

R E P O R T

ON THE OPERATION OF THE STATE OFFICE OF INDUSTRIAL PROPERTY FOR 2012



March, 2013

I STATISTICS

PATENTS

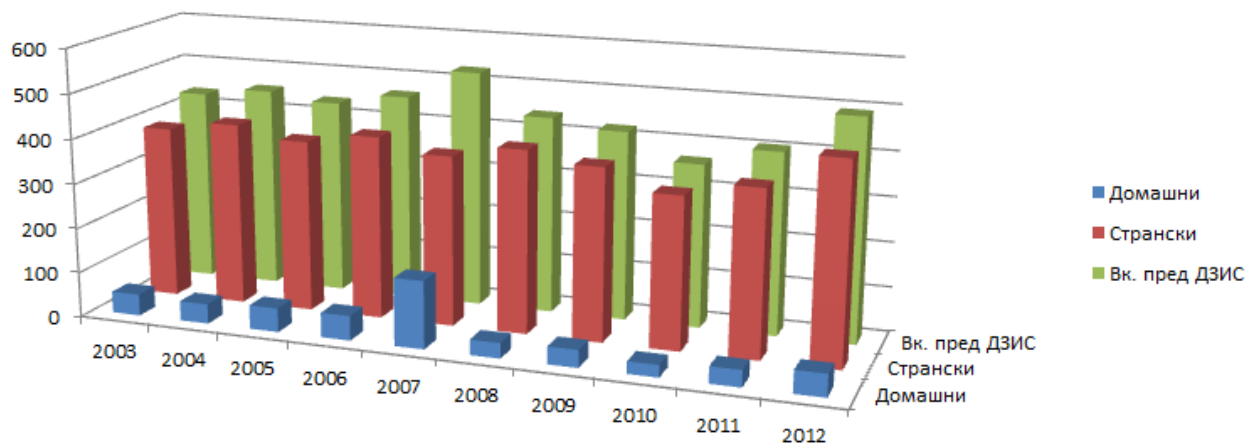
Patent applications by years

Year	Domestic	Foreign , national phase			Total SOIP	Decisions granted
		CCP ¹⁾	EPO ²⁾ ext.	SOIP		
	1	2	3	4	5= 1+4	6
2003	48	23	363	386	434	105
2004	44	9	399	408	452	102
2005	53	15	368	383	436	373
2006	55	4	403	407	462	463
2007	150	13	365	378	528	524
2008	34	5	401	406	440	328
2009	39	11	372	383	422	334
2010	27	1	336	337	364	406
2011	37	3	365	368	405	392
2012	50	3	440	443	493	520
Total	537	87	3812	3899	4436	3547

¹⁾ CCP – Contract on cooperation in the area of patents

²⁾ EPO - European Patent Office

Patent applications by years



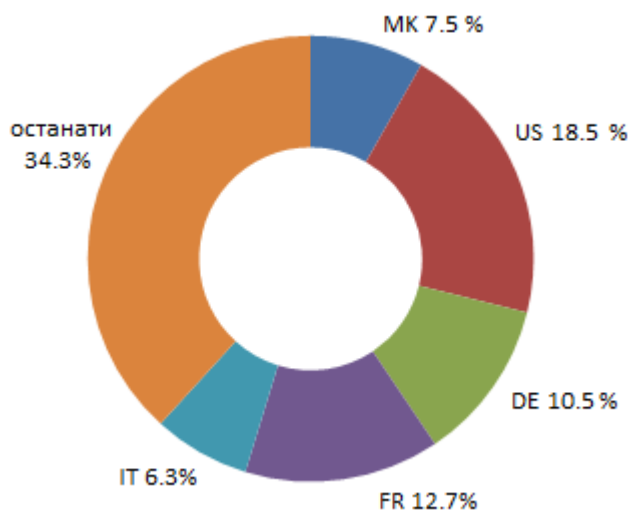
The State Office of Industrial Property of the Republic of Macedonia in 2012 received 493 patent applications of which 50 domestic and 443 foreign. The number of patent applications filed in 2012 compared to 2011 increased by 17.8%. The increase in the number of patent applications filed in 2012 is due to the increase thereof by foreign and domestic applicants.

This change is also reflected on the structure of submitted patent applications by origin in 2012, so that, compared with 2011, there was an increase in the share of domestic patent applications from 9.1% to 10.1%, and accordingly this changes the structure by countries of origin of the applications.

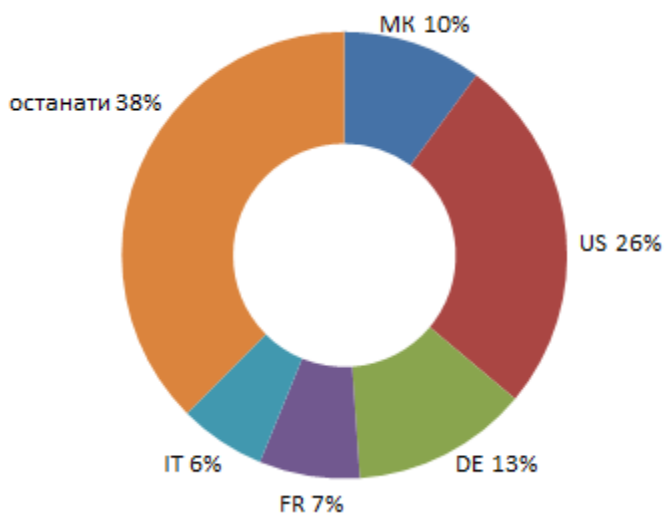
During 2012, in the Republic of Macedonia, in terms of the number of domestic patent applications, there was an increase: the number of domestic patent applications increased from 37 in 2011 to 50 in 2012, or by 26.0%, while their share in the total number of filed patent applications increased from 9.1% to 10.1%.

Patent applications by origin in 2011 and 2012

2011

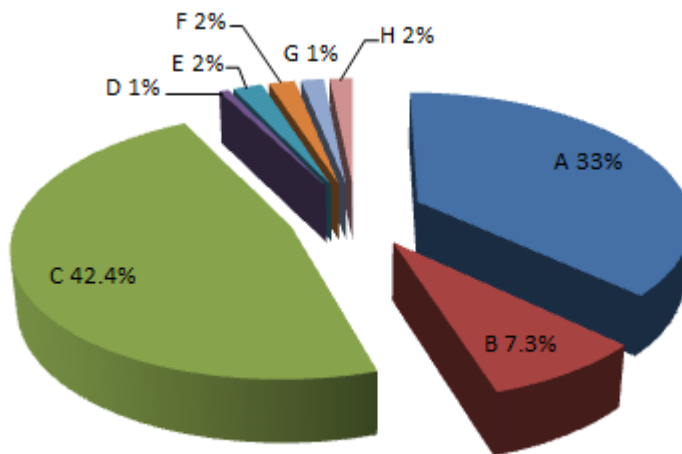


2012



Submitted applications for patents based on the International Patent Classification (IPC) in 2012

The structure of patent applications filed under the IPC is with the highest participation of section C (chemistry, metallurgy) with 42.4% and section A (current life needs) with 33.3%, suggesting that the interest for protection is associated with the structure of production capacities in the Republic of Macedonia.



Other statistical information on patents

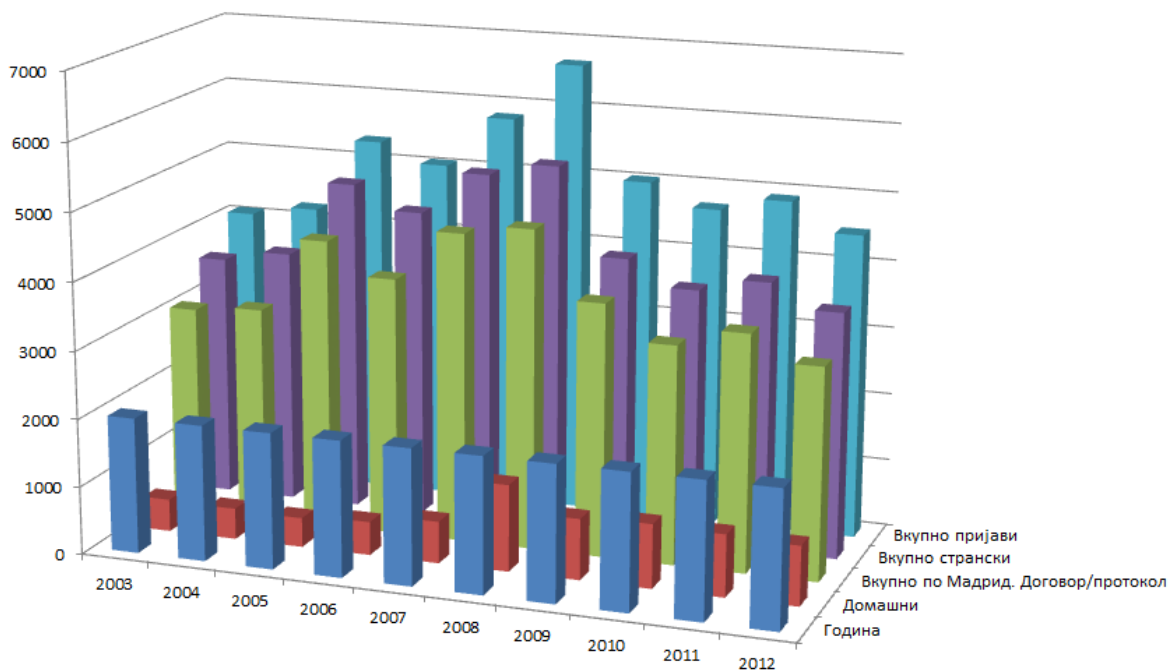
In addition, during 2012, the State Office of Industrial Property also performed other activities in the field of patents: the procedure for 562 requests for grant of a patent for which it issued 520 decisions for granting of a patent, it rejected 37 patent applications and 5 applications for patent were refused. Of the total number of issued decisions 500 decisions on EP applications were issued, 17 decisions on national applications and 3 decisions on PCT applications. In addition 88 requests for search in databases were solved.

TRADE MARKS

Total trade mark applications by years

Year	Domestic	Foreign applications				Total by Madrid Agreement /Protocol	Total foreign	Total applications	Decisions granted
		To SOIP	By Madrid Arrangement						
			New	Subseq. Design.	Contin. of eff.				
1	2	3	4	5	6=3+4+5	7=6+2	8=7+1	9	
2003	478	515	2490	590	-	3080	3595	4073	535
2004	458	598	2678	487		3165	3763	4221	294
2005	433	617	3659	620		4279	4896	5329	626
2006	494	749	3311	495		3806	4555	5049	1290
2007	618	637	3854	707		4561	5198	5816	979
2008	1276	690	4057	651		4708	5398	6674	1822
2009	898	398	3130	601		3731	4129	5027	1433
2010	944	537	2623	599		3222	3759	4703	783
2011	917	474	2788	600		3488	3962	4906	1616
2012	876	503	2615	501		3116	3619	4495	388
Total	7392	5718	31205	5851	0	37156	42874	50293	9766

Total trade mark applications by years



In 2012 the State Office of Industrial Property of the Republic of Macedonia received a total of 4495 applications for trademarks, of which 44.3% under the Madrid Agreement and the other submitted to the State Office of Industrial Property. Regarding the structure of the total number of applications, 69% are from abroad. In 2012 a total of 4495 applications for trademarks were received, which compared to the previous year, represents a decrease of 8.4%. This reduction is due to the reduced number of foreign applications under the Madrid Protocol.

The State Office in 2012, received a total of 1379 applications, so that compared to the previous year, their number decreased by 1%. Of the total number 876 were filed by domestic applicants, which decreased compared to the previous year by 4.5%, and 503 by foreign applicants, which grew by 05.2% compared to the previous year.

Under the Madrid Agreement and the Protocol Relating to the Madrid Agreement, during 2012 a total of 3116 applications for trademarks, of which 2615 are new applications and 501 territorial expansions, were submitted. Compared to 2011, the number of applications under this arrangement decreased by 6.3% in terms of new applications and reduced by 16.5% in terms of territorial expansion.

In the period from 2003 to 2012, the State Office of Industrial Property received a total of 50,293 applications for trademarks, 74% of which under the Madrid Agreement and 26% were filed before the Office.

Regarding the overall structure of applications 85.1% are from abroad, and only 14.9% are from domestic applicants.

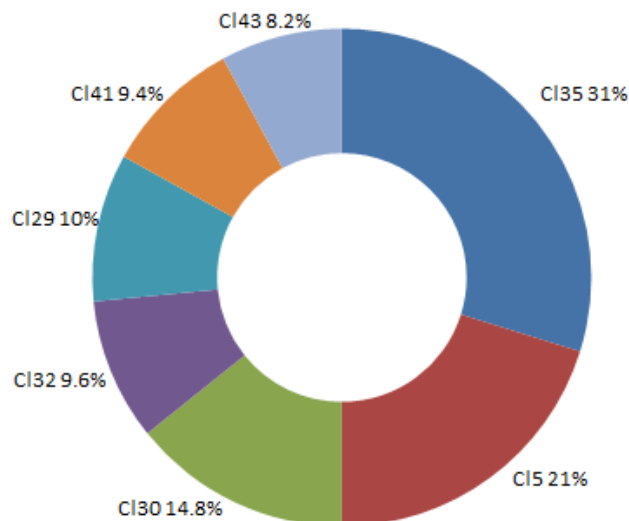
Trade mark applications submitted to SOIP

Year	Domestic	Foreign	Total
2003	478	515	993
2004	458	598	1056
2005	433	617	1050
2006	494	749	1243
2007	618	637	1255
2008	1276	690	1966
2009	898	398	1296
2010	944	537	1481
2011	917	474	1391
2012	876	503	1379
Total	9988	5718	13110

In the period 2003-2012 the State Office of Industrial Property of the Republic of Macedonia received a total of 13110 applications for trademarks, of which 42.2% were applications for trademarks from abroad, and 57.8% were from domestic applicants and they show slight decrease regarding the previous year, and the foreign applications have slightly increased compared to the previous year.

The number of applications submitted for trademarks in 2012 is 1379 is compared to the previous year, it decreased by 1%. Reduction in the number of trademark applications in 2012 is registered with the national applicants 4.5%, while that of foreign applicants has increased by 6%.

Trademark applications under the Nice Classification in 2011



According to the International Classification of Goods and Services (Nice Agreement) the situation with the applications for trademarks by classes is almost equal compared to last year. Thus, in 2011 the most common were the trademark applications for the classes 35, 05, 30, 41, 29 and 43, and in 2012 most applications were submitted for the classes 35, 05, 30, 32, 29, 41 and 43. Most applications were received for the products of class 35 (428 with a share of 31%), the second class is 05 (293 with a share of 21%) and the third - class 30 (204 with a share of 14.8%). They are followed by applications for the products and services of the classes 29, 32, 41 and 43 (138, 133, 131 and 113 with a share of 10%, 9.6%, 9.4% and 8.2%). These data indicate a growing interest in protection of trade marks in the area of wholesale and retail and advertising, conduct of activities, management and office work of the class 35. There is also a great interest in the protection of pharmaceutical products and other products for medical use of class 05, due to the existence of pharmaceutical industry in the Republic of Macedonia. It is also important to mention the applications for trademarks in the field of food products of plant origin for consumption or preservation, and additions designed to enhance the taste of food from the class of 3. It is also significant to mention the applications for trademarks in the area of class 29. There is also a significant share of applications from the area of class 41 and 43. Of all received applications for classes in 2012, it can be observed that there is a trend of growing dispersion of applications within various classes, that is, despite the above-stated six most common classes, there are additional six classes with a hundred or more applications. It can be concluded that the largest share of the applications is related to the production and trade of pharmaceutical products and medical use products, as well as the production and preparation of food products, given that the Republic of Macedonia has established pharmaceutical and food industry.

Recognized trademark by years

Year	Domestic	Foreign	Total
2003	137	398	535
2004	127	167	294
2005	129	497	626
2006	322	968	1290
2007	278	701	979
2008	620	1202	1822
2009	791	642	1433
2010	944	537	1481
2011	1012	604	1616

2012	279	181	460
Total	3899	5479	9378

From the attached table of registered trademarks by years it can be established that their number decreased in 2004 compared to 2003, and in the next two years (2005 and 2006) it achieved a growth by over 100%, and in 2007, there was again a decline in comparison to 2006. However, in 2008 it reached a growth of 86.1% compared to 2007 and towards the end of 2009 there was again a decline of 21.4% compared to 2008. In 2010 compared to 2009, the number of recognized trademarks has seen a small increase, in 2011 compared to 2010 this growth was 8.3%, and compared to 2011, there was again a decrease of issued decisions for granting the right.

Internationally registered trademarks from Macedonia

The Macedonian internationally registered trademarks under the Madrid Agreement and Protocol in 2012 compared to 2011 increased by 56% compared to the previous year. In 2012 through SOIP the World Organization (OMPI) registered internationally 32 trademarks, and in 2011 18 trademarks were registered internationally. Despite the negative developments achieved in 2012, there is a possibility for the situation regarding internationally registered Macedonian trademarks to improve again. Therefore, the fact that Macedonian companies have not yet understood the importance of the international protection of trademarks and the fact that using the Madrid system provides benefits (lower cost, one application for several countries, etc.), in terms of application by countries, needs to be emphasized.

Other statistical information on trademarks

In 2012, the State Office of Industrial Property also performed other activities in the field of trademarks, that is, it issued: 744 decisions for renewal of trademarks, 1230 decisions on termination of trademarks, 663 liabilities for payment of fees for decisions on trademarks, 1116 documents on trademarks, 240 confirmations and statements on registered trademarks, 227 searches, 1632 decisions for disapprovals, termination of validity and rejection of trademarks, 1100 established liabilities for payment of costs for publishing of a trademark, 1553 establishments of a date of filing an application, 25 decisions for reinstatement and for 15 applications for trademarks the procedure has been stopped.

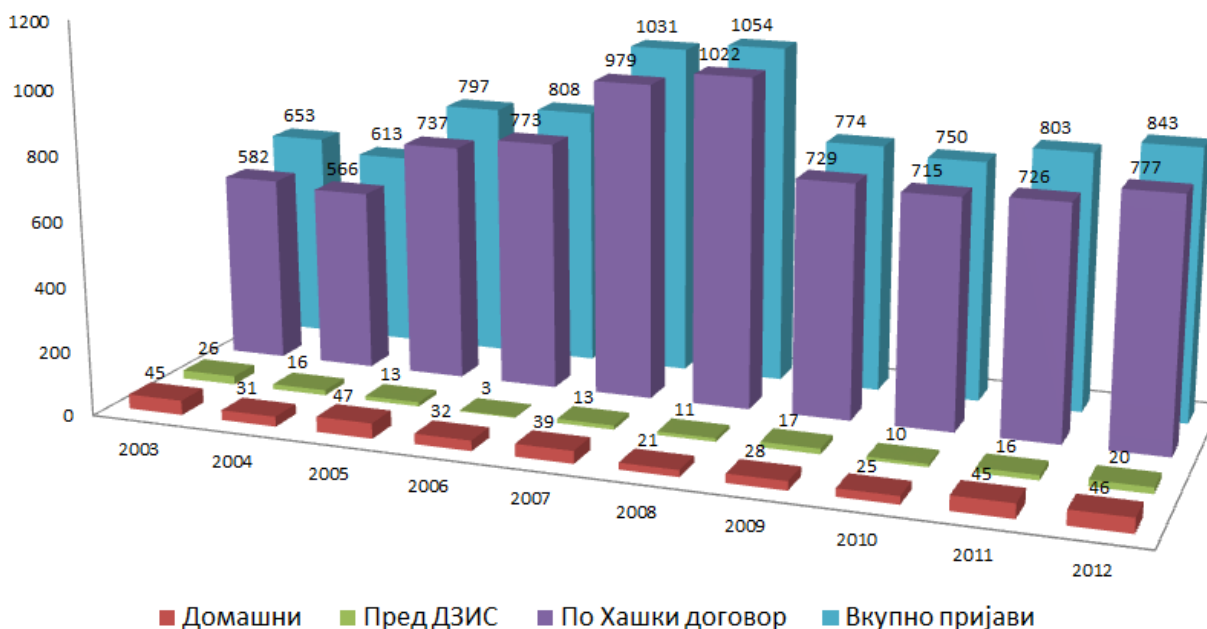
INDUSTRIAL DESIGN

Total industrial design applications by years

Year	Domestic	Foreign applications		Total foreign	Total applications	Decisions granted
		To SOIP	Under the Hague Agreement			
	1	2	3	4=2+3	5=4+1	6
2003	45	26	582	608	653	621

2004	31	16	566	582	613	577
2005	47	13	737	750	797	798
2006	32	3	773	776	808	815
2007	39	13	979	992	1031	1016
2008	21	11	1022	1033	1054	1064
2009	28	17	729	746	774	759
2010	25	10	715	725	750	746
2011	45	16	726	742	803	758
2012	46	20	777	797	843	824
Total	359	145	7606	7751	8110	7978

Total industrial design applications by years



In 2012 the State Office of Industrial Property received 843 applications for industrial design. The total number of applications submitted for industrial design in 2012 compared to the previous year increased by 5%. Within the total number of filed applications for industrial design to the Office, the domestic applications in 2012 compared to the previous year increased by 2.2% and the foreign applications increased by 25%. Of the total number of applications filed, 66 were filed in the Office and 777 through the Hague Agreement Concerning the International Registration of Industrial Designs, of which 472 were new and 305 relating to industrial designs the validity of which was extended to the territory of the Republic of Macedonia.

It is typical of the designs, that with a single application for granting of an industrial design right, protection for multiple product designs may be sought (multiple application), whereby all the designs of the application must be designed to apply to products classified in the same class according to the International classification (Locarno

classification). Thus, of the 66 applications submitted to Office, more are multiple, with a total of 108 industrial designs.

Industrial design applications submitted to SOIP

Year	Domestic	Foreign	Total
2003	45	26	71
2004	31	16	47
2005	47	13	60
2006	32	3	35
2007	39	13	52
2008	21	11	32
2009	28	17	45
2010	35	10	45
2011	45	16	61
2012	46	20	66
Total	369	145	514

In the period 2003-2012 the State Office of Industrial Property of the Republic of Macedonia received 514 applications for industrial design, of which 28.2% are applications for industrial design by foreign legal and natural persons.

The number of applications submitted for industrial design in 2012 was 66 and compared to the previous year it increased by 8.2%. Increasing of the number of applications for industrial design in 2012 was observed with the domestic applications by 2.2%, while that of foreign applications increased by 25%. In terms of the ratio of submitted applications for industrial design, it is evident that there is a reduced participation of domestic applications from 28.5% in 2011 to 2.2% in 2012, while foreign applications decreased from 60% to 25%.

Total accepted industrial designs by years

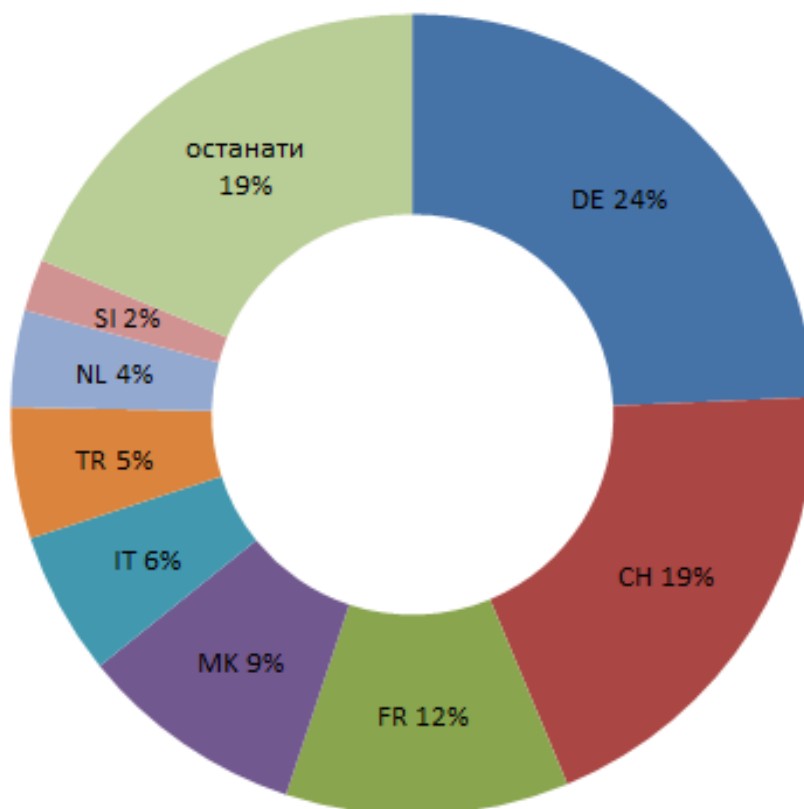
Year	Domestic	Foreign	International	Total
2003	28	11	582	621
2004	8	3	566	577
2005	23	38	737	798
2006	32	10	773	815
2007	34	3	979	1016
2008	26	16	1022	1064
2009	23	7	729	759
2010	24	7	715	746
2011	27	9	726	762
2012	24	23	777	824
Total	249	127	7606	7978

In 2012, the Office adopted 47 decisions on the recognition of the right to an industrial design, of which 24 domestic, 23 foreign, recognized by the Office and 777 foreign internationally recognized for territory of the Republic of Macedonia.

The total number of recognized industrial designs in that year increased by 8.2%, as a result of the increased number of domestic and internationally recognized industrial designs.

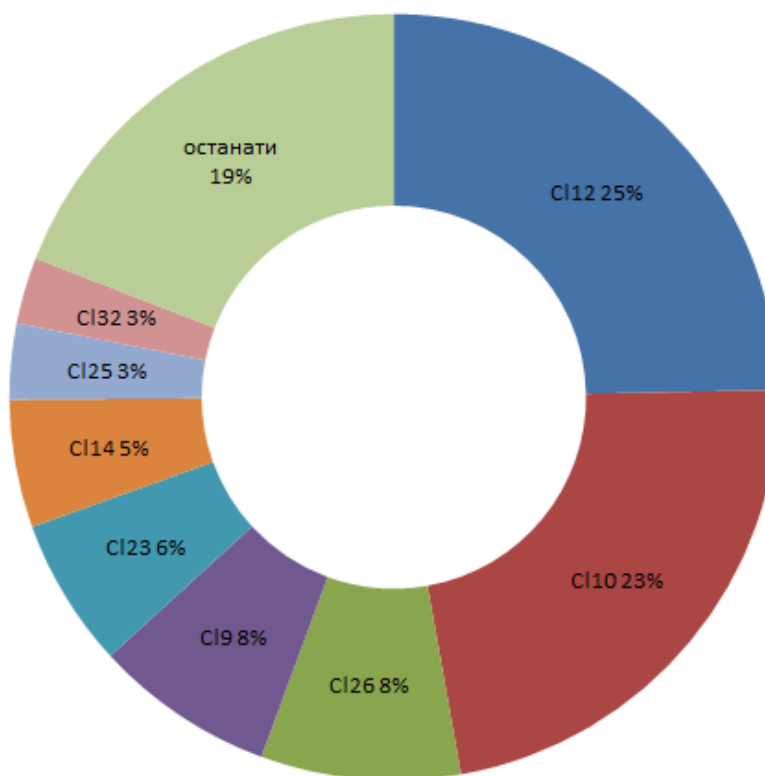
However, here it should be noted that in the total number of international applications filed and registered under the Hague Agreement, 1641 with one or multiple applications for industrial designs were recorded.

Total accepted industrial designs by origin in 2012



Regarding the origin of the total number of industrial designs applicable to the territory of the Republic of Macedonia, the largest share in 2012 belonged to Germany with 126 registered industrial designs or 24.3%. Followed by: Switzerland with 101 or 19.40%, France with 59 registered industrial designs or 11.4%, Macedonia with 47 or 9.1%, Italy with 30 or 5.8%, Turkey with 28 or 5.3%, Netherlands with 20 registered designs or 3.9%, Slovenia with 11 or a percentage of 2.1% etc.

Applications for Industrial design under the Hague Agreement in accordance with the International Classification for Industrial Designs (Locarno Classification)



From the graph above, it may be established that in the State Office of Industrial Property of the Republic of Macedonia in 2012, with a share of 24.7% structurally dominant are the recognized industrial designs of class 12, followed by class 10 with a share of 22.5%, then class 26 with a share of 8.4% and industrial design of class 9, with a share of 7.6%. Industrial designs of class 12 relate to means of transport or cargo lifting; Class 10 relates to watch/clock products and other instruments for measurement, control and signalisation; Class 26 relates to lighting devices, and industrial designs of class 9 relate to packaging and containers for transport or transfer of goods. These are followed by the industrial designs of class 23 with the participation of 6.3%, and are related to equipment for fluid distribution, installation for ventilation and air-conditioning systems. Then there are industrial designs belonging to class 14, that represent 5.4%, and relate to equipment for electronic entries, communications or information processing; Class 25 with a share of 3.2% refers to buildings and building elements and class 32 with a share of 2.8%, which relates to graphic symbols and logos. The graph also shows the industrial designs of all other classes with a share of 19.1%.

Other statistical information on industrial designs

In 2012, the State Office of Industrial Property also performed other activities in the field of industrial design, that is, it rejected seven applications for industrial designs, did not approve two applications for industrial designs, made 10 decisions for changes, issued 33 documents, executed 14 researches or searches, the procedure on 6 applications was stopped, it issued 5 decision on the proposal for declaring void decisions, 66 notices of specified submission date, it established 61 liabilities for payment of costs for publication of application, 57 liabilities for payment of fees and costs for protection, 9 notifications on absolute grounds and it issued 19 decisions for extension of validity of industrial designs.

II. BILATERAL COOPERATION

Cooperation with foreign offices in the field of industrial property

Within the bilateral cooperation of SOIP and the Institute for the Protection of Industrial Property of the Republic of Kosovo on 23 March 2012, in Pristina, Kosovo, a working meeting between representatives of the two offices was held.

III. INTERNATIONAL COOPERATION

Cooperation with the World Intellectual Property Organization

Within the cooperation with the World Intellectual Property Organization, the IPAS EDMS system (WIPO electronic document management system) was implemented and the WIPO Scan Tool for scanning the applications and recognized industrial property rights according to international standards. At the same time, training was conducted by an expert of WIPO to the staff of the Office, and to an external IT company that has a contract with SOIP to maintain and upgrade existing software solutions of SOIP.

Cooperation with the European Patent Organisation

Within the bilateral cooperation with EPO, on 29 February and 1 March 2012, SOIP was visited by two representatives of EPO in order to establish new aspects of the bilateral cooperation.

In the period from 15 to 16 March 2012, a four member delegation led by the President Benoît Battistelli, President of the European Patent Office and the European Patent Organisation paid an official visit to the Republic of Macedonia and the State Office of Industrial Property. The delegation had the opportunity to get acquainted with the activities undertaken by the state in terms of the promotion, protection and enforcement of industrial property rights and with the strategic documents and policies implemented by the Government and related to the policy aimed at encouraging the innovation capacity of domestic entities. Particular emphasis was put on the cooperation of the Republic of Macedonia with the European Patent Office, with particular interest shown by both parties in the project for machine translation of patents into Macedonian language, whereby it was concluded that it would ease the barriers of the national economy, industry, science and academic community in terms of easier access to technical documentation contained in patent applications and documentation, which is expected to contribute to strengthening the competitiveness of the national economy as a whole.

Cooperation with the European Patent Academy

Within the cooperation with EPO, by the European Patent Academy, representatives of the SOIP participated in:

- Seminar entitled "Administration of fees for the protection of patent rights under Article 39 of the EPC", held from 6 to 9 May 2012 in Vienna, Austria.
- Workshop on the subject "Cooperation between Member States in the field of E-training", held on 10 and 11 May 2012 in Madrid, Spain.

- Seminar on the subject "Intellectual property for government officials and professionals in the public sector", held on 25 and 26 September 2012, in Luxembourg.

- Seminar on the subject "External communication of industrial property offices: industrial property and society", held from 27 to 29 November 2012 in Brussels, Belgium.

SOIP and the Academy for Judges and Public Prosecutors in cooperation with the European Patent Academy, on 4 and 5 June 2012, organized a regional seminar in the field of patent rights, on the subject "The denial of patent right and procedures", which was attended by representatives from the justice area of the Republic of Macedonia and the countries in the region.

IV. PARTICIPATION IN COMMITTEES AND MEETINGS

Representatives of SOIP participated in the work of the bodies of WIPO and the EPO and other working meetings, as follows:

1. The 26th Session of the Committee on Trademarks, Industrial Designs and Geographical Indications, held from 1 to 3 February 2012, in Geneva, Switzerland;
2. The 2nd Meeting of the European Patent Academy, held on 21 March 2012 in Munich, Germany;
3. Day of the exchange of information with EPO member states, held on 22 March 2012 in Munich, Germany;
4. Bilateral meeting with EPO member states held on 23 March 2012, in Munich, Germany;
5. 131st session of the Administrative Council of EPO, held on 27 and 28 March 2012 in Munich, Germany;
6. 18th Session of the Standing Committee on the Law of Patents (SCP), which took place from 21 to 25 May 2012, in Geneva, Switzerland;
7. 7th Meeting on Cooperation for Trademarks, held on 21 and 22 May 2012 in Alicante, Spain;
8. Meeting of the Committee on Budget and Finance of the European Patent Organisation, which took place on 22 and 23 May 2012, in Munich, Germany;
9. 6th Annual Meeting of Cooperation of member states of the European Patent Organisation, which took place on 18-19 June 2012 in Dubrovnik, Croatia.
10. 132nd Session of the Administrative Council of the European Patent Organisation, which took place from 25-27 June 2012; in Munich, Germany and
11. 27th Session of the Committee on Trademarks, Industrial Designs and Geographical Indications, held from 17 to 21 September 2012, in Geneva, Switzerland.
12. Representatives of SOIP participated in a meeting entitled "European patent network in the field of classification", organized by the European Patent Organisation, which took place on 11 and 12 October 2012, in San Marino.
13. The Committee for Technical and Operational Support of the European Patent Organisation, which took place on 17 October 2012, in Munich, Germany;
14. 2nd session of the Working Group on the Legal Development of the Hague System for the International Registration of Industrial Design, held from 5 to 7 November 2012, in Geneva, Switzerland;
15. 6th session of the Working Group on Development of the Lisbon System, held from 3 to 7 December 2012 in Geneva, Switzerland;
16. 134th session of the Administrative Council of the European Patent Organisation, which took place on 11 and 12 December 2012 in Munich, Germany and

17. 8th Session of the Advisory Committee for Implementation of Intellectual Property, held on 19 and 20 December 2012 in Geneva, Switzerland.

V. PARTICIPATION IN CONFERENCES, SEMINARS, TRAINING SESSIONS

Representatives of SOIP participated in conferences, seminars and training sessions in the country and abroad, as follows:

Training abroad

1. Regional Conference on Development of National Intellectual Property Strategies in Transition Countries, held in Sibiu, Romania, on 21-22 June 2012, organized by the World Intellectual Property Organization and the Romanian Office for Inventions and Trademarks;
2. Interregional Intermediary Seminar on Industrial Property, organized by the World Intellectual Property Organization, on 20-22 June 2012 in Geneva, Switzerland followed by practical training from 25 June to 6 July at the Centre for International Intellectual Property Studies (CEIPI), in Strasbourg, France.
3. Workshop on Intellectual Property and Public Health for South Eastern European Countries and Asian Countries, organized by the World Trade Organization, held from 26 to 28 September 2012 in Zagreb, Croatia.
4. Seminar "Romanian trademark five years from the integration of Romania into the European Union", organized by the Office for Inventions and Trademarks of Romania, which took place from 29 to 31 August 2012, in Constanta, Romania.
5. Seminar on the study of intellectual property at universities, held to mark the 10th anniversary of the accession of the Republic of Bulgaria to the European Patent Convention, on 18 October 2012, in Sofia, Bulgaria.
6. "Patlib Conference" in 2012, which was held from 30 May to 1 June 2012 in Manchester, Great Britain.

Training in Macedonia

7. Training in the fifth area, "Internal Market" within the project "Sustainable EU Learning and Training System" under the bilateral support of the Republic of Macedonia with the Kingdom of Norway, from 2 to 6 April 2012;
8. Training "Tendering Procedures and Contracting" - Module 1, within the project Technical Assistance for IPA Training Centre, on 21-22 May 2012;
9. Training "Certification of Costs by Verification" - Module 1 within the project Technical Assistance for IPA Training Centre, on 30-31 May 2012;
10. Programme Training "Project Cycle Management" - Module 1 "Project and Project Fiches", from 19-21 March 2012; Module 2: "Project Cycle", from 18 to 20 April 2012 and Module 3: "Project Fiche Management", on 7 - June 8, 2012, organized by the Ministry of Information Society and Administration, according to the Annual Programme for generic training of civil servants in the Republic of Macedonia for 2012.

VI. INTELLECTUAL PROPERTY STRATEGY

Intellectual Property Strategy (2009-2012)

As part of the measures and activities envisaged by the Strategy for Intellectual Property, in 2012 Information on the implementation of the activities of the Strategy in accordance with the Action Plan to implement the Strategy, was prepared and adopted. With the support of the World Intellectual Property Organization a Report for evaluation of implemented activities of the Strategy was prepared by external experts. The assessment of the degree of implementation of the measures and activities of the Strategy is the starting point for defining future priorities in the field of intellectual property.

VII. EUROPEAN INTEGRATIONS

National Programme for the Adoption of the Acquis

SOIP, as an institution committed to managing the working group for Chapter 3.07. - Intellectual Property Right in the course of 2012, as well, took an active role in monitoring the implementation of the planned activities under the National Programme for Adoption of the Acquis Communautaire (NPAA), as a comprehensive long-term document that defines the timescales of the adoption of the EU legislation, the strategic guidelines, policies, reforms, structures, resources and deadlines that need to be implemented so that the Republic of Macedonia will meet the conditions for membership in the European Union.

Therefore, SOIP held monthly meetings, prepared monthly and quarterly reports, participated in the meetings of the Working Committee and the Subcommittee of the Working Committee for European Integration, participated in the process of revision of NPAA in 2012 and preparation of 2013 NPAA, in coordination with the institutions of Chapter 3.7 and the Secretariat for European Affairs.

Subcommittee on Internal Market and Competition

The eighth meeting of the Subcommittee on Internal Market and Competition between the Republic of Macedonia and the European Union was held on 21 and 22 March 2012 in Skopje. At the meeting, the representatives of the Republic of Macedonia presented the progress in this area.

The European Commission has welcomed the adoption of the Law on ratification of the London Agreement on implementation of Article 65 of the European Patent Convention, the amendments to the Law on Industrial Property, the preparation of the Methodology for statistical monitoring and statistical data processing for enforcement of intellectual property rights and the implementation of the intellectual Property Strategy 2009-2012.

Stabilization and Association Committee

In the context of the continuing dialogue between the Republic of Macedonia and the European Commission, the 9th meeting of the Stabilisation and Association Committee (SAC), as one of the most important instruments whereby the assessment of the progress and fulfillment of the membership criteria and obligations undertaken by the Stabilisation and Association Agreement is being created, was held in

June. In this regard SOIP, in cooperation with all institutions of Chapter 3.7, in the preparation of the material provided a systematic and detailed review of the progress made in the field of intellectual property.

VIII. COORDINATION BODY

The Coordination Body for Intellectual Property (CBIP) continuously implemented activities aimed at suppressing piracy and counterfeiting. CBIP maintained cooperation on issues relating to market surveillance, identified problems in the area of intellectual property, proposed solutions, undertook actions relating to the creation of an adequate policy for protection of industrial property and protection of copyright and related rights and directly participated in the coordinated actions of representatives of the competent inspection services for the enforcement of regulations in the field of intellectual property, by a determined monthly action plan, submitting regularly information to the Government of the Republic of Macedonia.

In accordance with the Operational Programme to combat piracy and counterfeiting adopted in February, 2010, CBIP during 2012, conducted a total of twenty-five coordinated actions. During these actions a total of 5515 items that infringe copyright and related rights and 499 items which violated the rights of industrial property, were seized.

51 reports for initiation of criminal proceedings before the competent courts, 40 requests for misdemeanour proceedings were submitted; 8 training sessions were conducted, a total of 37 payment orders for payment of fines were issued and 11 temporary bans for performance of an activity were imposed.

CBIP, in collaboration with the Agency for Management of Confiscated Property and the Ministry of Justice, conducted two public actions to destroy confiscated goods that infringe intellectual property rights. The destruction was carried out after the completion of the court proceedings, on 26 April and on 12 December 2012. In these public actions 64,548 products that violated copyrights and related rights and 4308 litres of alcohol, 279 pieces of textiles and 1401 pieces of fashion accessories were destroyed. The actions were covered by the media.

In accordance with the Operational Programme for the fight against piracy and counterfeiting, CBIP continued with the promotional activities for raising the awareness on the importance and benefits of the protection of intellectual property rights by organizing an educational public debate in Strumica and participation in TV shows. CBIP representatives attended one conference, one training session and four workshops. In order to more effectively combat counterfeiting and piracy, for the needs of CBIP three TAIEX projects were implemented: TAIEX Workshop "Organized crime in the area of intellectual property", TAIEX expert mission "Fighting counterfeit drugs subject to criminal prosecution" and TAIEX study visit "Intellectual Property Protection of Violations over the Internet."

TAIEX workshop on "Organized crime in the area of intellectual property" was held on 23 April 2012, in Skopje. The workshop was attended by 67 participants (members of the Coordinating Body for Intellectual Property, the Ministry of Interior, the State Market Inspectorate, the Customs Authority, the State Office of Industrial Property, judges and public prosecutors). The purpose of the seminar was strengthening the fight against counterfeiting and piracy. Particular emphasis was placed on the relationship of organized crime and terrorism financing. The presentation of the methods of monitoring the channels of counterfeiting and piracy was aimed at strengthening the institutional capacities for cooperation with international bodies to effectively combat crime in intellectual property.

TAIEX expert mission "Fighting counterfeit drugs subject to criminal prosecution" was held on 26 and 27 June 2012, in Skopje. The training was attended by members of CBIP, a representative of the Bureau of Medicines, the State Office of Industrial Property and a judge of the Basic Court Skopje I Skopje.

TAIEX study visit was realized in the period from 6 November 2012 to 8 November 2012 in Stockholm - Kingdom of Sweden, with a view to understanding the situation and adopting the Swedish experience regarding the system of ensuring protection of intellectual property rights from violations through the Internet.

IX. ACTIVITIES ON RAISING THE PUBLIC AWARENESS

Bearing in mind the importance of **raising the public awareness** for the protection of industrial property rights, SOIP undertook regular activities related to raising the public awareness: training to students from the Faculty of Law "Justinianus Primus" in SOIP; participation in two TV shows about the importance of protecting intellectual property rights; training for SMEs in the field of patents and trademarks; celebration of World Intellectual Property Day and organizing the traditional manifestation "Patent of the Year".

Organized by the Agency for Promotion of Entrepreneurship of the Republic of Macedonia, in cooperation with the State Office of Industrial Property, on 13 June 2012 in Skopje, training for SMEs was held on the subject "Branding and protection of intellectual property rights - challenges and good practices". The training was attended by companies, institutions, consultants and individuals, that aimed to become informed of: the risks of using illegal software; benefits from the protection of trademarks; brand development - strategy, and the role of the State Market Inspectorate and the Coordinating Body for Intellectual Property for the protection of intellectual property rights.

In cooperation with the local government, in the municipality of Cair in Skopje, on 21 June 2012, training for small and medium-sized enterprises was held, with presentations in the field of patents and trademarks.

World Intellectual Property Day 2012

On the occasion of 26 April – the World Intellectual Property Day, the State Office of Industrial Property in cooperation with the World Intellectual Property Organization, organized a two-day seminar on "Agreement on Patent Rights and Singapore Treaty on the Law of Trademarks".

The Coordinating Body for Intellectual Property conducted an action for public destruction of seized goods that infringe intellectual property rights, and representatives of CBIP attended the Conference on intellectual property.

Patent of the Year

On December 24 2012, the traditional event "Patent of the Year" was held, where despite the awarding of the Patent of the Year, prizes were awarded that Macedonian inventions received at the international exhibition of ideas, inventions, new products - IENA 2012.

Exhibitions

The 32nd International Exhibition of Inventions, technical advancements, new products and creation of youth **MAKINOVA - EKONOVA 2012**, held 16-20 October in Skopje, where the Office through its representatives, members of the international assessment committee awarded prizes for a woman inventor, protected patent and for a young inventor.

*In order to promote Macedonian inventions internationally, at the **International Exhibition of Ideas, Inventions, New Products - IENA 2012**, five findings of Macedonian inventors were presented who were awarded gold, silver and bronze medal by the international professional jury and a number of special awards from associations in the field of innovation.*

The State Office of Industrial Property of the Republic of Macedonia participated in the **International Exhibition "Innovation of women inventors"**, held from 3 to 6 May in Seoul, South Korea. 25 countries, 157 women inventors who presented 259 inventions took part in the exhibition. This year, Republic of Macedonia presented itself with two inventions in the field of pharmacy and medicine. The inventions at the exhibition were awarded by the KIWIE 2012 Expert Commission with a gold and bronze medal, as well as with special awards from the other participants.

A SOIP representative participated as a member of the international jury in the 32nd International Exhibition of Inventions, New Technologies and Industrial Design "Invention Belgrade 2012" and "Step by step to creative innovation", held from 21 to 25 May 2012 in Belgrade.

X. REPRESENTATIVES

In 2012 a professional examination for industrial property rights agents was organized. The exam was passed by 17 people. Thus, the total number of persons who have passed the professional exam for agents, in accordance with SOIP's records is 421.

In the registry of registered agents 10 new agents were added, and 10 representatives were deleted from the registry.

XI. INTERNAL AUDIT

The Internal Audit Unit of the State Office of Industrial Property implemented the obligations undertaken by the 2012 Operation Plan. Thereby, it implemented the following activities:

In the first 3 months audit was conducted of the process "Procedure of recognition of industrial property rights with special reference to the PATENT- as a creation of the human mind". This audit was the result of the final activity of the PILOT project in which employees from internal audit units of several state institutions at the central and local level participated. It is a pilot programme within the Twinning Project "Support to the fiscal decentralization process by strengthening the capacity for sound financial management and internal financial control at the central and local level" that, as a practical audit activity, was conducted at the SOIP premises. The above-stated theoretical and practical training activities of internal auditors was a result of the mutual cooperation and coordination of the Ministry of Finance of the Kingdom of the Netherlands (which is the financial supporter of training for internal auditors in all state institutions at the local and central level) and the Ministry of Finance of the Republic of Macedonia.

On 13 and 14 March 2012, a representative of the Internal Audit Unit of SOIP participated in training for internal auditors, at an advanced level within the project “Technical Support to the IPA Training Centre”, organized by the Secretariat for European Affairs.

During 2012, 3 audits were conducted , as follows:

- 1) Audit of the fulfilment of planned tasks by sectors (patent, trademark and design);
- 2) Audit of the budget cycle-with a focus on spending funds based on the Annual Financial Plan;
- 3) Audit of procurement procedures-with a focus on procurement of low value.

The last quarter of the year was devoted to preparations for the developing of the 2013 Annual Plan and the 2013-2015 Strategic Plan.

XII. GENERAL ISSUES

IT Support

The State Office of Industrial Property has its own databases of registered and protected industrial property rights (patents, trademarks, industrial designs and geographical indications). For their processing the programme IPAS - Industrial Property Administration System is used, which is a platform developed by the World Industrial Property Organization (WIPO) used to manage user documents. The IPAS is a client - server platform developed on the basis of the so-called technology Centura, which allows administrator and client IPAS to communicate with a database, that is on an Oracle platform, where all data is stored.

The administrative operation of SOIP in the units for reception and processing of documents for the acquisition of industrial property rights and in the general archive unit, a programme based on Lotus Notes is used, which is an application software, platform developed by IBM and is a client server platform used for the following services:

- Electronic mail (e-mail);
- Web server, where the website of the Office is hosted, and application for management of the website, and
- Software for filing operations with the Registration Books and the Rules of Procedure.

Receipt of documents

Reception and processing of documents for the acquisition of industrial property rights was performed in the IPAS programme and the following volume of documents for 2012 was processed:

- ***Trademarks:***

1,433 new applications for trademarks were submitted, including 1379 national trademark applications, 54 applications for international trademark registration, 459 decisions on trademark recognition were issued;

- ***Patents:***

493 new patent applications were filed, of which 50 domestic patent applications and 443 new applications for foreign patents, 20 decisions on national and 500 decisions on recognized European patents were issued;

- ***Industrial design :***

66 applications for industrial design were submitted, of which 46 domestic applications and 20 foreign applications and 47 decisions on recognition were issued;

- ***Other activities:***

approximately 10,000 actions concerning the issuance of documents to determine the date of the documents submitted for recognition of industrial property rights, receipt of documents for fees paid to recognized industrial property rights, receipt of documents for submitted applications for release of industrial property rights, verification of documents and other actions were performed.

Publishing

The State Office of Industrial Property in accordance with the legal obligation six times in a year publishes an official journal, “The Messenger.” The editing, processing and publication of materials from the scope of protection of industrial property in “The Messenger” is performed by SOIP.

At the same time, a SOIP Operation Report is prepared and published for each passed year.

Financial operation

The obligations in the field of financial management are performed by the staff of the Service for General Affairs of the Government of the Republic of Macedonia. In the course of 2012, all obligations relating to the accounting operations of the Office were performed (budget preparation, annual and quarterly plans, reviews of outstanding liabilities at the end of each passing month, various types of information requested by the responsible officials of the Office, and the Ministry of Finance, the Secretary General of the Government of the Republic of Macedonia, preparing payrolls, annual accounts, inventories of fixed assets, statistical reports and GDP).

1. A quarterly plan for I, II, III and IV quarter of 2012 for the use of budget funds was submitted.

2. For the purpose of regular settlement of the obligations of SOIP, the Ministry of Finance - Budget Department, on several occasions requested re-allocation of budget funds that were properly implemented in the quarterly plans in 2012 for settlement of costs relating to utilities: heating, electricity and water-supply.

3. In accordance with the obligation for monitoring the budget for 2012, to every 10th of the month, to the Ministry of Finance - Treasury Operations Department a report on outstanding debt for the previous month was submitted.

4. In accordance with the conclusions of the Government of the Republic of Macedonia, regarding the implementation of the package of anti-crisis measures, during 2012 the following notifications were regularly submitted:

- Information on business trips;
- Information on the payment of fees for participation in committees;
- Information on the settlement of obligations.

Financial aspects of the operation for 2012

Regarding the financial indicators related to the implementation of the budget of the SOIP, we may state the following indicators.

Budget for 2012 (in MKD)

SOIP budget	2012 Budget	2012 Rebalance	Rebalance of the 2012 budget with reallocation of funds	Implementation of the 2012 budget	Implementation of the 2012 budget in %
Programme 20 - Protection of industrial property in:	34.164.000	34.164.000	34.164.000	32.571.533	95,33%/95,89%
Expenditures					
40 – salaries and contributions	15.564.000	16.164.000	16.164.000	15.965.229	100%
42 – goods and services	15.800.000	15.800.000	16.180.000	15.836.179	97,88%
420 – travel allowances	1.500.000	1.500.000	1.500.000	1.497.276	99,81%

421 - utilities, heating, communication and transport	3.000.000	3.000.000	2.800.000	2.779.762	99,27%
423 –materials and small inventory	1.000.000	1.000.000	1.000.000	895.510	89,95%
424 – repairs and continuous maintaining	1.000.000	1.000.000	1.580.000	1.563.468	98,95%
425 – contractual services	7.500.000	7.500.000	7.500.000	7.347.167	97,96%
426 – other current expenditures	1.800.000	1.800.000	1.800.000	1.752.996	97,38%
427 – temporary employments					
46 – subsidies and transfers	2.000.000	1.400.000	1.120.000	173.600	15,50%
480 – procurement of equipment and machines	500.000	500.000	400.000	323.400	80,85%
485–investments and non-financial assets	300.000	300.000	300.000	273.105	91,03%

1. With the Budget of the Republic of Macedonia for 2012 (“Official Gazette of RM” No.180 / 2011) budget for the State Office of Industrial Property in the amount of 34.164 million denars was determined, and with the reallocations of the SOIP budget, it amounted to 33,966.605 denars. In the process of implementation of the budget of the SOIP in 2012, several reallocations of budget items were made for the purpose of a more functional implementation of the allocated budgetary funds.

Thus, the use of available funds from the budget of the SOIP for 2012 was 95.33% or 32,571,533 denars, which in terms of the budget with the executed re-allocation is 95.89%.

2. In the segment of Expenditures - funds intended for basic salaries and social security contributions were realised by 100%, so that from the planned funds with the re-allocation of the SOIP budget for 2012, that is 15,966,605 denars for 34 employees, 15,965,229 denars were spent for 34 employees. 32 civil servants, Director and Deputy Director were employed in the State Office of Industrial Property on 1 January 2012.

During 2012 the number of employees decreased by 2 civil servants, whose labour relation with the Office terminated, due to entitlement to retirement pension, but then the number increased again by 2 employees that were taken over from other institutions - one with a civil servant status, and the other one a civil servant candidate.

On 31 December 2012 the Office had 32 employees , a Director and Deputy Director.

3. In the segment of Expenditures - funds intended for goods and services, from the planned reallocated funds for the 2012 budget totalling 16,180,000 denars, 97.88% or 15,836,179 denars were realized, while:

3.1. Expenditures for travel allowances were realized with 99.81%, due to the realization of the essential business trips related to the accession of the SOIP in the working bodies of the World Intellectual Property Organization - WIPO in Geneva and the European Patent Office - EPO in Munich;

3.2. Expenditures for utilities, heating, transport and communication were realized with 99.27% despite the rise in these costs during the year;

3.3. Expenditures for supplies and small inventory were realized with 89.95%.

3.4. Expenditures for repairs and maintenance were realised with 98.95%.

3.5. Expenditures for contractual services were implemented with 97.96% for: rent, salary allowances, rewards for inventors granted at the events: “Patent of the Year 2012” and “Makinova” and other costs.

3.6. Other current expenditures have been realised with 97.38% - costs for events (26 April - World Intellectual Property Day, "Patent of the Year 2012" and "Makinova") conferences and advertisements in the public media in accordance with LGAP.

3.7. Expenditures for temporary employment were not realized.

3.8. Expenditures for the purchase of computer equipment were realized with 80.85% for the supplied computer equipment (1 server) and (DVD rom).

3.9. Expenditures for investments and non-financial assets were realized with 91.03% , for purchased licenses for antivirus protection software (55 pieces).