

**QUESTIONNAIRE ON INTELLECTUAL PROPERTY RIGHTS AND
ON THE PATENT SYSTEM IN EUROPE
SUMMARY OF REPORTS RECEIVED FROM THE EICs PARTICIPATING**

(TO BE FILLED IN BY EACH NATIONAL COORDINATOR)

Country: BULGARIA

EIC coordinator: BG805

Total number of enterprises participating: 63

Section 1 – Practical use of Intellectual property Rights by SMEs

1. What use does your company make of Intellectual Property Rights in the sector?

The percentage of the products under the protection of the IPR and patented products is ≈66% (from 42.85% to 90 %, depending on the sector of activities).

Mainly the products under the IPR are in the food processing industry – 60% and IT Sector – 40%. 100% is the use of IPR in the production of medicaments.

In general in the regions, participating in the survey the use of IPR is ≈ 63.68% or 51% of the turnover of the enterprises participating.

So the main areas for activities related with IPR are the food processing industry and the IT sectors – two of the most dynamic sectors in the Bulgarian economy in the last 6 years. In these two sectors the governments most invest many for researches, for innovation and for more use of IPR.

2. Background of use of Intellectual Property Rights

The background of use can be described in general like this:

The main reasons for the use of IPR in the enterprises participating in the survey are:

- *protection of the invention*
- *financial stability*
- *reduction of the losses due to non-authorized use of products*
- *increase of the Net income from the registered products*
- *security and protection from unfair competition*
- *sustainable development*

The main problems using IPR are:

- *the keeping of the confidentiality during the procedure*
- *the protection of the product during the procedure*
- *the relation “discovery – innovation – inventive step – the state of the art”*
- *the procedure for the evaluation of this quality of innovation*
- *the comparatively high taxes*
- *the long duration of the procedures*

The main reasons for not to use IPR in the enterprises participating in the survey is:

- *fear of leakage of information*
- *insufficient knowledge of the procedures, resulting in de-motivation*
- *effort, time and money consuming procedures*
- *high registration taxes and cost for the companies*

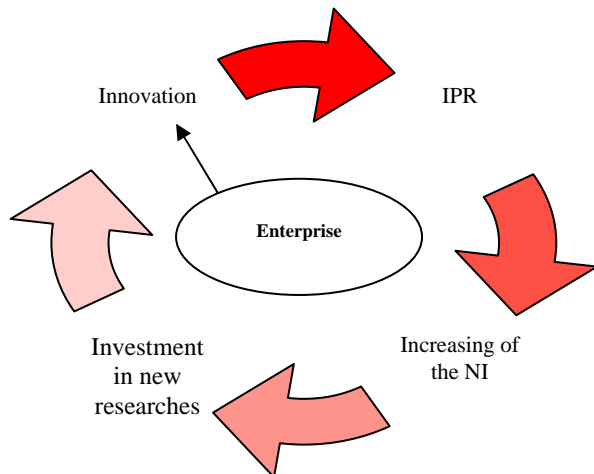
Main risks described by the enterprises participating in the survey are:

- *the risk of leakage of information*

- the theoretical risk if a not qualified evaluator cannot evaluate properly the relation “discovery – inventive step – the state of art”
- complexity of the procedures
- high registration taxes

So the main conclusion is that the most of the enterprises participating in the survey find that the most important problem is the problem and the risk of unfair competition and the leakage of information. The most of the enterprises participating in the survey thin that the procedure and in general and the during the period of application for IPR are real existing problems and risk.

3. Correlation between Intellectual Property Rights and innovation performance



The main part of the enterprises participating in the survey ($\approx 65\%$) find the correlation between Intellectual Property Rights and innovation performance results in financial stability, the increase of revenues and the procedures for internal security.

This correlation is clearly visible in the two described sectors – food processing and the IT Sector.

Especially in the IT Sector where the competition and the innovative development are a very strong and fast – if the enterprise doesn't

have a patent or a product under the protection of IPR the fast exchange of information will “steal” it. The enterprise will lose the profits from the product and can't be able to execute the process of reinvesting of revenues. Sooner or later this enterprise will go bankrupt.

4. Potential and need for government support?

Summarised the main governmental measures, important for the enterprises participating in the survey, at national level are:

- Protection by the law
- Reduction of the patent taxes and fees
- Generating a different governmental funds in the different sectors for the assistance of the innovation process
- Measures in the area of export of patented products
- Faster registration procedure

At general the enterprises participating in the survey find that they need more simplified procedure for participation in the different governmental funds in the different sector for the aid of the innovation process and significant measures for effective protection of the IPR.

At European level:

- Information campaign
- More faster and clear procedures
- Reduction of the patent taxes and fees

Section 2 – Basic principles and features of the patent system

All the companies participating in the survey agree that the described characteristics are the basic features required of the patent system.

35% of the companies consider that high level of confidentiality is needed. The others do not point any other important features.

The Community better take into account the broader public interest in developing its policy on patents by:

- a) organizing international or/and national seminars and trainings on the IPR*
- b) popularisation of already existing registered IPR*
- c) synchronisation of the national legislations*
- d) Providing state subsidies for patents and innovations having universal significance such as medicines, species, etc.*
- e) Companies visits*
- f) Different types of printing materials*

Section 3 – The Community patent as a priority for the EU

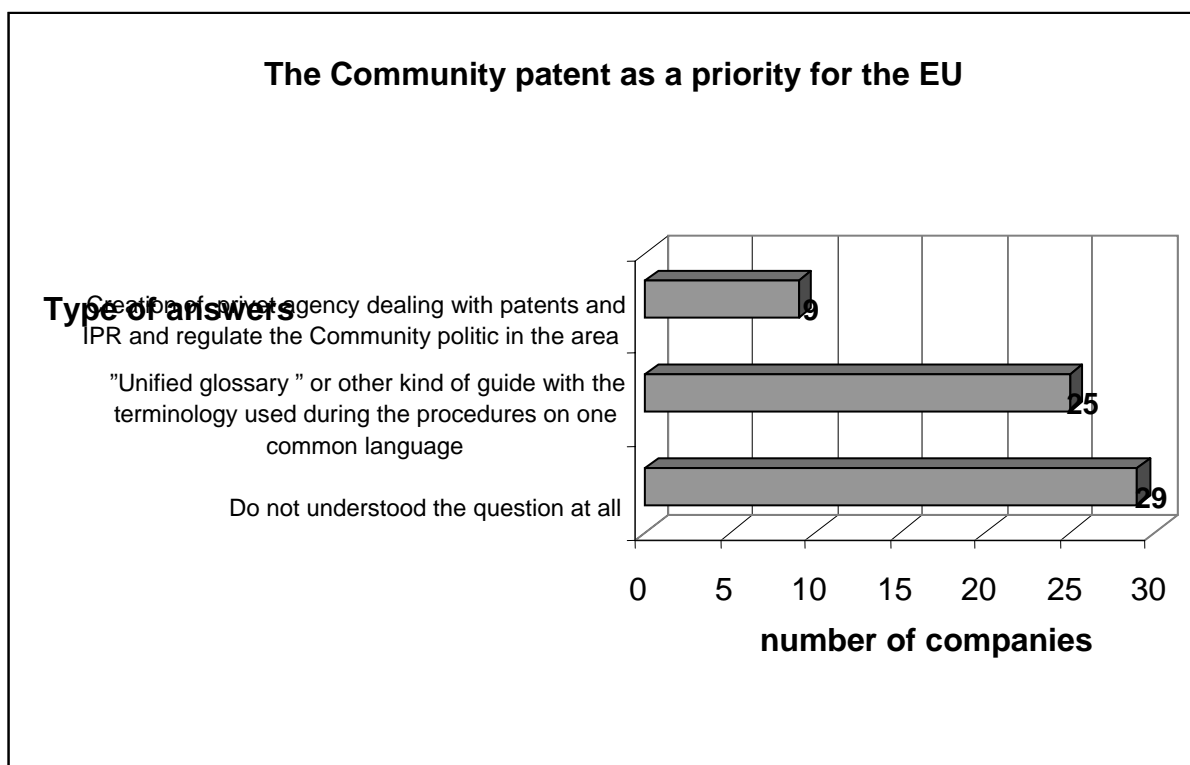
A big part from the enterprises participating in the survey do not understand the question at all (≈45% from the companies – 29companies).

Other significant part from the enterprises find as a priority feature the creation of common "Unified glossary " or other kind of guide with the terminology used during the procedures in one common language (≈40% from the companies – 25companies).

Third parts from the enterprises participating in the survey find the idea for creation of private agency dealing with patents and IPR and regulate the Community policy in this field (≈15% - 9 companies).

The conclusion is that the one of the main priorities in the field of patent and IPR for the European Union is the creation of simplified system for obtaining them, a unified document whit the procedures and used terminology and unification of the procedure language.

Other important conclusion is that the EU has to simplify the procedures and the terminology must become comprehensible for the SME having interest to use IPR and to reactive a patent permission.

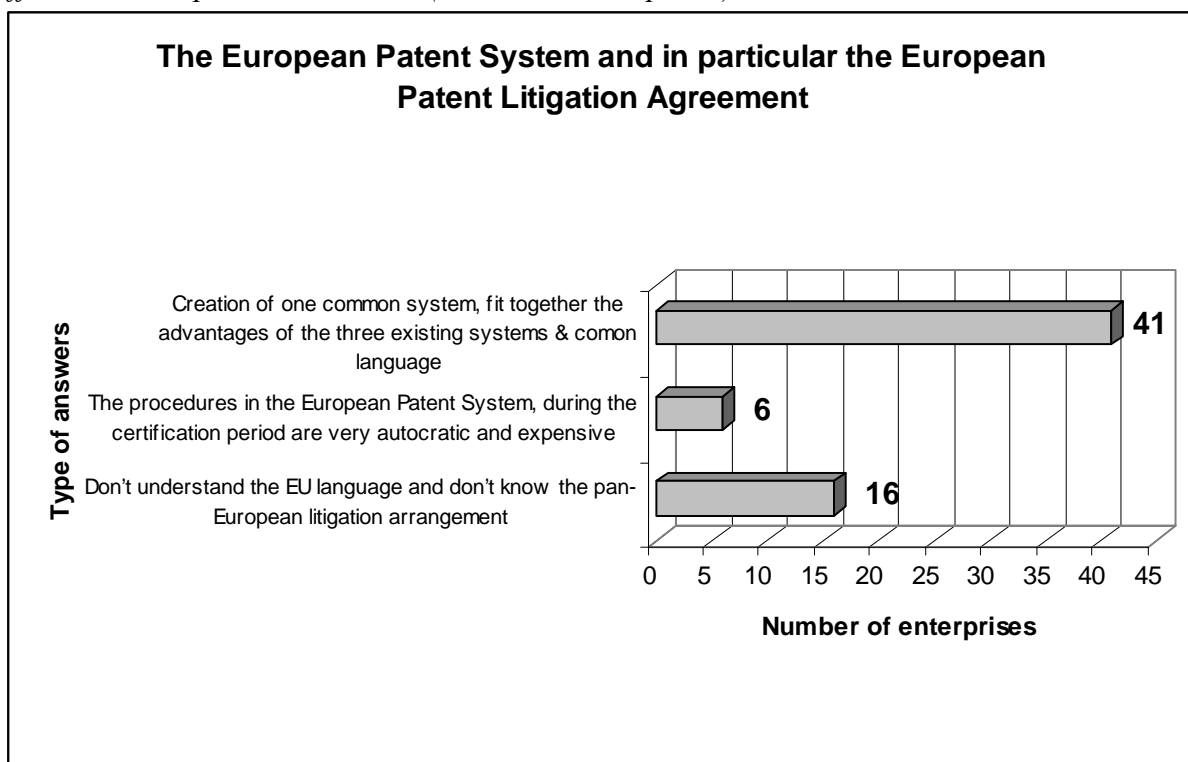


Section 4 – The European Patent System and in particular the European Patent Litigation Agreement

The main part of the enterprises participating in the survey doesn't know well or at all the pan-European litigation arrangement. This is due to lack of information and also it is a language problem of the EU documentation, there no simple informational and promotional documents and materials.

The percentage of the enterprises participating in the survey that don't understand the EU language and don't know the pan-European litigation arrangement is $\approx 25\%$ or 16 from 63 companies.

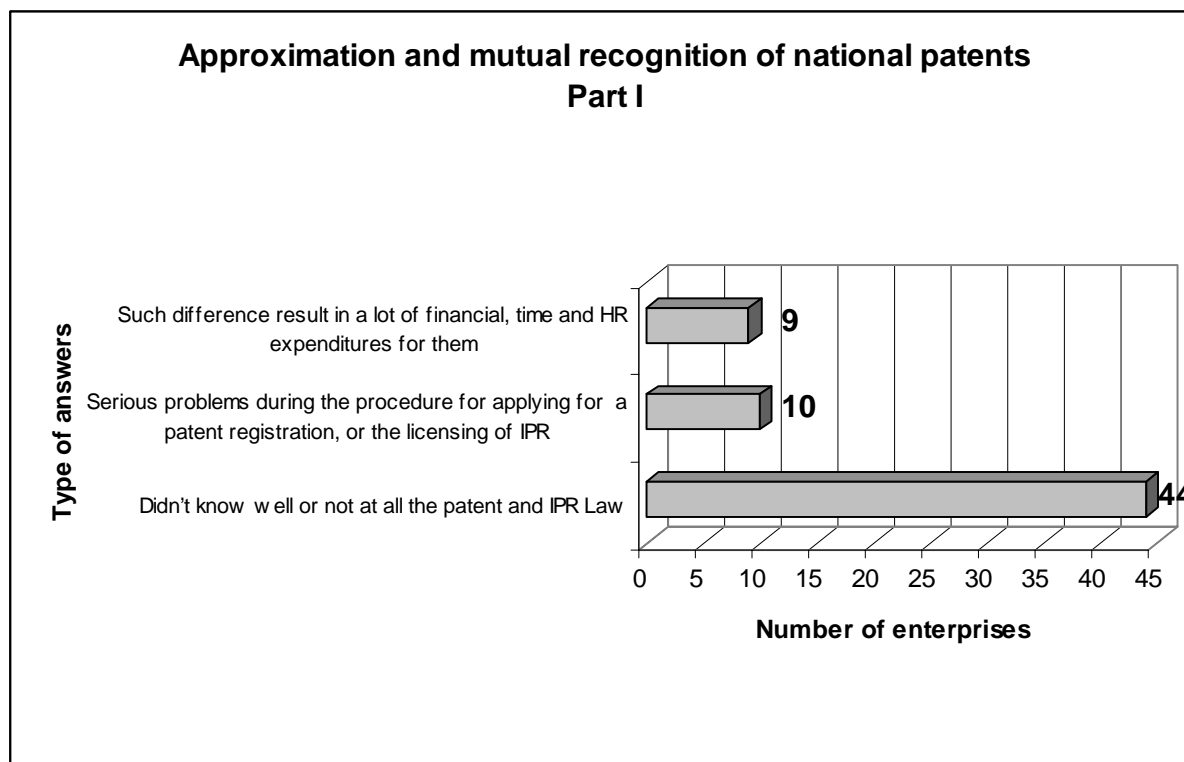
The rest of the enterprises participating in the survey find the procedures in the European Patent System, during the certification period very autocratic and expensive ($\approx 15\%$ or 6 enterprises) and they are for the creation of a common system, fit together the advantages of the three existing systems and "speaking" one common language as the main requirement for effective development in the area (60% or 41 enterprises).



Section 5 – Approximation and mutual recognition of national patents

The main part of the enterprises participating in the survey (70% or 44) didn't know well or not at all the patent and IPR Law. Some of the enterprises declare that usually patent law hinders the free movement of goods.

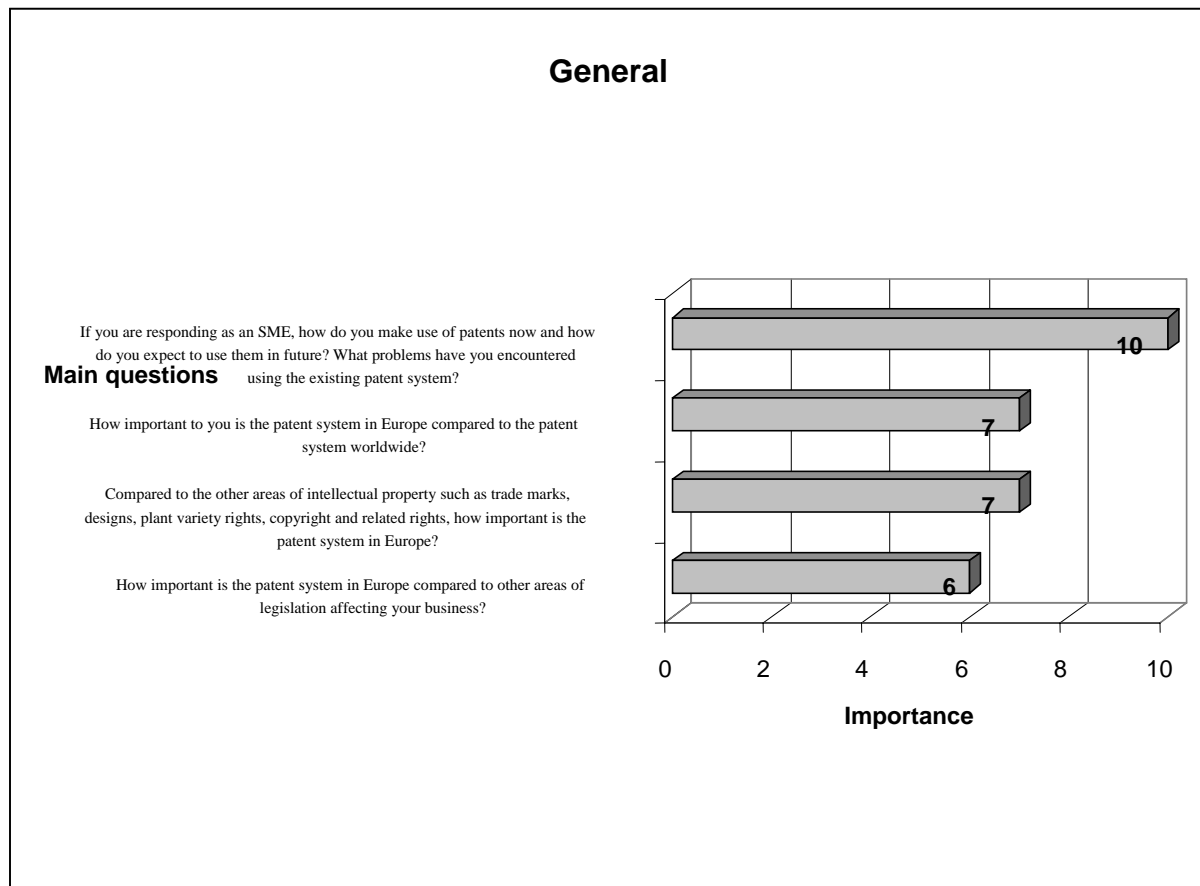
≈ 15% or 10 of the enterprises participating in the survey declared that they have serious problems during the procedure for applying for a patent registration, or the licensing of IPR and ≈15% or 9 of the enterprises participating in the survey find that this is effort, money and time consuming.



The main part of the enterprises participating in the survey (82% or 52 enterprises) are of the opinion that the added value of the introduction of the main patentability criteria of the European Patent Convention into Community law so that the national courts are free to refer questions of interpretation to the Court of Justice. Some of the questioned enterprises find that a common language, common regulation and the facilitation of the procedure for common recognition of already existing and given by other patent institution document will add value to the process too.

≈ 86% of the enterprises participating in the survey declare a need of some kind of unified guide for the procedures and the terminology in one common for all certifying and providing patents bodies. One of the enterprise declare that the influence of the National patent offices – e.g. by issuing a directive – may facilitate the procedure and shorten the period for obtaining a patent up to 11 months

Section 6 – General



Only few enterprises participating in the survey give some recommendations and comments:

- *Apart from the idea of “royalty” payments this seems too revolutionary even to the enterprise and the other comment is that more detailed approach must be considered with patenting.*
- *When a specific design is patented, it is considered as a whole. But parts of it can still be used unpatented.*
- *Is regarded by the SMEs as an important prerequisite for the improvement of the efficiency of the patent system training in schools and universities in the field of industrial property, and providing minimum knowledge to managerial staff in the field of industrial property.*

Summary of host structures opinion and if you find it relevant, please provide your host structure's opinion on the issue

The opinion of the host structures in the area of patents and IPR is:

- 1. Facilitation of the procedures*
- 2. Reasonable registration fees*
- 3. A need for awareness raising events and publications*
- 4. Training activities for SMEs*