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## Annual Technical Report 2003 on Patent Information Activities submitted by Hungary (SCIT /ATR/PI/2003/HU)

Where URLs are requested below, it is preferred that either URLs which are likely to remain stable over time (three years or more) are provided, or home (main) page URLs are provided with a short explanation of how to access the corresponding information.

The term "patent" covers utility models and Supplementary Protection Certificates (SPCs). Offices which issue design patents should report their design patent information activities in their Annual Technical Reports on Industrial Design Information Activities.

### I. Evolution of patent activities

#### PREPARATION OF INTELLECTUAL PROPERTY LEGISLATION AND APPLICATION OF LAW

##### 1. PREPARATION OF LEGISLATION

In 2003, the first result of the legislative activity was the adoption of Act VI of 2003 on the amendment to Act XXXII of 1995 on Patent Attorneys. An important step in harmonisation and modernisation was the preparation and enactment of Decree No. 9/2003 (II. 28.) GKM of the Minister of Economy and Transport on the support to obtain and maintain industrial property protection from a budget allocated for patenting Hungarian inventions abroad.

The aim of codification in the Hungarian Patent Office (HPO) was furthermore to bring industrial property and copyright legislation into full conformity with European Community law by the time of Hungary's accession to the European Union – taking into account the changes in European Community law since the creation of the said legislation – and to create all the rules that are necessary for operation as a Member State and for the application of Community law.

This aim was achieved by Act CII of 2003 amending certain industrial property and copyright legislation (furthermore: Act) adopted on the basis of the joint submission of the Minister of Justice, the Minister of National Cultural Heritage and the President of the Hungarian Patent Office. It contains amendments to Act XI of 1997 on the Protection of Trademarks and Geographical Indications (furthermore: Trademark Act), Act LXXVI of 1999 on Copyright (furthermore: Act on Copyright) and Act XLVIII of 2001 on the Legal Protection of Designs (furthermore: Design Act). The Act was adopted by the Parliament at its session on 17 November 2003; it entered into force on the entry into force of the Act promulgating the international treaty on the accession of the Republic of Hungary to the European Union.

The amendment to the Act on Copyright is aimed first of all at harmony with Directive 2001/29/EC on the harmonisation of certain aspects of copyright and related rights in the information society (INFOSOC) that was adopted after the enactment of the Act on Copyright. In addition, the Law provides for amendments required by conformity with other Community directives (i.e. Council Directive 91/250/EEC on the legal protection of computer programs, Council Directive 93/83/EEC on the coordination of certain rules concerning copyright and rights related to copyright applicable to satellite broadcasting and cable retransmission, Council Directive 93/98/EEC harmonizing the term of protection of copyright and certain related rights, and Directive 96/9/EC of the European Parliament and of the Council on the legal protection of databases).

The amendment brings about changes in the field of the collective management of rights in order to create alignment with international treaties that have also become part of Community law. Moreover, it reflects the first experience of the application of the basic Act of 1999. Due to the amendments referred to, the Act on Copyright is in full conformity with the relevant international and Community provisions. Directive 2001/84/EC of the European Parliament and of the Council on the resale right for the benefit of the author of an original work of art is, however, worth mentioning. Since the time limit for Member States to implement this Directive is 1 January 2006, the necessary legislative amendments are scheduled by the legal harmonisation programme of the Government for 2005.

The preparation of a draft Government decree necessary for the application of Council Regulation (EEC) No 1768/92 concerning the creation of a supplementary protection certificate for medicinal products and of Regulation (EC) No 1610/96 of the European Parliament and of the Council concerning the creation of a supplementary protection certificate for plant protection products was also aimed at creating the conditions for accession to the European Union.

##### 2. OPERATION OF INTELLECTUAL PROPERTY PROFESSIONAL BODIES ATTACHED TO THE HUNGARIAN PATENT OFFICE

In 2003, the Hungarian Council for the Protection of Intellectual Property held five meetings. It elaborated a position on the amendments to intellectual property legislation relating to EU accession (amendment to Act LXXVI of 1990 on Copyright, Act XI of 1997 on the Protection of Trademarks and Geographical Indications and Act XLVIII of 2001 on the Legal Protection of Designs) and on the draft of the Government Decree relating to the introduction of a supplementary protection certificate for medicinal products and for plant protection products. The Council also elaborated a proposal on the industrial property-related issues of the conception and draft of the Act on the general rules of administrative procedure, as well as on the comprehensive measures aimed at strengthening the industrial property activity of small and medium-sized enterprises.

A change occurred in the management of the Council, since on the proposal of the President of the HPO, the Minister of Economy and Transport appointed Erik Bogsch, General Manager of Richter Gedeon Chemical Factory Corp., as President of the Council with effect from 1 September 2003.

The Body of Experts on Industrial Property received 14 new cases in 2003. During the year 13 cases were completed, 1 remained pending. At the same time the backlog from 2002 was also processed (in 2002, 17 new cases were received and 8 were completed). As part of the Body's renewal, the Minister of Justice appointed Márta Posteinert-Toldi, Vice-President for Technical Affairs of the HPO, as President of the Body.

Industrial property expert licenses were issued or renewed in six cases. During the year under review, 11 candidates passed the patent attorney examination, one candidate failed it.

The Body of Experts on Copyright received 40 requests and expert opinions were prepared in 33 cases. (In 2002, 42 requests were received and expert opinions were prepared in 36 cases). The Body gave additional expert opinion on supplementary questions filed in connection with earlier cases, and oral information and advice (by phone or personally) was given in numerous cases.

#### OFFICIAL EXAMINATION AND PROCEDURES IN INDUSTRIAL PROPERTY MATTERS

## 1. NATIONAL AND INTERNATIONAL APPLICATIONS

The growth in industrial property applications filed via the national and international routes experienced over the past few years slowed in 2003. The number of applications filed in the national way decreased, while that of applications via the international route slightly increased. The decline may be attributed first of all to the fact that due to our accession to the European Patent Convention the number of patent applications filed by foreign applicants with the HPO either in the national way or within the framework of the PCT system decreased according to the forecasts.

Table 1.: Figures of national and international applications (1999–2003)

In 2003, the number of applications filed in the national way was less by 1363 than in the previous year – due first of all to the fact that the number of patent applications filed by foreign applicants with the HPO either in the national way or within the framework of the PCT system decreased. The number of applications filed in the national way slightly decreased with respect to almost all titles of protection (patents, utility models, trademarks, designs), with the exception of geographical indications.

Table 2.: Breakdown of national industrial property applications by titles of protection (1999–2003)

More than 51% of applications filed in the national way are of Hungarian origin. One third of them came from individuals and two thirds from enterprises. As far as the titles of protection are concerned, the origin of applications – Hungarian or foreign – is quite varied. In the case of patent applications, the ratio of domestic applicants to foreign applicants is 1:6, while domestic applicants are dominant in the case of trademark applications (77%), utility model applications (96%) and design applications (77%).

The number of applications designating Hungary under international treaties has shown an increasing tendency in the 90s.

Hungary was designated as a possible target country in 7000 to 9000 international patent applications every month (EURO-PCT) and the number of applications filed directly with the European Patent Office (EPO) in which Hungary was designated as a Member State of the European Patent Convention amounted to 3000 to 4000 per month.

The decline of patent applications seemed to be an international phenomenon in 2003. A 4% decrease in international patent applications was forecast by WIPO for 2003. No considerable decrease was experienced in the number of the entries into the Hungarian national phase of international patent applications, although this was previously forecast as a consequence of our accession to the EPC. In 2003, the HPO processed 3251 international patent applications entering the national phase and further 686 international applications are expected to enter the national phase. The HPO performs the tasks of a receiving office within the prescribed time limit.

Table 3.: Breakdown of applications filed under international treaties (1999–2003)

In the first year after our accession to the European Patent Convention, Hungarian applicants filed 5 European patent applications through the intermediary of the HPO, while further 9 applications were filed directly with the EPO. In 124 cases Hungarian applicants chose the EURO-PCT way to file their international applications through the intermediary of the International Bureau of WIPO. In 2003, of the proprietors of European patents 61 were of Hungarian origin.

## 2. PATENTS

The increase in the number of applications filed in the national way experienced in the past five years came to a halt in 2003; the decline on the previous year was 18.6% or 1096 applications. In the year under review, not only the number of domestic applications decreased but also that of foreign applications filed via the national route. This may be explained by Hungary's accession to the European Patent Convention, since after 1 January 2003 foreign applicants have claimed protection for the territory of Hungary by designating our country in their European patent application.

Table 4.: Breakdown of national patent applications by origin (1999–2003)

The breakdown of patent applications by technical field continued to be characterised by a keen activity in the "chemical fields". (Of the 4810 applications filed in 2003, 3953 could be assessed, since the applications' classification according to IPC takes place after the fulfilment of all prescribed conditions which usually requires 2 months.)

Granted patents represented about 30% of the total number of completed applications, which was about 6% down on the previous year. The majority of lapses may be attributed to non-payment of annual fees, which shows the loss of interest of applicants and can hardly be influenced by official means. The decrease in the willingness to pay annual fees is particularly apparent in the fields of pharmaceuticals and electricity. In the case of the former it is presumably in connection with the keen competition and long pendency time in this field, while in the case of the latter with the fact that improvements are introduced and become obsolete very rapidly.

Table 5.: Patents granted in Hungary (1999–2003)

Table 6.: Valid patents (1999–2003)

Patent examination work in the so-called BEST system ("search+examination") became dominant in 2003. 3575 searches were performed by the patent examiners of the HPO, the number and proportion of outsourced novelty searches further diminished.

Table 7.: Novelty search

There was no hindrance in the settlement of cases to be decided by a board. 8 cases were completed and 8 new cases commenced. 15 cases to be decided by a board remained pending.

## 3. MODELS

In the year under review, 316 utility model applications were received, representing a slight decrease compared with the previous year. The breakdown of applications by origin practically did not change, 95% of this title of protection is used by domestic applicants and only 14 applications were received from foreigners. In 2003, 342 applications were completed, of which 217 ended with grant, 4 with rejection and 121 were withdrawn or considered withdrawn.

In 2003, the HPO received 13 requests for nullity and 1 request for a decision on lack of infringement. The procedure ended in 11 cases of nullity and in 1 case of lack of infringement.

Table 8.: Breakdown of utility model applications by origin (1999–2003)

Table 9.: Valid utility models (1999–2003)

#### 4. NATIONAL REGISTERS

##### Valid patents

On 31 December 2003, the number of patents valid in Hungary was 10,385. Foreign patentees account for 82% of them. 1866 patents are owned by Hungarians; of this total 40% belong to individual inventors.

Table 10.: Breakdown of patents valid in Hungary

Patent protection may be maintained for not more than 20 years if the patentee pays the due annual fee. The majority of patents valid on 31 December 2003 are "middle-aged" since 77.3% of them are more than 8 years old.

The breakdown of valid patents by country of origin shows that the proprietors of 90% of them belong to only 10 countries. 21% of the valid patents are owned by German patentees, 20% by patentees from the USA and 18% by Hungarian patentees.

5768 patents making up 55.5% of patents valid on 31 December 2003 are concentrated in five technical fields. Most valid patents belong to the fields of organic chemistry, pharmaceutical industry and chemical compounds concerned with these.

Table 11.: Five technical fields with the largest number of valid patents

##### Valid utility models

On 31 December 2003, the number of valid utility models amounted to 1123. Of these, 90% belong to Hungarian right holders, mainly to individual inventors.

Table 12.: Breakdown of utility models by lifetime

90% of the valid utility models are owned by Hungarians, they are followed by German and Austrian right holders.

Table 13.: Top six countries having the largest number of valid utility models

Most valid utility models belong to the field of building industry (191), this is followed by medical and veterinary sciences, life-saving, fire-fighting, sports, games and amusements (121), as well as by conveying, packing, storing, lifting, bottles and saddlery (114).

#### 5. INDUSTRIAL PROPERTY ADMINISTRATION

##### TASKS OF RECEIVING OFFICE

From Hungary's accession to the European Patent Convention a new task has arisen for the HPO, i.e. to perform the tasks of a European receiving office. In the first year Hungarian applicants filed 5 European patent applications through the intermediary of the HPO, while further 9 applications were filed directly in Munich. In 124 cases Hungarian applicants chose the EURO-PCT way to file their international applications through the intermediary of the International Bureau of WIPO. In 2003, of the proprietors of the 56 415 European patents 61 were of Hungarian origin. In the course of the year the HPO prepared itself for the registration and publication of European patent applications in Hungary, for the administrative tasks concerning the granted European patents, for the necessary official information and for ensuring the access to, and inspection of, European applications and patents.

The tasks of a receiving office deriving from the Patent Cooperation Treaty (PCT) have been regularly performed by the HPO. In the patent field, foreign applicants continued to claim protection for the territory of Hungary within the framework of the PCT system. 85% of applicants wishing to obtain protection in Hungary filed their applications via the international route under the PCT. In 2003, the number of international patent applications filed by Hungarian applicants returned to the average quantity of the previous years, which was 110. As it was expected, the number of international applications entering the national phase also decreased. Following Hungary's accession to the European Patent Convention on 1 January 2003, it was at the end of August 2003 that the transitional period, available to applicants to file their requests for the national phase entry still under the earlier – before 1 January 2003 – conditions, expired. From 1 September 2003 on, both the applicants and the staff of the HPO had to observe new administrative procedures deriving from the new legal provisions.

Due to development and professional policy considerations, the HPO has been testing the computerised international system of WIPO since August 2003. In the course of this, the HPO uses the versions of IMPACT (Information Management for the Patent Cooperation Treaty) and COR (Communication on Request) systems prepared by internal development to order and obtain the international documents of PCT applications entering the national phase. As a result of the continuous testing, the documents of the international patent applications, sent formerly on paper, are now forwarded to the HPO electronically.

##### COURT PROCEEDINGS IN INDUSTRIAL PROPERTY MATTERS

A summary of industrial property proceedings in industrial property matters follows, grouped according to titles of protection (the figures of 2002 are indicated in parentheses)

##### PATENTS, UTILITY MODELS, DESIGNS

Requests received for review of the HPO's decision: 85 (97), of which 63 (72) related to patents, 11 (13) to utility models and 11 (12) to designs. Requests for review forwarded to the Metropolitan Court: 43 (70), of which 25 (46) patents, 9 (13) utility models, 9 (1) designs. Requests for review settled within the HPO's own competence: 13 (27).

Number of cases returned by the Metropolitan Court with a final decision: 47 (77), of which

- a) the request for review was rejected : 21 (54),
- b) the decision of the HPO was changed: 5 (5),
- c) the decision of the HPO was repealed and the HPO was ordered to start a new procedure: 12 (7),
- d) termination of the proceedings: 5 (4),
- e) the decision of the HPO was repealed and the request was referred to the HPO: 4 (7).

In the field of patents, utility models and designs, the number of requests for reviewing the HPO's decision (85) slightly decreased compared with the figures of 2002. The number of cases returned by the Metropolitan Court with a final decision was down by almost 40% (47); in about half of these cases (21) the request was rejected.

[P\\_I\\_Table](#)

## **II. Matters concerning the generation, reproduction, distribution and use of primary and secondary sources of patent information**

### **INDUSTRIAL PROPERTY AND COPYRIGHT INFORMATION AND EDUCATION**

#### **1. NEW PUBLICATIONS – NEW GUIDES**

The HPO made available also to outside users – via the Internet and on CD – the database of patent matters containing revocation procedure, as part of the PIPACS database. In addition to bibliographic data and the full text of the decisions of the HPO and the court in revocation procedures instituted against patents granted by the HPO, search can be performed according to several other criteria, e.g. grounds for revocation, types of decisions, data of requesting parties and their representatives. In the case of the limitation of patent protection, the limited claims are also available in the database.

On the occasion of the World Intellectual Property Day, related publications of uniform design and conception were issued.

#### **2. MORE CONSCIOUS USER ATTITUDE – HIGHER LEVEL SERVICES**

The information and documentation services of the HPO are focussed on official patent and utility model novelty searches and on the support of public information by documentation and information technology. These services also extend to the development of methodology and training in this field, based on the continuously augmented Patent Library, online and CD search systems and collections on paper, electronic and microcarriers.

The collections of the Patent Library and the sites supplying services were concentrated. Thus, for the first time in its history, the Library offers the clients a full collection and services linked to it in a single place.

The experience and statistical data of last years clearly show changes in the habits of users. Well-prepared visitors of the Library perform computerised searches independently, typically in databases via the Internet. In the case of complicated searches they use databases on DVD /CD-ROM suitable for command-mode searches or Internet databases with advanced search field.

With the introduction of a new electronic service it has become possible to search online intellectual property-related publications published in the media and to retrieve them independently of time.

## **III. Matters concerning abstracting, classifying, reclassifying and indexing of technical information contained in patent documents**

## **IV. Search file establishment and upkeep**

## **V. Activities in the field of computerized and other mechanized search systems**

## INFORMATION TECHNOLOGY DEVELOPMENT AND OPERATION

### 1. INCREASED SECURITY OF OPERATION

The objectives relating to the information technology system of the HPO focussed on the operational security and development of several fields in 2003. In the interest of the general security of operation, a considerable system consolidation took place that included the development of the network and the complete standardisation of the servers and clients.

In the year under review, the firewall regulation was also modified.

In order to improve the Internet connection, the HPO switched to ADSL line. The connection with the system of the EPO is ensured by a line of 2 Mbit/s. In the interest of a quicker access to the applications, the reconstruction of the network has begun.

A priority task was the extension of the capacity of the uniform registration system (ENYV).

The operation and development of the SAP system continuously call for equipment and the presence of the system administrators.

### 2. CONTINUOUS DEVELOPMENT REQUIRED BY ADMINISTRATION SYSTEMS

The activity of the HPO is supported by three major information systems: the SAP system supports the managing and economic activity, the ENYV system helps industrial property administration and the PIPACS database, based on the data of ENYV, provides information.

In 2002, the HPO joined an international project, coordinated by the Office for Harmonization in the Internal Market (OHIM) that is aimed at the creation of a trademark database and user interface based on new Internet technologies. On the basis of this, the HPO send monthly its trademark data for the international database.

The production of the ESPACE-PRECES CD, coordinated in Budapest, is carried out smoothly, in accordance with the conditions of the agreement of the Central and Eastern European partner offices.

The TRACES CD contains the trademark data of six Central and Eastern European offices. In 2003, two issues were published.

The HPO organised the creation of an electronic database of Hungarian designs, as a result of which designs are also searchable in a database.

In the year under review, the Open Patent Services (OPS) of the EPO were tested in Hungary, in the course of which the software developers were granted "direct" access at application level to the EPO database.

On the basis of a contract between the Ministry of National Cultural Heritage and the EBSCO Publishing (USA), the EBSCO databases of journals, providing extensive professional knowledge, are available to the Professional Library of the HPO free of charge as from September 2003.

The EU launched in 2003 its eContent Programme. The eMAGE project submitted by a consortium composed of the Hungarian, French, Austrian and Portuguese Offices as well as of LTU Technologies, Lingway and Intrasoftware companies proved a success.

## **VI. Administration of the industrial property office library and services available to the public (relating to facilities, e.g., for lodging applications, for assisting clients on searching procedures, for obtaining official publications and registry extracts)**

## INDUSTRIAL PROPERTY AND COPYRIGHT INFORMATION AND EDUCATION

### INDUSTRIAL PROPERTY EDUCATION – STRENGTHENING OF THE “IMMUNE SYSTEM” OF KNOWLEDGE INDUSTRY

The long-standing intense educational activity of the HPO contributes to a great extent to the development of Hungarian industrial property culture, to the enrichment of intellectual property knowledge. There is an ever-increasing interest in the advanced level industrial property courses of the Office, the presence of industrial property education is more and more important in higher education and an increase can be observed in the number of lessons and of participants of specialised courses held at the request of various professional and non-profit organisations.

### CLOSE COOPERATION WITH HIGHER EDUCATION INSTITUTIONS

In the past few years the HPO concluded cooperation agreements with a number of universities and colleges. The students of higher education institutions can acquire up-to-date intellectual property knowledge within the framework of graduate and post-graduate training, distance learning and specialised courses.

### ESTABLISHMENT OF THE PATLIB NETWORK IN HUNGARY

The PATLIB Network was created by the national offices of the member states of the European Patent Convention according to uniform principles and requirements and with the coordination of the European Patent Office (EPO). In 2003 there were 284 such regional centres. In Hungary, the first PATLIB centre is the Industrial Property Information and Education Centre of the Hungarian Patent Office and in this capacity it is responsible for establishing and maintaining the domestic network.

Regional client services, which actively work on the basis of a cooperation agreement between the Federation of Technical and Scientific Societies and the HPO, constitute the lower level of the industrial property information network. Their activity and experience gained so far make it possible to pass on the accumulated knowledge to PATLIB centres providing services at a higher level. Following the practice well established in the EU, these centres will operate under the same roof as the central library services of universities.

Centres providing a higher level of services (with a university library background) in chronological order of their entry into the network: Miskolc, June 2004; Pécs and Szeged, also 2004; Gyr, 2005; Debrecen 2006. These towns have at their disposal a higher educational infrastructure and a centre of knowledge by means of which they are capable of supporting the activity of information units with lower capacities. The members of this two-level network can directly contact each other and the HPO alike.

The HPO is concluding co-operation agreements with the members of the Hungarian PATLIB network under the following conditions.

The centres of knowledge ensure for the PATLIB centres:

- public access
- venue
- background collection of technical literature (handbooks, technical journals, electronic information sources)
- technical conditions (opening hours per day and week), computers
- qualified and experienced staff for providing information (also in the area of electronic information sources)
- collection of statistical data

The HPO ensures for the PATLIB centres:

- industrial property education and further training for information providers
- information training for the users of industrial property information and databases
- transmission of the information and training services of the European Patent Office

The members of the PATLIB network have created a joint website with the coordination of the HPO. They receive and answer client questions electronically or forward them to the HPO. Video conferencing is also planned with a view to supporting consultation with clients.

### VIVACE

In order to take advantage of the possibilities deriving from Hungary's accession to the European Patent Convention and the Community Trademark System as well as to reduce the arising disadvantages, the HPO prepared – in agreement with the administrative authorities and professional bodies concerned – the Action Plan Promoting Industrial Property Competitiveness of Entrepreneurs (the Hungarian acronym of which is: VIVACE). VIVACE is aimed at heightening awareness of the intellectual property system within small and medium-sized enterprises (SMEs) and at developing their industrial property culture.

All over the world, SMEs play a significant role in economy; they are of considerable importance in Hungary, too. The entrepreneurial sphere accounts for 36% of the GDP and they give work to 67% of employees, that is, to more than 1.5 million people. At the end of 2003, there were 868 thousand enterprises in Hungary, of which 99.9% were SMEs. Within this, the rate of microenterprises with less than 10 employees was particularly high.

Due to their economic importance and role in employment, the strengthening of SMEs and the considerable improvement of their performance constitute one of the most essential factors of the future competitiveness of the Hungarian economy. 75% of the SMEs working in industry are inactive from the point of view of innovation. Only 2-3% of the enterprises, that is approximately 2-3 thousand belong to pioneer, knowledge-intensive companies capable of developing genuine ideas.

In a knowledge-based economy, the effective management of intellectual property is becoming a more and more important condition for coping with market competition. This calls for the development of the industrial property culture of enterprises, for the enhancement of their awareness of the industrial property system and for the strengthening of their industrial property skill.

The conditions of accessing patent information are more favourable in the United States and in Western and Northern European countries than in the Central and Eastern European region. As far as the use of patent information is concerned, Hungary takes a place in the middle of European countries. It is advisable to heighten the awareness of the industrial property system in the circles of SMEs by means of campaigns, special training programmes and by applying up-to-date information and communication techniques. The intellectual property-related services of chambers, incubators, science parks and institutions supporting enterprises should be improved. Furthermore, it is indispensable to promote all the efforts that aim at the reduction of the costs of acquiring and maintaining intellectual property rights.

## **VII. Matters concerning mutual exchange of patent documentation and information**

## **VIII. Other relevant matters concerning education and training in, and promotion of, the use of patent information, including technical assistance to developing countries**

### **DEVELOPMENT OF INTELLECTUAL PROPERTY CULTURE, CLIENT SERVICES**

#### **NEW WORLD IN INFORMATION: MORE SIMPLY, AT HIGHER LEVEL**

Although the attendance of Client Services has somewhat decreased, the demand for searches in databases has increased. This was considerable in the case of trademarks, too: in 2003, 7500 requests were received compared with 5736 requests in 2002. The decrease in attendance and the increase in requests for information mean that one client inquires about several trademarks, and when he wants to file an application, he puts forward several solutions when he visits the Client Services. The number of requests received by e-mail has doubled as well.

The first steps of becoming a "European Information Point" took place in the field of Client Services. The staff of the HPO established a daily connection with the European Information Centre, the ITD Hungary network, the EU Communication Public Foundation, the EU Information Centre of the Budapest Chamber of Commerce and Industry.

The demand for documents on paper carrier dramatically decreased. This forecasts that clients will soon require paper documents only in exceptional cases.

The search according to subject matter and individual documentation services shifted to patent information sources via the Internet. Esp@cenet is the most frequently used free-of-charge database, it is followed by the database of USPTO. Among the commercial service providers DELPHION is the most popular because of its comprehensive services and user-friendly search system.

#### **EFFECTIVE COOPERATION WITH A WIDE SPECTRUM OF PROFESSIONAL ORGANISATIONS**

In the year under review, the HPO established professional, training and other contractual cooperation with a lot of institutions: Hungarian Association for the Protection of Industrial Property and Copyright that supported the HPO's activity by its high-level events and training organising work; Hungarian Trademark Association, Hungarian Copyright Forum Association, Hungarian Association of Competition Law, Association of Hungarian Inventors that, as part of its activity, made efforts to supply industrial property information to private inventors; Hungarian Academy of Sciences, Hungarian Innovation Association that hosted the 15th competition of young European scientists; Jedlik Ányos Society, Hungarian Academy of Engineering, Federation of Technical and Scientific Societies, Hungarian Association of Natural Sciences, Foundation for Researching Students, Novofer Foundation.

Educational cooperation is maintained with the Palace of Wonders non-profit company and with the National Technical Museum. The HPO also has co-operating partners in communication: the Solart Producers' Bureau making a programme entitled "Eureka – I found it" that regularly deals with intellectual property-related topics and is broadcast on Duna Television; the Editorial Office of Delta of the Hungarian Television; the MM Technical Magazine; the World of Nature, a scientific periodical whose activity to popularise science and to take care of talents coincides with the professional objectives of the HPO; and the Club of Hungarian Science Journalists that organises common events with the HPO to heighten the awareness of the industrial property system.

#### **REGULAR CONNECTION WITH THE PRESS**

In 2003, in the Hungarian media more than 500 articles, pieces of news, radio or TV programmes dealt with inventions, inventors and various aspects of industrial property and copyright. In addition to this, about 300 communications were published in connection with the HPO and its activity. It was about on 30 occasions that officials of the HPO appeared in the electronic media.

#### **INTELLECTUAL CAPITAL IN THE HUNGARIAN PATENT OFFICE**

The Hungarian Patent Office (HPO), regarded as the Hungarian citadel of intellectual property protection, has every reason to be proud of its accumulated intellectual capital that is embodied in the highly qualified staff, in the organisation itself (company culture, practice of management, innovative disposition) as well as in co-operation and relations with clients. In this unit of three, human resources constitute the basis on which one can build. At the same time, their qualitative renewal must be ensured by continuous development. This task is of particular importance, since 72% of the HPO's civil servants have university degrees or equivalent qualifications and possess comprehensive and special knowledge. The organised education supported by the HPO – training in administration, industrial property, foreign languages, computer technology as well as other professional training – reflects only in part the multicoloured palette, which offers everyone something that suits their taste. We have relations with high-level training centres, of which the KPMG-BME Academy (BME = Budapest University of Technology and Economics) deserves special attention. The leaders of the HPO regularly attend its courses. The HPO ensures availability of information convertible into knowledge by unlimited access to the Internet, by financially supporting the use of Internet at home and by running an excellent library and Intranet. In addition to this, our colleagues have a certain amount at their disposal in case they wish to buy technical books and periodicals or to choose individual training. The HPO hosts a lot of cultural and artistic events that offer excellent opportunities to maintain intellectual curiosity and to draw inspiration. All these are motivating and retaining forces for the individuals, while the HPO achieves a continuous enrichment of its wealth of knowledge and intellectual capital.

## **IX. Other relevant matters**

## INTERNATIONAL AND EUROPEAN COOPERATION IN THE FIELD OF INTELLECTUAL PROPERTY

In the year under review, international cooperation was influenced by two events: Hungary's accession to the European Patent Convention on 1 January 2003 and the signature of the treaty, on 16 April 2003, on accession to the European Union. The latter entailed participation, as active observers, in the work of institutions and working parties of the EU.

### CLOSE COOPERATION WITH THE EUROPEAN PATENT ORGANISATION

While in 2002 the representatives of the HPO attended the meetings of the Administrative Council and working parties of the European Patent Organisation as observers, last year they could participate in the work of these fora as full members having also the right to vote.

The HPO took part in the activity of the various committees of the European Patent Organisation. In particular, our active work in the Committee on Patent Law, the Budget and Finance Committee, the Working Party preparing agreements on the establishment of a uniform European patent litigation system and the Working Party on Technical Information can be mentioned.

Deriving from our membership of the European Patent Convention, the HPO has several joint programmes with the EPO. The ultimate aim of this cooperation is to promote full integration of the Hungarian patent system into the European one and to create the still missing conditions thereof. In this spirit, a three-year bilateral cooperation agreement was concluded in 2003 between the EPO and the HPO, covering, among others, the procurement of technical equipment, exchange of patent documents, professional training and information technology-related missions to Hungary.

The intense relations between the EPO and the HPO are also characterised by the fact that the HPO could welcome Ingo Kober, president of the EPO, as speaker at the conference entitled "Hungary in the European patent system". Curt Edjfall, vice-president of the EPO and Roland Grossenbacher, chairman of the Administrative Council of the European Patent Organisation also paid a visit to the HPO.

### PARTICIPATION IN THE INTELLECTUAL PROPERTY WORK OF THE EUROPEAN COMMISSION

The latest Progress Report of the European Commission gave again a favourable evaluation of the preparedness of Hungary, and within this of the HPO, in the field of the protection of intellectual property. The HPO gave its comments on the draft of the industrial property-related text of the Accession Treaty and on the Hungarian translation thereof. The representatives of the HPO participated in consultations organised by the European Commission and after the signature of the Accession Treaty they joined the work, in an observer capacity, of the European Council's Working Party on Intellectual Property.

The intensive cooperation, commenced between the HPO and the European Union's "Trademark and Design Office" (Office for Harmonization in the Internal Market, OHIM) in the spring of 2000 on the basis of a Memorandum of Understanding, continued in 2003, too. The representatives of the HPO took part in the liaison meetings held also for the offices of candidate countries both in trademark and design issues.

At the invitation of the president of the HPO, it was for the first time that Wubbo de Boer, president of OHIM visited the HPO in the spring of 2003.

### COOPERATION WITHIN THE FRAMEWORK OF THE WORLD INTELLECTUAL PROPERTY ORGANIZATION AND THE WORLD TRADE ORGANIZATION

Out of the events of international cooperation within the framework of the World Intellectual Property Organization (WIPO), the 39th series of meetings of the Assemblies of WIPO was the most significant. Hungary continues to be a member of the Coordination Committee and it retained its position in the Program and Budget Committee. The president of the HPO was elected chairman of the Assembly of the Madrid Union Concerning the International Registration of Marks and the vice-president for legal affairs will hold office as vice chairman of the Executive Committee of the Berne Union for the Protection of Literary and Artistic Works.

In the interest of a more effective representation of Hungary in WIPO and in the World Trade Organization (WTO), a representative of the HPO began working at the Permanent Mission of Hungary to the WTO in a diplomatic post. By means of this measure, participation in all meetings of both organizations, more direct information on their activities and a more effective representation of the Government's professional policy have become possible.

### PROFITABLE BILATERAL RELATIONS

In March 2003, the French-Hungarian mixed committee held its meeting in Paris. In June, a presidential meeting took place in the National Board of Patents and Registration of Finland. In October, a delegation of the State Intellectual Property Office of China visited the HPO. At the end of the year, the president of the HPO paid a professional visit to the State Agency on Industrial Property Protection of the Republic of Moldova.

Bilateral and regional cooperation continued in 2003. The president of the German Patent and Trade Mark Office paid a visit to the HPO that further deepened the well-established professional relations between the two offices. The Director General of the Swedish Patent and Registration Office was also a guest of the HPO. In August, a meeting of the presidents of the Hungarian and Estonian offices took place in Hungary. There were several meetings with the Gábor Varga, director general of the Romanian State Office for Inventions and Trademarks. The Hungarian-Romanian cooperation at the level of experts also continued.

In 2003, the presidents of the industrial property offices of the "Visegrad countries" held their annual meeting in Bratislava. On that occasion, they discussed new tasks and challenges arising from the forthcoming accession to the European Union, as well as timely issues of cooperation at the main international fora.

1.	Classification is allotting one or more classification symbols (e.g., IPC symbols) to a patent application, either before or during search and examination, which symbols are then published with the patent application.
2.	Preclassification is allotting an initial broad classification symbol (e.g., IPC class or subclass, or administrative unit) to a patent application, using human or automated means for internal administrative purposes (e.g., routing an application to the appropriate examiner). Usually preclassification is applied by the administration of an office.



3.	Reclassification is the reconsideration and usually the replacement of one or more previously allotted classification symbols to a patent document, following a revision and the entry into force of a new version of the Classification system (e.g., the IPC). The new symbols are available on patent databases.
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