

BOOSTING INNOVATION IN CEE

EXPERIENCES AND LESSONS LEARNED



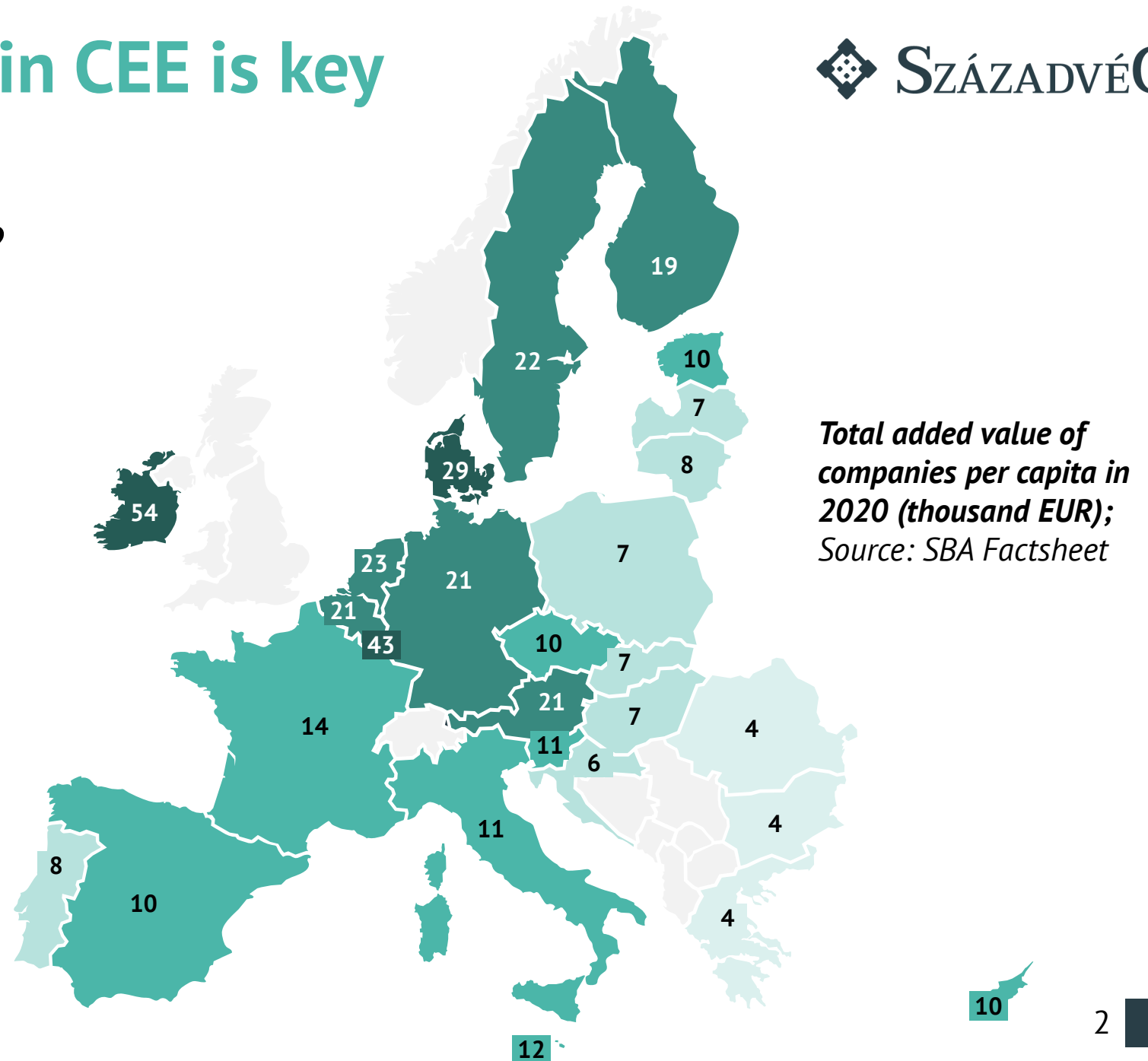
SZÁZADVÉG

BENCE KOVATS, DIRECTOR OF PMO

10/06/2022

Boosting innovation in CEE is key

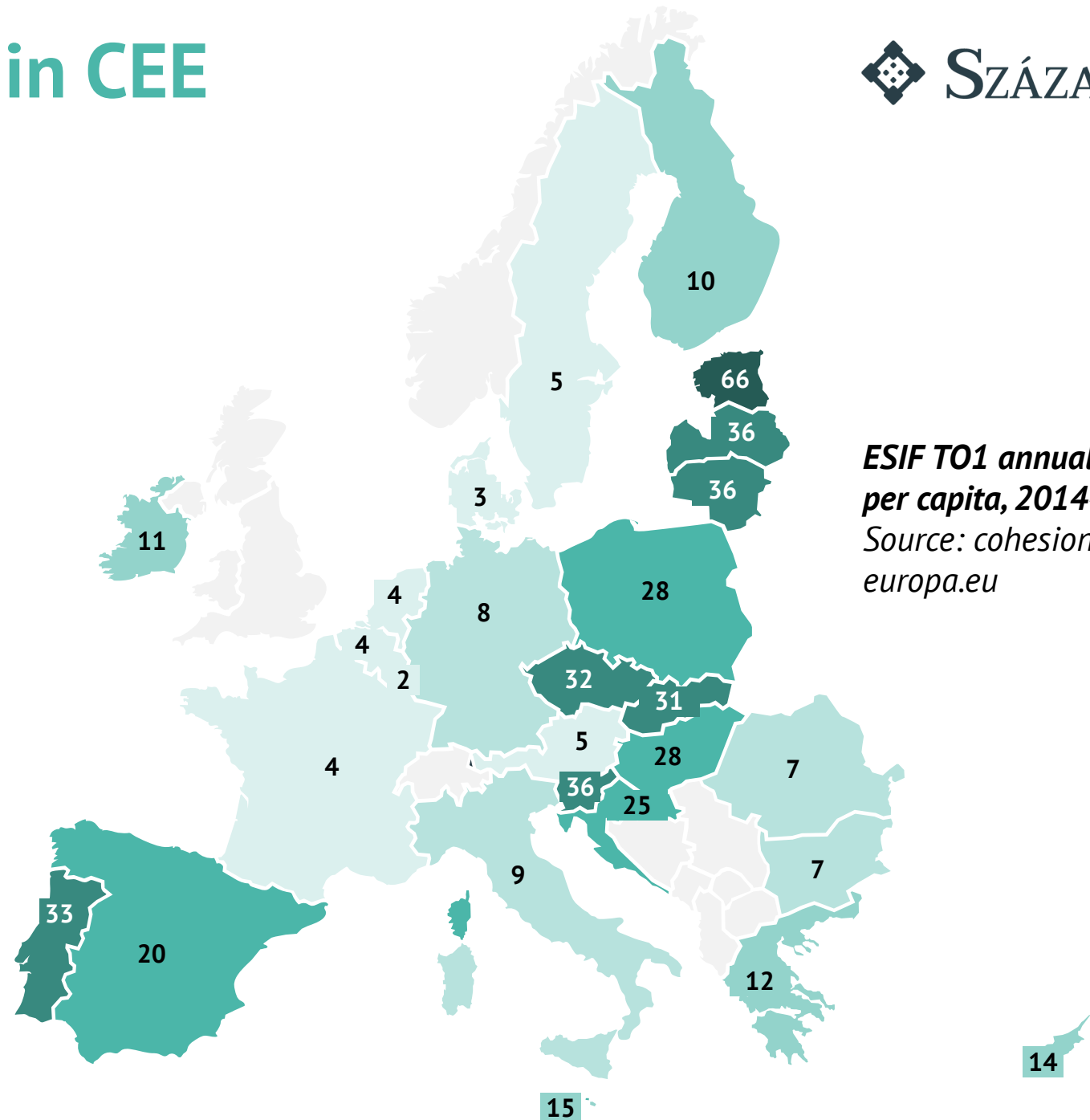
+ Why is innovation important?



ESIF plays a key role in CEE innovation funding

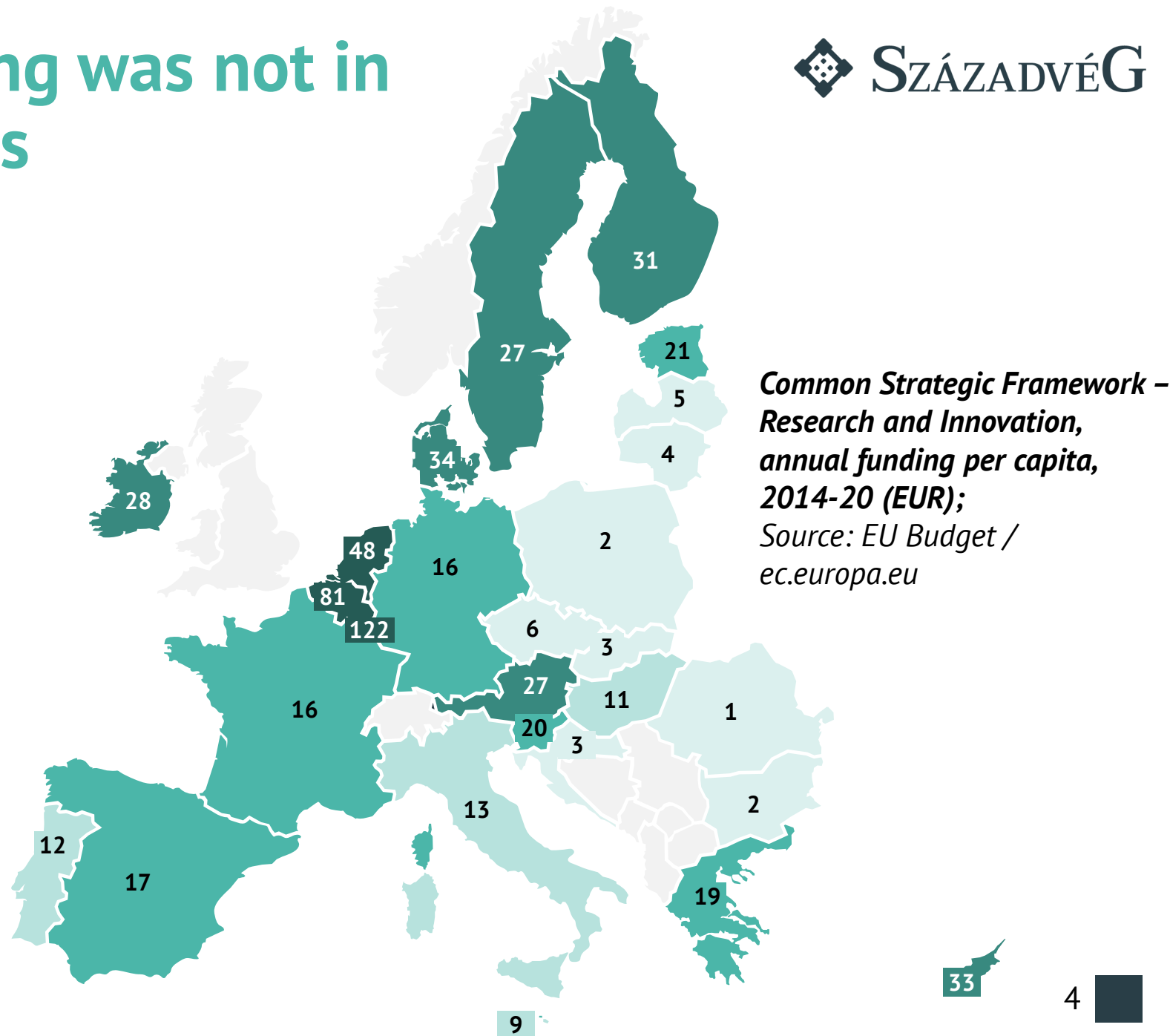
Further direct funding:

- + National Innovation Funds
- + Recovery and Resilience Facility
- + Startup / VC financing



Centralized EU funding was not in focus in CEE countries

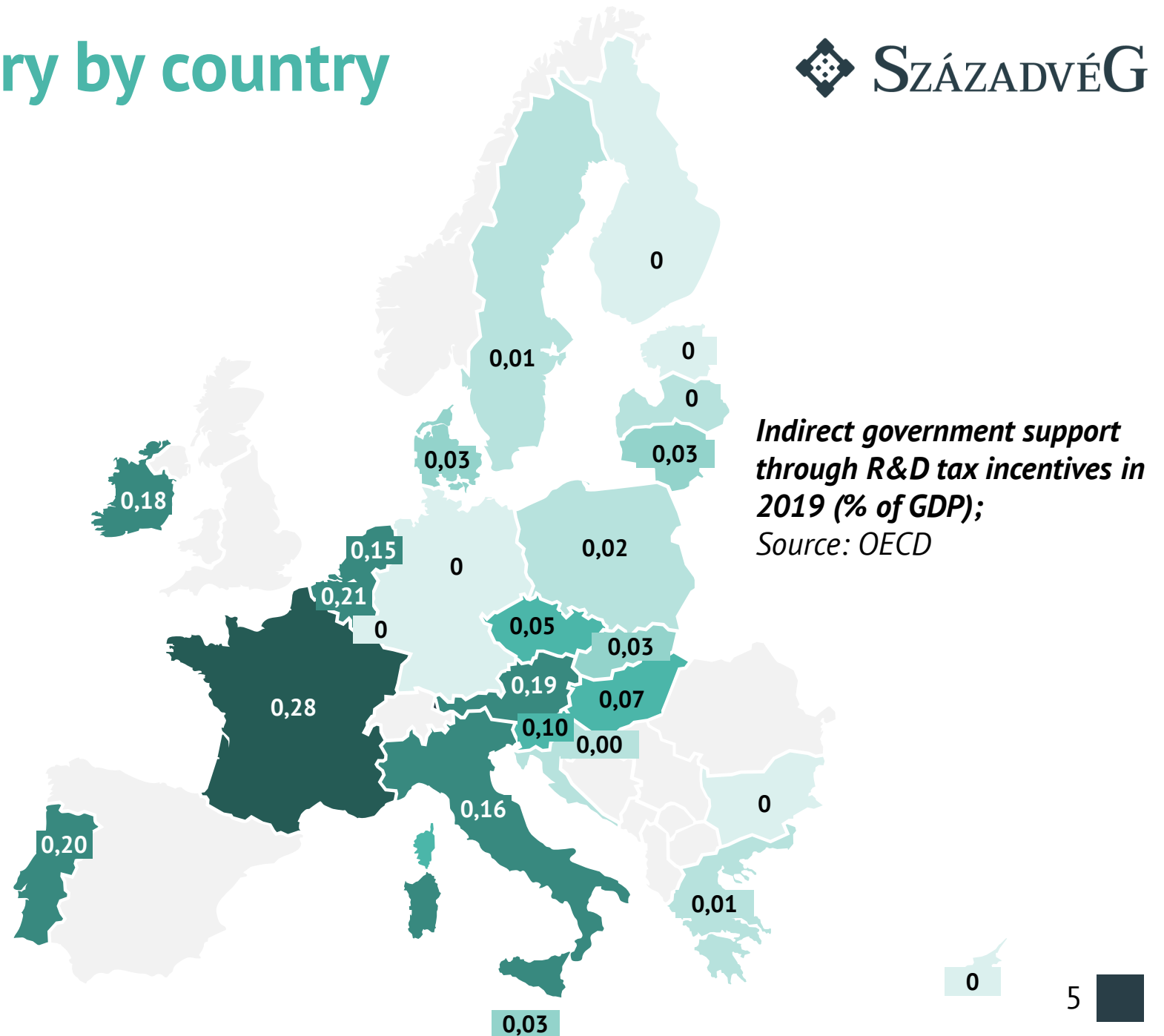
+ New approaches are needed to bring international innovation initiatives to CEE entities



RDI tax incentives vary by country

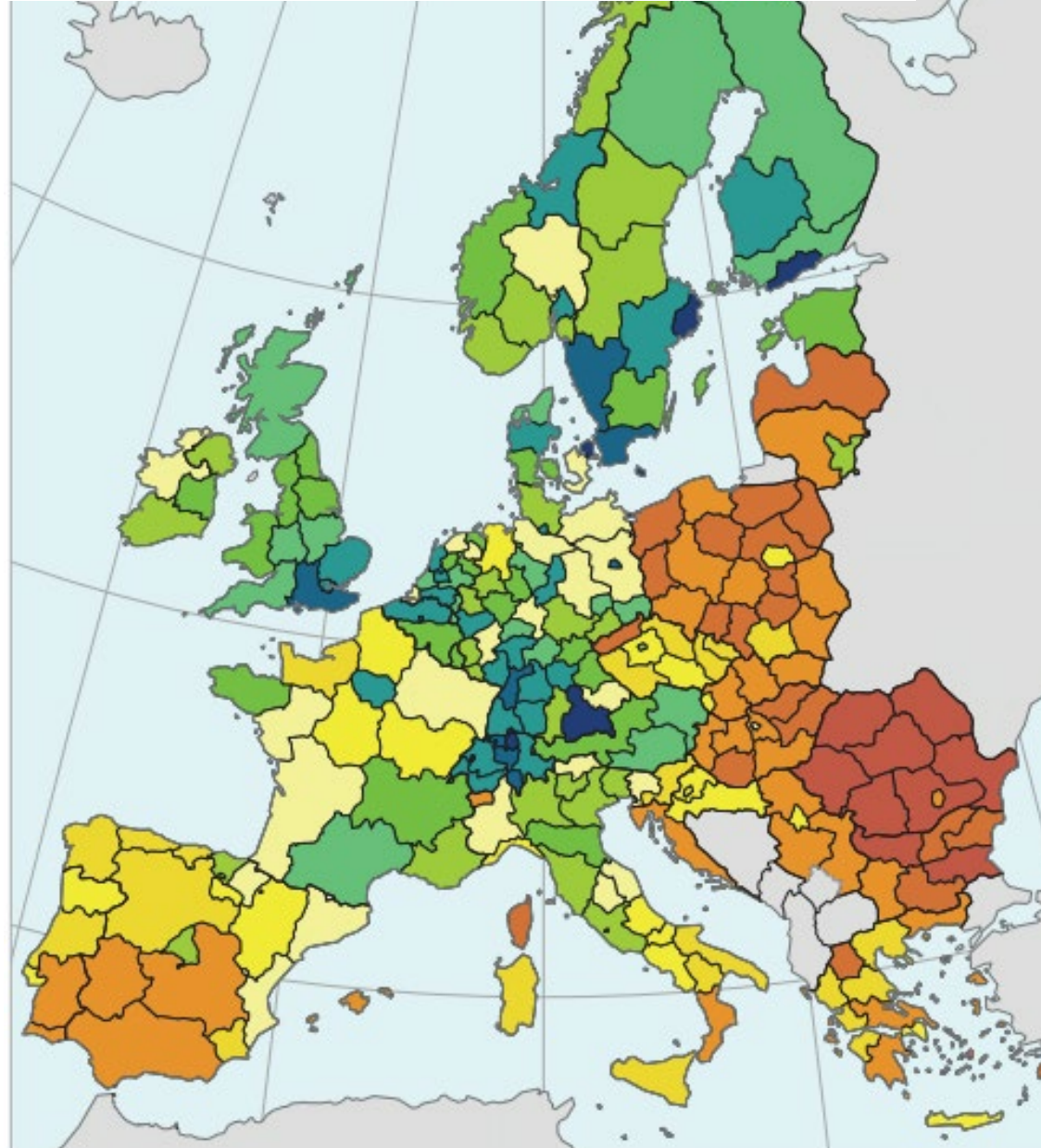
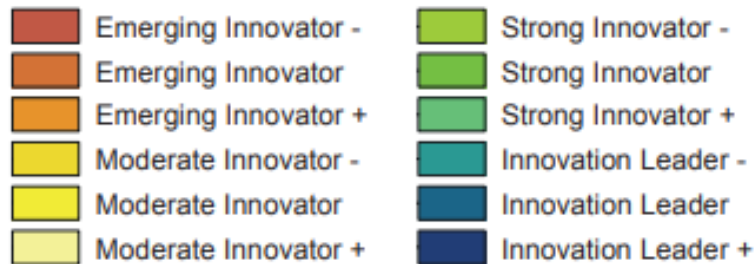
Tax support in Hungary:

- + Development tax incentive
- + R&D allowances in corporate income tax
- + R&D related tax base deductibility
- + Further RDI-related allowances
- + Local tax incentives



The innovation divide is present

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*Regional Innovation
Scoreboard 2021;
Source: RIS*

Our experience in innovation activities



Innovation ecosystems



National programme /
scheme planning and
evaluation



Local economic
assessments



Centralized EU funding



Participating in Horizon
calls



Assessment to enhance
Hungarian entities' activity

1. National initiatives are in place



No groundbreaking changes in ESIF funding and state aid rules for innovation are expected



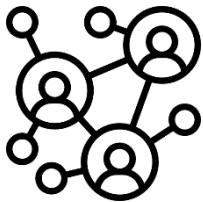
Aligned indirect (tax) incentives in place / under ongoing review



2. Streamlining European initiatives is key



Alignment of policies and programmes



Strengthened EU-wide network



Clear, direct and transparent support



3. Reaching out to local entities is key



National presence vs. local presence



Tailored acceleration and mentoring

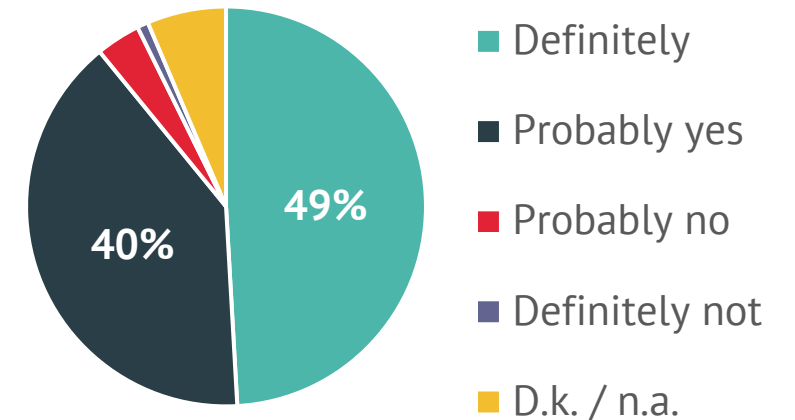


The entry burden



External & peer support

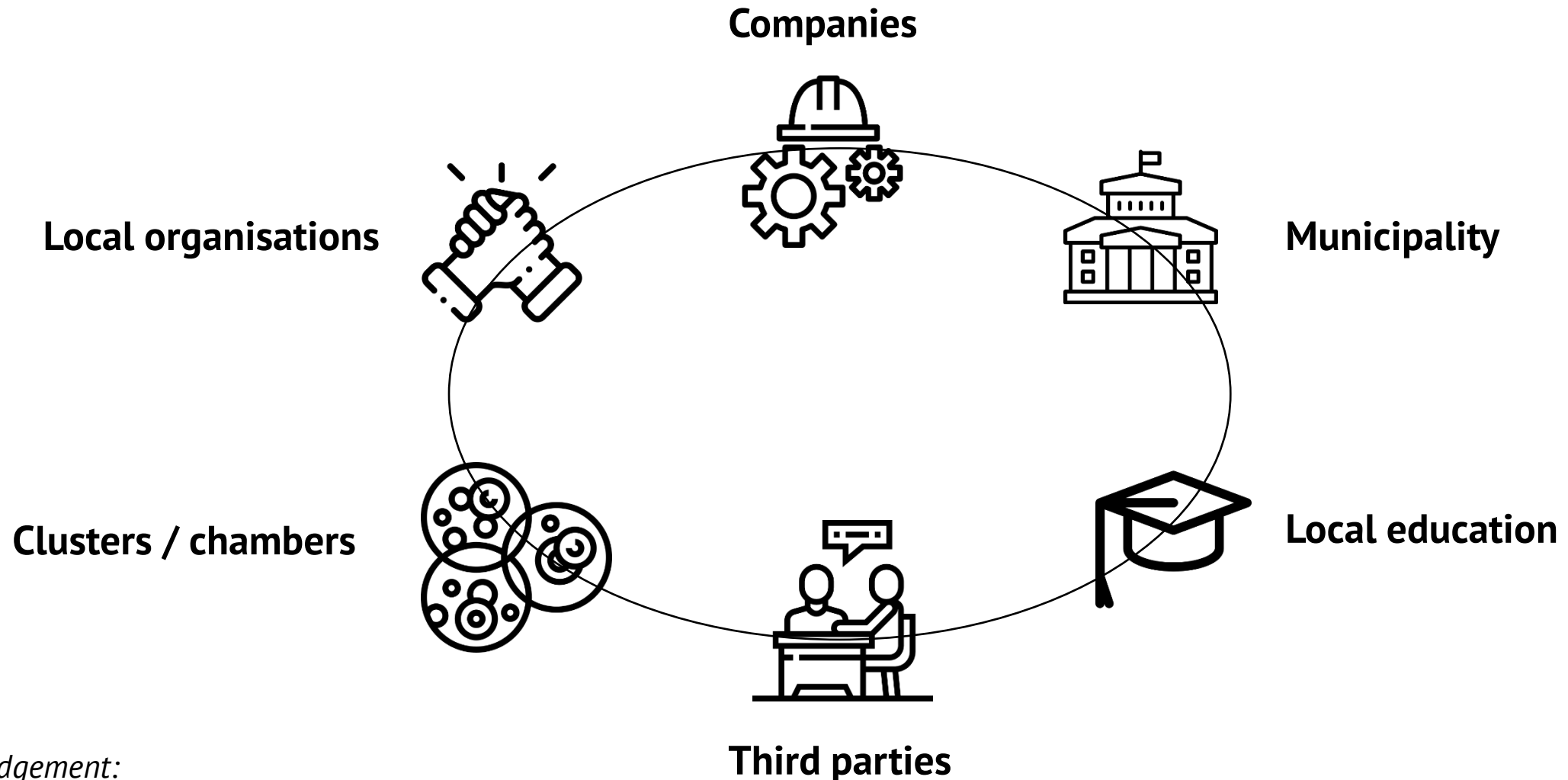
Do you plan to apply to similar, centralized EU funding in the upcoming financial period? (2021-27)



Survey in 2020, N=220



To effectively encourage this, local ecosystems need to be strengthened





Towards a New European Innovation Agenda

András G. Inotai

Head of Unit, Innovation Policy & Access to Finance

DG Research and Innovation



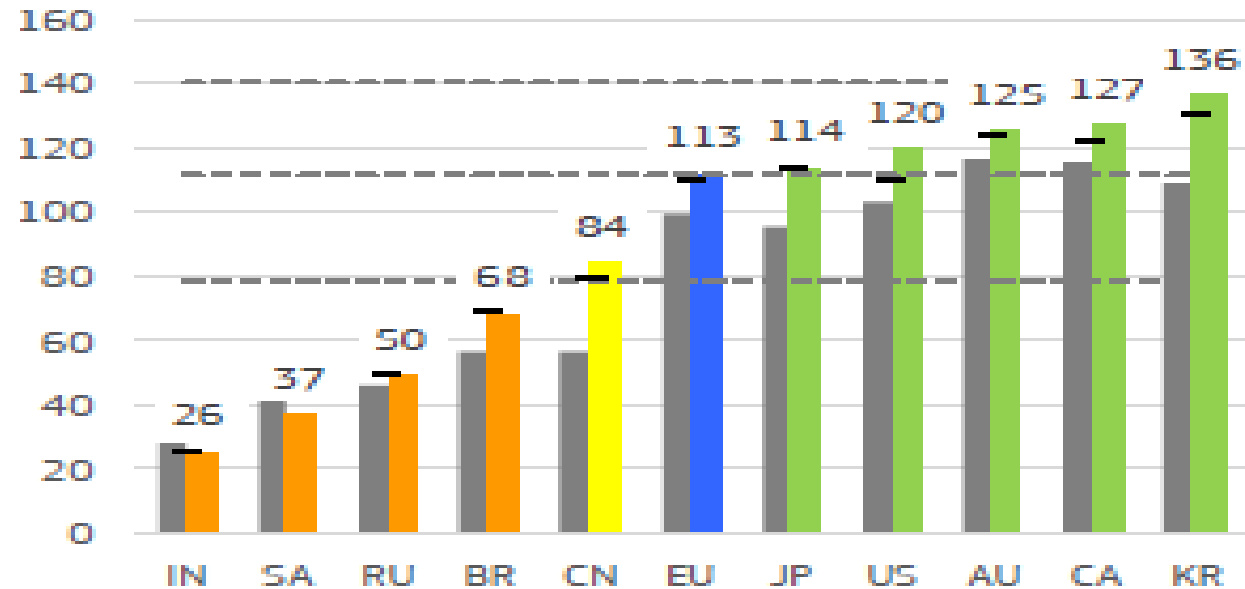
Europe's Innovation Imperative

- Productivity growth
- Green and digital transition
- Post-Covid recovery
- Open strategic autonomy

Europe's Innovation Assets

- Excellent science and research
- Internal market
- Strong manufacturing base
- Stable institutions, democratic societies, rule of law

Europe's Innovation Performance



Coloured columns show performance in 2021 relative to that of the EU in 2014. The horizontal hyphens show performance in 2020 relative to that of the EU in 2014. Grey columns show performance in 2014 relative to that of the EU in 2014. For all years, the same measurement methodology has been used. The dashed lines show the threshold values between the performance groups, where the threshold values of 70%, 100%, and 125% have been adjusted upward to reflect the performance increase of the EU between 2014 and 2021.

Europe's Innovation Performance – key areas



Access to Finance



- **Challenges:**
 - A lack of patient capital to invest in long-term technological developments
 - A fragmented VC market
 - Underdeveloped IPO market
 - Lack of appropriate tax incentives to incentivise in high-risk tech
- **What we have:** EIC, ESCALAR, InvestEU
- **What we need to consider:** Facilitate private funding; Help the large-scale deployment of public funds; Increase investment by EU-based providers of private and patient capital; Use the potential of intellectual property rights

Framework Conditions



- **Challenges:**
 - Innovators face an incomplete Single Market and fragmented regulatory environments
 - Current regulatory framework remains too rigid and risk-averse
- **What we have:** Single Market, reviewed R&D&I State Aid guidelines, Better Regulation agenda,
- **What we need to consider:** Experimentation clauses; Regulatory sandboxes; Living labs and test beds



Better innovation policy making

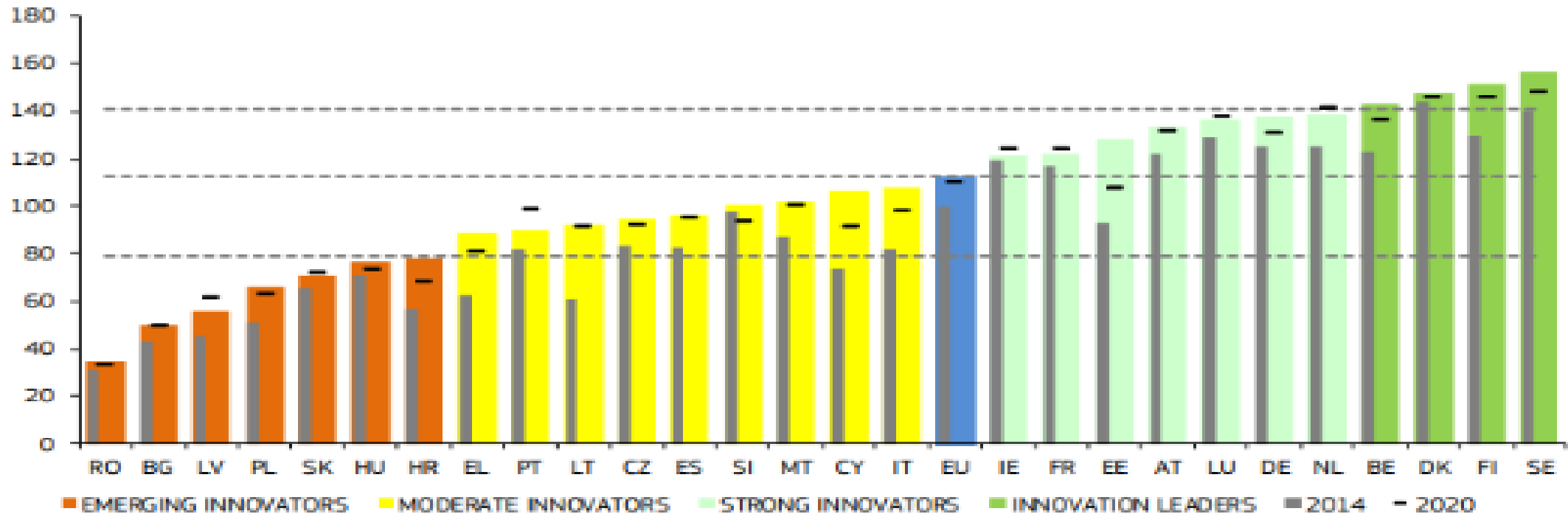
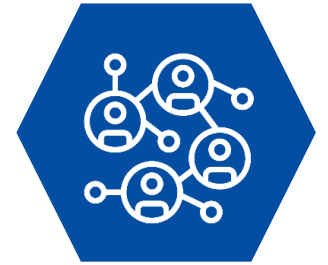
- **Challenges:**
 - Data (availability, methodology)
 - More scope for pro-innovation policy measures
 - Public procurement is not sufficiently connected to the innovation ecosystems.
- **What we have:** Innovation Scoreboard, Innovation Principle/innovation deals, Technical Support Instrument
- **What we need to consider:** Strengthen the existing information base (definitions, data and methodology); Update the innovation scoreboard; Targeted policy support to Member States; Improved coordination of innovation policy initiatives (e.g. EIC Forum)

Talent



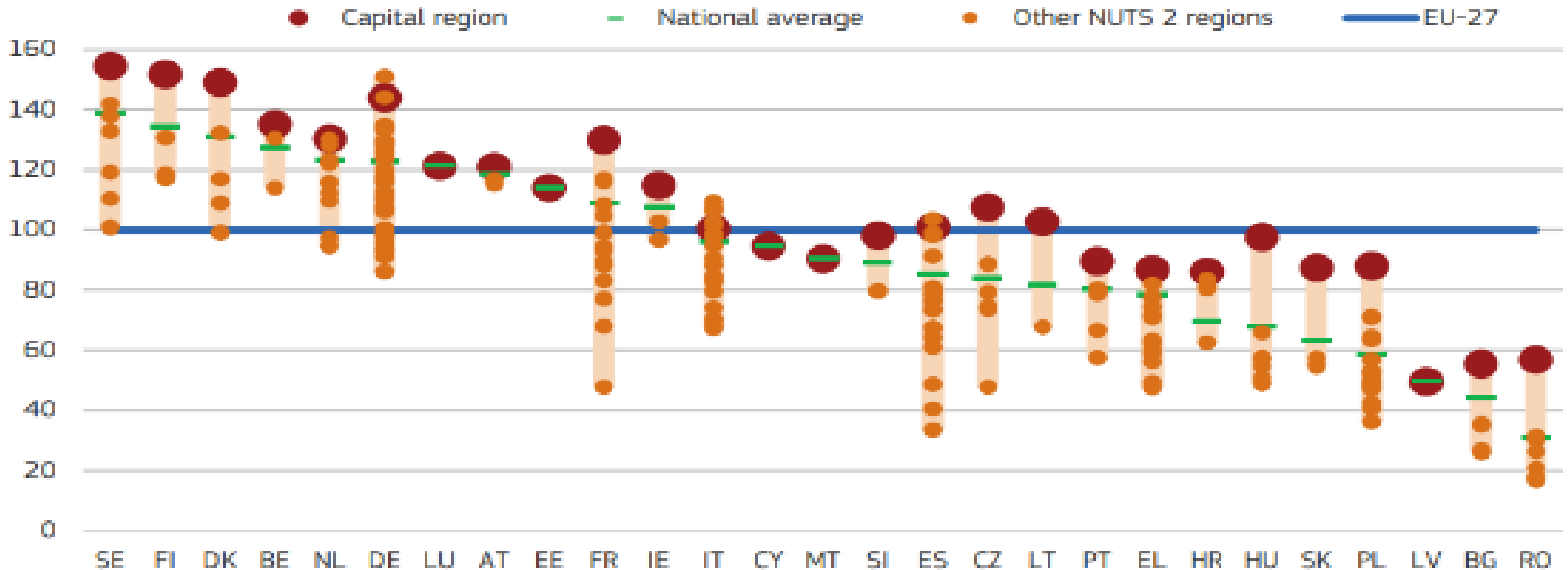
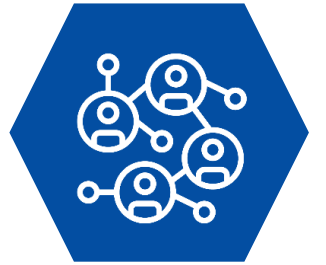
- **Challenges:**
 - Talent and skills shortages
 - Brain drain
 - Women and minorities remain underrepresented
- **What we have:** European Research Area, European Strategy for Universities, revised EU Blue Card Directive, Women TechEU
- **What we need to consider:** Attract and keep talent; Facilitate an entrepreneurial mind-set and skills; Promote inclusion and gender balance; Encourage cooperation between research organisations and industry.

Innovation Ecosystems (1)

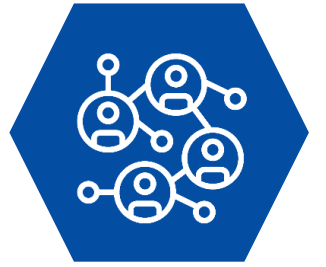


Coloured columns show countries' performance in 2021, using the most recent data for 32 indicators, relative to that of the EU in 2014. The horizontal hyphens show performance in 2020, using the next most recent data, relative to that of the EU in 2014. Grey columns show countries' performance in 2014 relative to that of the EU 2014. For all years, the same measurement methodology has been used. The dashed lines show the threshold values between the performance groups, where the threshold values of 70%, 100%, and 125% have been adjusted upward to reflect the performance increase of the EU between 2014 and 2021.

Innovation Ecosystems (2)

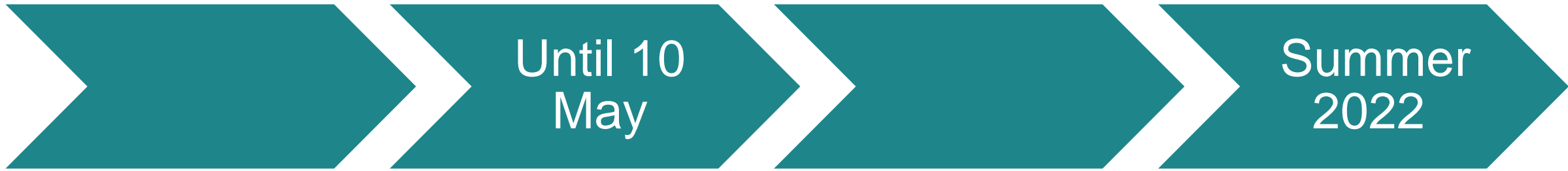


Innovation Ecosystems (3)



- **Challenges:**
 - Europe's innovation ecosystems remain fragmented and divided
 - Synergies between mechanisms and funding instruments to support R&I are also not yet fully exploited.
- **What we have:** European Innovation Ecosystems Programme, Smart Specialisation Strategies
- **What we need to consider:** Strengthen local R&I ecosystems – Partnerships for Regional Innovation; Better connect R&I ecosystems; Mobilise funding instruments and ensure synergies

New European Innovation Agenda – next steps



- Call for Evidence published on the better regulation portal – for stakeholders to comment.

- Adoption by Commission



Thank you for your attention!



Innovation and IP Protection

10 June 2022

Peter Labody
Vice President for Legal,
International Affairs
and Innovation

Hungarian
Intellectual
Property Office



SZTNH

Do Hungarian SMEs protect their innovations?

Only

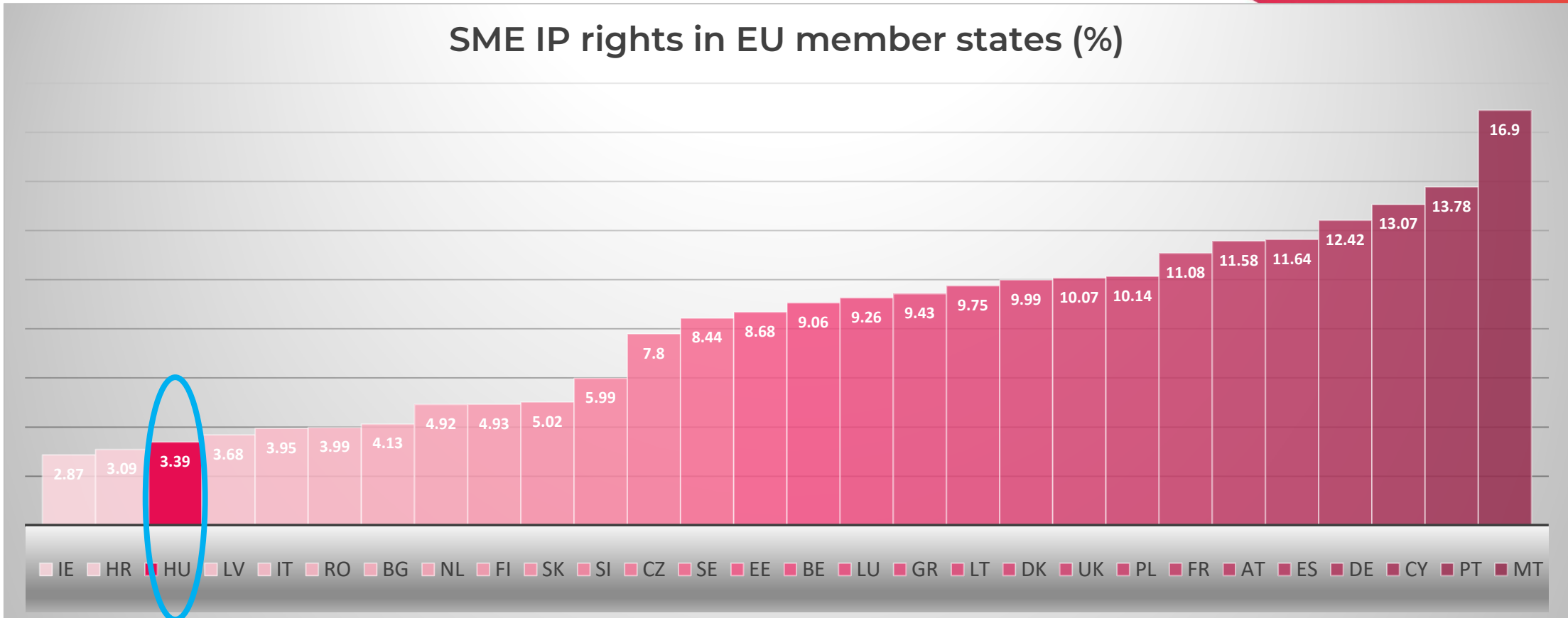
3,4 %

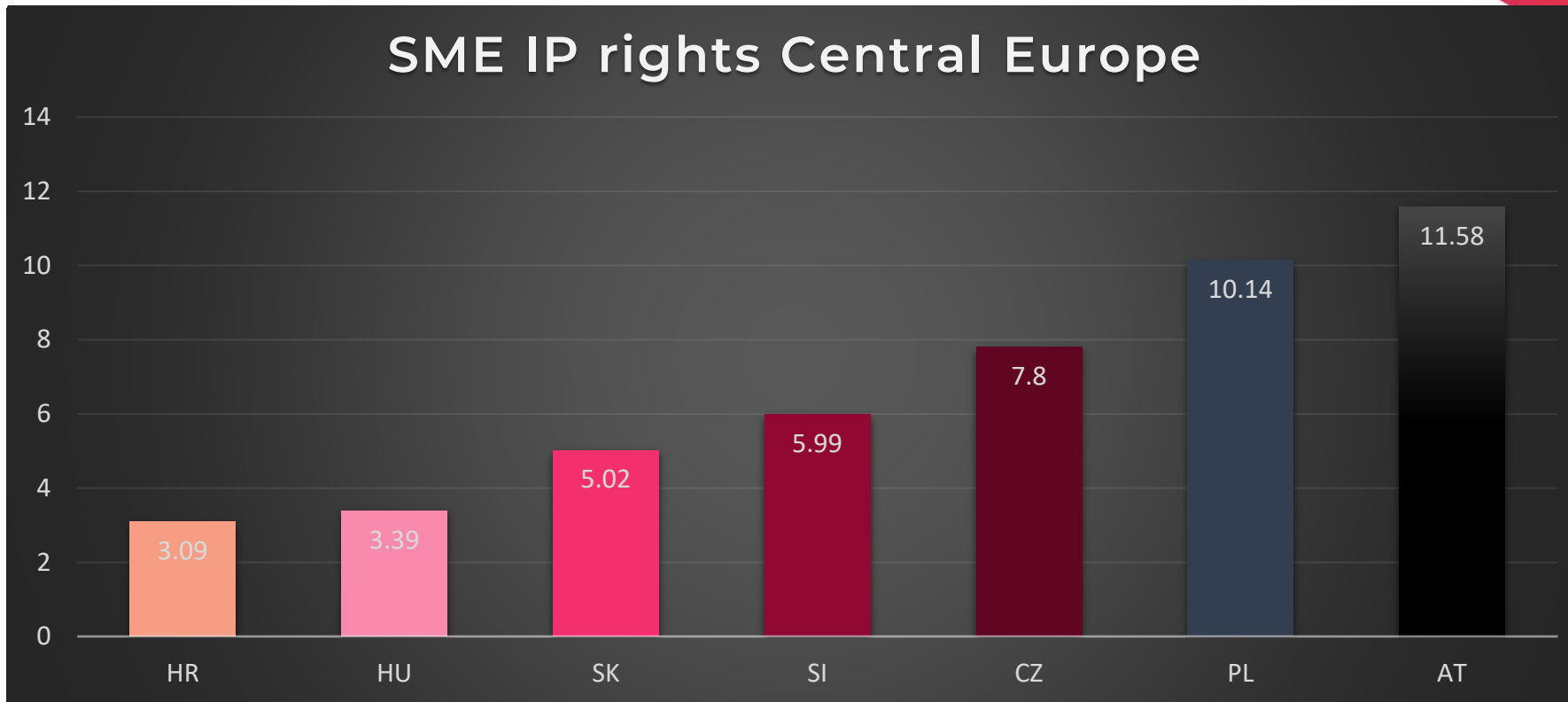
of SMEs have at least one type of intellectual property (IP) protection

Not really..

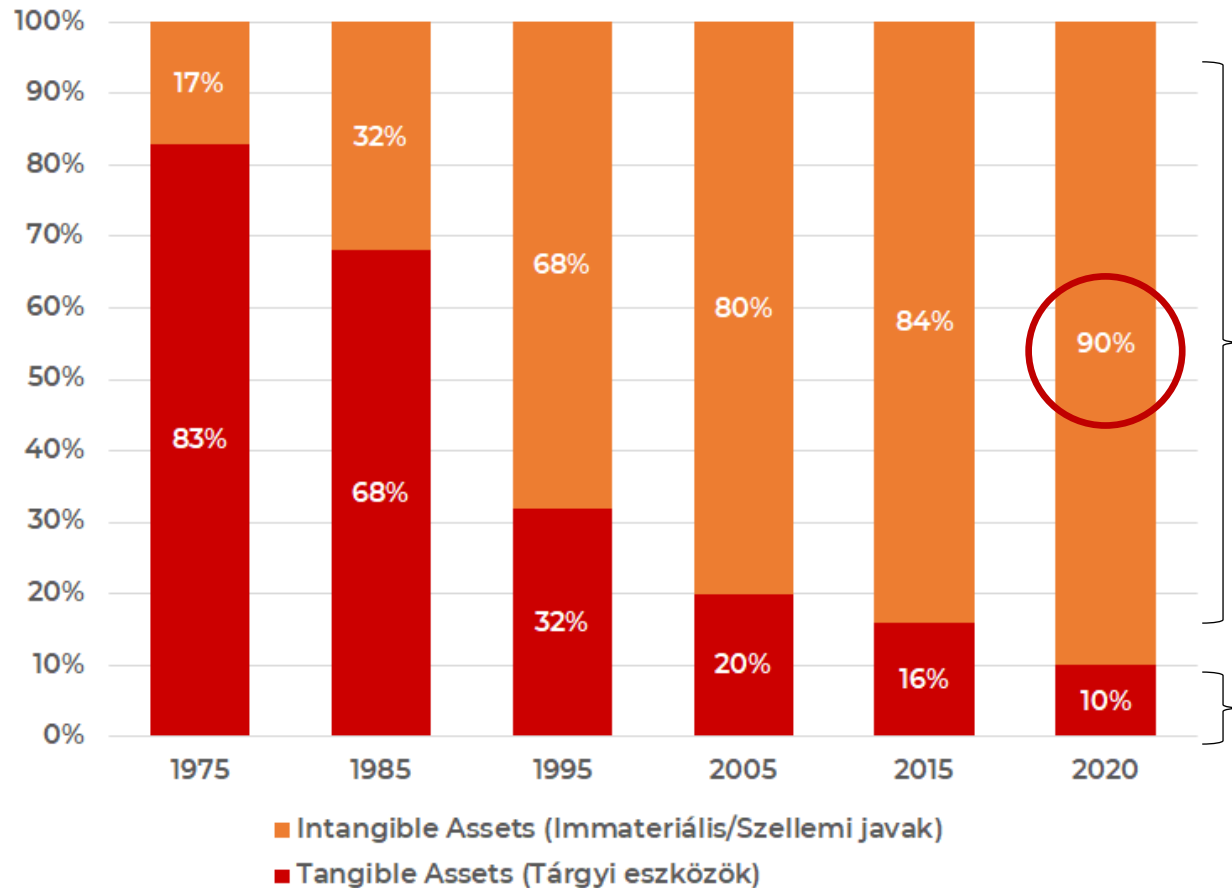
* Intellectual property rights and firm performance in the European Union - Firm-level analysis report, February 2021, EUIPO

SME IP rights in EU member states (%)





Intellectual property is not only about rights, but about **business**



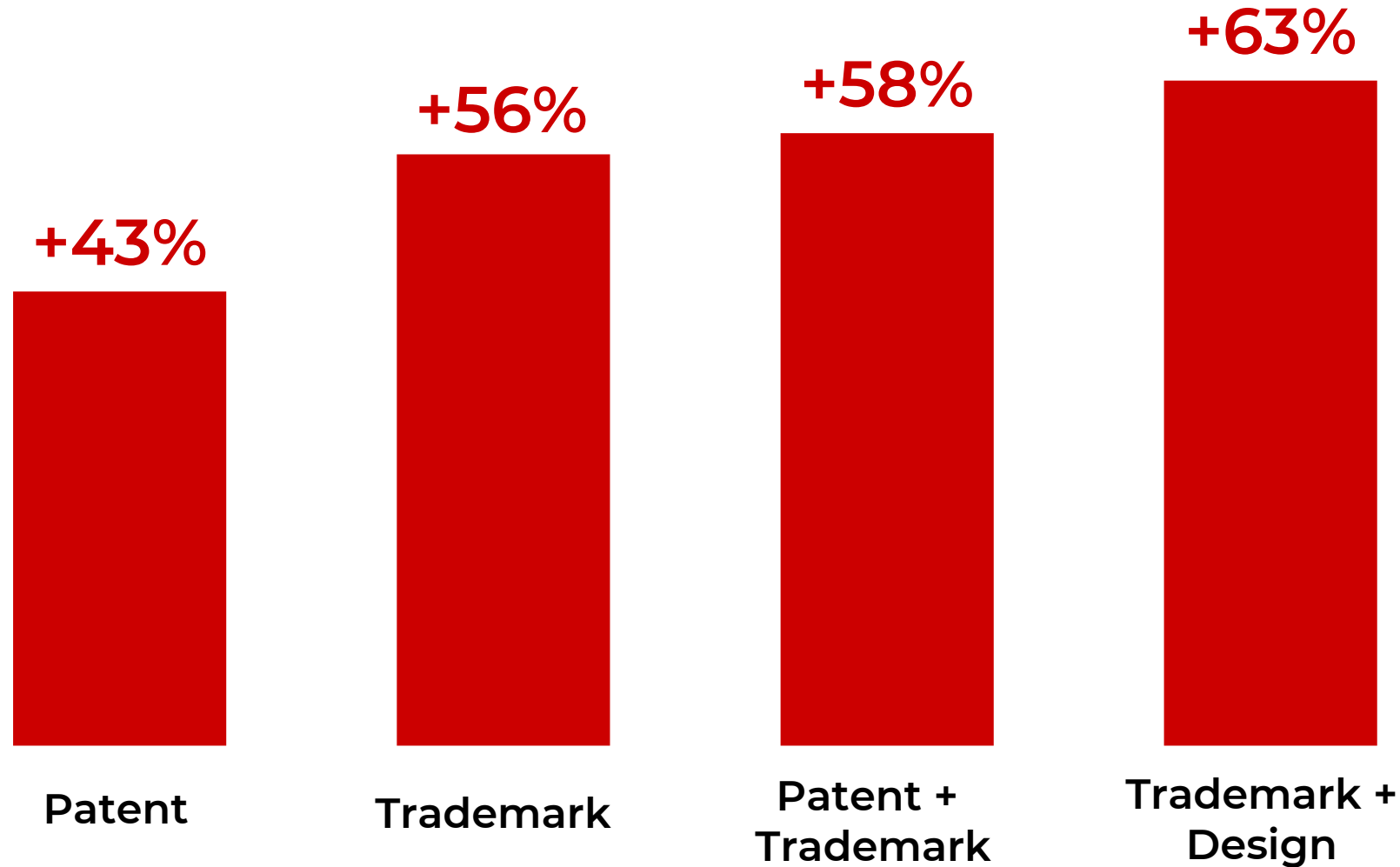
IP (INTANGIBLE ASSETS):

Patent
 Design
 Brand
 Softwares
 Professional skills
 Know-how....

TANGIBLE ASSETS:

Machines
 Buildings
 Fleet
 Real estates*

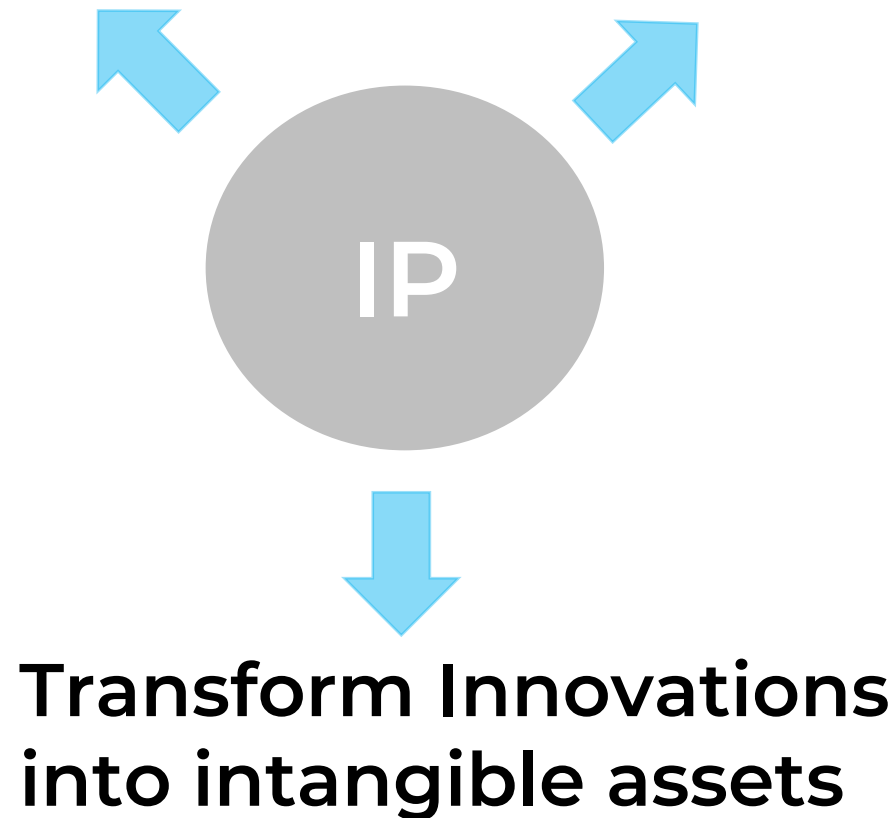
Premium revenue per capita available for SMEs through IP rights*





Protect Innovations

Commercialize Innovations





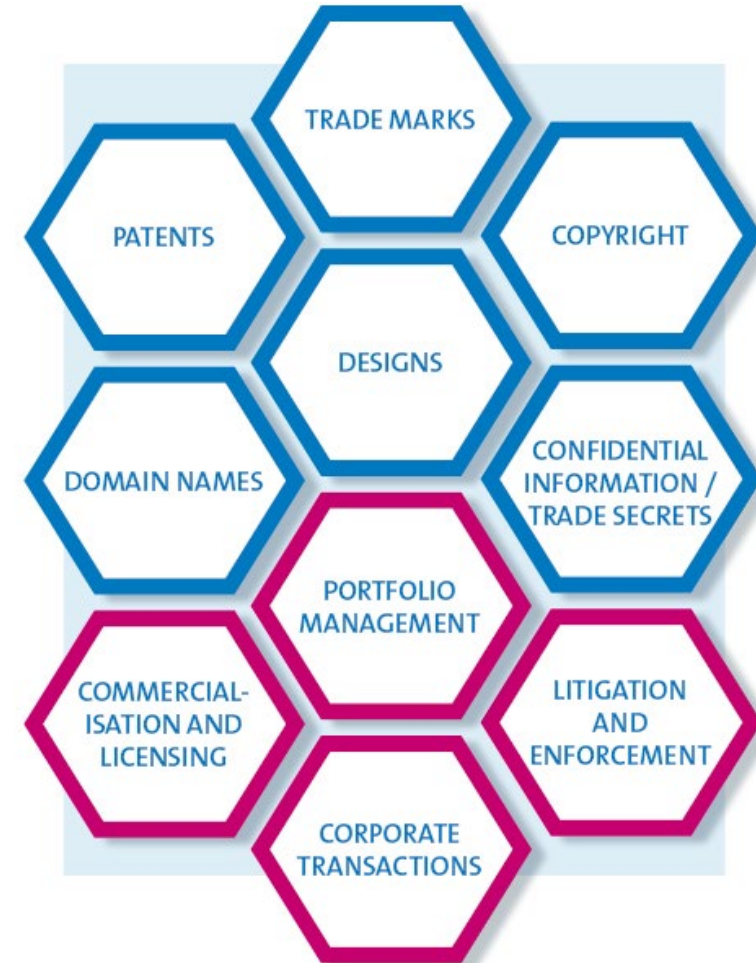
**And what do
we do?**

FREE IP diagnosis (IP Scan)



For **innovators** who want to use the toolkit of intellectual property protection more effectively

- personal interview
- a **written report** on the suggested way forward
- and free further consultations



<https://www.sztnh.gov.hu/hu/vallalkozoknak/ip-scan-szellemlivagyon-diagnozis>



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What can one **gain** from the diagnosis?



R&D activity



R&D qualification



Protectable intellectual property



IP protection



R&D qualification

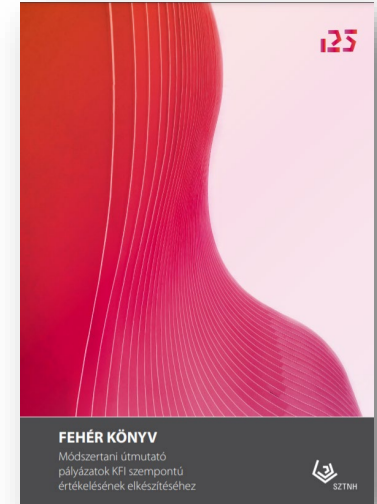


HIPO verifies the R&D content of projects

- R&D state aid
- R&D tax benefits

GINOP 2.1.1-21 – R&D qualification is mandatory

It serves as a **guarantee** for companies and the government.



IP registration



Product/Company name/Brand

trademark

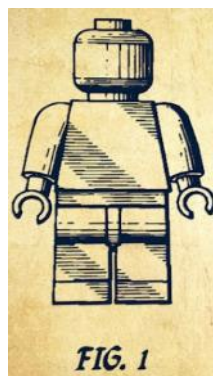
Appearance of a product

design and trademark

The product

patent (utility model)

copyright



+





**But how much
does it cost..?**

IPARJOG 2020

The costs can be funded.



NEMZETI KUTATÁSI, FEJLESZTÉSI
ÉS INNOVÁCIÓS HIVATAL

Hungarian
way



European
way



International
way



Support for domestic, European and international intellectual property protection activities

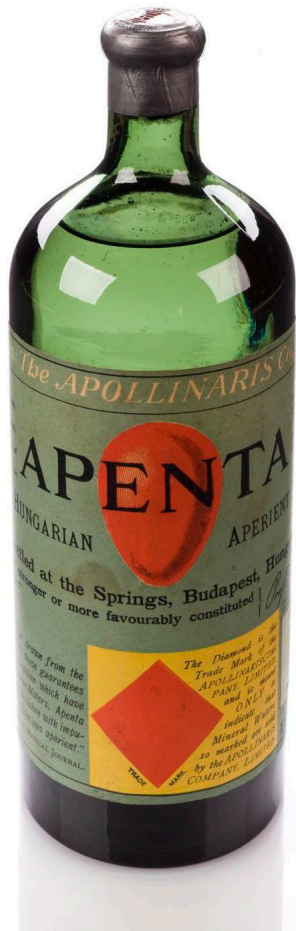


EUIPO supports SMEs (in all member states) from the **SME Fund**

- ✓ 1. voucher (maximum 1500 EUR) to obtain trademark and design protection
- ✓ 2. voucher (maximum 750 EUR) to obtain patent protection
- ✓ Tender is open:
10 Jan – 16 dec 2022
- ✓ Weekly assessment



An everlasting brand



The oldest Hungarian
16 trademark from 1899

A properly managed IP
portfolio
is an investment
not an unnecessary cost.



→ Trademark from 2020



Thank you for your
attention!



peter.labody@hipo.gov.hu



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