

Financial incentives as a tool for improving the V4 innovation ecosystem and enhancing IP protection

National Report – Hungary

Gábor Németh, Tamás Bene

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- Visegrad Fund
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The project is co-financed by the Governments of Czechia, Hungary, Poland and Slovakia through Visegrad Grants from International Visegrad Fund. The mission of the fund is to advance ideas for sustainable regional cooperation in Central Europe.

National Innovation Ecosystem of Hungary

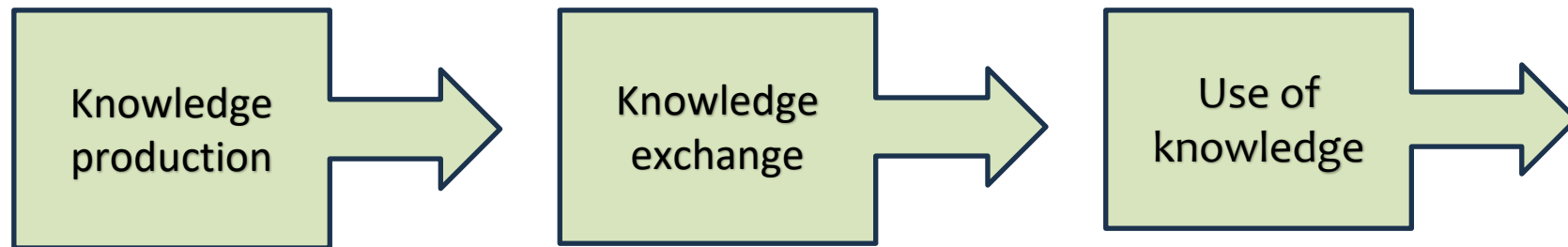
- Ministry of Culture and Innovation
- National Science Policy Council
- National Research, Development and Innovation Fund (NRDI Fund)
- National Research, Development and Innovation Office (NRDI Office)
- National Innovation Agency (NIA)
- Hungarian Intellectual Property Office

- Hungarian Research Network (HUN-REN)
- Bay Zoltán National Applied Research Network
- Universities (Science and Innovation Parks, Regional Innovation Platforms)

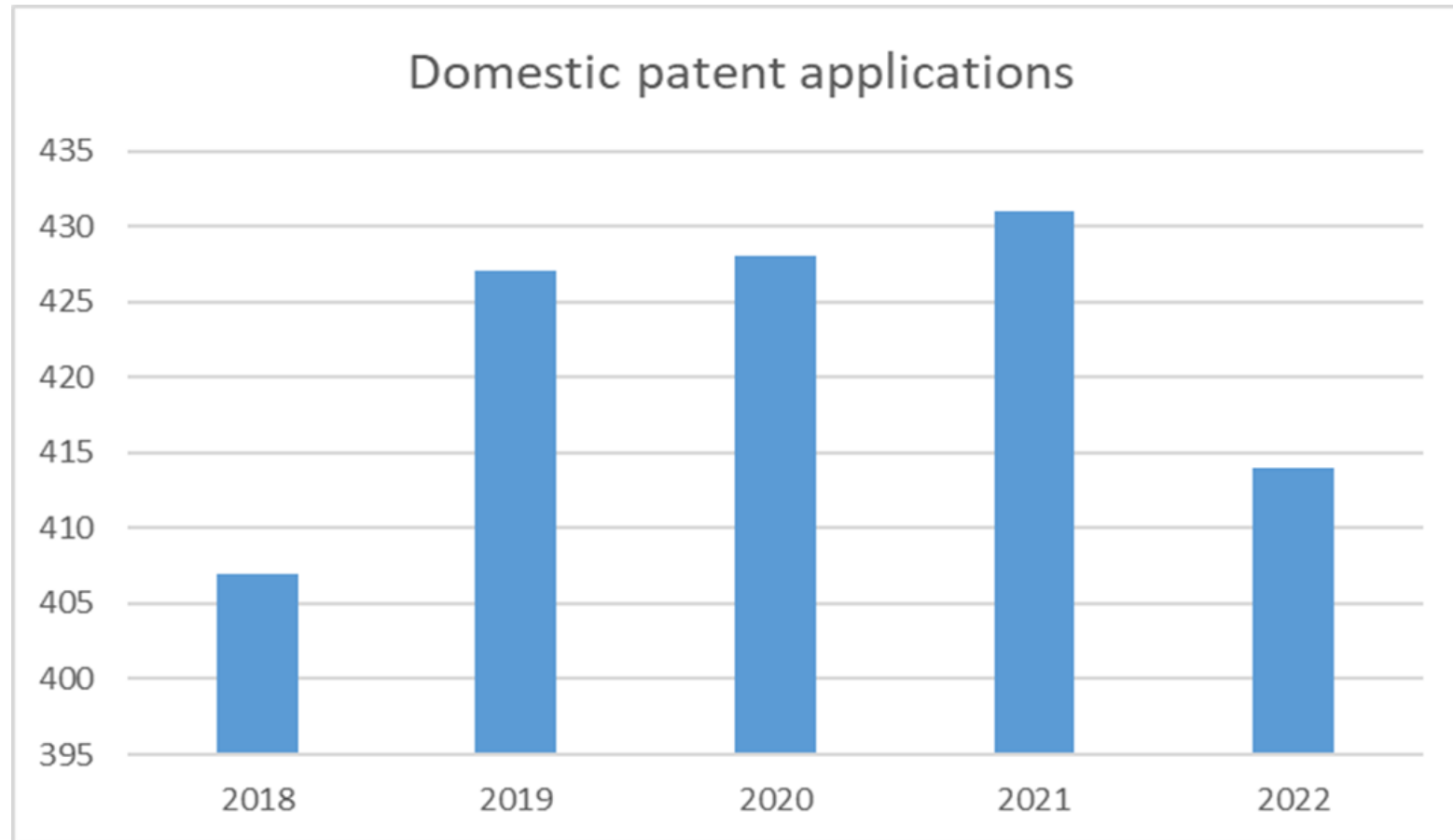
- Industry: large (multinational) companies, SMEs

RDI Strategy 2021-2030

- Making more use of the research results of public research organisations;
- improving the innovation performance of domestic enterprises, especially SMEs;
- strengthening cooperation between actors in the R&D and innovation system.

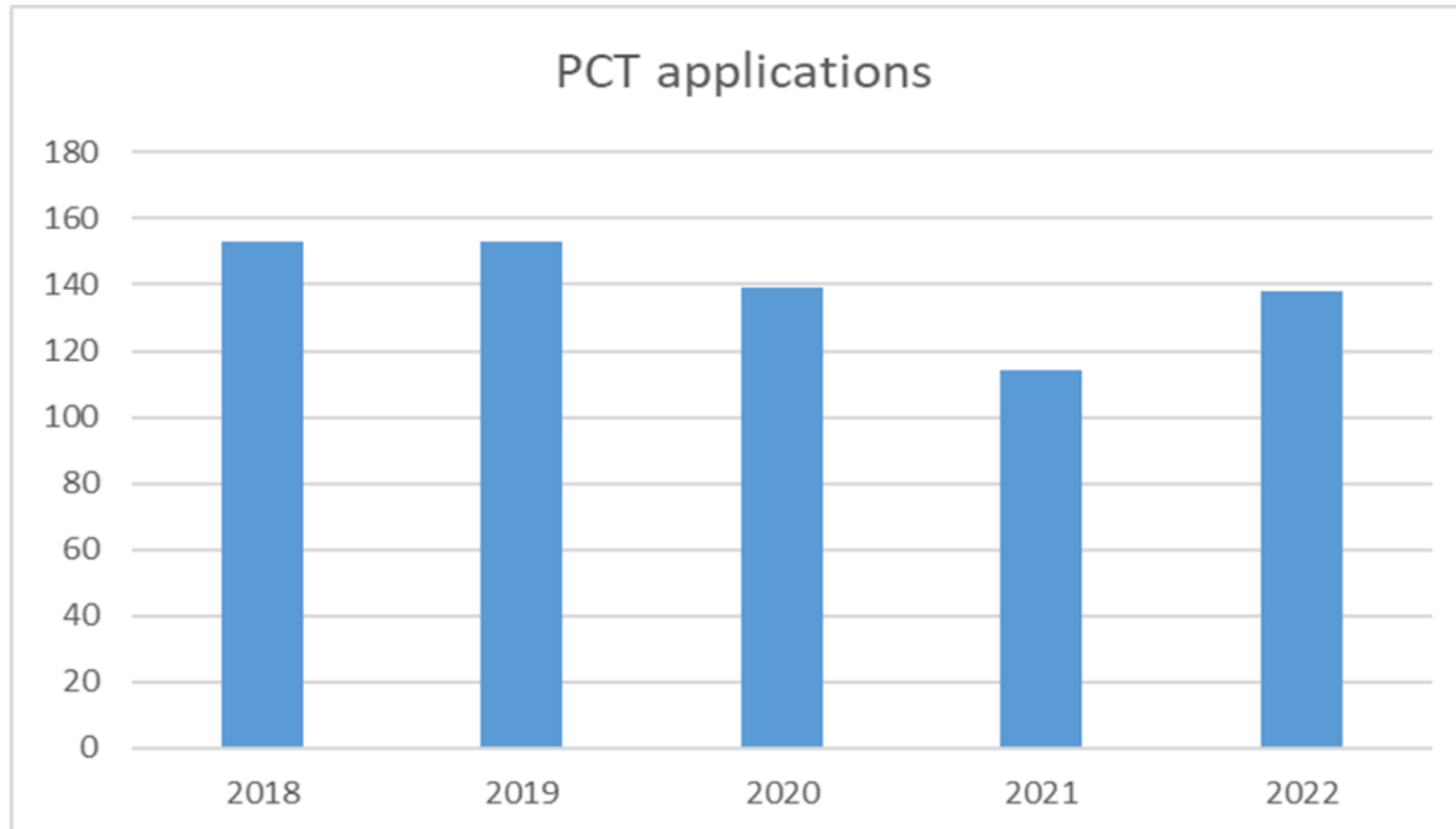


Number of domestic patent applications by Hungarian residents (2018-2022)



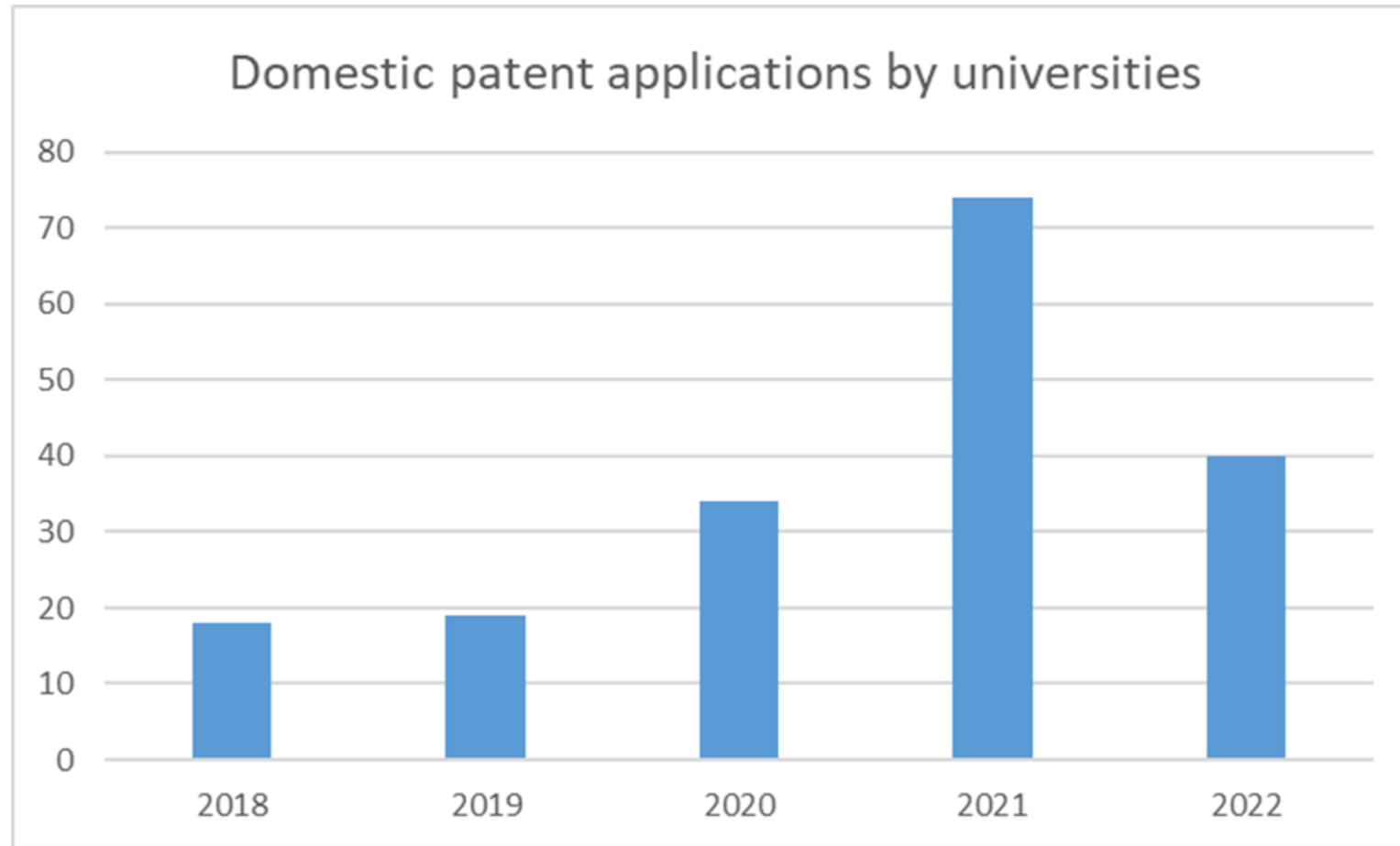
Source: Hungarian Intellectual Property Office

Number of PCT applications by Hungarian residents (2018-2022)



Source: World Intellectual Property Organization

Number of domestic patent applications by Hungarian universities (2018-2022)



Source: Hungarian Intellectual Property Office

Support schemes, programmes and initiatives with a particular focus on financing IP protection – good practices

- Support of activities fostering the domestic and international protection of intellectual property to facilitate industrial utilisation (2020-1.1.3-IPARJOG) - *Non-refundable grant to obtain IP protection*
- IP pre-diagnosis (IP Scan) service by the Hungarian Intellectual Property Office
- Support for market-driven RDI projects 2021-1.1.3-PIACI KFI – *Funding to businesses for RDI projects where the costs related to obtaining IP protection are eligible*
- Thematic Excellence Programme TKP2021 - *support for university knowledge centres and research centres for their RDI activity where the cost related to obtaining IP protection are eligible*

Barriers to IP protection

- **Financial barriers:** certain applicant groups (e.g. individuals and SMEs) might be discouraged from applying for patent protection. However only a small part of the costs of obtaining domestic patent protection is accounted for by official fees, while the larger part is accounted for by patent attorneys' costs.
- No significant **legislative barrier** in Hungary

Barriers to IP protection

Other barriers

- **lack of proper knowledge** on the benefits of the IP protection and **on the IP system**
- **availability of patent attorney services:** with a few exceptions, enterprises do not employ in-house patent agents and patent attorneys' offices are almost exclusively located in Budapest

Country recommendations – IP protection

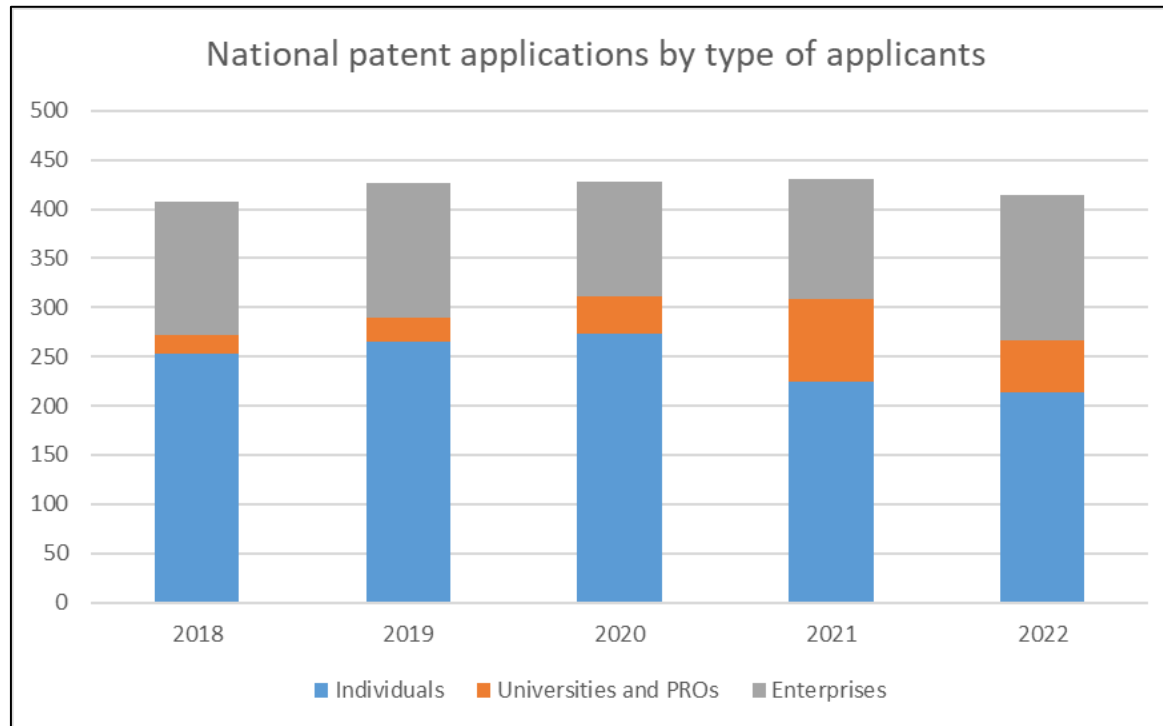
- Awareness-raising
- Services necessary for the protection and commercialisation of IP should be directly available to any stakeholders
- Development of IP voucher scheme in the framework of a project development service of the National Innovation Agency
- In the case of R&D grants, a certain minimum part of the funding must be used for the IP positioning

IP & academic technology transfer

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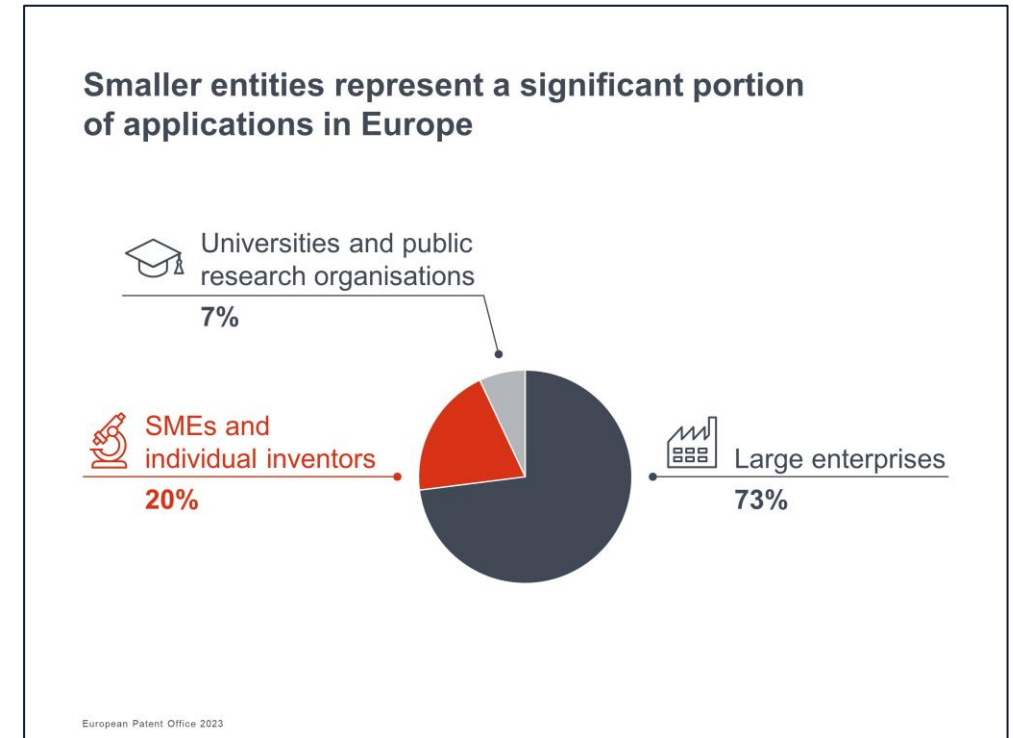
Breakdown of patent applications by type of applicants

Hungary



Source: Hungarian Intellectual Property Office

EPO (2022)



Source: European Patent Office

Main problems identified – technology transfer at universities and PROs

- Number of invention disclosures
- Cooperation between academia and industry
- Number of spin-off companies

- Funds to cover IP costs
- Proof-of-concept financing

- Recognition of innovation-related results in the academic career system
- Capacity building
- Long-term financing model for TTOs
- Incentives for inventors (external)

Best practice – national grant (technology transfer)

University Innovation Ecosystem – national call for funding

- Source: National Research, Development and Innovation Fund
- Non-refundable (grant)
- Beneficiaries: universities - 24 supported projects
- Funding per application: 75k EUR to 750k EUR depending on the activity
- Duration: 48 months
- Main goals of the grant (among others):
 - Support the technology transfer activities of universities on different levels
 - Provide funding to set up and operate institutional Proof of Concept Funds
 - Support student innovation
 - Develop the R&D service portfolio of the university

Best practice – institutional program (technology transfer)

University of Debrecen – Innovation Fund - UD Impact Program

- UD-IMPACT Discovery program
- UD-IMPACT Proof of Concept program
- UD-IMPACT Pathfinder program
- UD-IMPACT stUDinnovate program

+ UD IP FUND



Discovery & Proof of Concept

- 80 applications so far
- Funding up to 25k EUR for 12 months
- Available for university research groups
- Market oriented research and proof of concept activities
- The commercial potential of research must be clearly identified

Country recommendations (technology transfer)

- Introduce new research funding schemes focusing on co-production of research with industry and market-oriented research (risk-tolerance)
- Improve the support of proof of concept funds available for universities and PROs (co-financing)
- Launch long-term funding schemes that support the creation of academic spin-off companies (risk-tolerance)
- Consider tax allowance for inventors (for invention-related income)

Thank you for your kind attention!

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