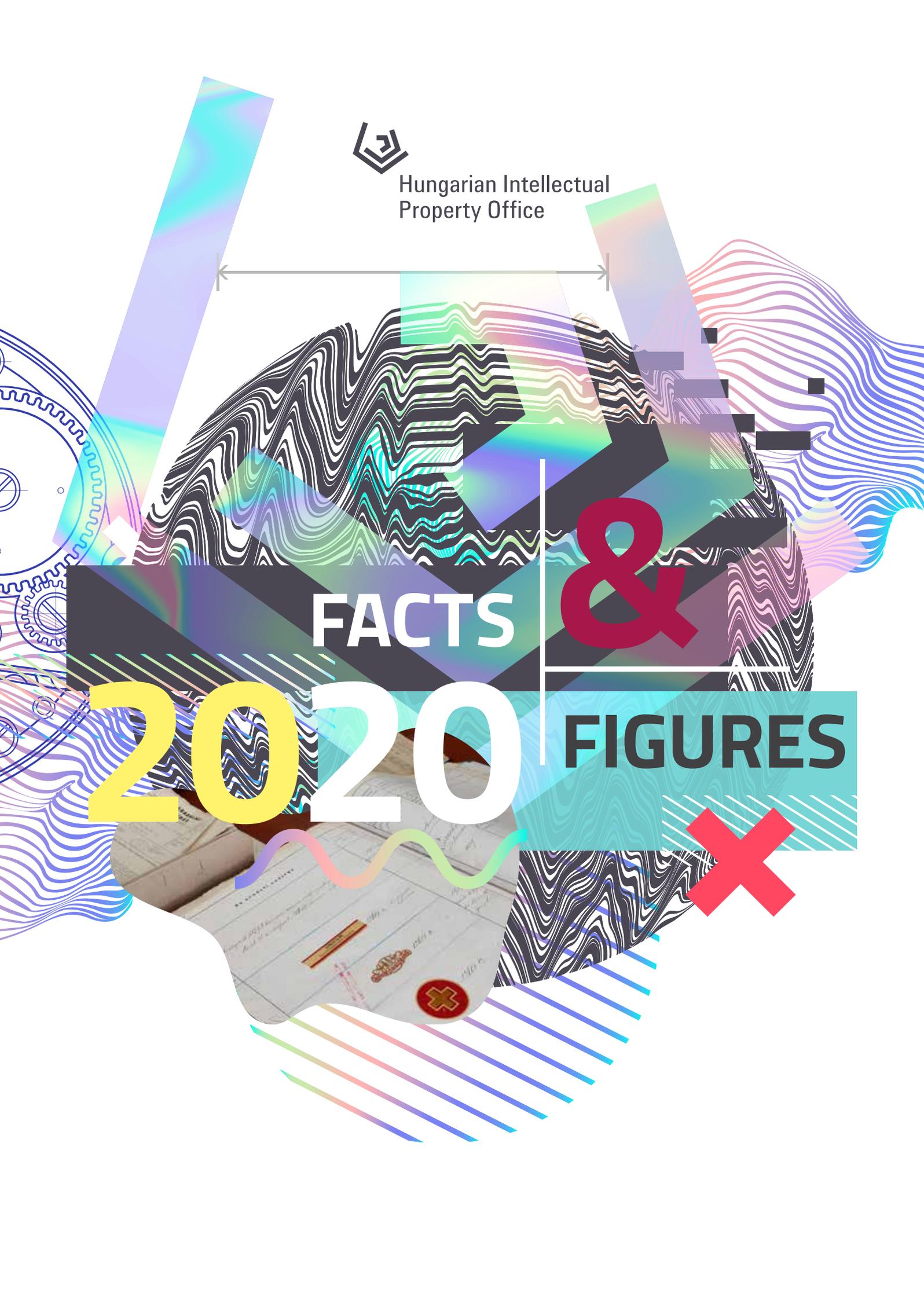
Hungarian Intellectual  
Property Office

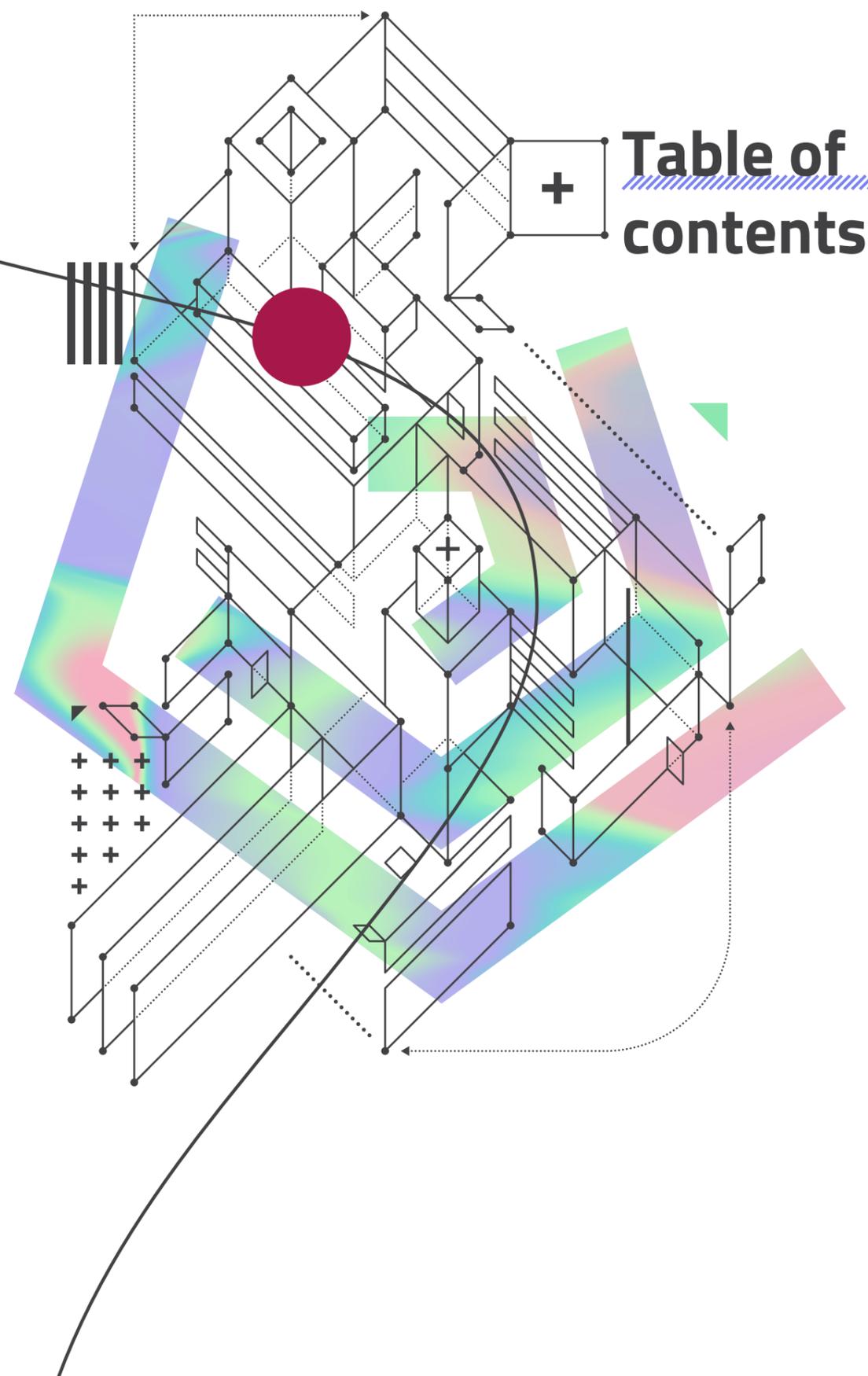
FACTS

&

2020

FIGURES





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## Dear Readers,

*Last year was marked by actions and challenges that proved to be vastly different from the usual practices of previous years or decades.*

In spite of the difficulties brought about by the coronavirus crisis, we can conclude that no significant changes were effected in the daily operation of the Hungarian Intellectual Property Office (HIPO) in 2020, even though the situation necessitated discovering new, sometimes unexplored digital ways to comply with the new health regulations.

At the onset of the epidemic last spring, we managed to ensure the continuity of our Office's activities by applying state-of-the-art information technology methods and relying on the IT and professional conditions created for e-administration in the past years. It was gratifying to see the creativity unleashed in order to find innumerable new solutions to help manage the situation, as a result of which we could provide a practically smooth transition to online forms of consultation with our external partners and to online performance of tasks. In this respect, the National Board Against Counterfeiting (NBAC) and the Hungarian Design Council (HDC) reacted with the required efficiency: the first managed to establish closer cooperation with national and international organisations interested in taking action against counterfeiting, while the latter was able to organise its traditional events (the Budapest Design Week, the award ceremonies of the Hungarian Design Award, the Design Management Award and the Moholy-Nagy László Design Scholarship).

I believe our colleagues coped with the situation with full professional competence and quickly got used to the new working conditions. One particular example, in fact, extended into 2021:

*on 1 March we commemorated the 125th anniversary of HIPO mainly on online platforms but nonetheless in a way worthy of the occasion.*

In 2020, like before, it was the Offices' aim to make more and more enterprises in Hungary realise the significance of different types of intellectual property protection, since it makes them and our country more competitive. Fortunately, we can report progress in that field, too: companies in Hungary are beginning to show more intensive IP protection activity. Our concept of success, however, has also been rewritten by the growth in certain sectors of the economy due to the pandemic. An integral part of the new approach is that those who manage their intellectual property rights will emerge stronger from the crisis than those who do not. To this end, it is indispensable to raise awareness among enterprises (or if they are aware, to further incentivize them), as intellectual property or ideas can only turn into profit if we protect them properly.

And protect them we shall, since a study published in 2021 by the European Patent Office and the European Union Intellectual Property Office has proven that

*nearly one half of the EU's GDP is generated by IP-intensive sectors; moreover, these enterprises pay their employees above-average salaries.*

We can conclude that intellectual property has become an issue of national strategy, and therefore it is clear that it will become the most important factor in increasing our competitiveness in the next 10 years. Enterprises in Hungary are still at a learning stage but we are on the right track, as borne out by a study published by the World Intellectual Property Organisation (WIPO) and by the data of the EUIPO, showing that

*despite the pandemic there was a growth in the number of national, international as well as European trademark applications in the course of 2020.*

Furthermore, the number of European patent applications by natural persons and entities in Hungary increased by 10 per cent as compared to the previous year. We can be proud of these results since they indicate a raised awareness in the innovation ecosystem of Hungary. Our task remains, however, to continue our work with the usual professionalism, providing maximum support for our clients and making thereby intellectual property one of the pillars of Hungarian economy.

**Gyula Pomázi**

President

Hungarian Intellectual Property Office

# Client-centered Industrial Property Authority

The Hungarian Intellectual Property Office (hereinafter 'HIPO' or 'Office') is the central government office responsible for the protection of intellectual property, i. e. the intangible assets of the economy, as well as of science and culture. The activities of the Office cover the areas of industrial property and copyright, and they also include the tasks relating to the qualification of R&D activities, as well as the procedure of entering into the register start-up enterprises and enterprises supporting start-up enterprises. HIPO is directed by the government, and as of 22 May 2018, the right of supervision over the legality of its operation is exercised by László Palkovics Ph.D., minister for innovation and technology.

The Hungarian Intellectual Property Office is the authority that has the longest history of dealing with innovation. Its predecessor, the Hungarian Royal Patent Office was established 125 years ago, on 1 March 1896, pursuant to Act XXXVII, as the first national authority of the Austro-Hungarian Monarchy. Thus, the Office performs the core task of protecting Hungarian intellectual creations since 125 years.

# 125

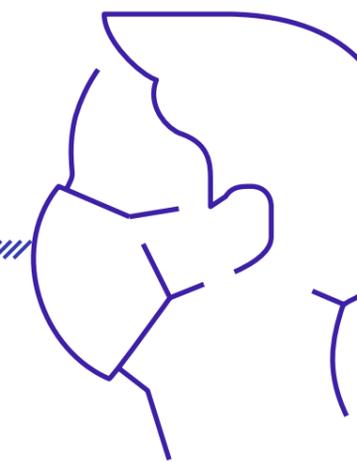
# 1896

# 2020

2020 was an extraordinary year for the Office as well. Taking into account the COVID-19 pandemic as well as the government measures applicable during the period of the state of danger, the work of the Office was structured in such a way as to ensure adequate safety both for the clients and the staff of HIPO. The Office's working arrangements had to be modified in order to ensure flexible adaptation to the changing new circumstances.

# S

In spite of the extraordinary circumstances resulting from the state of danger, in 2020 the Office continued to perform its functions according to high standards, focusing on its clients, efficiently, and in line with the expectations set by of a tradition of 125 years. HIPO operates in accordance with the requirements of the ISO 9001:2015 Quality Management standard and the ISO/IEC 27001:2013 Information Security Management standard, which was certified also by the renewal audit conducted by SGS Hungária Kft at the end of 2020.



# 1 Activities as an Industrial Property Rights Authority

*Despite the pandemic, for each title of protection the number of applications filed in 2020 via the national route showed a modest increase compared to last year.*

Thus, the growth trend of industrial property activities starting in 2019 was not thrown back by the pandemic and that is probably the consequence of the R&D investments made in the previous years. These results also show that the innovative operators of our national economy become more and more aware of the fact that, in addition to research, development and innovation activities, the key to economic competitiveness is the protection of the intellectual property rights derived from the results of such technology developments.



*In 2020, the number of patent applications filed via the national route increased by 1.3%, of applications for supplementary protection certificates by 1.8%, of applications for design protection by 4.5%, of designs in those applications by 22.6%, and of trade mark applications by 2.4% over the previous year.*

**+1,3%**

**+1,8%**

**+4,5%**

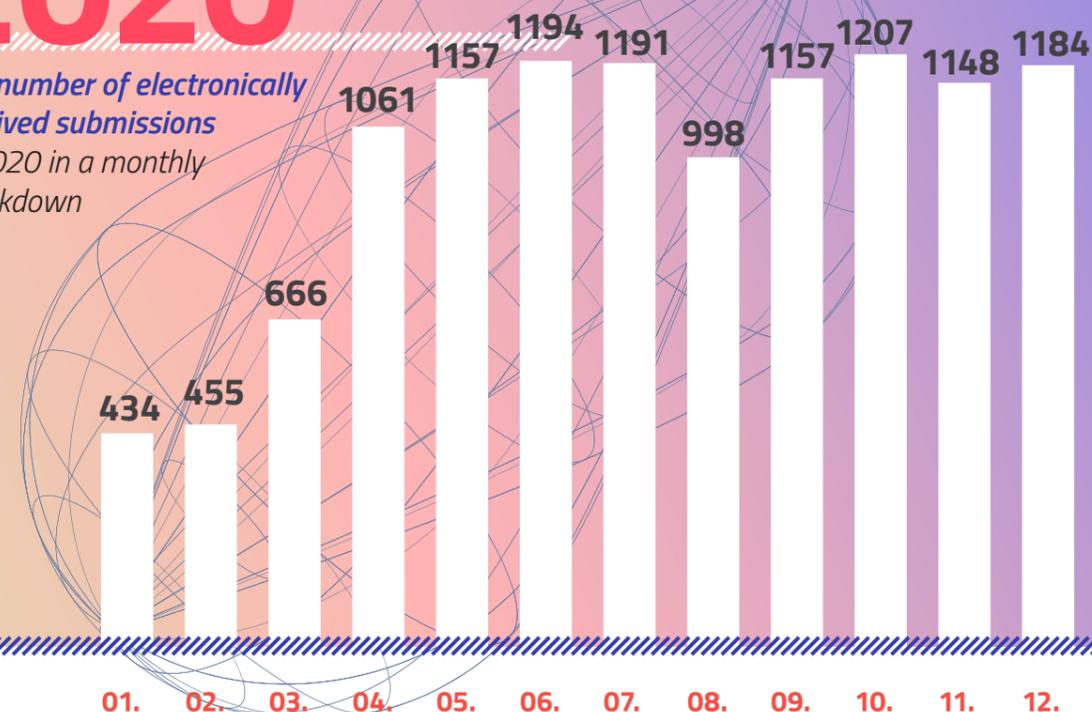
**+22,6%**

**+2,4%**

Due to the continuance and the geographic extension of the epidemic, the international prognoses forecast declining numbers of applications, and already in 2020 one could notice the first negative signals concerning the activity of foreign right holders in Hungary. In contrast to previous years, the number of applications for the validation of European patents in Hungary showed an exceptional decrease of 11%. As a consequence of the restrictions due to the pandemic (postal services, closure of offices), under the WIPO-administered Madrid System for the international registration of trade marks, the number of applications designating Hungary and the number of applications for subsequent extension of territory was 27% smaller than in the previous year.

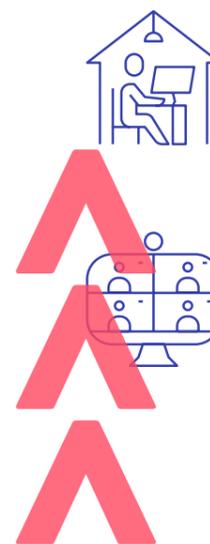
# 2020

*The number of electronically received submissions in 2020 in a monthly breakdown*



The positive aspect of the COVID-19 epidemic was the progress made on the way to becoming a digital Office. During the pandemic HIPO oriented its clients toward the previously developed electronic administration (e.g. e-filing, e-communications) and other services (e.g. use of data bases). The use of available electronic platforms increased not only in the field of filing applications and submissions but the transition to online communications was also successful in the case of education, training and other domestic events.

*Events organised digitally or in a blended form were so productive that the Office could manage to disseminate IP related contents to many more participants than in the past.*

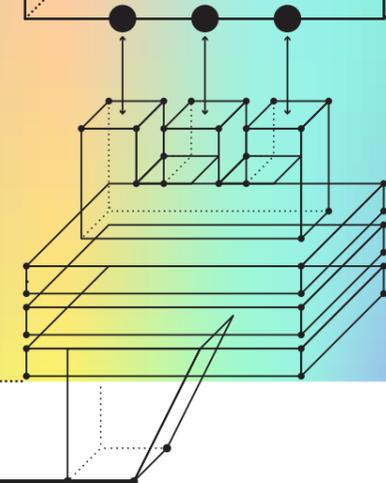
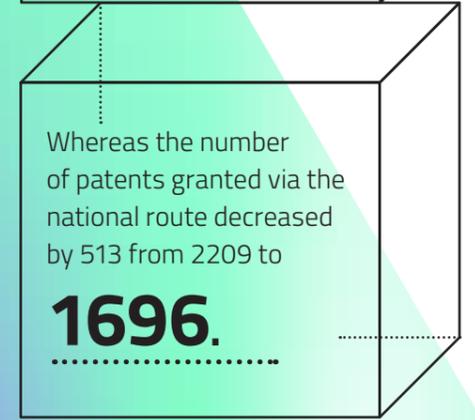
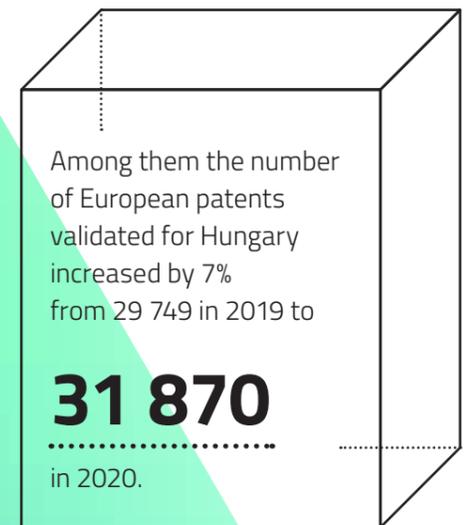
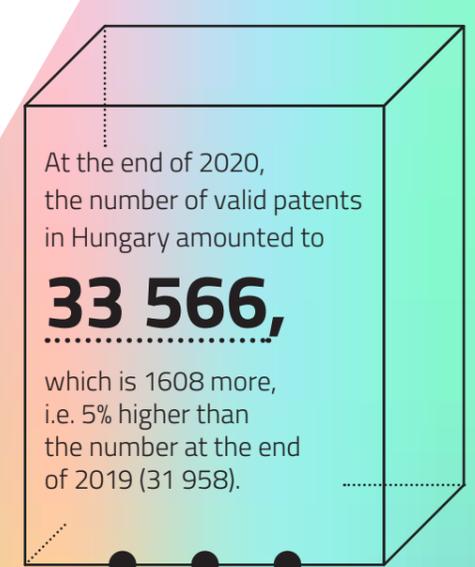
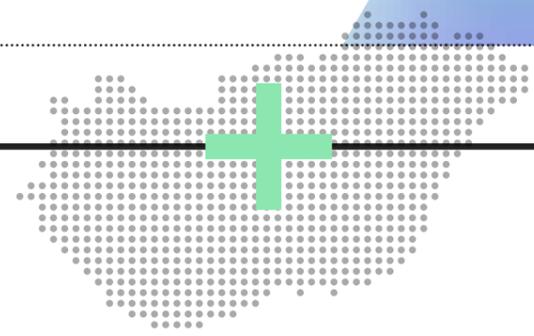


# 1/1 Main protections valid in Hungary

*The economic significance of valid domestic protections is that all operators on the Hungarian market – such as domestic SMEs, research institutes, Hungarian farmers and multinational companies operating in the country – should pursue their production, sales and R&D activities by taking account of these monopoly rights, otherwise they are committing infringements.*

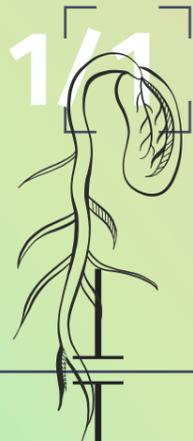
The continuous growth of these monopoly rights invigorates market competition, may promote technology transfer, cooperations in the field of R&D and trade in licences, it may stimulate investments and is suitable to strengthen business and investor confidence even in high-tech sectors otherwise prone to significant risks.

The number of protections valid in Hungary continued to increase compared to the previous year mainly because of the further increase of European and Community protection titles valid in our country. At the same time the total number of valid protections granted via the national route or within the framework of international cooperation changed to an equal or lesser extent than in the previous year.



In the period between 2010 and 2020 the number of valid European patents nearly quadrupled and in the period between 2015 and 2020 the increase amounted to more than 80%.

**+80%**



The number of plant variety protections valid also in Hungary exceeded 29 thousand, which is 3% more than in the previous year. The number of national plant variety protections increased as well, at the end of 2020 there were 167 valid protections compared to 119 in 2019.

The number of national trade mark protections was 54 thousand, about the same as in previous years.

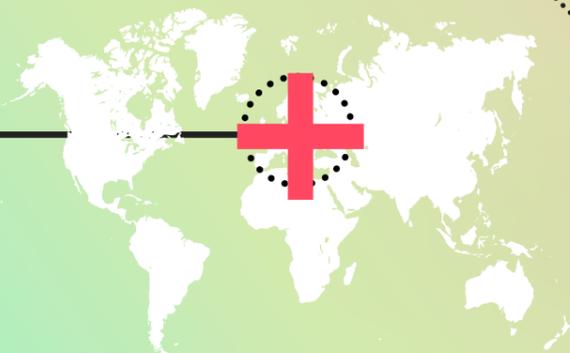
Owing to the diverting effect of the European Union trade mark system and the restrictions due to the pandemic the total number of valid international trade marks (registered under the Madrid System) decreased slowly during the past years, and from 83 thousand in 2019 to 80 thousand in 2020, i.e. by 4%.

Foreign applicants who wish to obtain protection covering several countries are opting since several years in increasing numbers for European Union trade marks (EUTMs), which ensure protection for the whole territory of the EU.

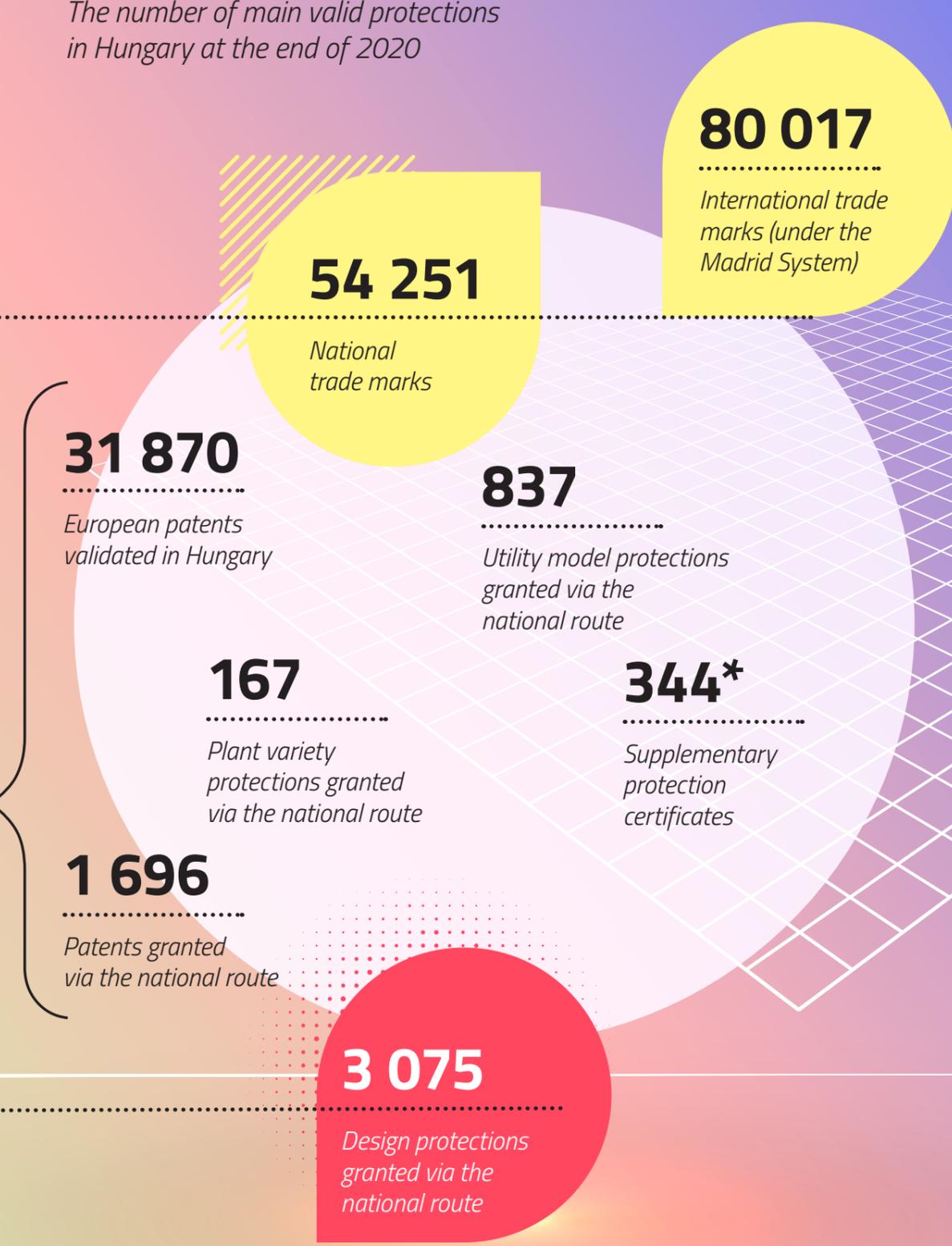
Consequently, there was a further growth in the total number of EUTMs, which are valid also in Hungary, and today their number exceeds **1.8 million**.

At the end of 2020 the number of valid national designs was 3075.

In general, we find that foreign-based applicants opt for the European Union route and acquire registered Community design (RCD) protection at the European Union Intellectual Property Office (EUIPO), which protection is also valid in Hungary.



The number of main valid protections in Hungary at the end of 2020



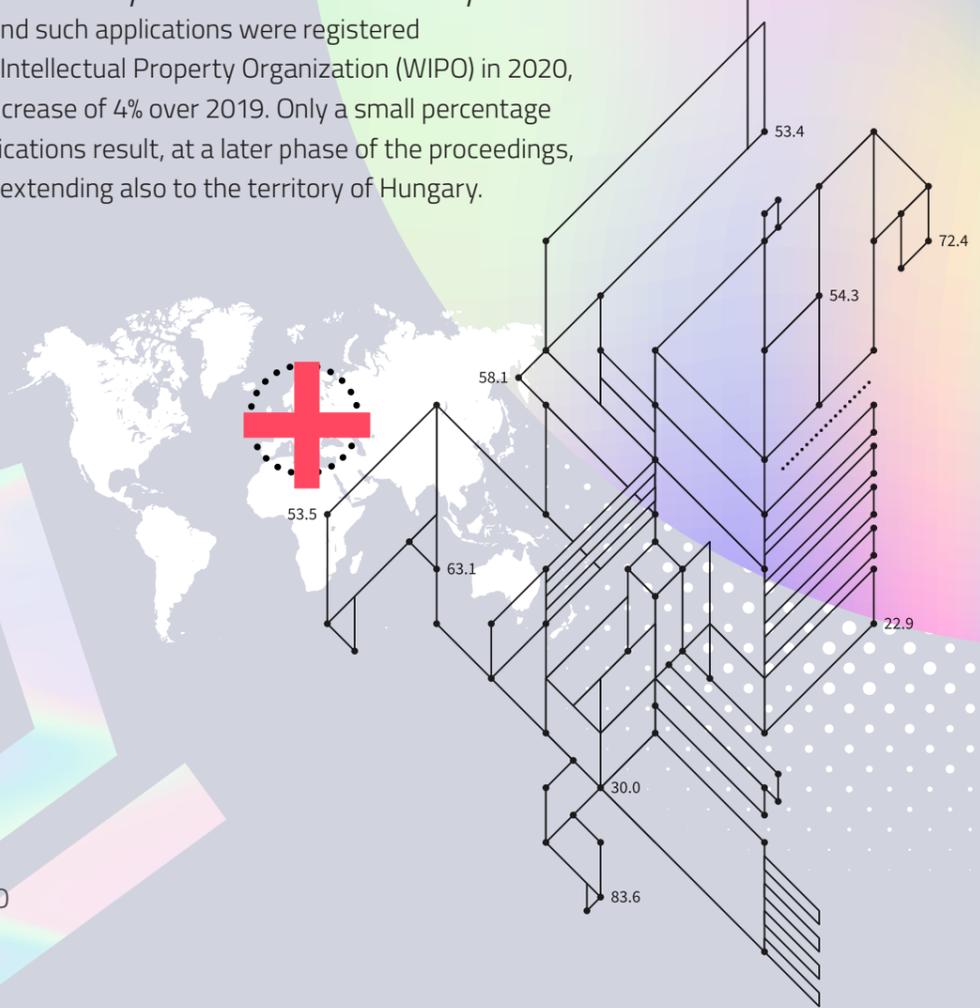
\*From among the 344 supplementary protection certificates the term of protection of 279 patents has not yet expired, and in 65 cases it is the SPC that is already in force.

# 1/2 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 almost any country in the world.

The number of international patent (PCT) applications is increasing from year to year, and so far even the COVID-19 pandemic could not stop it: 275.9 thousand such applications were registered by the World Intellectual Property Organization (WIPO) in 2020, which is an increase of 4% over 2019. Only a small percentage of these applications result, at a later phase of the proceedings, in protection extending also to the territory of Hungary.

**+4%**  
**275 900**  
(PCT) applications



European patents can be obtained under the European Patent Convention (EPC) in 38 Contracting States.

In 2020, the number of European patent applications in which Hungary was designated and which were granted by the European Patent Office (EPO) was

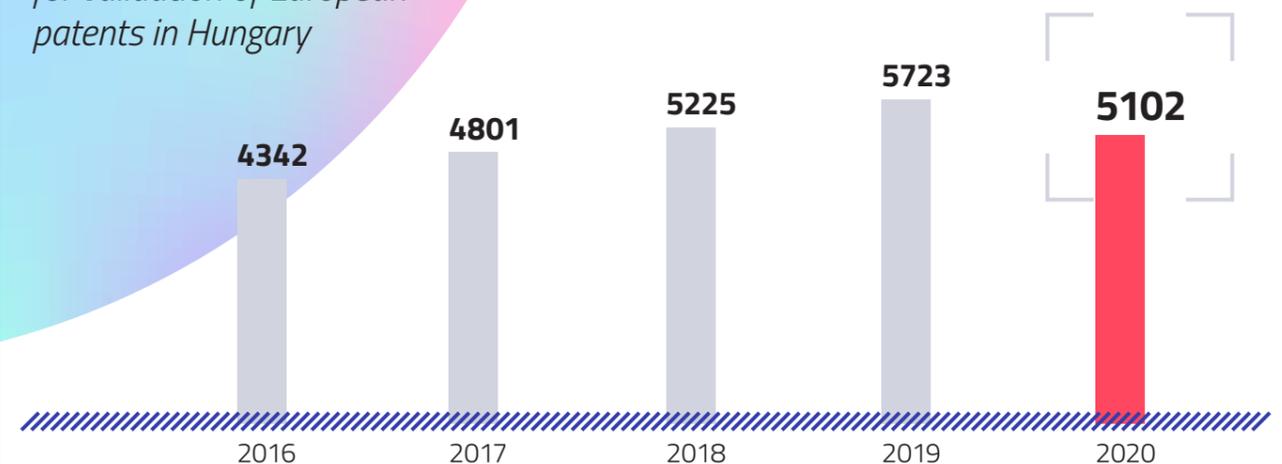
**132 451.**

Since the accession of Hungary to the EPC in 2003, foreign patent applicants, contrary to their previous practice, no longer apply for patent protection by way of the PCT system (entering the national phase) or filing the application directly with HIPO; they now typically choose the European route and request validation in Hungary of their European patents granted by the EPO. The growth in the number of these so-called requests for validation stopped, in 2020 the

**5102 requests**

received were 11% less than the number in the previous year.

Number of requests for validation of European patents in Hungary



Patent applications filed via the national route contain,

- + on the one hand, patent applications of domestic origin,
- + and, on the other hand, foreign applications filed directly with HIPO,
- + as well as PCT applications which have entered the national phase.

**456**

The number of patent applications filed via the national route amounted to in 2020, an increase of nearly 1.3% over 2019, that is the number of applications was of a similar order of magnitude. Thus, following the nadir of 2018 (443) the declining trend of the number of applications filed via the national route somewhat reversed and changed to a slow growth that could not be stopped even by the pandemic.



Although 42% of patent applications were still submitted in person at the Office, in the pandemic year of 2020 the ratio of electronically filed patent applications increased to 39%.

**42%**



**39%**



94% of domestic applications, that is 428 applications originated from clients with a domestic seat or domicile. 65% of the patent applications filed via the national route were filed by private individuals and 35% by so-called entities (legal persons).

**94%**  
domestic applications

**65%**  
private individuals

Breakdown of patent applications filed via the national route by origin and type of applicants

1/2

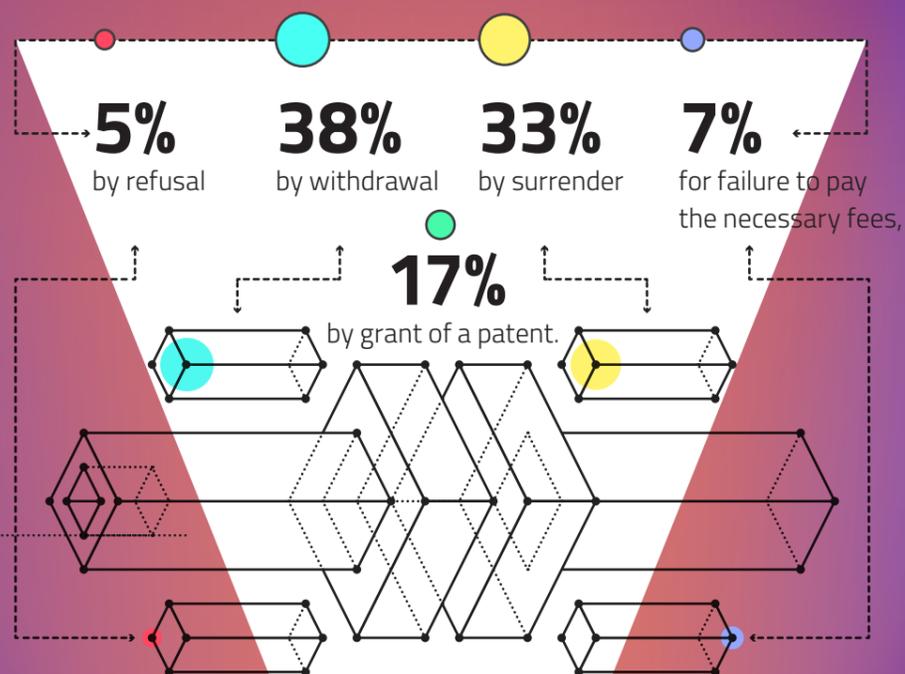
In the field of patents, from among the cases started via the national route

**563** were concluded in 2020.

Approximately one-sixth of concluded patent proceedings resulted in a decision granting national patent protection.

Thus, only a smaller part of the inventions proved to be patentable.

Breakdown of concluded patent proceedings according to way of termination



National patent proceedings



**810**

HIPO managed to reduce the number of pending national patent proceedings by 7%, to cases.

**290**

Within the framework of patent proceedings, the Office prepared novelty search reports.

In 130 cases search reports were supplemented with a written opinion, and of those in 76 cases an accelerated procedure was requested. In 2020, five clients made use of the opportunity, existing since May 2019, to request a written opinion based on the English language patent description and claims.

**30.8** months

For patent applications filed via the national route the average gross pendency time of patent granting proceedings amounted to

**21.5** months,

which means that cases could be concluded 9% faster. The average net pendency time of cases was reduced from 25 to which is a shortening of 14%.

If applicants have an interest in accelerating the proceedings, they can request earlier publication free of charge, but in general they do not make use of this opportunity. That is because in the majority of cases too early disclosure of the invention to the public is contrary to the interests of the applicant (e.g. time is needed for preparation to bring the product to the market).

\*Gross pendency time indicates the time period between the date of application and the conclusion of the proceedings. We obtain the average net pendency time if from the gross pendency time we subtract the time periods at the disposal of the applicant to prepare his replies to the invitations during the proceedings. For published cases these pendency times also include the mandatory 18 months' waiting period.

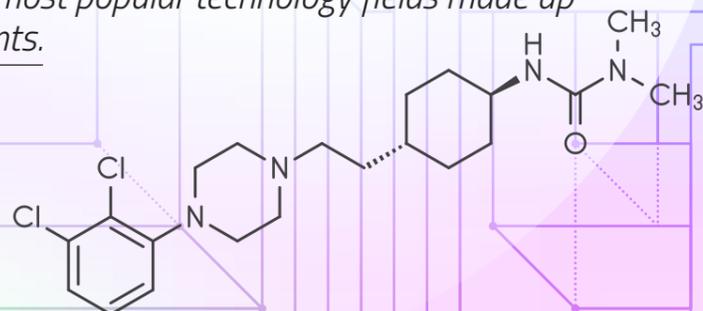
1/2

Regarding breakdown by technology fields – as in previous years – *pharmaceutical inventions were on top of the list* of the more than 33 thousand valid patents in Hungary. This field headed the list both for patents granted via the national route and for validated European patents.

The fact that **34%** of all valid patents are in this sector shows a strong concentration.

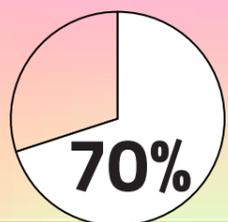
This is followed by the sectors of 'other equipment' (11%) and 'instruments and appliances' (nearly 9%).

**70%** The top five most popular technology fields made up of valid patents.



**TOP5**

Breakdown of patents valid in Hungary by the five most popular sectors



- 11 455** Pharmaceuticals
- 3 783** Other equipment
- 3 066** Instruments and appliances
- 2 666** Chemistry other than pharmaceuticals
- 2 433** Metal products other than machines

*Most right holders (97%) of valid patents (granted either via the national route or validated European patents) in Hungary have their seat abroad,* so the proportion of Hungarian right holders is 3%. As in previous years, in 2020 right holders who were interested in the Hungarian market had their seat predominantly in the United States of America (24%) and Germany (19%). They were followed by right holders with seats in Switzerland (7%), France (6%), Japan (5%) and Italy (5%).

TOP10 countries of origin

- 24%** United States of America
- 19%** Germany
- 7%** Switzerland
- 6%** France
- 5%** Japan
- 5%** Italy
- 4%** United Kingdom
- 3%** Netherlands
- 3%** Hungary
- 3%** Austria

*These percentages are in line with the structure of the Hungarian economy, the imports and the working capital inflows into Hungary.*



# 1/2 TOP 10

Right holders having the most valid patents in Hungary

1. QUALCOMM Incorporated (US)
2. Telefonaktiebolaget LM Ericsson (SE)
3. Philip Morris Products S.A. (CH)
4. BASF SE (DE)
5. Novartis AG (CH)
6. LG Electronic Inc. (KR)
7. Apple Inc. (US)
8. Huawei Technologies Co. (CN)
9. Bayer Intellectual Property GmbH (DE)
10. F. Hoffmann-La Roche AG. (CH)

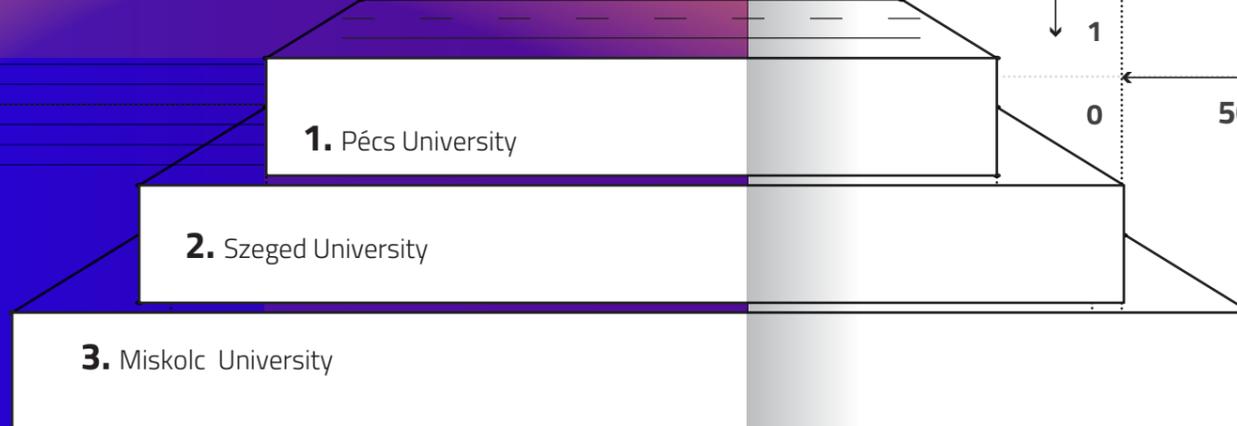
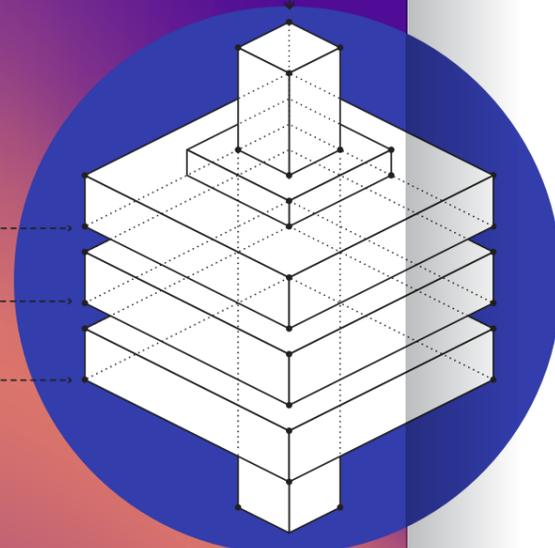
The three patent holders having the most valid domestic patents were the members of the Bayer Group, as well as the Richter Gedeon Nyrt. (53 pcs) and the EGIS Zrt. (41 pcs).

From among right holders having their seat in Hungary, in 2020,

- + Richter Gedeon Nyrt.
- + EGIS Gyógyszergyár Zrt.
- + and Pécs University held the greatest number of European patents valid in Hungary.

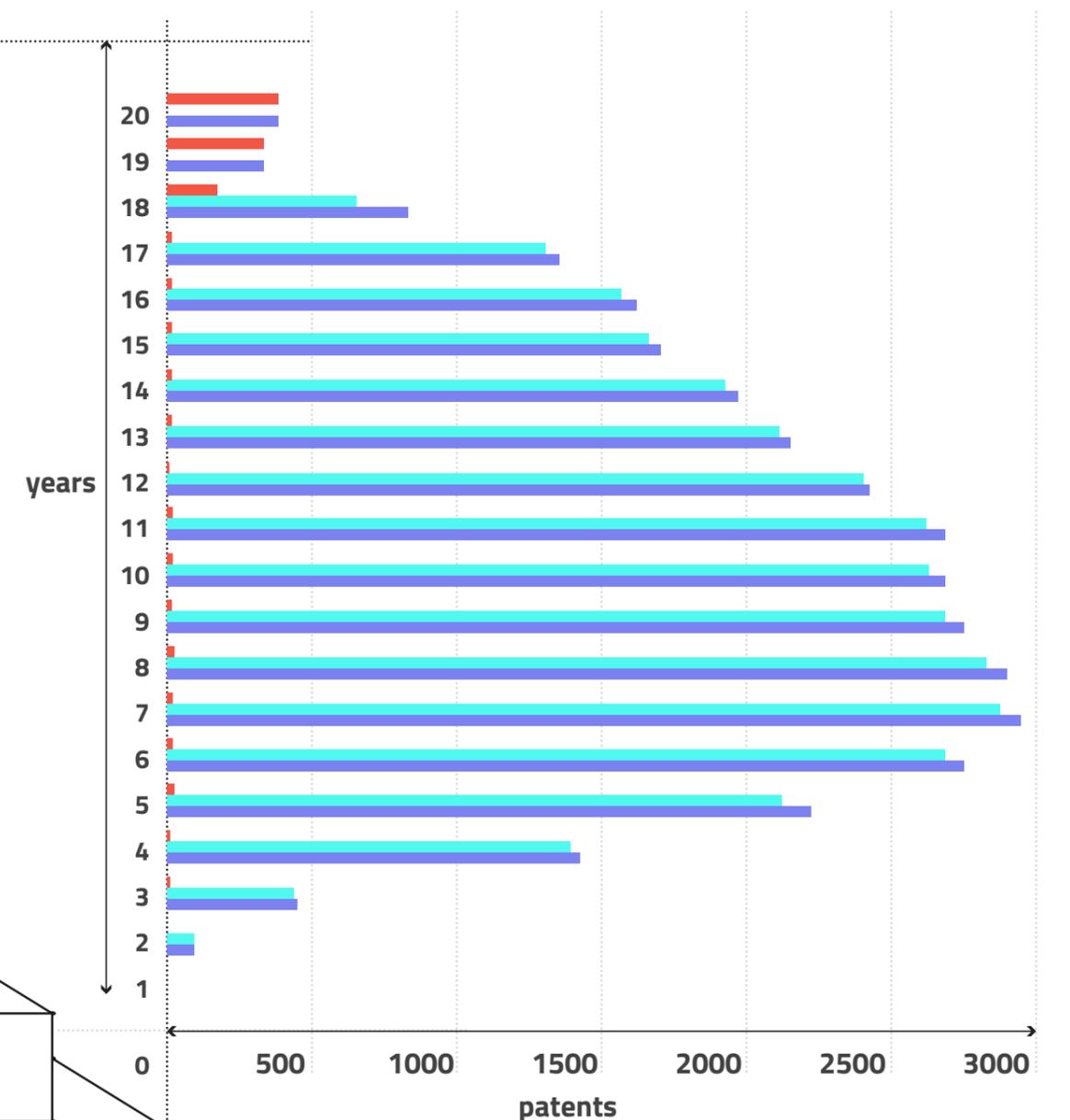
Hungarian universities and research institutes had 64 valid patents

of which 49 were patents granted via the national route and 15 European patents validated in the country. The universities with most valid patents are Pécs University (14 patents), Szeged University (12 patents) and Miskolc University (5 patents).



## Age pyramid of valid patents in Hungary

The age pyramid of valid patents granted via the national route has the highest numbers of patents between the 18th and 20th year, the protection of which will expire in a few years. As to valid European patents, the number of patents in the 7th year is the highest. In the category of validated European patents there are no patents yet to reach the end of the full protection period (20 years).



# 17 Administration in utility model matters

There was a reduction in the number of utility model applications in 2020: HIPO received a total of 227 utility model applications, 28 less than in the previous year, which is a decrease of 11%.

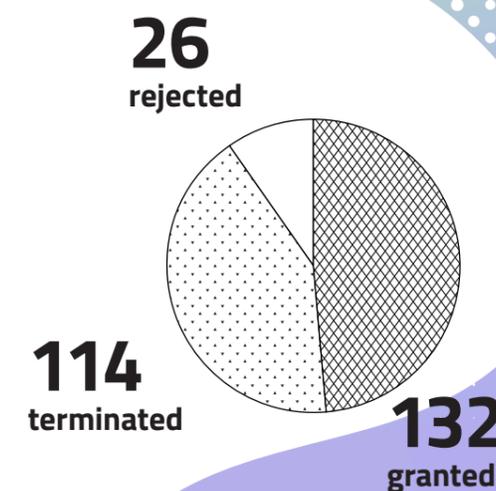
**95%** of the national applications were filed by domestic applicants

and more than 4% were received directly from foreign applicants. There was only one PCT application to enter the national phase. Two-thirds of the utility model applications were still filed in person at the Office, the number of e-applications amounted to 22%, and the number of applications received via other channels (per post, through terminal or by fax) was 11%.

**67%** of the domestic applications originated from individual applicants and 33% from entities.

During the year **272** utility model proceedings were concluded, of which 132 complied with the protectability criteria and were granted, 114 were terminated, and 26 ended with a rejection.

Thanks to the timely examination of cases since 2015 the number of pending cases was the lowest at the end of 2020, that is at the end of the year the number of pending cases was 185, which is 17% less than that of the previous year.

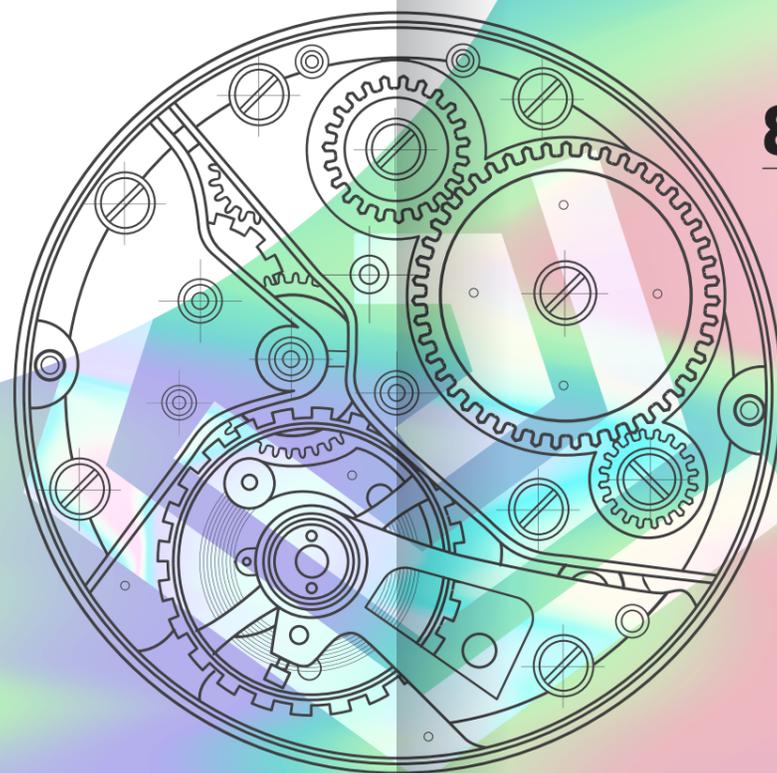


**3,36** months, which is 0.54 month shorter than the year before (3.9 months).

**837** At the end of 2020 we had valid national utility model protections, which is about the same number as the previous year (835).

Similar to the method employed for patent proceedings, the Office continued drawing up Methodology Guidelines for utility model proceedings in order to establish a procedure which is based on uniform principles but also takes account of the specificities of the existing technical field, so clients can access on the website chapters not available thus far.

**-0,54** month



# 1/4

## Supplementary protection certificates

Supplementary protection certificates (SPCs) ensure that *medicinal and plant protection products can have a longer term of protection.*

In the course of 2020 HIPO received 57 SPC applications, one more than the year before. From among the

**344** *SPCs granted*

(and still in force) in

**65** *cases the term of protection of the basic patent already expired,*

whereas in

**279** *cases the basic patent is still in force, so there is no protection under the SPC yet.*

# 1/5

## Administration in plant variety matters

HIPO received 26 applications via the national route for plant variety protection in 2020. At the end of the year 167 national plant variety protections were in force.

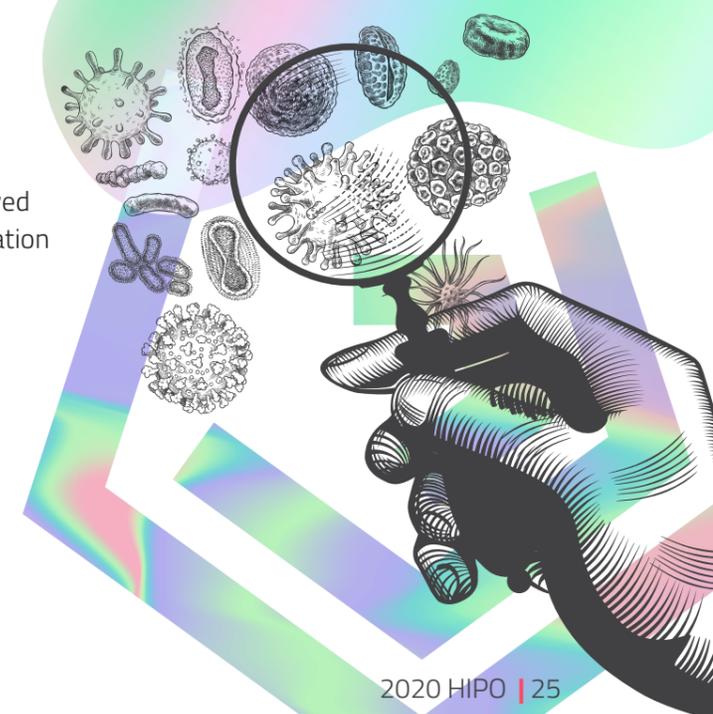
According to data from the Community Plant Variety Office (CPVO) at the end of the year 29 062 Community plant variety protections were in force in the EU, thus also in Hungary, which is a 3% increase over the previous year.



# 1/6

## Public health compulsory licences

*In connection with the COVID-19 health crisis,* three applications for compulsory licence were received by the Office until 31 December 2020. In each application a compulsory licence was requested for the active substance of the same particular medicinal product, in respect of the three patents which protected it. As provided for by the relevant Act, the Office dealt with the three applications out of turn and took its decision in a short time frame.



# 17

## Administration in design matters

According to EUIPO data the number of Community design applications is increasing from year to year. In 2020, the number of Community design applications amounted to more than

**30** thousand, and that of the designs contained therein to **99** thousand.

**+8%**  
**+3%**

Compared to the previous year, the number of RCD applications increased by more than 8% and the number of designs by nearly 4%. The average number of designs contained in Community design applications was 3.2.

In order to obtain protection in Hungary, foreign-based applicants typically opt for the European Union route and acquire Community design protection at the EUIPO. In 2020, the number of Community design applications filed by Hungarian applicants increased significantly to 679, which is an increase of **52%**.

**233** Julius K9 was the most prolific applicant, it had *Community designs.*

In 2020, HIPO received 139 national design applications, which contained 526 designs, so on average one application contained 3.7 designs.

*Compared to the previous year, the number of design applications filed via the national route increased by*

**+4,5 %**,  
*and the number of designs contained in the the applications by*  
**+22,6 %.**

The majority of applications, 51% were filed electronically, 18% were submitted per post and the same percentage in person, while the rest were received through terminal.

*Design applications filed via the national route originated typically from individual applicants*

97% of all applications originated from domestic applicants, and 87% were filed by individual applicants. In 2020, the most design applications (44) were filed by three individual applicants.

At the end of 2020 3075 national design protections were in force, 9% fewer than a year earlier. The age pyramid of valid designs peak in the 17th year.

# 178 Trade mark administration

The introduction of restrictive measures taken, the stoppages and the changes relating to electronic communication because of the pandemic had an adverse impact on the number of international trade mark applications designating Hungary and requests for subsequent extension of territory (under the Madrid Agreement and Protocol in the system administered by WIPO) for the international registration of trade marks. Their number decreased to 1243, which is 27% less than in the previous year.

In 2020, 1317 international trade mark applications were published in the Gazette for Patents and Trade Marks, which is nearly 30% less than that of the previous year. During 2020 the Office carried out the examination of 1465 international trade mark applications and requests for subsequent extensions of territory, recognising international trade mark protection

**25%** in 1344 cases, thus the protections granted decreased by compared to 2019.

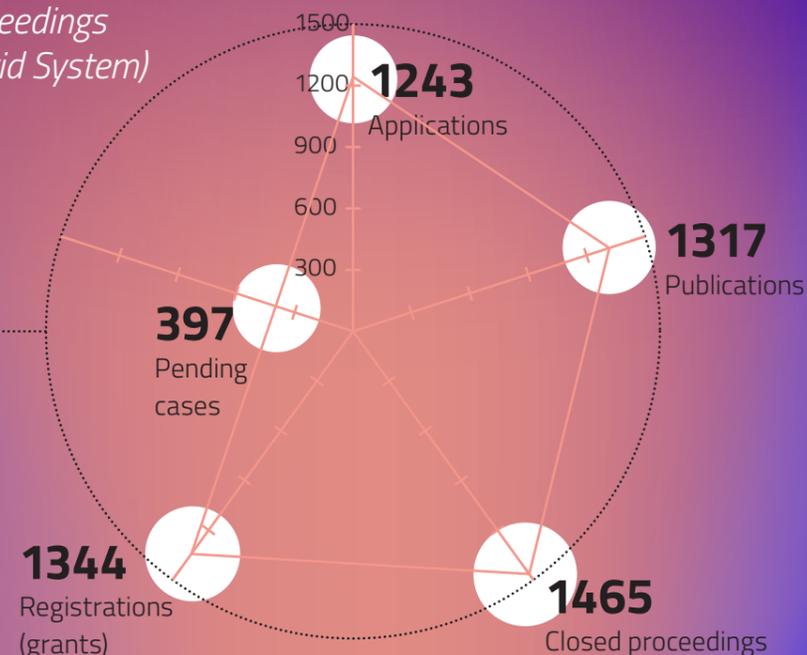
In the course of 2020, 20 oppositions were received by the Office concerning international trade marks. There were in total four requests for revocation of international trade marks.

The number of international trade mark applications and that of subsequent extensions of territory (under the Madrid Agreement and Protocol) originating from domestic applicants showed an increase of 4% which is due to the applications received from the pharmaceutical companies in the second half of 2020. In 2020, the Office forwarded 205 international trade mark applications to the International Bureau of WIPO, compared to 197 the year before.

At the end of 2020 there were 397 pending international trade mark applications, 52% fewer than in the previous year. The average pendency time of international trade mark applications and cases concerning subsequent extensions of territory was shortened on average from 2.6 to **2,1 weeks.**

International trade mark proceedings (under the Madrid System)

**80 017** Valid trade marks



The number of European Union trade marks, the territorial scope of which extends also to Hungary, is increasing from year to year. This trend could not be reversed even by the COVID-19 epidemic. In 2020 the EUIPO received **176 thousand applications for EU trade marks 10.2% more than in 2019.**

In all, more than 153 thousand EU trade marks were registered in 2020, which is 9% more than the year before.

**176**

1/8

The activity of Hungarian applicants concerning EUTMs increased by 11% over the previous year: in 2020 domestic applicants filed 837 EUTM applications with the EUIPO.

**686** EUTMs were registered, 19% more than in the previous year.

From among Hungarian applicants

URSA SALGOTARJAN GLASS **(93)**

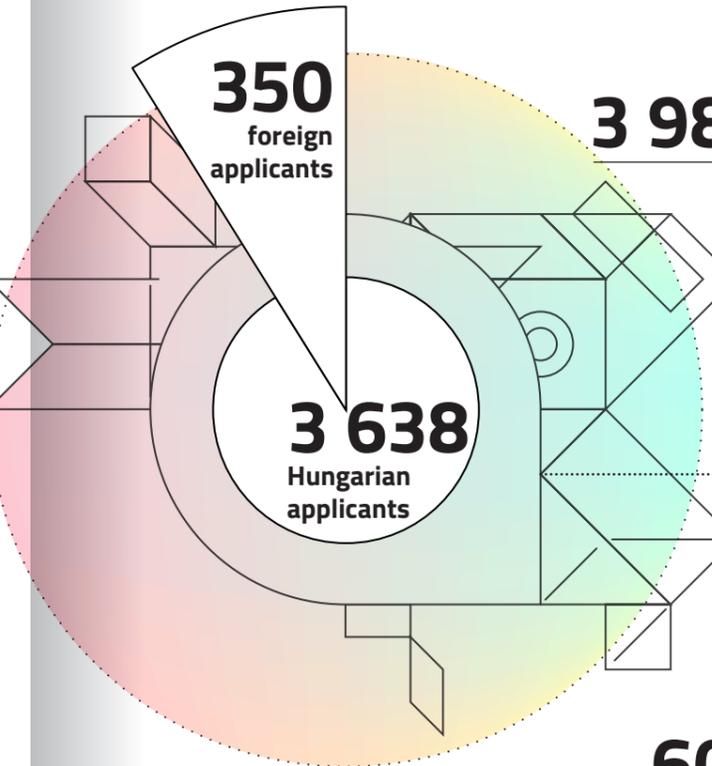
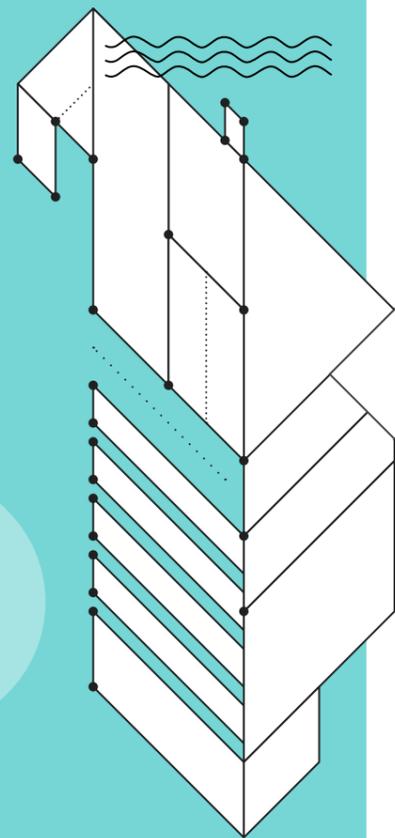
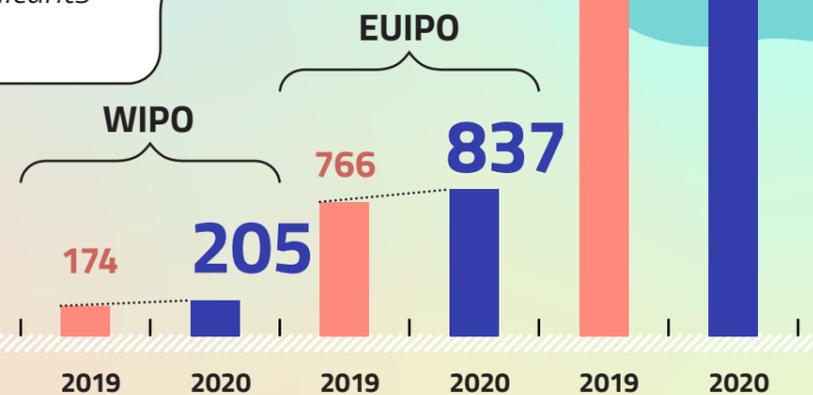
Richter Gedeon **(84)**

and Zwack Unicum **(73)**

had the most EUTMs.

**205** Moreover, Hungarian applicants filed international trade mark applications (under the Madrid Agreement and Protocol), which exceeded the previous year's number by 18%.

Data of the activity of Hungarian (domestic) trade mark applicants 2019–2020



In 2020 trade mark applications filed via the national route amounted to **nearly 2.4% or nearly**

**100 applications more** than the year before. From among these 3 638 applications, an increase of 2.3% over the previous year, were received from Hungarian applicants, while another 350 applications were filed by foreign applicants directly with HIPO.

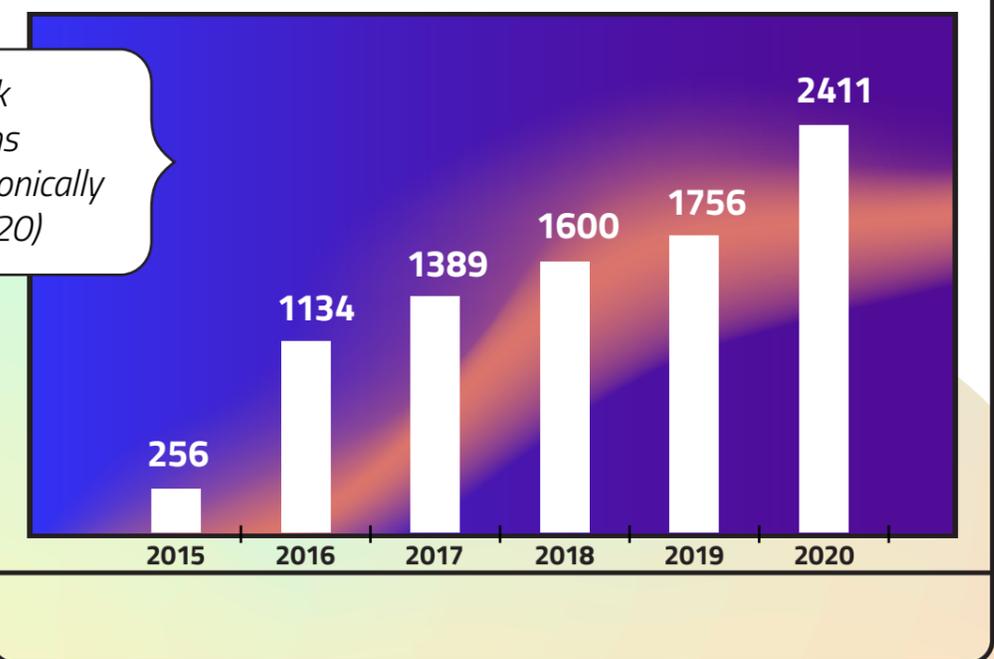
From among the different protection titles, electronic administration gained most ground in the field of trade mark applications.

Compared to the 45% of the year before, in 2020 already

**60%** of the applications were filed electronically with the Office.

During the past five years the use of electronic filing increased tenfold. In the case of electronic administration, as of 1 January 2019, national trade mark applications may only be filed electronically using the TM e-Filing system. In line with the above, the number of applications filed in person decreased from the previous one third to one fourth.

Trade mark applications filed electronically (2015–2020)

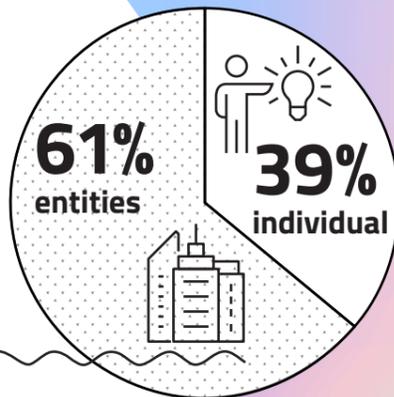


1/8

**91%** Similar to the previous years, of national trade mark applications were filed by Hungarian clients.

**+2,3%** The activity of domestic applicants was higher than in 2019.

61% of domestic applications were filed by entities and 39% by individual applicants.



In 2020, the most national trade mark applications were filed by

Richter Gedeon Nyrt. (72)	EGIS Gyógyszergyár Zrt. (55)	Tolnagro Kft. (30)	SáGa Foods Zrt. (22)	and PQ Partners Limited (14).
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The number of trade mark publications (2580) was lower than in 2019 owing to the system used for preparing trade mark searches and search reports. In 2020 HIPO closed 3962 cases, approximately the same number as in the previous year. In almost three quarters

**74%** of the cases protection was granted.

The number of cases pending at the end of the year 2020 was 2 513, nearly the same as in 2019. Clients can speed up proceedings within the framework of the so-called accelerated and particularly accelerated procedures.

During the year the Office received 77 requests for accelerated procedure and 77 requests for particularly accelerated procedure, thus it performed the examination of applications in such procedures.

**154**

During the past decade the average pendency time was never so short as in 2020.

The average gross pendency time of the registration of national trade marks was reduced by

**3 weeks on average, to 24.5 weeks**, which represents another 10% improvement over the favourable level of the previous year.

Average pendency time of trade mark applications filed via the national route (2018–2020)

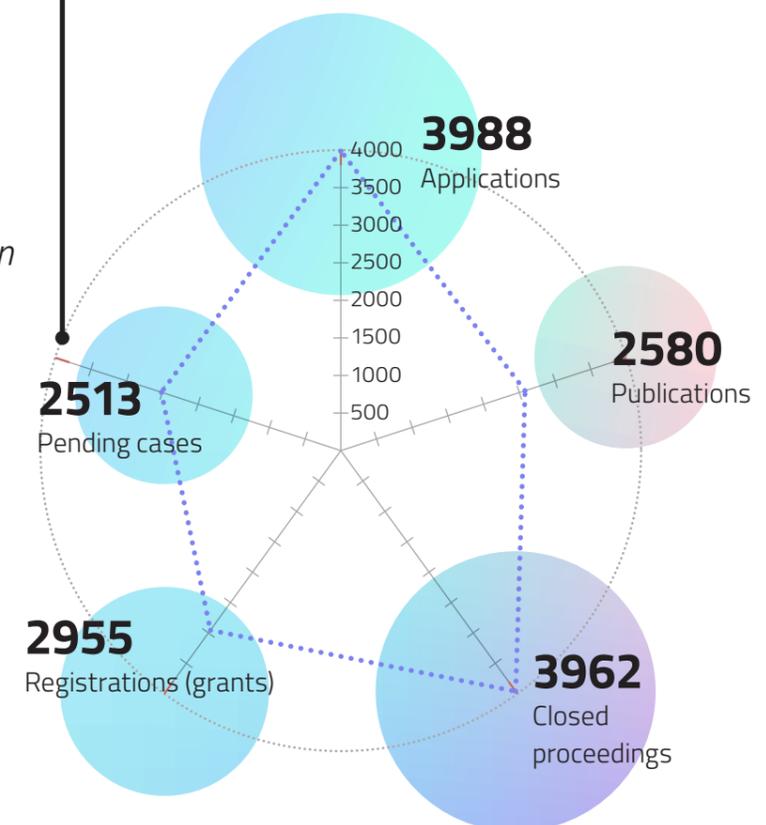


**TOP5** The most frequently indicated classes in national trade mark applications



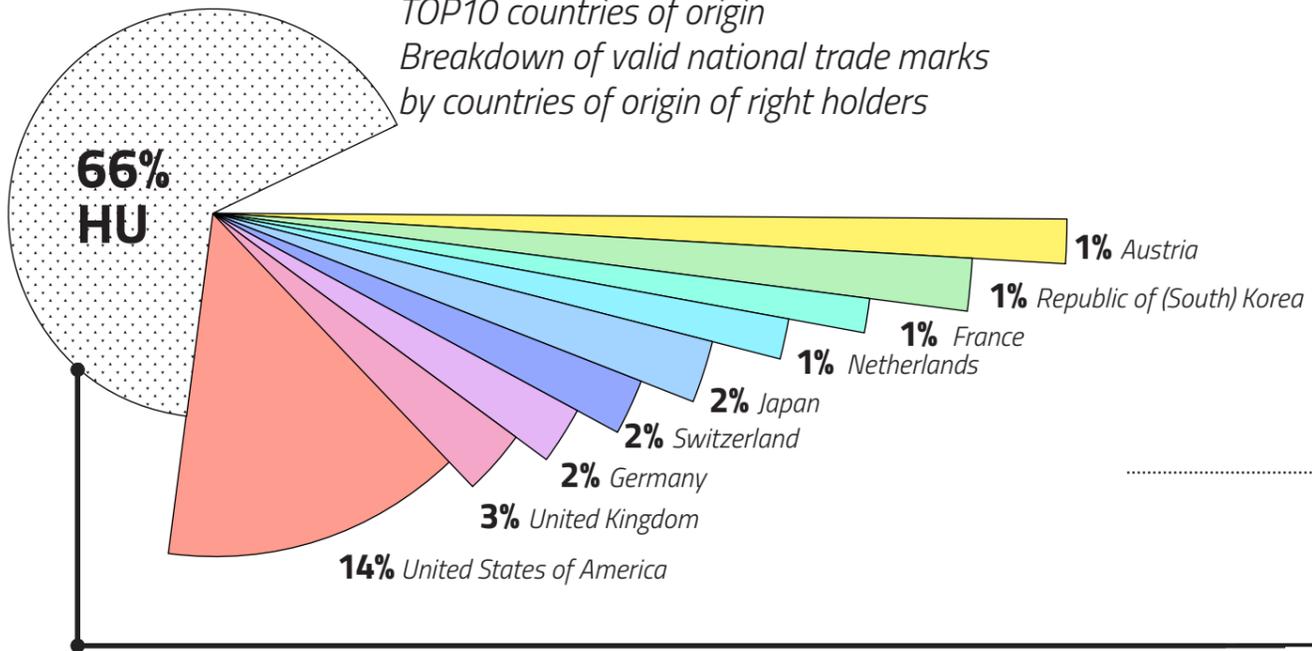
**54 251** At the end of the year the number of valid national trade marks was which largely corresponds to the numbers reached in previous years.

National trade mark registration proceedings



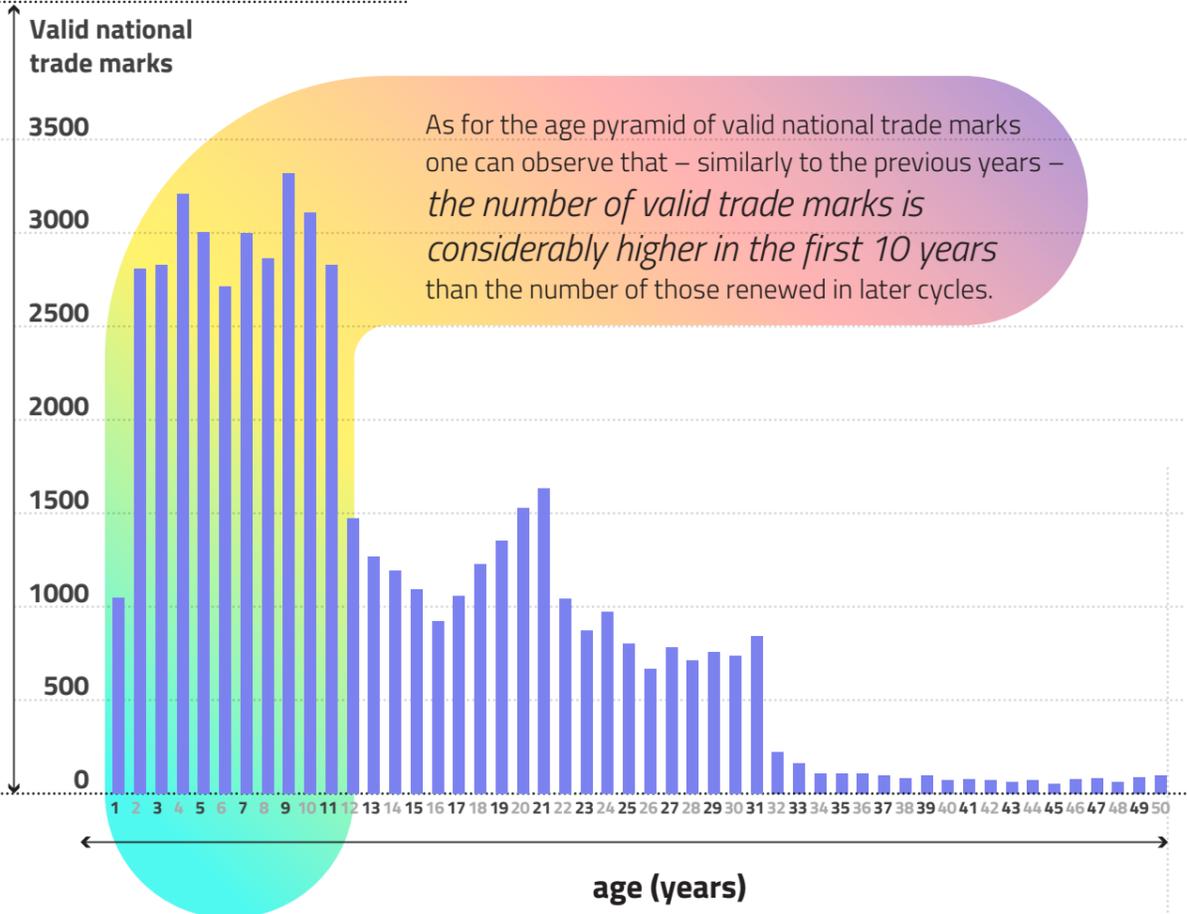
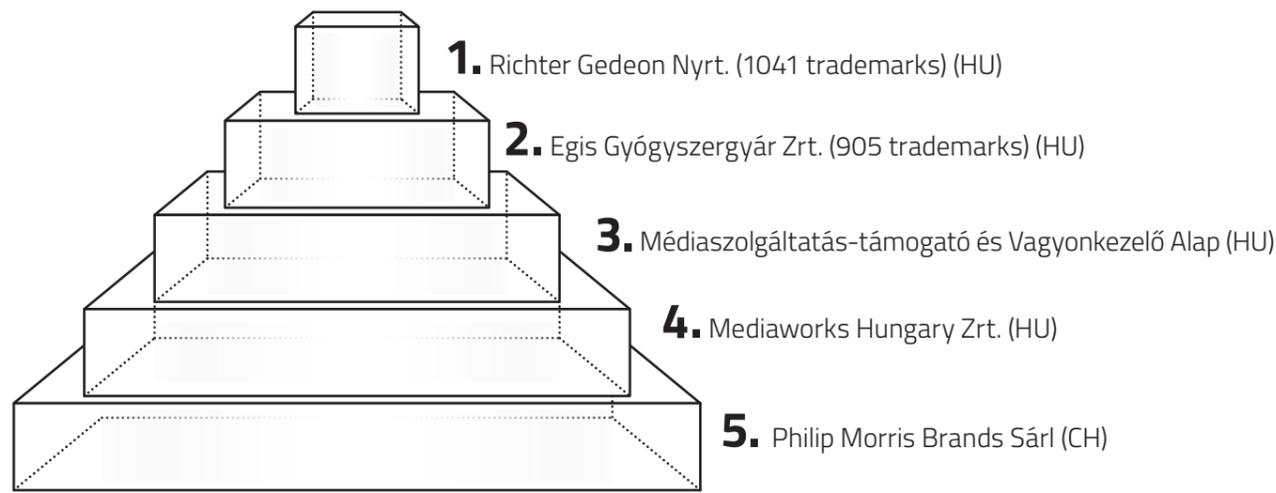
**54** Two-thirds (66%) of the more than thousand valid national trade marks in the trade mark register were owned by Hungarian right holders with a seat or domicile in Hungary, 34% belonged to foreign right holders. The latter had their seat mainly in the USA (14%), the UK (3%) and Germany (2%).

TOP10 countries of origin  
Breakdown of valid national trade marks by countries of origin of right holders



Two Hungarian pharmaceutical companies are at the top of the list of companies holding the most national trade marks.

TOP5 National trade mark holders



At the end of 2020 in the national trade mark register the number of right holders having a trade mark of more than a hundred years old was **63.**

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 („Mercedes”, „Daimler”) of 1900, and Valvoline LLC „VALVOLINE” of 1902.

Richter Gedeon  
„TONOGEN”  
1902



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

# 1/9 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.*

In the course of 2020 five applications for the international registration of appellations of origin designating Hungary were filed with HIPO under the Lisbon System.

Requests from the European Commission concerning applications for the registration of European Union geographical indications are to be answered by HIPO: in 2020 seven requests were received from the European Commission and after carrying out the relevant searches the Office answered them within the specified time limit.



**20/1507**

The number of valid European Union geographical indications related to agricultural products and foodstuffs was 1507 at the end of 2020, and out of them 20 originated in Hungary.



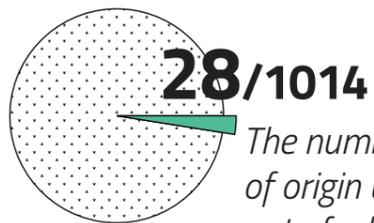
**38/1616**

The number of European Union geographical indications related to wines attained 1 616 at the end of the year, out of which 38 originated in Hungary.



**8/242**

The number of valid European Union geographical indications related to spirit drinks amounted to 242 at the end of 2020, out of which 8 originated in Hungary.



**28/1014**

*The number of valid international appellations of origin under the Lisbon Agreement was 1014, out of which 28 were of Hungarian origin.*

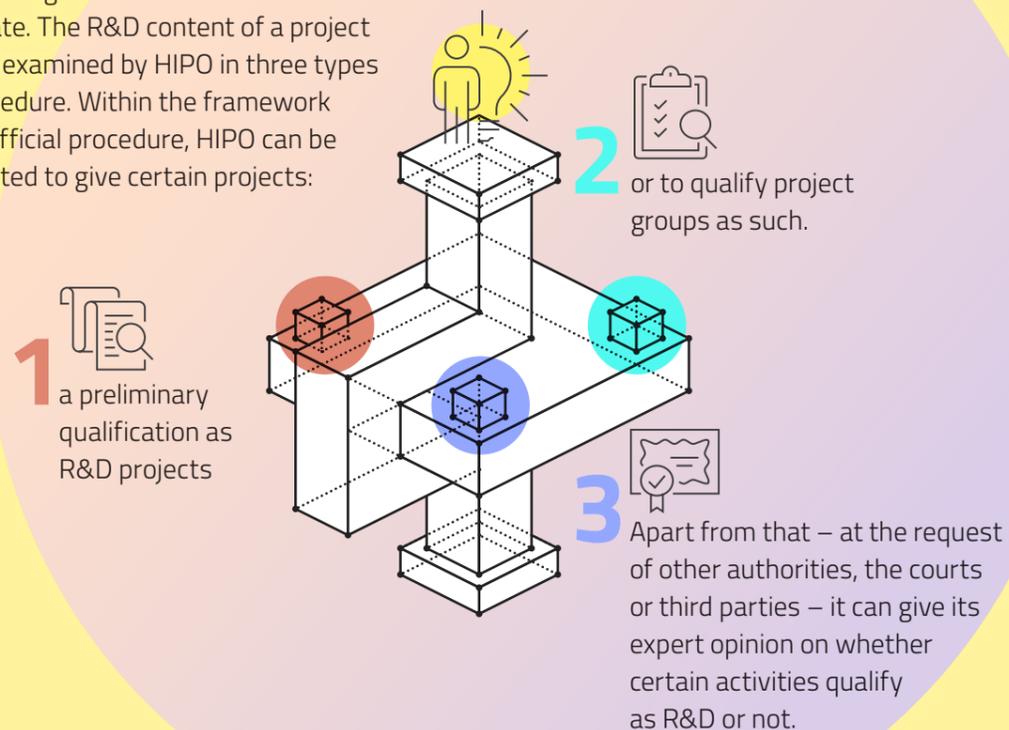
Besides, the examination of 6 applications for protection from Hungary were still pending at the end of the year.



# 2 / R&D Qualification

*The system of R&D qualification granted by HIPO aims at strengthening legal security in the field of financial aid and tax allowances related to R&D activities.*

HIPO's decisions and expert opinions serve as a guarantee both for clients and the state. The R&D content of a project can be examined by HIPO in three types of procedure. Within the framework of an official procedure, HIPO can be requested to give certain projects:



## *Enterprises and consulting agencies*

rely on HIPO's confirming their activities as R&D, which was extended in 2020 to their participation in R&D tenders. The R&D project aid, administered by the Hungarian National Investment Agency (HIPA) and granted on the basis of an individual decision of the government, may only be granted on condition that the Office qualify the project of the applicant as research and development in an R&D procedure. In 2020 numerous companies chose the expert opinion procedure over requesting a preliminary qualification of their project.

HIPO's decisions and expert opinions qualifying projects as R&D were mandatory elements in the Ministry of Finance's Health Industry Support Programme and in all R&D content applications for the Hungarian Export Promotion Agency's Foreign Market Growth Support Programme. In addition, projects with information technology content for the Competitive Central Hungary Operational Programme are also being examined.

*The Office assisted applicants with personal consultations, online meetings and written comments on project descriptions.*

As a consequence, companies regularly requesting R&D qualification managed to develop good practices for submitting well-prepared applications.

**233** *In 2020 as many as requests for R&D qualification were submitted to the Office,*  
**62%** *which means an increase of on the previous year.*



Out of these,

**74**  
 were requests for project qualification,

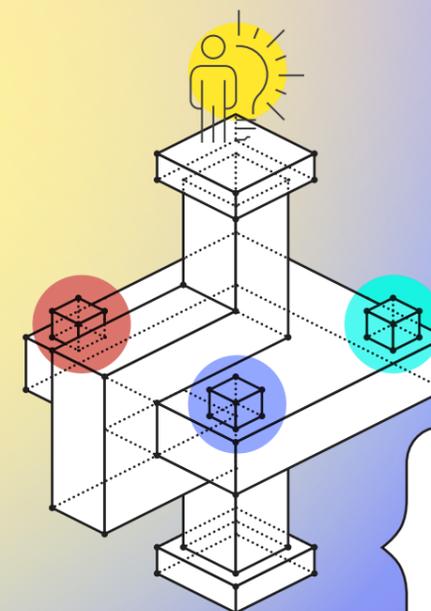


**157**  
 were requests for an expert opinion.



**2**

for qualification as a project group,



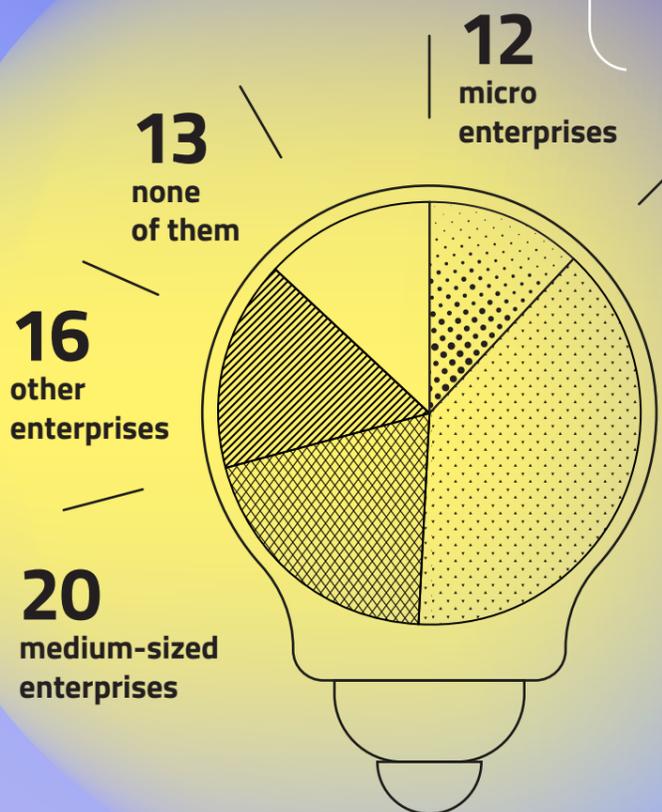
Compared to the relevant 2019 data, requests for project qualification show an increase of 42%, while requests for an expert opinion an increase of 73%.

21

Applicants of finalised project qualifications according to company size (2020)

91% received R&D qualification.

Out of the 65 preliminary project qualification requests concluded during the year, All of them were related exclusively to matters of a technical content (including the fields of infocommunication and IT), and 2 projects concerned science fields of a non-technical nature.



39 small enterprises

(71%)

Nearly three-quarters of the completed project qualifications were requested by SMEs.

Similar to previous years, mainly enterprises requested an expert opinion from the Office, mostly for the purpose of claiming tax allowances that had been introduced to encourage R&D activities.

151 were submitted by such companies,

while another 3 came from higher education institutions and 2 more from the tax authority. The Office had to appear in court on 4 occasions, when HIPO was invited to state its position on its previously issued expert opinions.

In the course of 2020 the Office issued

149 expert opinions.

Of all the cases processed, 94% qualified as R&D,

5% were given a negative opinion, and 1% qualified as R&D in part only. 98% of the concluded cases were of a technical content, but the remaining 2% were also of a technical nature, only they had other, non-technical features as well.

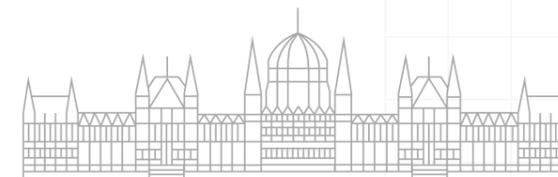
# 37 Preparation of draft legislation



It is an essential task of the Office to participate in the preparation of legislation or amendments to existing legislation relating to industrial property.

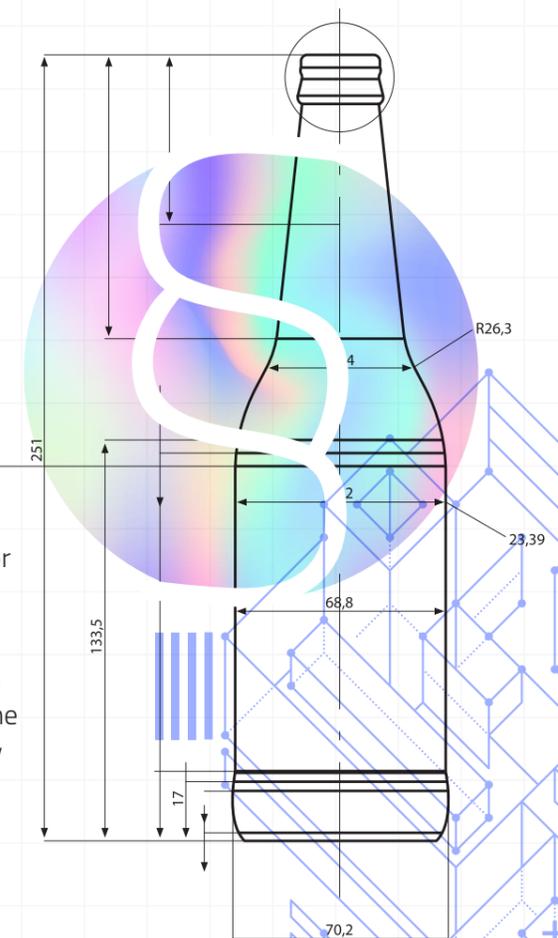
Following the accession of the European Union to the Geneva Act of the Lisbon Agreement on Appellations of Origin and Geographical Indications, it entered into force on

**26 February 2020.**



HIPO prepared the Hungarian translation of the Geneva Act and of the the Common Regulations thereof, and – in cooperation with the Ministry of Justice – participated in the preparation of the proposal for ratification. The Bill will be submitted to the National Assembly in the spring session of 2021.

Regulation (EU) 2019/787 laying down provisions also on the protection of geographical indications for *spirit drinks* entered into force on 24 May 2019. Most of the provisions of the Regulation are applicable from 25 May 2021, but certain provisions relating to geographical indications apply since 8 June 2019. Therefore, it has become necessary to swiftly amend also the provisions relating to geographical indications of Act XI of 1997 on the protection of trade marks and geographical indications. The specific rules are contained in the proposal for the ratification of the Geneva Act of the Lisbon Agreement.



## Amendment of laws owing to the pandemic

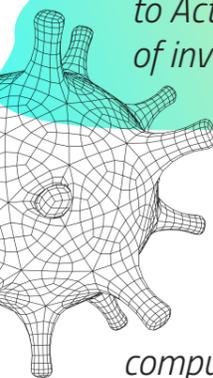
In view of the pandemic situation, in the spring of 2020 Hungarian public and higher education institutions introduced digital education. At the initiative of HIPO and as a result of joint codification work with the Ministry of Justice, an emergency Government decree was adopted: Government Decree 125/2020 (16 April) on the differing rules, in connection with the state of danger, of the application of free use for educational purposes of Act of LXXVI on copyright, which received international media coverage.

*The adopted law made possible a wider use of works under copyright protection in the course of online remote teaching,*

extending thereby the exceptions of free use for educational activities. Later on, the provisions of the Government Decree were also incorporated into the Copyright Act.

The Office gave an opinion on the draft Government Decree on public health compulsory licences for the exploitation of inventions under patent protection within Hungary. Upon the termination of the state of danger introduced owing to the pandemic, it also provided an opinion on

*an amendment with similar content to Act XXXIII of 1995 on the protection of inventions by patents (Patent Act).*



*compulsory licences for health care products*

(e.g. medicinal products or active substances or vaccines), diagnostic instruments (e.g. tests) or medical devices (e.g. respirators or their parts). Pursuant to the provisions, which entered into force on 18 June 2020, HIPO is authorised, on request, to decide on granting public health compulsory licences, subject to the certificate of the National Institute of Pharmacy and Nutrition (OGYÉI).

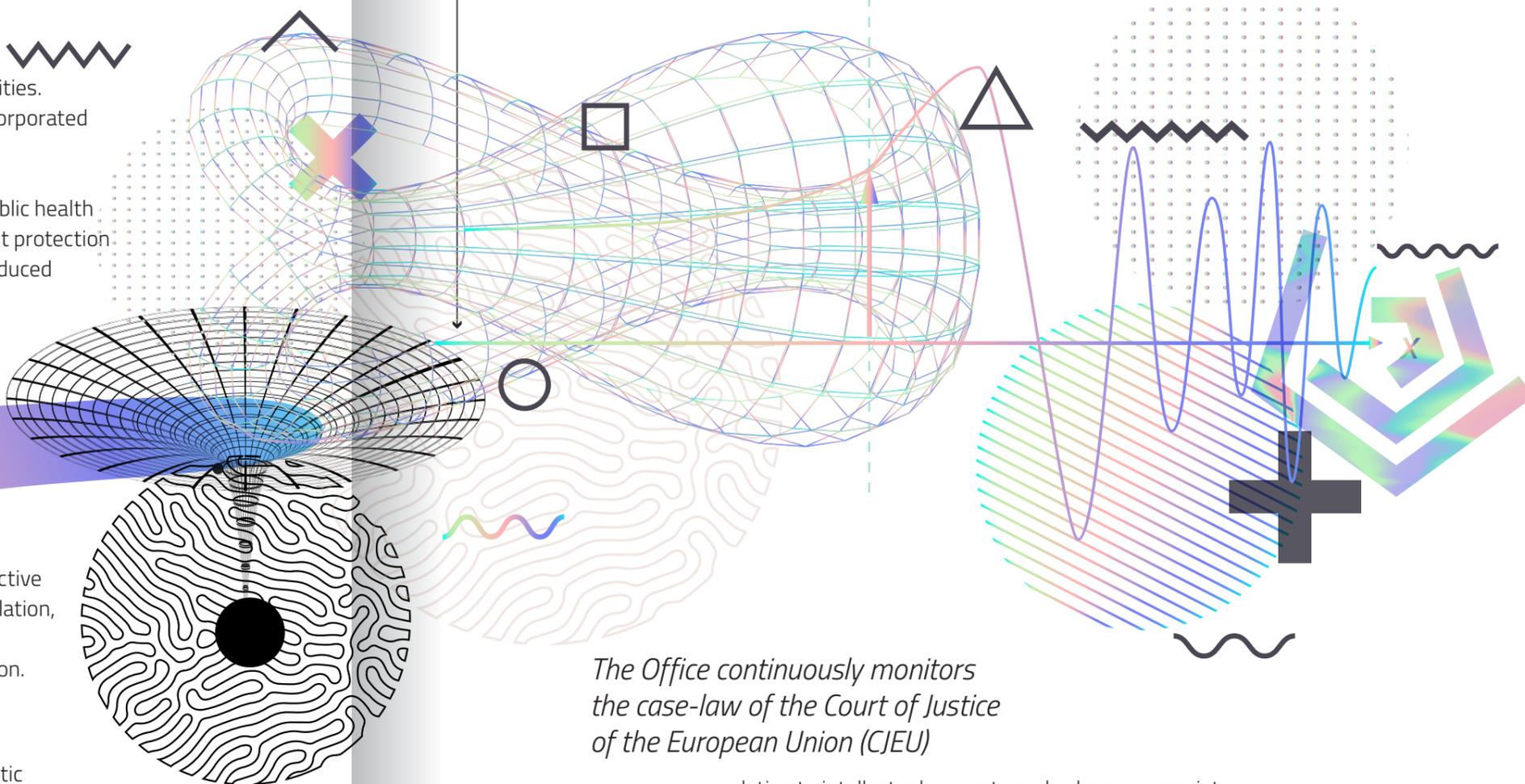
*In January 2020, the Office initiated a public consultation to map the possibilities of further developing the national design protection system.*

In the light of the specific details of the direction of Union design legislation, HIPO will then decide on possible amendments to Act XLVIII of 2001 on Design Protection.

*The Office continuously monitors the case-law of the Court of Justice of the European Union (CJEU)*

relating to intellectual property and, where appropriate, takes part in the preparation of the Hungarian action before the court. HIPO also reviews the decisions of the CJEU and makes them available at the Office's website in its CJEU case-law search data base.

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



# 4 Copyright-related Matters

*The tasks related to the supervision and registration of collective rights management organisations (CMOs) belong to the competence of HIPO.*

In performing these tasks, HIPO provides for the online registration of CMOs, updates the registered data, and uploads the documents of the organisations which have to be published. This competence extends to independent rights management organisations and to the authorisation of the activity of representative CMOs.

*At the end of 2020 the freely accessible register (<http://kjk.sztnh.gov.hu>) contained the following associations and companies.*

## **Collective rights management organisations**

- ARTISIJUS Hungarian Bureau for the Protection of Authors' Rights
- DIGITALFILM Film Creators' Hungarian Digital Rights Society
- EJI Bureau for the Protection of Performers' Rights
- FILMJUS Hungarian Society for the Protection of Audio-visual Authors' and Producers' Rights
- HUNGART Collecting Society of Hungarian Visual Artists
- MAHASZ Hungarian Record Industry Association
- MISZJE Hungarian Literary Authors' Collecting Society
- RSZ Hungarian Alliance of Reprographic Rights
- MASZRE Association for the Reprographic Rights of Professional Non-fiction, Fiction Authors and Publishers
- Repress Reprographic Association of Newspaper and Periodical Publishers

## **Independent rights management organisations**

- CloudCasting Kft.
- MPLC Hungary Kft.
- Zenezöveg.hu Information Providing and Publishing Information Technology Commercial and Service Providing Kft.

## **15** *In the year of 2020 the CMOs started registration proceedings.*

Within the competence of the supervision of rights management activities, supervisory proceedings have to be conducted annually, in the case of independent rights management organisations every two years. The annual supervisory proceedings are conducted by the Office every year after the submission (normally 30 June, but in 2020 modified to 30 September in view of the pandemic) of the annual reports of the CMOs. With the exception of one, all the supervised organisations complied with their obligation to send their annual reports by the modified deadline. HIPO performed the tasks related to the administration of supervisory tariffs to be paid by collective and independent rights management organisations as well as to the task of the recording of such tariffs.

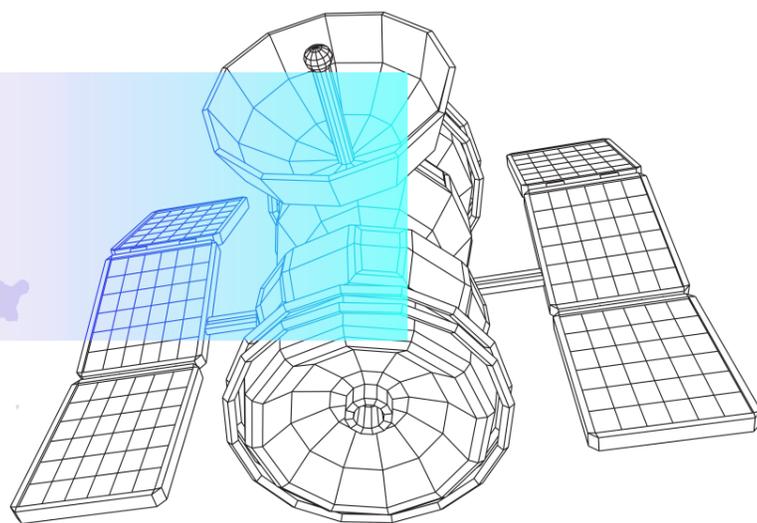
Within the framework of the procedure of *approving the tariffs*, by the deadline of 1 September fixed in Act XCIII of 2016 on Collective management of copyright and related rights,

**7** *CMOs sent 21 tariff schedules* to HIPO so that it can conduct the opinion procedure. On 24 November 2020 the Minister of Justice took a decision on 13 tariff schedules in their final versions developed in the opinion procedure, and on a further 8 tariff schedules on 22 December 2020.

As regards tasks related to the preparation of legislation, HIPO was deeply involved in the consultation and codification work on the transposition into Hungarian law of the *EU Directive on copyright and related rights in the Digital Single Market* (DSM Directive),

as well as of the Directive on the exercise of copyright and related rights applicable to certain online transmissions of broadcasting organisations and *retransmissions of television and radio programmes* (SatCab 2 Directive). Member States have to transpose the provisions of the aforementioned Directives into their national law by 7 June 2021.

After proactive preparatory work done by the *Office and the Ministry of Justice*, a workshop was held with six Hungarian stakeholder organisations (involving 150 participants), *a regional consultation was organised by HIPO* in Budapest for the representatives of five neighbouring Member States (the Czech Republic, Poland, Slovakia, Slovenia and Romania), and another two online consultations were arranged with the participation of experts from the four Visegrad countries. The draft texts drawn up as a result of those consultations were submitted to two rounds of written public consultation.

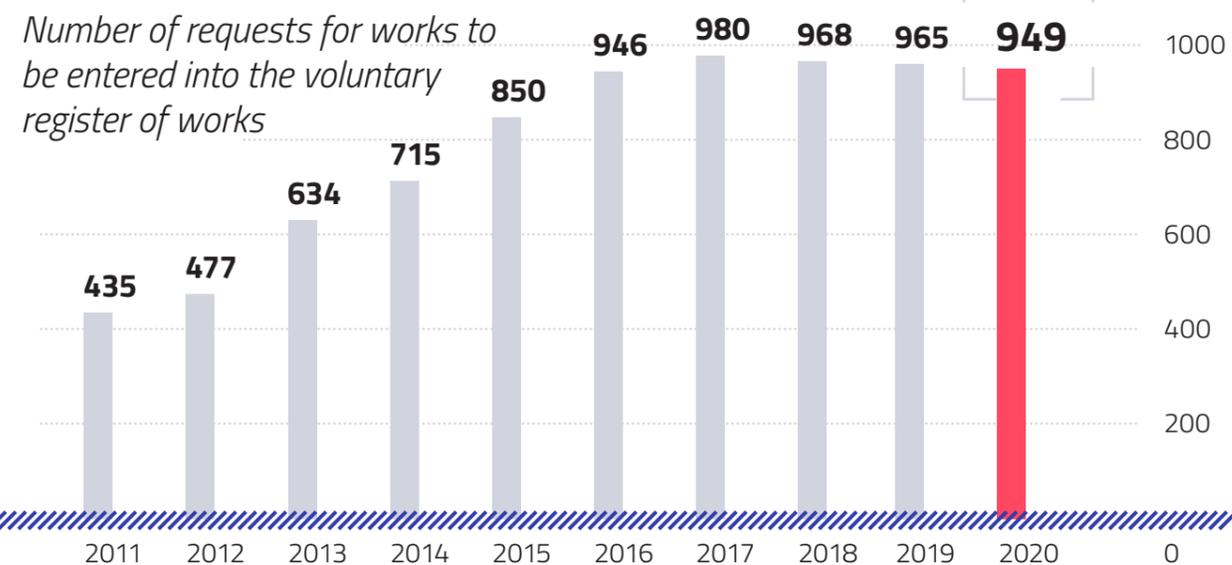


**947** *requests for registration in the voluntary register of works.*

Since 2006 the works and other subject-matters covered by Act LXXXVI of 1999 on Copyright can be entered in the voluntary register of works kept by HIPO. From the very start of the register each year there has been a steady increase of the requests for registration, typically surpassing 900 per year. In 2020 HIPO received

*the number of people choosing electronic administration doubled*

As of 1 January 2018, all proceedings related to entering works into the voluntary register can be administered electronically, and with 402 users in 2020 as compared to the previous year. Legal representatives and economic entities have to file their submissions electronically; however, due to the restrictions introduced because of the pandemic (e.g. shortened customer service hours), our clients seem to have a growing appreciation for the possibility of online administration as well. Since 2018 the documents of the voluntary register of works have been digitized daily, thus the documents accumulated since then are also available electronically on the Office's e-search site.



*Orphan works* are creative works the use of which presents difficulties, because their right holders are unknown or cannot be located, so the would-be user cannot ask for permission for legal use. In order to solve this problem, HIPO was given competence to authorise the use of orphan works. In 2020 HIPO received 11 such requests for authorisation, out of which 9 aimed at the use of architectural works.

# 5 / International IP diplomacy

*Our international cooperation activities have been determined by the exercise of Hungary's rights and the fulfilment of its obligations as a Contracting State of the European Patent Convention (EPC) and a Member State of the European Union, by our international professional activities conducted within the framework of WIPO, by our cooperation with EUIPO, as well as by our regional and bilateral IP cooperation.*

**In the European Patent Organisation,** on behalf of HIPO the President is the member of the Administrative Council, and its meetings are attended by delegations headed by the Vice-President for Technical Affairs. Our colleagues contributed to the work of different bodies of the Administrative Council (Budget and Finance Committee, Technical and Operational Support Committee, Committee on Patent Law), played an active role in the working groups established in 2020, and attended further trainings and seminars organised mostly online by the European Patent Academy.

*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 Office actively participated in the development and representation of the Hungarian positions in IP matters, of which the most important dossier was the proposals for a Directive drawn up within the framework of the EU Copyright Reform Package.*

*The intensive cooperation with EUIPO was continued and further enhanced. 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 working groups of the European Observatory on Infringements of Intellectual Property Rights, and in other professional events.*

*HIPO represented Hungary in the international cooperation within the framework of WIPO, and participated in the committees, working groups and important events of the organisation. At the 60th series of meetings of WIPO (7-8 May 2020), its General Assembly and the Assemblies of the Paris and Berne Unions unanimously appointed*

## **Mr. Daren Tang** Director General of WIPO

for the period of 1 October 2020 to 30 September 2026. The Office, in cooperation with the Permanent Mission of Hungary in Geneva, played an active role in the appointment proceedings. We consider it a great success of Hungarian IP diplomacy that

**Ambassador Zsuzsanna Horváth** was elected Chair of WIPO's *Coordination Committee* at the 61st series of meetings of WIPO (21-24 September 2020).

The third, online meeting of the Working Group on the Development of the Lisbon System was held on 2-3 November 2020. **Csaba Baticz**, Head of Department was elected one of the Vice-Chairs of the working group.

The only meeting of the Standing Committee on Copyright and Related Rights (SCCR) of WIPO was held in a hybrid format between 16 and 20 November 2020. That 40th session of the Committee was chaired by **Abdoul Aziz Dieng**, with **Péter Lábodý**, Head of Department, staying Vice-Chair until the end of the current cycle.

## Visegrad Patent Institute

*The Budapest-based Visegrad Patent Institute (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, and started its operation on 1 July 2016.

In the case of international patent applications filed under *the Patent Cooperation Treaty (PCT)*, as from 1 July 2016, applicants may also choose – besides the European Patent Office (EPO) – the Visegrad Patent Institute (VPI) as an international searching authority and an international preliminary examining authority, i.e. as a PCT Authority. Accordingly, the VPI prepares international search reports (ISRs) and international preliminary examination reports (IPERs) in English.

In 2020, the VPI received 123 requests for international search reports and 6 requests for international preliminary examination reports. Nearly two thirds of the requests were submitted in a national language (Hungarian, Czech, Polish and Slovak), and 35% were submitted in English.

*As of 1 June 2017, the VPI receives international patent applications from nationals, enterprises and other organisations established in Lithuania, and as of 1 September 2020 also from Serbian users.* Concerning the first Serbian application received by the VPI in 2020, it was HIPO that carried out the requested international search.

# 6 Development of IP culture and information

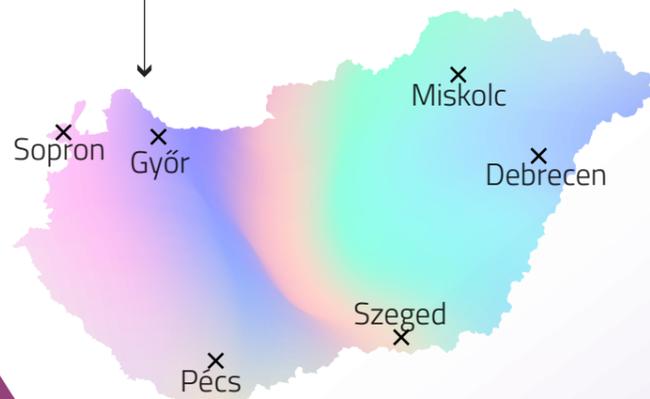
Professional partners and customers of HIPO were able to choose from a variety of services and programs of awareness raising, information provision and education.

*In 2020 it was a priority objective to spread IP knowledge and to develop industrial property and copyright culture among enterprises and higher education institutions.*

## 6/1 Awareness-raising among enterprises

HIPO has contracts for an indefinite period with **16 County Chambers of Commerce and Industry and 6 PATLIB Centres** (in Debrecen, Miskolc, Sopron, Pécs, Győr and Szeged) to operate information points of IP protection. These information points provide updated information for clients.

*The EPO launches the Patlib 2.0 programme for PATLIB Centres, which aims to renew the Centres and their service portfolio during 2021.*



In the field of enhancing the IP knowledge of enterprises in 2020, HIPO found an important partner in the magazine *Market and Profit (Piac és Profit)*. By the conferences co-organised with them, HIPO could reach

**900 SMEs** with its awareness-raising presentations.

*The Startup Campus*, also proved to be a useful partner. Joining this programme, HIPO held a number of presentations and prepared podcasts to target the start-ups.

HIPO took part in the *HungarianBridges (Hu.B) Reload Hungary*

programme, operating with 12 member organisations, which as an incubator assists the unfolding of the potential residing in the new generation (secondary school students), and supports the SMEs and bogus self-employed persons to restart their enterprises in realising their innovative ideas.

*Renewed IPARJOG call for applications*

From July 2020 on, a new funding scheme supports Hungarian economic operators in acquiring IP rights. In the framework of the renewed call of the NRDl Office

*"Support of activities fostering the domestic and international protection of intellectual property to facilitate the exploitation of those creations"*

(2020-1.1.3-IPARJOG) one may apply for a flat-rate support for Hungarian, international and European patent, utility model, design and trade mark applications.

# 6/2 IP education

## 16 *HIPO had cooperation agreements in force with universities in 2020.*

Besides the existing cooperation agreements, HIPO concluded new and renewed ones with the Hungarian Bridges initiative, the University of Miskolc, Budapest University of Technology and Economics, Eötvös Loránd Research Network and the Tungstram-iLex Innovation Marketplace.

## 10 *In 2020 HIPO participated in the teaching of intellectual property protection as an independent subject of a semester in 15 faculties of universities,*

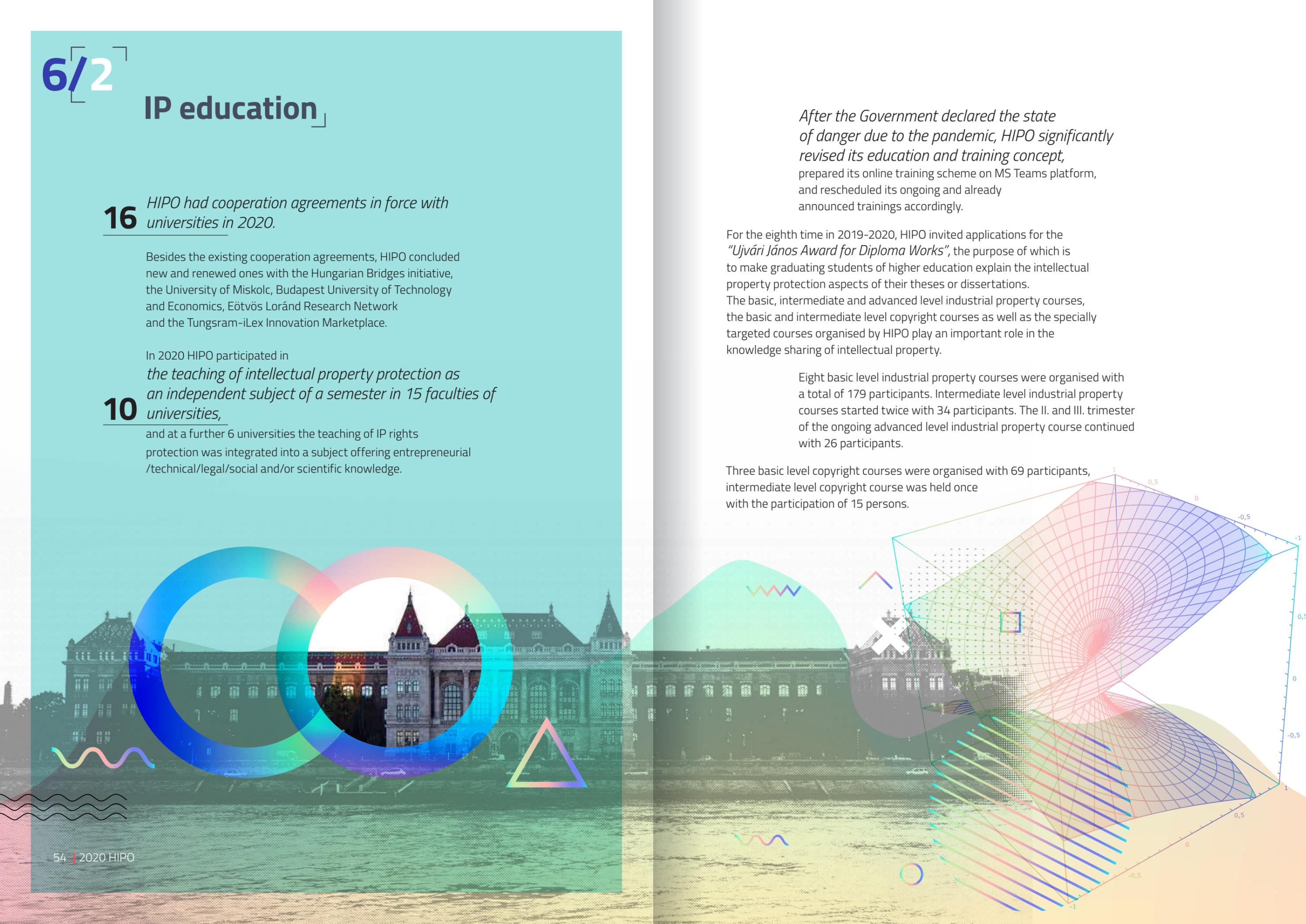
and at a further 6 universities the teaching of IP rights protection was integrated into a subject offering entrepreneurial /technical/legal/social and/or scientific knowledge.

*After the Government declared the state of danger due to the pandemic, HIPO significantly revised its education and training concept, prepared its online training scheme on MS Teams platform, and rescheduled its ongoing and already announced trainings accordingly.*

For the eighth time in 2019-2020, HIPO invited applications for the "Ujvári János Award for Diploma Works", the purpose of which is to make graduating students of higher education explain the intellectual property protection aspects of their theses or dissertations. 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 the knowledge sharing of intellectual property.

Eight basic level industrial property courses were organised with a total of 179 participants. Intermediate level industrial property courses started twice with 34 participants. The II. and III. trimester of the ongoing advanced level industrial property course continued with 26 participants.

Three basic level copyright courses were organised with 69 participants, intermediate level copyright course was held once with the participation of 15 persons.



6/2

It is an important achievement that in 2020 HIPO accredited its trainings with the Hungarian Bar Association and the Pest County Government Office (adult training accreditation). On 25 March 2020 the Hungarian Bar Association's Accreditation and Education Committee registered HIPO on No. AK001009/2020. Due to the pandemic, the first accredited training for attorneys-at-law was held in the second half of the year and it attracted great interest.

In 2020, the total number of hours of intellectual property protection related courses taught in cooperation with HIPO amounted to

**1120**

number of hours of education with



**2421**

persons attending those courses.

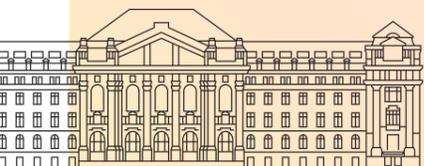
That is, the number of hours increased by

**77%,**

and the number of students by

**12%**

compared to 2019.



Courses on intellectual property given in cooperation with HIPO



Separate course



As part of other courses



E-learning

	Separate course	As part of other courses	E-learning
Corvinus University of Budapest			
Budapest Metropolitan University			
Budapest University of Technology and Economics			
University of Debrecen			
Eötvös Loránd University			
Eszterházy Károly University			
University of Miskolc			
Moholy-Nagy University of Art and Design			
University of Pannonia			
University of Pécs			
University of Sopron			
Hungarian University of Agriculture and Life Sciences			
University of Szeged			

## Continually updated professional publications

In 2020 the reference books entitled *Introduction to Copyright*, *Introduction to Industrial Property Protection* and *Industrial Property Protection* were published with renewed content and design, and in open access format they can be downloaded free of charge on HIPO's website.



In addition, an awareness-raising outreach material, entitled *Research and Development Qualification* was prepared both in Hungarian and in English language, which was very well received among the customers. The publication is also available on HIPO's website.

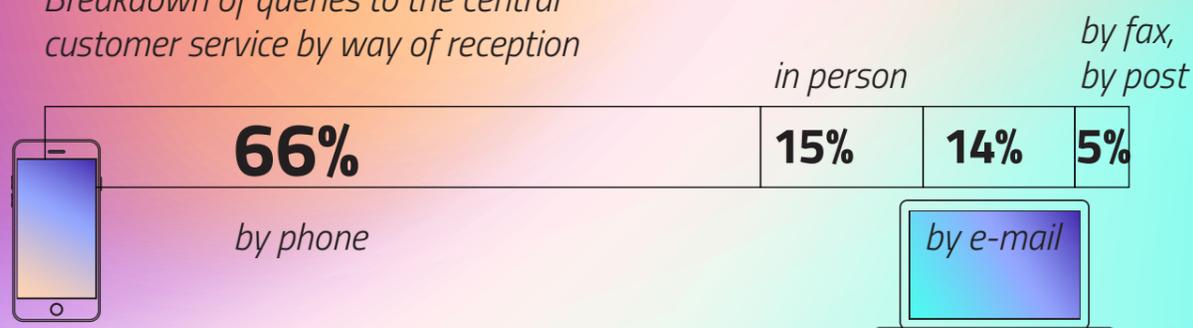
The Office also published the latest analysis of a series, entitled *Economic Contribution of Copyright-based Industries in Hungary 6*.

# Customer Service

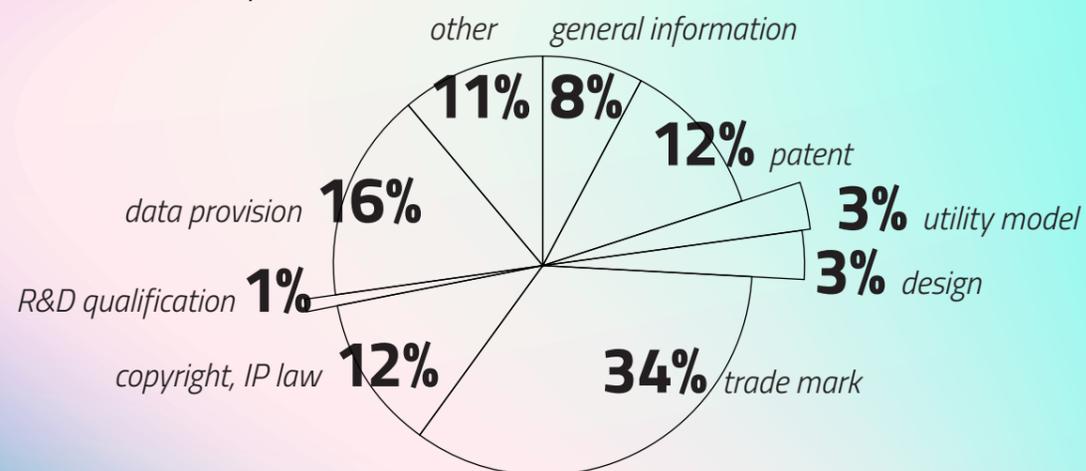
**15 726** *In 2020 HIPO's central customer service received queries.*

66% of the queries were received by phone, but due to the pandemic, the number of queries received electronically increased significantly by 34%, at the same time, the number of queries received in person dropped by half. About 8% of the e-mails arrived in English language. One third of the information queries concerned trade marks. Further important areas of the customer service activities related to information provision concerning databases, requests for patent information and inquiries concerning copyright or legal matters.

*Breakdown of queries to the central customer service by way of reception*



*Breakdown of queries to the central customer service by area*



In line with the relevant international experiences of a quality service provider office, HIPO offers its clients, beyond cost-free customer service information, advanced level IP services subject to payment: two different trade mark search and seven different patent search services, as well as the IP diagnosis service.

*In 2020 two new patent services were introduced: subject matter search and patentability evaluation.*

Since 1st January 2020 HIPO has performed subject matter search, within the framework of which the Office establishes the state of the art for a special field defined by the customer, which can be considered when determining the direction of research in the given special field. In addition, since 15 July 2020, there has also been available a patentability evaluation service, which is supported by the IPARJOG 2020 call for applications announced by the NRD1 Office, in order to facilitate the grant of the funding related to the filing of international (PCT) applications. In 2020 the above services were requested by the customers on 53 occasions, out of which on 34 occasions patentability evaluation was requested.

6/4

# Provision of comprehensive information on intellectual property

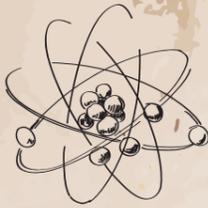
In the *Frecskay János Special Library* valuable documents related to intellectual property are available, the major part of which cannot be found in other public collections in Hungary. The Office formulated a digitalisation strategy defining the scope of documents recommended for digitalisation in order to make this unique public collection content customer-friendly, available and searchable to the public.



**400** In 2020 more than thousand pages were digitalised, which content can be found on the Hungaricana Public Collection Portal.



As a task related to the pandemic, HIPO's special library searched the web with Internet search engines for the latest developments reacting to the virus situation (*so-called Covid report*) and prepared regular summaries thereof.



The official journal of HIPO, the *Gazette for Patents and Trade Marks*, containing our official publications, is published online on the website of HIPO with free of charge access and certified by electronic signature.

In 2020 more than **190** users visited the publication's webpage (that is a 21% increase compared to the previous year) and opened **88** thousand pdf pages.



The *Industrial Property and Copyright Review* has been issued for 15 years as a specialised bimonthly publication. As result of the pandemic and the change of approach in the Office, the periodical is accessible from the time of publication on, free of charge, by open access on HIPO's website.

Users can access useful and free of charge e-administration and information services on the website such as *e-administration*, *e-search* and *e-register*. In addition to those, they can use the *TM e-Filing system* to file trade mark applications, the *TMview system* for electronic trade mark search, or the *Designview* database, which contains designs protected in the European Union, as well as the *GView* database introduced in 2020 containing the geographical indications protected in the European Union.



The website of HIPO ([www.sztnh.gov.hu](http://www.sztnh.gov.hu)) can offer valuable information both to potential clients who are less well-informed of intellectual property matters and to professional users. The number of individually identifiable visitors was 496 thousand, who visited the portal on 1.23 million occasions downloading more than 13 million pages in 2020.

On the website there are 69 thousand files available with individual Internet links.

**496** thousand visitors **1,23** million occasions

**13** million pages and **4 128** gigabyte data downloaded

The awareness-raising website prepared for the public and promoting the protection of intellectual property

([www.szellemitulajdon.hu](http://www.szellemitulajdon.hu)) was visited by

**55 334** individual visitors, the number of pages downloaded was **74 245**.

HIPO launched a new website primarily for SMEs, entitled "IP for Everyone" ([www.ipmindenek.hu](http://www.ipmindenek.hu)) in November 2020. With the help of the videos available on the website, users can learn about different professional areas and practical examples. The success of the introductory campaign is shown by the fact that in December almost **16** thousand individuals visited the webpage, who viewed more than 27 thousand pages.

In the area of communication, the Office managed to attain the ambitious goal of informing large social and economic groups of the essence of its activities, and enterprises, researchers and other stakeholders were made aware that they could gain greater economic advantage by intellectual property protection. Simultaneously in 2020, HIPO's presence intensified both in the printed media and in the radio and television.



During the year

**4** press conferences **18** communications **11** interviews with the president **>750** news items **>100** radio and television interviews or reports

reflected the Office's activities to the general public.

HIPO's presence in the social media also greatly intensified.

During 2020 HIPO created its LinkedIn, Facebook and Instagram pages. On Facebook the most popular posts were those describing inventors, well-known personalities or interesting inventions, which could attract even 15 to 20 thousand persons. The videos available on YouTube and the promotion spots on the *IP for Everyone* website were watched by 140 thousand persons.

HIPO plays a leading role in the organisation and promotion of domestic IP events, fora and workshops and in giving recognition to creators and communities of creators showing outstanding achievements. In 2020 despite the limited opportunities due to the pandemic, the Office managed to organise numerous events.

The Jedlik Ányos Prize giving ceremony, originally scheduled by tradition for 13 March, had to be postponed to 21 July 2020 with regard to the pandemic and was arranged on the Millenáris Startup Campus.

#### *Jedlik Ányos Prize was awarded to*

*Géza Balogh DSc* electrical engineer, manager of Interton Kft., full professor, doctoral candidate in engineering

*György Botond Kiss DSc* biologist-geneticist, academy doctor, retired director of the Department for Genetics, Agricultural Biotechnology Institute

*Gábor Mikófalvi attorney-at-law*, owner of Mikófalvi Law Office, vice-president of the Hungarian Trademark Association

*Gyula Simig DSc* chemist, doctor of chemical sciences, habilitated privat-docent, retired research director of EGIS Pharmaceutical Company

*János Vásárhelyi* designer, winner of the Ferenczy Noémi Prize, associate professor

It was also at the event on 21 July 2020 that *HIPO's special prize of the Hungarian Innovation Grand Prize* was awarded. The prize was granted to the *Plant Protection Institute of the Centre for Agricultural Research* for the novelties of the 25-year-old CSALOMON brand assortment of insect traps.

On 3 November 2020, as one of the events of the celebration of Hungarian Science, the Academy Patent Prize was awarded in the ceremonial hall of the Hungarian Academy of Sciences.

#### *Academy Patent Prize was awarded to*

*Mariann Rekszegi DSc, PhD*, senior research fellow at the Centre for Agricultural Research

*Miklós Serényi PhD*, Doctor of Science, candidate of physics

*Balázs Sarkadi DSc*, ordinary member of the Hungarian Academy of Sciences, research professor

*András Váradi DSc*, Doctor of the academy, scientific advisor

With regard to the pandemic, the festivities of the

*World IP Day*, organised for the 20th time in Budapest, were held in the digital space on 27 April 2020 and featured inter alia a conference entitled "*Innovate for a green future*".

HIPO launched a pilot online *webinar* series: "*Copyright state of affairs – topicalities, researches*" and "*Creativity and intellectual property protection*".

**300** participants and not only from the profession.

On 20 October 2020 HIPO held the prize-giving ceremony of the call for applications, entitled "*I have dreamt a start-up for myself*" in the Loffice coworking space.

HIPO and the Brand-Way & Compas Kft. announced a joint competition for secondary school students on the subject of intellectual property protection and enterprise.

# 7 Efficient management

## 7/1 Information technology

Also, in the extraordinary year of 2020, HIPO's IT system provided *the informatics – computing background necessary for the official and service activities*, although it had to face many new challenges due to the transition to online communication and work. The Office's IT system successfully performed the tasks related to the increased use of e-administration, and also fulfilled the obligations prescribed for state administration organs concerning information security.

Due to the COVID-19 pandemic, HIPO attached considerable attention and importance to the development of e-administration. As a result of the measures related to the pandemic, the number of applications filed in electronic way increased by 3 to 4 times compared to the earlier period,

**1100** from 300 to 400 to per month.



From the most important IT developments performed in 2020 the following stand out: *a development was completed by means of which the EUIPO can access on a daily basis the data of the Nice list of goods and services for the international classification of national trade marks.* Work is ongoing relating to the introduction of a new HR management software in 2021, while the document management system was updated, and the IT system assisting trade mark search was also updated to the latest version.



In order to renew HIPO's internal case management system in a comprehensive manner, the introduction of *EUIPO's Back Office* system is ongoing, which was already implemented by more than 10 EU member states and used as their own internal case management system. The joint project of the two offices enjoys the EUIPO's methodological, professional and financial support. The project is scheduled to be completed by 2023 when the trade mark and design development packages go live and the project is concluded.

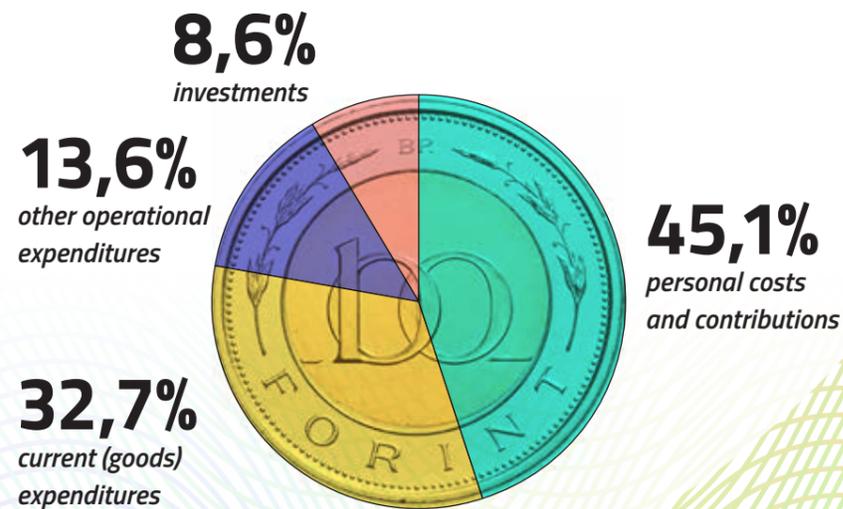


# Financial management

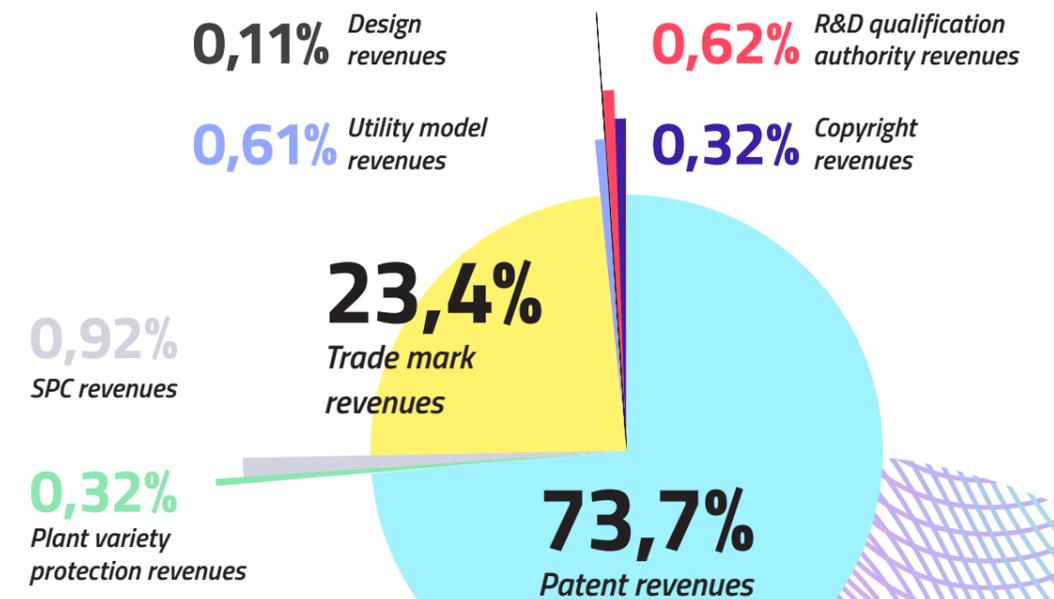
The operational expenditures of HIPO are covered by its own income that originates from administrative service, maintenance and renewal fees regulated by a ministerial decree, from revenues due for international proceedings, revenues based on agreements, from payments for services performed by the Office, as well as from other revenues. HIPO manages its revenues independently, uses them for its operation; it does not receive central budgetary support.

In 2020 for the operation of HIPO, HUF 4 028,1 million were available as original estimate of expenditure, the source of which was almost exclusively provided by institutional revenues. Contrary to the estimates, the Office's total budget revenues were HUF 4 409,2 million, out of which HUF 4 193,9 million (95%) were administrative fee revenues.

HIPO's expenditure structure has not changed for years. In 2020, 45.1% of its operational expenditures covered personnel costs and contributions, 32.7% covered current (goods) expenditures, 13.6% covered other operational expenditures and 8.7% was appropriated for investments.



The largest proportion of administrative fee revenues came from patent (73.7%) and trade mark (23.4%) administration revenues. Approximately 90.2% of the patent procedural and renewal revenues originated from fee payments (procedural and maintenance fees for European patents validated for Hungary, from international patent procedural fees, maintenance fees paid by foreign right holders for patents granted via the national route) effected by right holders who have their seat abroad.



Due to the financial burden relating to the protective measures against the COVID pandemic, the Government prescribed an extraordinary central contribution obligation for HIPO in 2020. The imposed HUF 2014,0 million contribution was paid within the time limit.

From 1st January 2019 on, László Palkovics Ph.D., minister for innovation and technology, exercising the right of supervision over the Office, determined that the number of staff positions, necessary for the performance of HIPO's official administrative tasks, is 197, which is supplemented by an additional 10 centralised staff positions.

*HIPO has a professionally well-prepared, highly qualified staff* of employees, who have international experience and have a good command of several languages. It is especially difficult to recruit experts with specialised knowledge in certain special areas, as the remuneration in the public administration is considerably lower than the market wages.

In 2020 too, for the officials of HIPO, on the *ProBono* public administration further training portal there was an option to choose, as an accredited internal training, the basic, intermediate or advanced level industrial property law course, the basic or intermediate level copyright course or the internal course on integrity, all of which are mandatory requirements for numerous positions.

In 2020 HIPO joined the so-called *TÉR database*, centrally established and operated by the Ministry of Interior. The first *performance evaluation* was carried out in October 2020 with the help of that database. During 2020 the Office started the replacement of the staff registration program. The new HR software will probably be installed in the first half of 2021.



# 8/ Bodies

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.

## 8/1 Hungarian Design Council

The Hungarian Design Council (HDC) assists the competitiveness of the Hungarian national economy with the tools of design culture and design ecosystem. The presidential tasks of the HDC have been performed by the President of HIPO, Gyula Pomázi.

During the seventeen years of its existence, the *Design Week Budapest* has earned international recognition. The festival, organised from 1 to 11 October 2020, with the slogan *Keep it in circulation!* expected the visitors with

**160** programmes. The webpage, social media sites, online events and newsletters reached more than

**350** thousand stakeholders.

The events organised by external partners of the festival also attracted almost 100 thousand participants.

HDC has the responsibility to administer the long-standing Hungarian Design Award, the Design Management Award competition and the Moholy-Nagy László Design Scholarship Programme. At the Hungarian Design Award competition 11 works won a prize, 4 Hungarian enterprises received the Hungarian Design Award, and in the framework of the Moholy-Nagy László Design Scholarship 8 young designers were given the opportunity to implement their professional programmes.



The electronic *Start Up Guide*, which has assisted the establishment of young designers' enterprises for 15 years providing them with up-to-date information, was compiled again and focussed also on features of the pandemic.

### Hungarian Design Award was granted to

- ILLAN hanging lamp (Zsuzsanna Horváth)
- TILT chair (Dániel Lakos)
- ZIGZAG modular climbing wall system (Tamás Erdélyi, Bernát Gara, Szabolcs Csepregi)
- BIROSIGN pen (Ádám Nagy)
- LAVOSBALL (János Szabolcs)
- FIE WORLD FENCING CHAMPIONSHIPS 2019 IMAGE (Hunor Kátay, Sebestyén Németh, Szilárd Kovács)
- FOCUS EX browser extension (Szabolcs Vatány)
- EMMI special prize: AURA adaptive sound system (András Kókai)
- ITM special prize: FRIGO modular fridge (Márton Kispál)
- HIPO special prize: AXIS PRO measuring tools (Remion Design Kft.)
- HDC special prize: SLÉ plywood sleigh (Ádám Miklósi)

### Design Management Award was granted to

- Plydesign Kft.

### Certificate of merit went to

- WAMP (Vasárnap Kft.)
- YKRA Design Kft.
- Pécs Organ Manufactory

# 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 events and information campaigns for awareness raising and conducts surveys. The President of NBAC is *Judit Varga*, Minister of Justice, its Vice-President is *Gyula Pomázi*, President of HIPO.

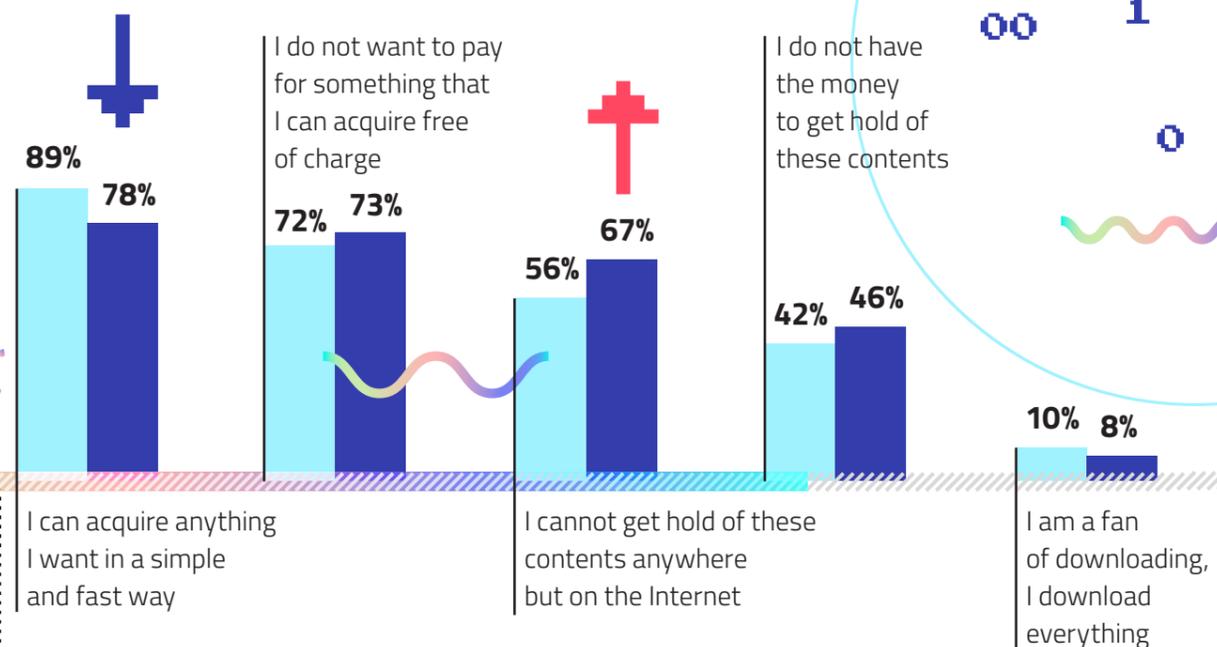
The NBAC has brought about close cooperation with domestic and international stakeholders, and actively participates in the joint actions aiming at the roll back of counterfeit goods (STOP international action against counterfeit medicines and products related to the coronavirus epidemic, confiscation of counterfeit supporter relics and and sports requisites at the UEFA Super Cup).

The launch of the publication *"Distinction between grain refuse and wheat – counterfeiting of works of art with Hungarian eyes"* was on 26 February 2020. The latest volumes of the NBAC brochures were published, which reviewed the previous year's events (*NBAC – Annual Report 2019*) and summarised the board's researches.

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In 2020 NBAC, repeated its survey on the *youth's customs and change of attitude towards digital contents and counterfeiting*. According to the survey, as a result of the increased use of streaming illegal downloading decreased. During the coronavirus pandemic the consumption of legal digital contents further increased.

Factors motivating the download of music, film and other contents from the Internet (2017, 2020)



According to the findings of the *survey on food-supplements* conducted jointly with Tárki, among the youth the most frequent reason for purchasing them is that food-supplements contain the active ingredients in a concentrated form (79%), their further important motivation is safeguarding their health (66%).

The annual *survey on consumption* was also carried out, which shows that consumer awareness is growing among customers: **the proportion of customers buying counterfeit products was the lowest in 2020 (11%)**. It is also an encouraging figure that most of those withdrawing from purchasing counterfeit products (97%) did not buy such a product in the past year.



## 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 2020 the Body received 34 invitations or appointments for giving expert opinion and 2 requests for supplementary expert opinion, concerning 14 types of work. During the year 28 expert opinions were completed.

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

In 2020 the Body received 9 requests or assignments.

With regard to the subject matter of the requests or assignments, most of them referred to different fields of industrial property protection.

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