

IP awareness of Hungarian SMEs: Conclusions of a repeated questionnaire

Methodology and background of the study

The Hungarian Intellectual Property Office (called Hungarian Patent Office at the time) repeated a survey in 2009 to measure the level of IP awareness and knowledge of the Hungarian small and medium enterprises. Since 2005, several changes took place in the Hungarian economic policy that made it necessary to repeat the survey. On the one hand, a number of government measures had been undertaken to motivate innovation (such as the TTO strategy and action plan for implementation, different innovation tenders, etc.). On the other hand, HIPO had introduced and had been running an IP awareness programme under the name VIVACE¹. Furthermore, HIPO had been constantly extending the number and range of IP services and information activities. The survey of 2009 was carried out using resources from the locally funded VIVACE programme, and the National Action Plan programme² supported by the European Patent Office (EPO).

The survey in 2005 focussed on the IP awareness of SMEs at the time of the assessment³. The results provided an overall picture of the IP awareness of the Hungarian SMEs, as well as their aptitudes towards industrial property protection and their typical entrepreneur behaviour. However, the survey in 2009 was not only a snapshot of the actual IP awareness of SMEs, but also examined the changes that had taken place since 2005. The main aim of the repeated survey was to assess the level of IP knowledge of businesses along with their awareness of IPR enforcement⁴, and the effectiveness of IP information channels and tools.

¹ The acronym stands for the Hungarian translation of Action Plan Promoting Industrial Property Competitiveness of Entrepreneurs. HIPO has been running the programme since 2004 with the help of different financial resources. Its aim is to invigorate the IP activity of SMEs, improve their IP knowledge and consequently raise their IP awareness in order to develop the IP protection culture of SMEs. For more information about the principles of VIVACE, please see: *Penyigey, Krisztina (2005): VIVACE – Vállalkozói Iparjogvédelmi Versenyképességet Alapozó Cselekvési Program*. In: MSZH: Fehér könyv a szellemi tulajdon védelméről 2005, Budapest, pp 27-40.

² The European Patent Office has been supporting the efforts of national patent offices to measure the level of IP awareness of local businesses through the National Action Plan (NAP) project since 2007. Surveys related to this topic had been carried out in 20 countries throughout the past couple of years based on different methodology. In 2010, the European Patent Office pronounced the requirement to make these surveys comparable, which would enable the cross-country evaluation of the findings.

The EPO wishes to continue supporting these surveys through the NAP, but based on a required methodology. For more information, please see the PDF document related to the meeting in Malta in June, 2010: Pitkethly, Robert (2010): Harmonisation patent awareness survey within the EPN.

³ For detailed analysis of the findings of the 2005 survey, please see: *Petz, Raymund/Ványai, Péterné/Viszt, Erzsébet (2006): Az iparjogvédelmi tudatosság helyzete Magyarországon – egy vállalati felmérés tükrében*. In: MSZH: Fehér könyv a szellemi tulajdon védelméről 2006, Budapest, pp: 40-55.

⁴ The questions related to the enforcement of IPR were not included in the 2005 survey.

In 2009, 403 businesses were interviewed, while 405 companies filled in the survey in 2005. The representative nature of the sample is crucial for statistical reliability, which greatly depends on the size of the sample. Reliability can be increased with extending the sample. The number of participants in the study in 2009 represents approximately 0.07% of the Hungarian businesses. Not considering the number of micro-enterprises in the economy, this ratio was 0.61%. Medium size enterprises with 50-250 employees, which are crucial in respect to IP protection, have higher representation, 1.34% ratio in the survey⁵.

Another important factor in respect of reliability of the sample is the similarity of the features between the sample and the whole (the sample has to be the closest possible representation of the whole)⁶. This was ensured with the help of a homogeneity test.

Since the survey of 2009 was a follow up, but not a panel survey⁷, it was essential to ensure the highest possible similarity between the two sample groups in respect to their most important statistical factors. This prevented any changes in the survey findings to be the result of differences between the two sample groups. The method in statistical practice to compare the structure of two samples is called homogeneity test⁸.

The homogeneity test was carried out in the survey on the following three variables:

- sectors of economy
- size of the company based on the number of employees
- regional distribution of location of the company premises based on the seven planning and statistical regions of the country

Figure 1 illustrates the distribution according to sectors of economy. In 2009, 42% of the participants in the survey came from the business services sector, 16% from commerce, 39% from the industry and 4% from agriculture. The similarity between the samples of 2005 and 2009 in respect of the sectors of economy is quite high. In 2009, 53% of the participating companies traded only on internal markets, while 47% also abroad. The ratio of companies dealing with product or service development was 55% in 2009 and 46% in 2005.

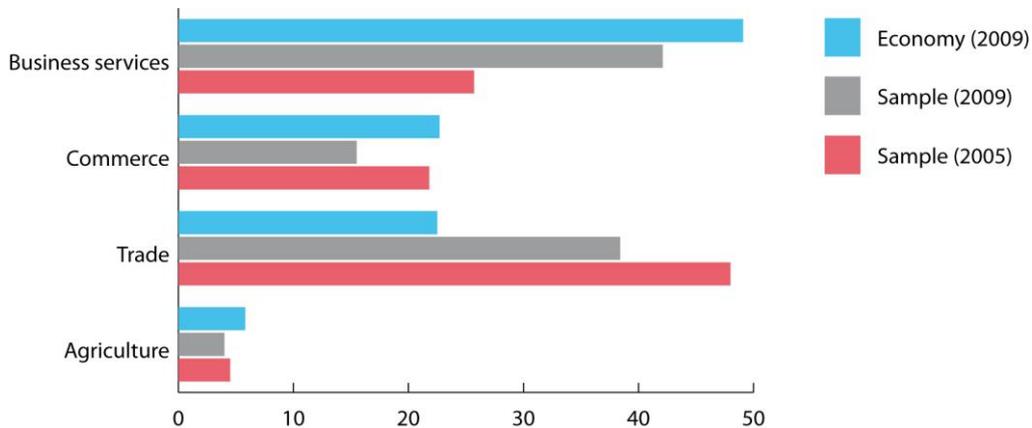
⁵ The ratio of micro-enterprises is 94.7% of the businesses in Hungary. Most of these businesses were founded because of necessity and employ no further workforce except for the owner of the business. Enterprises with more than 10 employees are more important from respect of IP protection, since they provide the majority of innovative businesses. To read more about the distribution of size and structure of Hungarian enterprises, please see: *KSH (2009): Statisztikai tükör. III. évfolyam 109. szám.* Budapest.

⁶ For criteria of representation, please see: *Bortz, Jürgen/Döring, Nicola (2006): Forschungsmethoden und Evaluation.* Heidelberg.

⁷ The panel type of repeated survey examines the same variables each time on similar samples. Since certain questions were not relevant anymore (eg. the survey of 2005 examined the real or perceived threats of joining the EU), and due to the changes in the companies that took part in the survey, carrying out a panel survey was not feasible.

⁸ Comparing the structure of two (or more) samples can be carried out by a homogeneity test. This test can examine the differences in the distribution practically, regardless of the type of distribution examined. The null-hypothesis of the homogeneity test is the identical distribution of a variable in any group. For more information about the methodology, please see: *Hunyadi, László/Mudruczó, György/Vita, László (1996 and further prints): Statisztika.* Budapest.

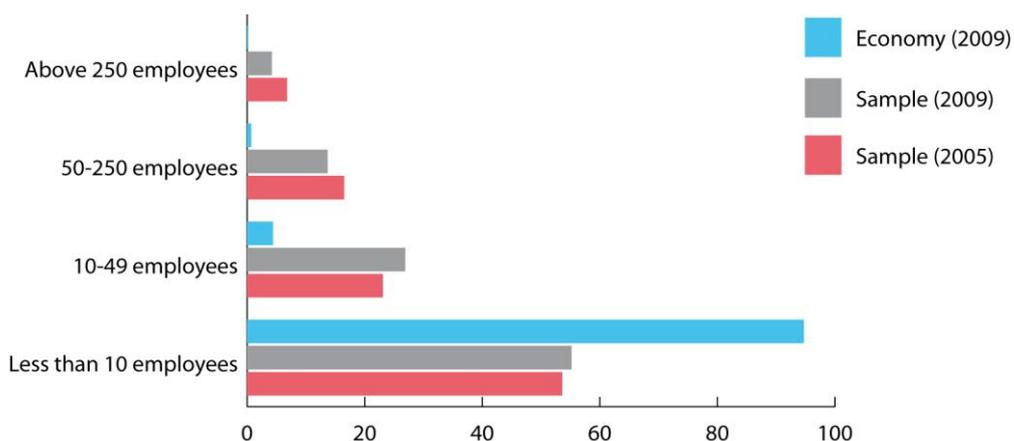
Figure 1: Distribution of participating companies in the sample and in the national economy according to sectors (percentage)



* The number of registered businesses in Hungary was 1,592,000 on 30th June, 2009. Source: *KSH (2009): A regisztrált gazdasági szervezetek száma, 2009. I. félév.* Budapest.

The samples of 2005 and 2009 do not differ significantly in respect of the number of employees either. Figure 2 indicates the similarities of distribution in the sample. Comparing the samples of 2005 and 2009 with the national economy, it has to be pointed out that although more than 50% of the participating companies were micro-enterprises with 10 or less employees, this type of enterprises was still under-represented in ratio to their number in the national economy. However, the topic of the survey made it necessary to reduce the participation of micro-enterprises in the survey and increase the weight of the businesses with 10 or more employees in order to study their opinion, knowledge, behaviour and aptitude more in detail.

Figure 2: Distribution of percentage of participants in the survey according to the number of employees*



* Since it was not possible to represent the types of businesses in the two samples as a true reflection of the data of the Central Statistical Office (KSH)⁹, the actual ratio of businesses with 50-250 and above 250 employees are estimates in order to make the graphic comparison possible. *KSH (2009): Statisztikai tükör. III. évfolyam 109. szám.* Budapest.

⁹ For a definition of SMEs, see Act 2004. XXXIV. about small and medium enterprises and supporting their development.

The third variable in testing the similarity of the two samples was the regional distribution based on the regional location of the premises in the planning and statistic regions of the country. Both samples of 2005 and 2009 represented all the regions of Hungary with approximately equal distribution.

In summary, all the significant variables of both samples of 2005 and 2009 are similar with high statistical probability according to the mathematic and statistic analysis, therefore, they can provide the basis of comparison.

Besides comparing the structure of the samples, the methodology of data collection is also an important factor in comparing the compiled data. The survey questionnaire of 2009 was written by the Hungarian Intellectual Property Office incorporating the experiences of the 2005 survey. The method of data collection was a survey questionnaire, which was moderated by an interviewer. In order to involve the broadest possible business community, the Hungarian regional chambers of commerce and trade, the PATLIB centres, the ITD Hungary Zrt., the Progress Foundation and the SEED Small Enterprise Development Foundation also took part in carrying out the study. These organisations promoted the survey amongst the SMEs in their region, and the representation of all the regions in the survey sample was feasible only with the participation of these organisations.

The raw data was processed by the Foundation for the Hungarian Economy Research both in 2005 and 2009.

The questions of the survey dealt with the following topics:

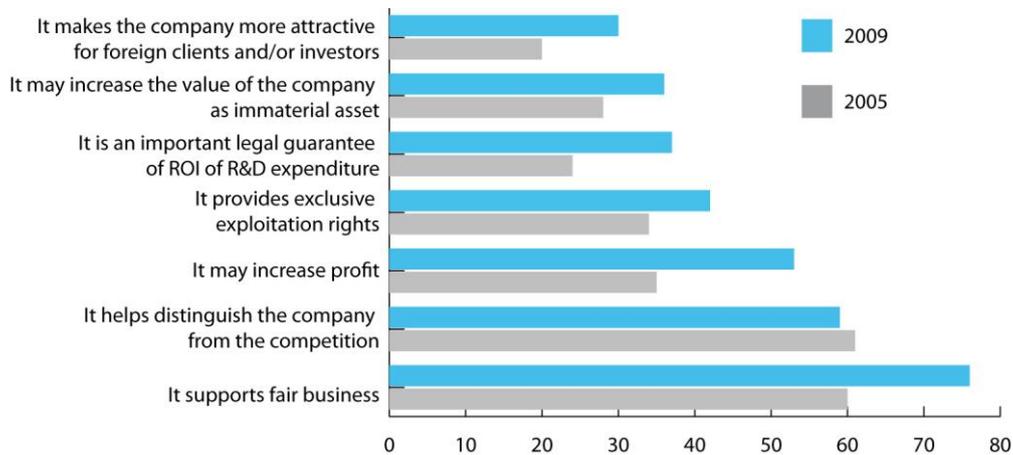
- industrial property protection aptitudes of businesses
- licences and exploitation permits
- aspects of IPR enforcement
- utilizing IP information services

The present study sums up the results according to the above topics.

Industrial property aptitudes and general IP awareness of Hungarian businesses

Neither the trends in IPR application, nor the results of the IP awareness survey amongst the Hungarian SMEs did justify the worry that the financial and economic crises would decrease the industrial property protection activity of the Hungarian enterprises. According to the survey results, the ratio of SMEs that consider IP protection important had increased from 92% to 94% since 2005. It is clear from this increase that the significant majority of the participating companies acknowledge the importance of IP protection.

**Figure 3: Why is industrial property protection important?
(percentage of choice of the participating companies)***

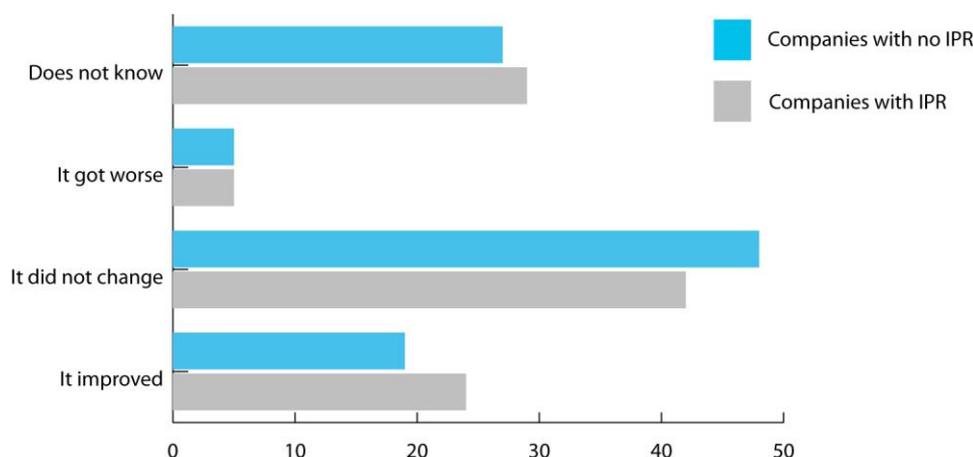


* Multiple answers could be chosen. Therefore the total of the respective percentages is higher than 100%.

The most important results of the IP protection activities can be found in two fields according to the participating companies. One is to support fair business, the other is to provide immediate business advantage by distinguishing businesses from the competition (product and service differentiation). This indicates that the majority of the participating companies is still primarily familiar with the product index function. The increase from 35% to 53% of companies that consider industrial property protection as potential source of income indicates a growing IP awareness. IP protection as important legal guarantee of ROI of R&D expenditure was mentioned by 37% of the businesses as compared to 24% in 2005. The ratio of SMEs considering IP as a value-added immaterial asset for the company has grown from 28% to 36% from 2005 to 2009. The positive effect of IP on the income of the company was mainly experienced by enterprises with over 500 employees.

According to 45.5% of the participating companies, the general quality of IP protection has not changed significantly over the past four years. Twenty-one point five percent experienced a positive change, but only 5% a negative one. It is important to note that most of the companies that possessed some kind of IPR had experienced an increase in the general quality of IP protection in this period, while companies with no IP mostly indicated no change (Figure 4).

**Figure 4: How did the quality of IP protection change in the past four years? (2009)
(percentage of choice of the participating companies)**



There are significant differences underlying the generally positive surface:

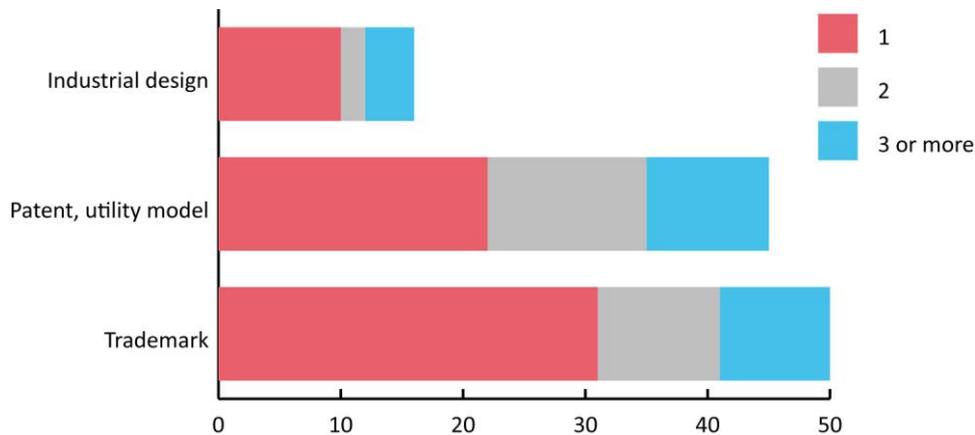
- The general satisfaction indicator regarding the changes over the past four years had decreased in ratio to the size of the companies, that is, the bigger companies are less satisfied with the changes than the smaller ones;
- Businesses in the service sector are more satisfied with the changes than those in the industry;
- There is a shift from the rural cities to the capital amongst the participating companies, where the businesses in the country are more satisfied with the changes (including the IP information services) than those in the capital.

The significant majority (97%) of the participating businesses considers it important to enter the market with modern, high-tech products or services. The question for the present survey was to examine how this intention related to the actual daily business practice of the companies. The distribution of IPR in 2009 is similar to the data in 2005, however, a slight decrease can be observed in the number of national IPR applications.

One-fourth of the participating companies have indicated the possession of some kind of IPR in 2009.¹⁰ Trademarks, patents and utility models were most typical in the industry sector and of companies with export activity. There were no significant differences between the sectors in respect of design. Figure 5 illustrates the number of different IPRs possessed by the participating companies.

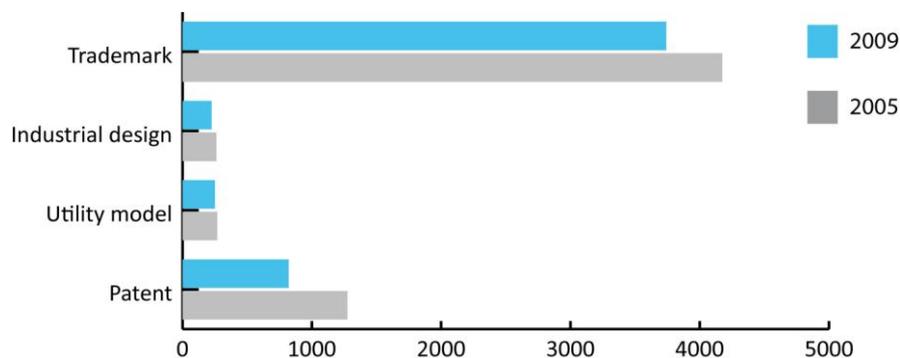
¹⁰ According to the data in PIPACS (now called *IP Search*), the industrial property database of the Hungarian Intellectual Property Office, 1,230 companies owned valid patents, 254 owned utility models, 24,783 companies owned trademarks and 607 had valid design rights in 2009. These figures include only the applications submitted by businesses.

**Figure 5: The ratio of different IPRs according to the total number IPRs (2009)
(number of cases)**



Contrasting the number of IPRs possessed by the participating companies and the overall impression of businesses about IP protection, we can say that the IP protection activity of the businesses did not increase significantly during the examined period. However, businesses made more effort to better utilize the possibilities provided by IPRs, and to use them as actual financial assets realizing their potential.

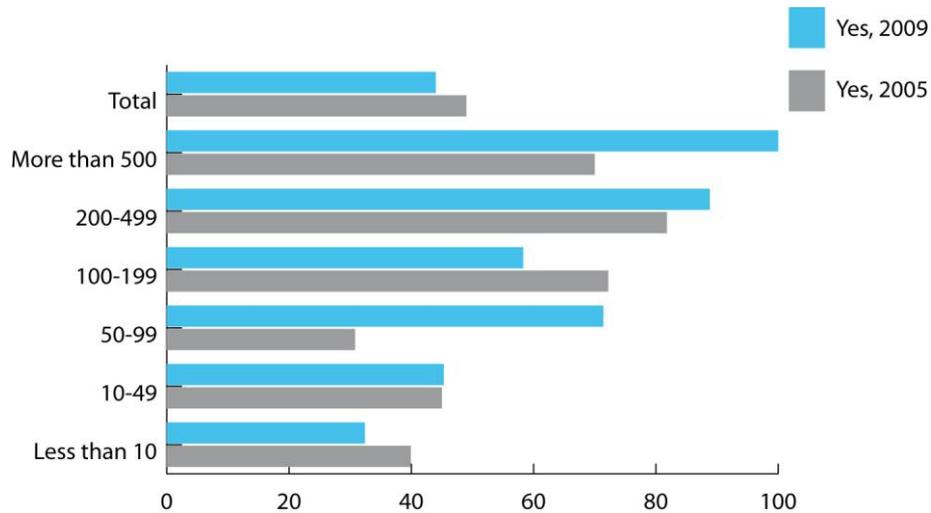
Figure 6: Trends in the number of national IP applications*



*Source: MSZH (2009): *Éves jelentés 2009*. Budapest

According to the data of 2009, a bit less than half of the companies used help with their IPR applications. Twenty-two percent of the total participating companies got help from IP representatives, 15% was helped by attorneys and another 7% used other support during the filing procedure. The category of 'other support' incorporated help from Hungarian PATLIB centres, information points at a regional chamber of commerce and trade, or the information services of the Hungarian Intellectual Property Office. This ratio is similar to the data registered in 2005. Therefore, no significant change took place in this field. However, it is important to note that according to the data, bigger companies relied more on professional IP support and this trend grew with the size of the firm. The ratio reaches 100% in case of companies with over 500 employees, which means that all the participating large enterprises trusted the management of their IPR issues to an IP professional. There were also a growing number of companies with 40-100 employees that realised the importance of professional IP support, and increased the use of such services as much as they could financially afford it.

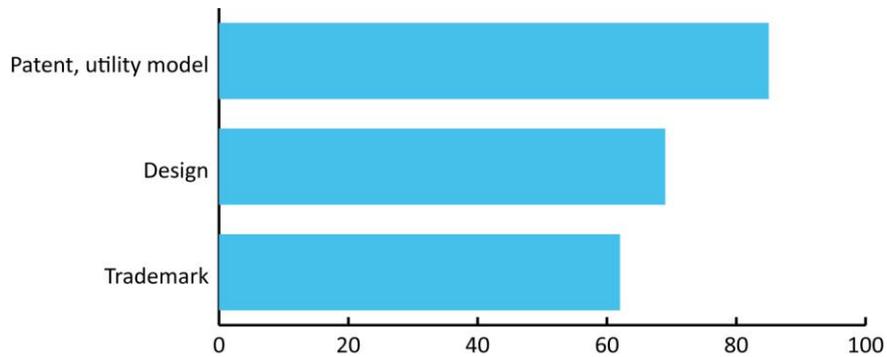
**Figure 7: Did you use the support of an IP professional with the IPR application?
(percentage of positive answers)**



A key area of the study in 2009 was measuring the level of IP knowledge and awareness of companies, that is, how much the participating companies knew about IPRs. This question was studied in relation to four IPRs: trademarks, design, patents and utility models.

As it can be seen in Figure 8, companies are more familiar with IPRs that protect technical content than with those protecting appearance and external features. Of the participants in the study, 85% indicated patents and utility models as IPRs that can support the ROI in the technical development of a product. This shows that firms are best informed in this field. Of the participants, 69% indicated industrial design as an IPR to help ensure the ROI in the development of the aesthetical design of a product. Least of all, 62% of the participants indicated trademark as an IPR to support the brand building activities of firms.

**Figure 8: Level of awareness about IPRs
(percentage of participants in the study, 2009)***



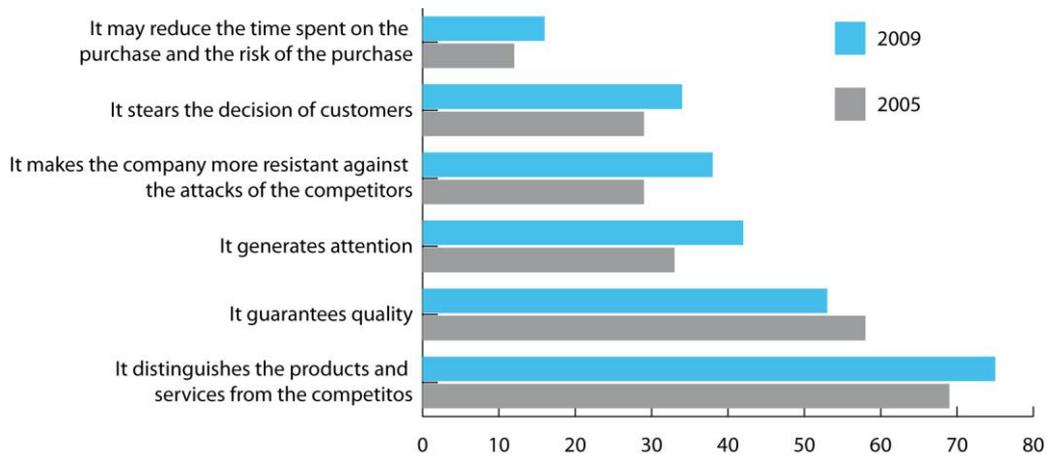
* The awareness about the purpose of the IPRs was not measured in the study in 2005. Participants were only asked in general about the kind of IPRs they were familiar with. The study in 2009 examined IP awareness in more detail. Therefore, the results of the two studies cannot be directly compared.

The bigger firms seem to have higher level of IP awareness, as it seems from the results. Companies dealing with product, service or technological developments are better informed about IP, and the same is true for those firms that already possess some kind of IPRs.

Besides IP awareness, the study also examined what kind of advantages companies would attribute to IPRs. The participants of the study in 2005 and 2009 shared the same opinion that the most important function of trademarks is to distinguish products and service. They also indicated with an approximately equal percentage that trademark is a quality guarantee in the eye of potential customers, although this factor was chosen by fewer participants in the 2009 study.

Participants also considered an important feature of trademark that it reduces the time spent on purchasing a product, the risk of the purchase, along with raising attention of customers and reducing competition. It is important that companies with R&D capacity acknowledged the positive effect of trademark in a much higher ratio than firms with no such facilities.

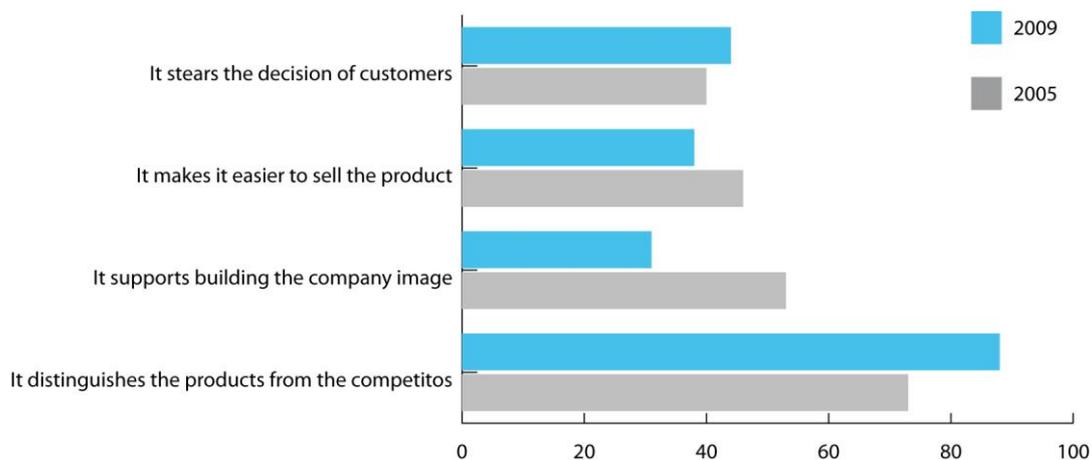
**Figure 9: Advantages provided by IPRs
(percentage of participants choosing the option)***



* More than one option could be chosen. Therefore, the sum of the respective percentages exceeds 100%.

Forty-seven percent of the manufacturing companies (26% of the whole sample) considered it important to obtain IPR for the aesthetic features of the product with the help of industrial design rights in addition to the protection of the functional features. This ratio was 46% (23% of the sample) in 2005, thus no significant change had taken place since then. The product differentiation function was considered the most important function of design by companies regardless whether they held any kind of industrial design rights. Firms possessing design rights also acknowledged the role design can play in building the image of a company, while this feature was less considered by firms with no design right.

**Figure 10: Advantages provided by design rights
(percentage of participants choosing the option)***



* More than one option could be chosen. Therefore, the sum of the respective percentages exceeds 100%.

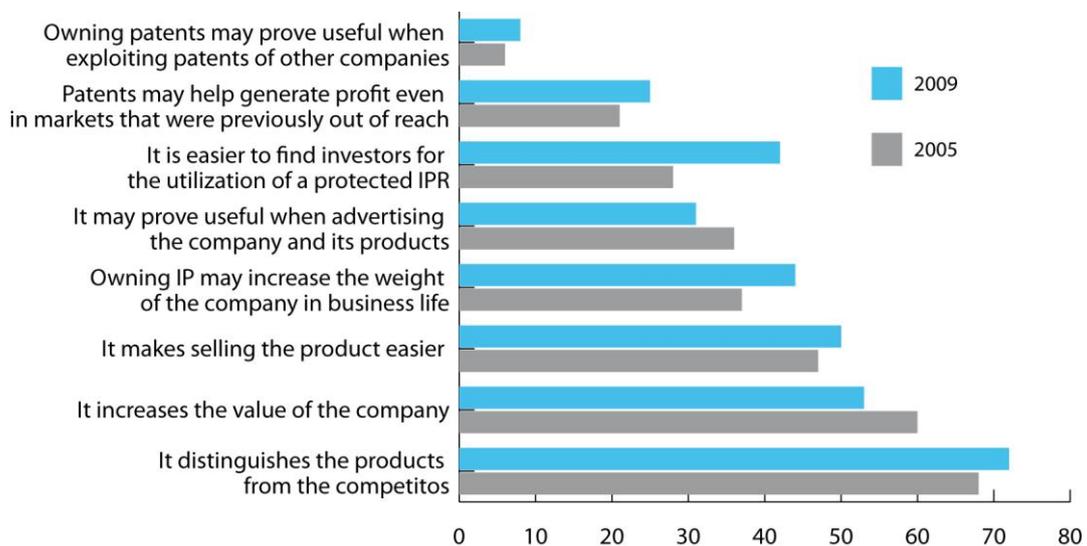
Naturally, there were manufacturing companies in the sample that did not consider obtaining design right important at all. These companies mainly said that the appearance of their

product had no effect on the product itself (62%), that the external features of a product can easily be reproduced (15%), that obtaining design would not generate competitive advantage (10%), possessed no design capacities or financial resources for this purpose (7%) or they did not manufacture custom products (6%).

In 2009, 26% of the firms said that they manufactured or developed products that could potentially be protected by patents or utility models. This ratio was 20% in 2005.

It was somewhat surprising that the product and service differentiating feature was indicated as the most important advantage of patents and utility models, too. The positive effect of these two IPRs on the value of the company was also considered important. Compared to the results in 2005, participants considered patents and utility models as a significantly more important factor to attract investors. Forty-two percent of the participants chose this answer in 2009.

Figure 11: Advantages of patents and utility models (percentage of participants choosing the option)*



* More than one option could be chosen. Therefore, the sum of the respective percentages exceeds 100%.

Using licences and exploitation permits

The accelerating speed of technological developments of the past 20-30 years has brought a lot of changes in the exploitation practices. An increasing trend for specialisation can be observed in technological developments. As a result of this, firms use solutions developed elsewhere in many cases and this motivates a dynamically increasing trade of technological developments.¹¹ Licences, on the one hand, are based on the fact that the licence issuer possesses some kind of (mostly technological) knowledge, or other information based on this knowledge, that has commercial value for the licence buyer. On the other hand, licences require the licence issuer to possess the right to sell this knowledge or to provide rights for

¹¹ Lontai, Endre et al. (2006): *Szellemi alkotások joga*. Budapest, p. 296.

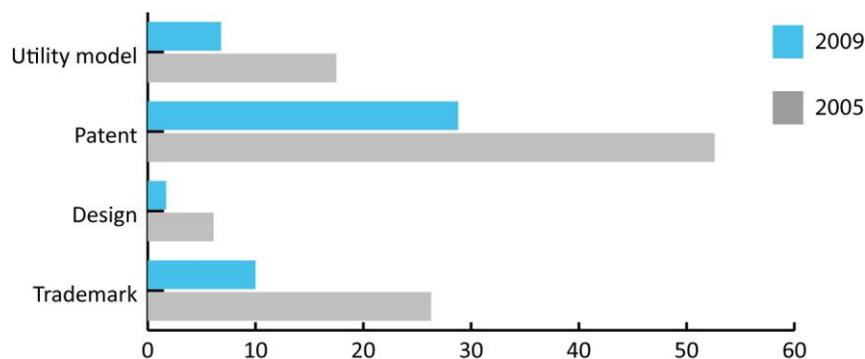
someone else to exploit it.¹² This section examines the level and terms of the licensing activity of the participating companies.

Between 2005 and 2009, the intensity of licence trading did not change significantly. Five percent of the participants in the survey of 2005 had sold licences to other firms, while this ratio was 6% in 2009. An equal 16% of the participants indicated buying licences both in 2005 and 2009. Both times, the service providers and manufacturing firms proved to be the most active in selling their IP exploitation rights.

The following factors were also equally true in case of both surveys of 2005 and 2009:

- Larger firms were more likely to buy licences (not monotonic increase).
- Export companies are more active than firms that only trade on in-country market.
- Firms with product, service and technology development facilities are significantly more likely to buy other companies' licences.

**Figure 12: Ratio of purchased licences
(percentage of participants choosing the option)***



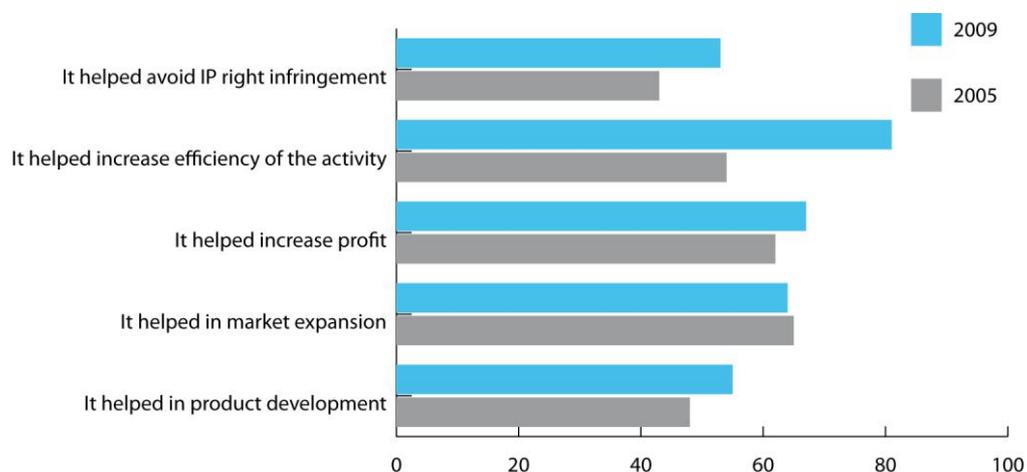
* More than one option could be chosen.

In summary about licensing, we can say that the most intense licensing activity – either selling or buying – is characteristic of firms that also carry out activities that produce intellectual property.

¹² Molnár, István (2008): *Szellemi tulajdon menedzsment és technológia-transzfer*. Kecskemét, p. 133.

The positive effect of purchased licences on the operation of the purchasing company was acknowledged by more firms in 2009 than in 2005, except for the advantage of gaining new markets. Therefore, the companies perceived more advantages from the purchased licences in 2009 than in 2005. This clearly indicates the improving quality of managing licences at Hungarian firms. Companies found the most important improvement in the efficiency of their financial management. The least effective feature of licensing was considered the protection against breaching IP rights both in 2005 and 2009. The reason is most probably that companies still consider licences more as a tool of stimulating economy and improving efficiency than a legal instrument of protecting IP rights.

Figure 13: What kind of effect did the purchased licence have on the operation of the company? (percentage of participants choosing the option)*



* More than one option could be chosen. Therefore, the sum of the respective percentages exceeds 100%.

Legal disputes of SMEs related to IPR

The competency of the Hungarian Intellectual Property Office does not include legal procedures to enforce IP rights.¹³ However, since the value of IPRs greatly depends on the successful operation of the system to enforce the rights, it is in the best interest of all those involved in IP to support the enforcement of the acquired rights with their own resources and means.¹⁴

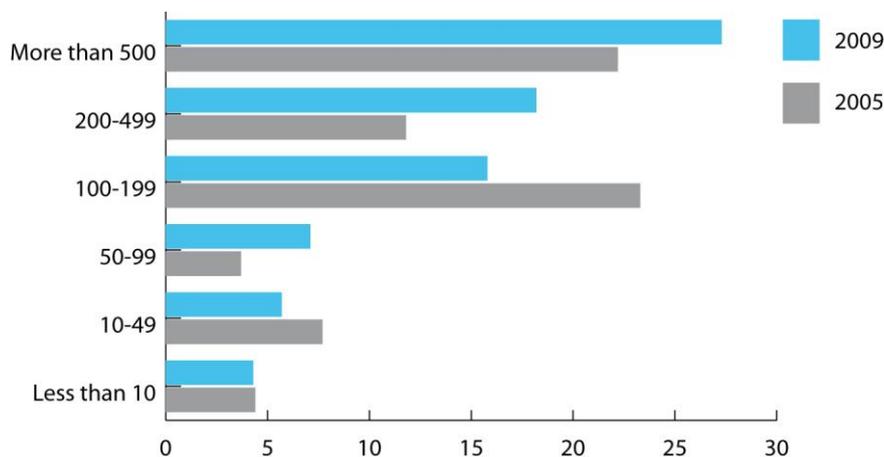
The level of activity of the interviewed companies in IP legal disputes was also examined in the survey along with their satisfaction with the procedure. In 2009, approximately 7% of the

¹³ The harmonization of the Hungarian legal protection of IP with the European standards was carried out by the adoption of the 2004/48/EK directive as of 15th April, 2006. The national report required by the directive about the experiences around IP rights enforcement in Hungary was completed in April, 2009, and is available at: http://www.mszh.hu/jogervenyesites/Nemzeti_Jelentes.pdf (Only in Hungarian.)

¹⁴ *Németh, Gábor (2009): A jogérvényesítés támogatása.* Power point presentation. The electronic version is available at: http://www.mszh.hu/hirek/kapcsolodo/MSZH_szolgáltatások/Nemeth_Gabor20090528.pdf

participating firms had some kind of civil law disputes related to IP issues.¹⁵ This ratio was 8% in the previous survey, which shows no significant differences.¹⁶ Larger firms were more often involved in legal disputes than the small ones according to the findings of both surveys in 2005 and 2009 (see Figure 14).

Figure 14: The ratio of companies involved in legal disputes related to IP (percentage of companies)



Half of the companies involved in IP right enforcement were the initiator of the procedure, 42% were sued, and the remaining 8% have experienced both. Fifty-nine percent of the legal disputes came about as a result of breaching some kind of IPR, 16% was due to service invention or employee invention disputes or licences and royalty related issues, while the remaining 25% of the disputes were a result of other issues.

Fifty-five percent of the companies involved in IP related legal disputes found that there was a return on financial investments and efforts put in the procedure, but 45% did not. This result is not so favourable in respect of companies' perception of legal certainty. One-third of small enterprises with less than 50 employees, two-thirds of firms with 51-200 employees and 100% of the large firms with over 200 employees found return on their investment in legal disputes. Therefore, we can say that the level of satisfaction with the means of IPR enforcement increased with the size of the company.

¹⁵ Legal disputes of companies can be settled out of court and via judicial proceedings. Out of court solutions can be: extra-judicial settlement, decision on lack of infringement and compulsory negotiation. The IPR enforcement judicial proceedings can be initiated by civil suit or criminal action. The present survey only deals with the legal disputes via judicial proceedings. About the possible means of enforcing IPRs and the actual IPR enforcement practice, see: *Jókúti, András (2009): A szabadalmi konfliktuskezelés gyakorlatáról*. Power point presentation, or electronically: http://www.mszh.hu/hirek/kapcsolodo/MSZH_szolgaltatasok/Jokuti%20_Andras20090528.pdf

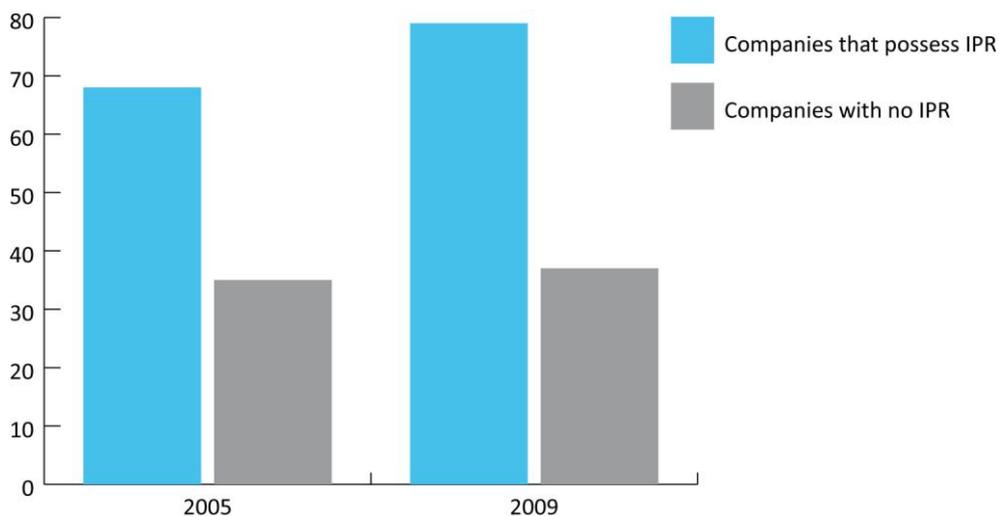
¹⁶ During the preparation phase of the National report between 2007 and 2009, the Ministry of Justice and Public Administration and the Hungarian Intellectual Property Office had collected data about IP rights enforcement in Hungary. The results of the findings concur with the findings of the present study. That is, the changes in the legal regulation caused by the adaptation of directive 2004/48/EK did not result in a significant increase in the number of legal disputes about IP.

Information services related to IP protection

The last section of the survey dealt with the available information about IP protection. It is essential for companies to obtain the necessary information to be able to successfully exploit their IPRs. Companies should be able to get to a proper amount and quality of information about previously obtained rights or inventions made available to the public. This could help them manage their IPR issues in the given legal environment with proper confidence.

Gathering information about previous IP rights shall – or should – be one of the first steps when applying for IPR. In 2005, sixty-eight percent of the participating companies that had possessed IPRs had enquired about the potential existence and/or status of an IPR of an invention in Hungary or elsewhere, while 32% had never tried to obtain such information. This ratio was 79% and 21% in the 2009 survey that indicates a growing demand for IP information. The ratio of companies with valid IPRs that tried to obtain IP information was higher than the firms with no IPR.

Figure 15: Have you ever enquired about already existing IPR of an invention? (percentage of the positive answers in the survey)

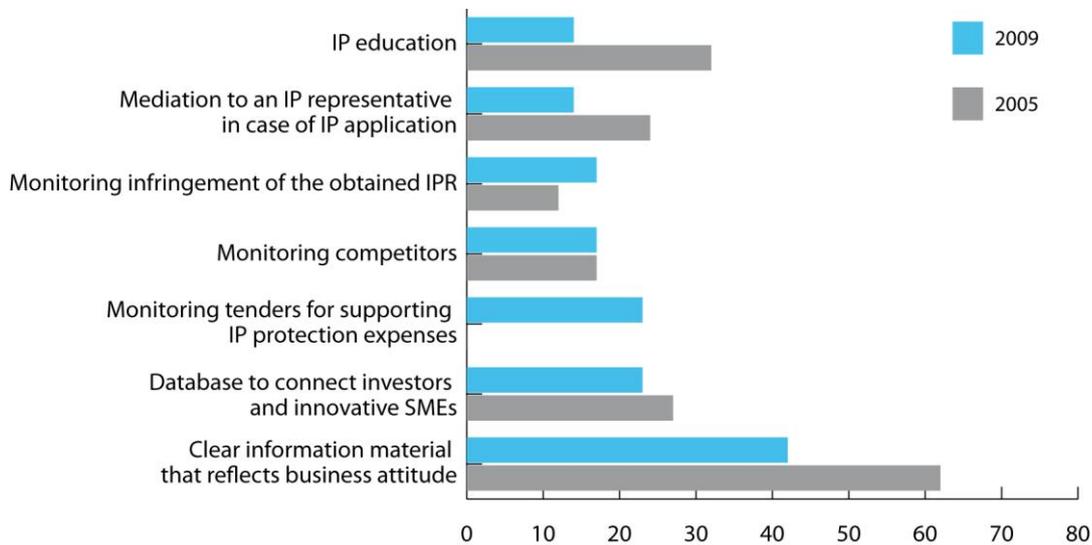


The participating companies in both surveys indicated a need for further information services related to IP protection. The highest demand was for clear and simple information material related to IP written from a business point of view both in 2005 and 2009. There is also a solid demand for the tender monitoring service of HIPO¹⁷, which it introduced in early 2010 as well as for a potential database of investors.

¹⁷ The service is available at: <http://mszh.hu/palyazatok> (only in Hungarian).

As compared to the ratio in 2005, a higher percentage of companies indicated their intention to use services that monitor and report the breach of an obtained IPR in 2009.¹⁸ This shows a growing IPR enforcement awareness of companies.

**Figure 16: What kind of IP protection service would you use?
(percentage of participants choosing the option**)**



**/ This question was not part of the survey in 2005.*

***/ More than one option could be chosen. Therefore, the sum of the respective percentages exceeds 100%.*

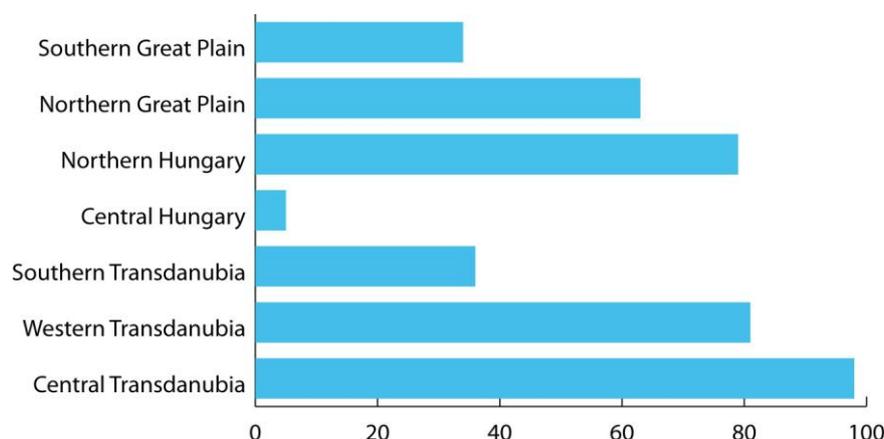
To support companies in the country and to provide an easier access to information about IPR protection for the broader community, HIPO has been operating regional IP information points. These information points can be found at the local chambers of commerce and trade.¹⁹

An average of 58% of the participating companies have contacted regional chambers of commerce and trade with some kind of IP related issue according to the data of the 2009 survey, while this ratio was 40% in 2005. Figure 17 displays the significant regional differences. Only 5% of the participating companies have contacted the chambers in the Central Region of Hungary, which is most probably due to the fact that companies in this region are more likely to contact the HIPO customer service directly with their IP related questions.

¹⁸ Clients can order the patent search services related to IPR enforcement and trademark search and monitoring services online directly from the HPO site at:
<http://www.sztnh.gov.hu/English/szolgaltatasok/index.html>

¹⁹ The main goal of the info points is to provide basic information about IP related issues. Companies contacting these info points can obtain up-to-date industrial property and copy-right related information. Collateral material and professional IP support is also available, as well as help with electronic database research. In case of more complex IP issues, HIPO provides further support to the staff of the chambers.

Figure 17: Have you ever contacted the local chamber of commerce and trade related to IP protection issues? (2009, percentage of positive answers)



Summary and conclusions

The present survey was carried out with the professional guidance of HIPO and its aim was to measure IP awareness of SMEs. The repeated survey has examined not only the current situation, but also assessed the changes since the survey in 2005.

According to the results, the ratio of SMEs that consider the protection of their intellectual property important has grown from 92% to 94% between 2005 and 2009. The significant majority of the participants have realised and recognised the importance of IP protection. Almost one-fourth of the participating companies found that the general quality of IP protection has improved since 2005. It should be pointed out that almost all the companies that possess IPR have experienced a positive change in the quality of IPR protection, while companies with no IPR have mostly experienced no change.

An improving IP awareness is also indicated by the increase in the number of companies that recognise the economic advantages of IP protection from 35% to 53%. A steadily growing group of companies consider IP protection an important legal guarantee of ROI of R&D expenditure.

The distribution of IPRs in 2009 is similar to that of 2005. However, there was a slight decrease in the number of national applications in case of all IPRs, which is most probably a consequence of the financial and economic crisis. Contrasting the number of IPRs and the general impression of companies about IP protection we can say that *although the IP protection activity of companies did not increase significantly, companies became more aware of the value of IP and make more conscious efforts to exploit their existing IPRs. Companies have started to consider IPR as actual asset and have realised its potentials.*

The trends in trading licences did not change between 2005 and 2009. Five percent of the participating companies had sold licences and approximately 16% had bought licences before. Companies in 2009, however, have perceived more advantage from licensing than in 2005.

An approximate 7-8% of the participating companies had either judicial proceeding or civil legal dispute related to IP issues both in 2005 and 2009. Larger companies were more likely to have some kind of legal dispute than small firms, which trend was equally valid in 2005 and in 2009. One-third of small companies, two-third of medium size enterprises and 100% of large companies had gained a return on investment from legal procedures. This indicates a direct correlation between the level of satisfaction with IP right enforcement and the size of the company.

The number of companies that obtained information about a potential valid IPR before the application had grown. Since this ratio is close to 80%, we can say that the awareness of companies had also grown in this field, and there is a higher demand for IP information. It is interesting however, that only less than half of the companies asked help to obtain IPR. The level of satisfaction of the companies with the services of the regional information points indicates that there is a demand for such initiatives.