

## **Brief summary of the Report of the Intellectual Property Agency of the Republic of Azerbaijan on the activities done during 2019**

As a result of the measures taken in the framework of reforms in our country in 2019, significant changes have taken place in the field of intellectual property (IP), a number of normative legal documents aimed at developing the IP system have been adopted, a management model combining cognition, creativity and commercialization has been formed. Necessary work has been done in the areas of protection and enforcement of intellectual property rights (IPR), management of digital rights on the principle of "one-stop-shops", the fight against counterfeiting and piracy, transparent organization of industrial property management in accordance with modern requirements, the creation of new digital services and information systems.

Research on the role of IP in innovative development and economic growth was conducted, the results were analyzed and used.

International patent registration to support inventors, the promotion of the PCT system and part of the cost to the state, as well as the country's accession to the Patent Law Treaty (PLT), which facilitates the acquisition of patents, the establishment of IP offices in universities, research institutes and SMEs; and transfer centers, the establishment and operation of the Technology Commercialization and Transfer Center (TCTC) and the Technology and Innovation Support Center (TIDC), as well as the Intellectual Property Agency.

In order to increase the efficiency of the Patent and Trademark Examination Center subordinated to the Agency, the examination criteria were analyzed and improved, the quality of services provided to the population was improved, measures were taken to manage digital rights, create a national electronic database of cultural heritage and provide training services.

In order to restructure the activities of the Republican Scientific and Technical Library under the Agency, taking into account modern challenges, the property, books and documents on its balance sheet, as well as services provided to the population were monitored and the results were analyzed. Measures were taken to eliminate the revealed shortcomings and deficiencies, increase the level of public services, improve the social and working conditions of employees, improve and strengthen the infrastructure and material and technical base of the Library, giving it the status of "Republic". Despite the reduction in the number of employees in 2019, the level of services provided to the population has increased due to increased efficiency and the use of more flexible management models.

### **1. Implementation of the tasks arising from the decrees and orders of President Ilham Aliyev on economic reforms in the field of intellectual property and economic development.**

The Agency's activities are aimed at implementing the relevant tasks set by this policy in order to adapt the activities of new technologies in the economy, ensure their commercialization and increase economic efficiency, promote national brands, and attract innovations to the requirements of the President's reform policy.

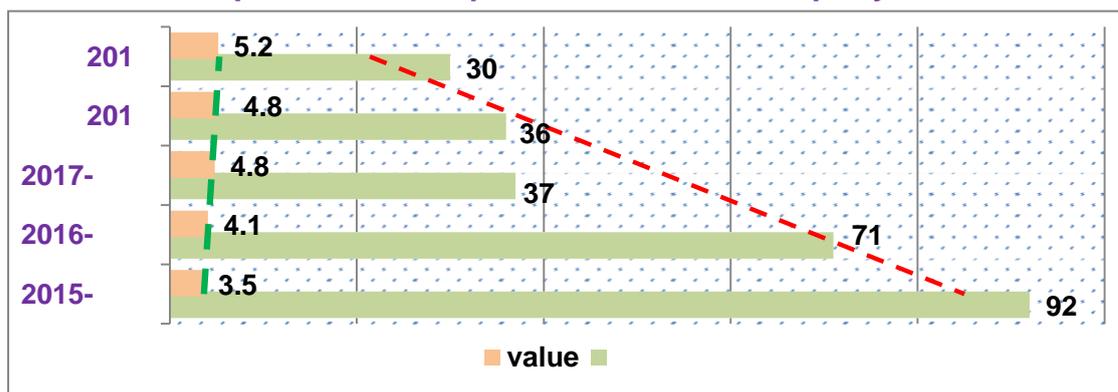
In order to support the work carried out in these areas, the Agency organized 7 conferences, regional seminars (4 national, 3 international), "Improving patent legislation and the challenges ahead", "Commercialization of technologies in innovative development and transfer centers (recommendations for their establishment and operation) ", "Innovative development and economic reforms: the role of intellectual property and technology commercialization ", etc. books on the subject have been prepared and published. Book exhibitions were organized, and for the first time, proposals were prepared and submitted to the Working Group on "Technology and

Innovations” of the Commission on Business Environment and International Ratings to improve the country's rankings on international IP indicators.

Reforms carried out in recent years in all areas, including IP, have further strengthened our country's position in international rankings, and these successes are reflected in the reports of influential international organizations.

Thus, according to the Global Competitiveness Index Report published by the World Economic Forum for 2019, Azerbaijan ranks 37th among 141 countries in terms of "protection of property rights" and 30th in terms of "protection of intellectual property". According to this indicator, our country ranks first among the CIS countries and is ahead of many European countries.

### Global Competitiveness Report's "Intellectual Property Protection" indicator



As can be seen from the table, according to the Global Competitiveness Index for the last five years, Azerbaijan's "Intellectual Property Protection" indicators have been constantly changing upwards. These results are the results of the second wave of reforms carried out by the President. Azerbaijan's rating on "Patent Applications" has also increased, and as a result, our country has moved up three places to 68th place in the "Intellectual Property" Innovation Index compared to 2018.

## 2. Improving the legislative and regulatory framework.

Within the framework of the reforms carried out in our country, the Milli Majlis of the Republic of Azerbaijan approved the implementation of the Decree of the President of the Republic of Azerbaijan No. 5 of April 20, 2018, as well as amendments to the relevant legislative acts on IP in 2019 in connection with the improvement of IP legislation and harmonization with international law. Law, 9 Decrees and 2 Orders signed by the President of the Republic of Azerbaijan, 14 decisions and 1 order of the Cabinet of Ministers adopted. The Intellectual Property Agency participated in the preparation and development of drafts of those normative-legal documents.

With relevant Decisions of the Cabinet of Ministers "List of services provided in the field of legal protection of inventions, utility models, industrial designs, trademarks and geographical indications and the amounts of fees to be paid to the Intellectual Property Agency of the Republic of Azerbaijan for these services.", "Requirements for a patent application", "Rules for inclusion of inventions, utility models and industrial designs in the state register", "Rules for information retrieval and substantive examination of the claim", "Rules of acquaintance with the materials of the published claim document" approved.

Improvement of the legislative framework and the work carried out by the Agency in this area have led to an increase in activity in the field of IP in our country as a whole and an increase in the level of services provided to the population.

### **3. Analysis of intellectual property policy in innovative development.**

During the reporting year, the current situation in the field of industrial property for the last 8 years was analyzed, and necessary steps were taken to eliminate the identified shortcomings and problems. The Center for Patent and Trademark Examination (PC), which examines inventions, utility models, industrial designs and trademarks, has developed a policy to support innovation in this area. The efficiency of the field was measured by the most modern indicators and indicators accepted in the international practice, as well as an index system was created to evaluate the activity of PC, necessary work was done to fulfill the main goals and objectives of the patent system.

**Thus, the role of IP in innovative development has been identified and measures have been taken to strengthen its impact.**

**Comparison of the last two years shows that** the activity in the field of industrial property has become more active, the number of patents for inventions has increased compared to 2018. Thus, in 2019, 167 claims on inventions were received, 102 invention patents were issued. This is 32 more patents than in 2018. In 2019, 58 claims on utility models were received and 16 patents were issued. 78 claims on industrial designs were received, 32 of them were granted patents. This is 37 claims and 8 patents more than in 2018. In 2019, 5 patents were issued for geographical indications.

There has also been an increase in trademark claims and issued protection documents. Thus, in 2019, 2317 claims on trademarks (1958 in 2018) were received, 1114 protection documents (1070 in 2018) were issued.

For the first time, based on patent analysis and patent landscapes, the technological profile of the country was determined through Azerbaijani inventions, and the most advanced directions of the world's leading patent countries were presented.

**4. Support for the commercialization of intellectual property, the application of technology and innovation.** Relevant measures were taken in the reporting year to support the work carried out in our country in the direction of innovative development and application of new technologies resulting from intellectual activity, commercialization and transfer of technologies, increasing the economic role and innovation opportunities of SMEs, stimulating technological innovations. A conference on "Innovative development and economic reforms: the role of intellectual property and technology commercialization" was organized for specialists in the field, a representative of the Agency spoke on "Innovative development and IP" at a meeting in the Presidential Administration on December 20, 2019.

Taking into account that the impact of global technological trends on national competitiveness creates new challenges for science and technology, in 2019, work was carried out in the following areas to support the commercialization of IP and technology transfer, the establishment of relevant centers in this area.

**1) Research of the technological market in Azerbaijan, analysis and evaluation of innovative activity of small and medium enterprises.** A draft Memorandum of Cooperation and Action Plan between the Intellectual Property Agency and the Small and Medium Business Development Agency has been prepared and is currently being agreed in order to form a culture of IP in the country and organize joint activities on related issues, to implement joint projects in this area. Given the role of SMEs in the sustainable development of the national economy, the importance of innovative entrepreneurship and the importance of protecting IP facilities, the document is to ensure the protection of SMEs and support their activities.

**2) Works on the commercialization of technologies and the establishment of transfer centers.** Three main forms of legal entities (LLC, Fund and Public Legal Entity) were proposed for the establishment of TCTC, their draft Charter was prepared, and analysis was conducted to evaluate the proposed forms. In the end, the form of Public Legal Entity was selected, a set of documents reflecting the main goals and general directions of the Center's activities was submitted to the Cabinet of Ministers, and the set of documents is currently being considered by the Cabinet of Ministers.

In addition, a guide on "Management of Technological Innovations" and a short guide on "Commercialization of Technologies" are being prepared.

**3) Establishment of Technology and Innovation Support Centers and related network.** This project is initiated by WIPO and supported by the Intellectual Property Agency, and innovation and patent specialists from 12 universities and research institutes participated in a workshop on May 31, 2019 on the implementation of the project. The event provided detailed information on the main tasks and principles of the establishment of TISC, a sample agreement on the establishment of TISC, its draft Statute was prepared. In order to stimulate activity in this field, the Republican competition was held within the framework of the international project "Establishment of Technology and Innovation Support Centers in Azerbaijan".

In addition, the project "Innovation passport of higher education institutions" was developed. The passport is based on 32 indicators and is grouped into 4 modules that fully characterize all aspects of innovation activity.

## **5. Registration of objects of intellectual property rights.**

**5.1 Results of consideration of claims on objects of industrial property, registration and inclusion of objects of industrial property in the register.** In 2019, purposeful work was carried out to develop the patent system, control over the timely and quality examination of claims was strengthened, transparency and requirements were increased. Measures were taken in the following areas to examine the claims received on the IPR objects and the state registration of those objects:

**On inventions and utility models.** During the reporting year, the Agency received 167 claims on inventions, 58 claims on utility models, 11 international claims (PCT) and 39 Eurasian claims. As a result of the preliminary examination of the claims, 37 Eurasian claims, 11 PCT claims, a total of 294 positive notifications on the invention and utility model, 110 inquiries on the preliminary examination, 38 notifications on the termination of clerical work, 98 searches on the claim documents were conducted.

In essence, on expertise: 263 inquiries were made on inventions and utility models, 244 decisions on publication of information on claims, 11 decisions on refusal to grant patents, 3 notifications on refusal to grant patents, 42 notifications on termination of clerical work and 19 notifications on conversion of inventions into utility models.

**On trademarks and industrial designs:** There were 2,317 claims for registration of national trademarks and 78 claims for registration of industrial designs. The number of national trademarks with positive results of examination was 1557, the number of geographical indicators was 7, the number of national industrial samples was 67.

154 notification documents on international registration of industrial designs were received through the Hague system, examination of 134 of them was completed and a positive decision was made.

Examination of 1796 claims on national trademarks, 1 on geographical indications, 25 on national industrial samples, 20 on international industrial samples and other procedures are underway. The examination of 3484 international claims received from the WIPO International Bureau in 2018 under the Madrid Agreement and the Protocol on the Registration of International Trademarks in the Republic of Azerbaijan has been completed (examination is carried out within 12 months). In 2019, the number of documents received from the International Bureau of WIPO in connection with the registration of international trademarks was 3452. Local claimants received 8 claims for international registration of trademarks. 7 of them were sent to WIPO after the preliminary examination, 1 trademark is at the stage of preliminary examination.

**Registration and inclusion of industrial property objects in the register.** In 2019, the Intellectual Property Agency received 4248 applications and petitions on inventions, utility models and industrial designs (2973 in 2018). 102 patents on inventions (64 in 2018), 16 patents on utility models (16 in 2018), 32 patents on industrial designs (24 in 2018) were registered in the State Register of Industrial Property.

The presented tables show the patents registered for inventions and utility models in 2019 and their distribution by classes of the International Patent Classification, registered patents for industrial designs and their distribution by classes of the International Classification of Industrial Designs.

BPT-nin bölməsi		İxtiralarla dair patentlərin sayı	
		2019	
		milli	xarici
A	İnsanın həyatı tələbatların təmin edilməsi	12	1
B	Müxtəlif texnoloji proseslər	12	-
C	Kimya və metallurgiya	37	2
D	Toxuma mallar və kağız	4	-
E	Tikinti, mədəni işləri	8	6
F	Mexanika, işıqlandırma, isitmə, mühərriklər və nasoslar, silah və döyüş sürsati, partlama işləri	4	1
G	Fizika	11	1
H	Elektrik	2	1
<b>Cəmi</b>		<b>90</b>	<b>12</b>

BPT	Faydalı modellərə dair patentlərin sayı	
	2019	
	milli	xarici
A	3	1
B	3	-
E	3	1
F	3	-
G	-	1
H	-	1
<b>Cəmi</b>	<b>12</b>	<b>4</b>

SNBT	Sənaye nümunələrinə dair patentlərin sayı	
	2019	
	milli	xarici
01	1	-
06	4	-
07	1	-
09	1	2
11	-	1
12	-	6
14	-	1
17	3	-
21	1	-
24	-	1
25	9	-
32	1	-
<b>Cəmi</b>	<b>21</b>	<b>11</b>

During the reporting period, 1114 trademarks (1070 in 2018) were registered in the relevant State Register.

5 certificates of use rights on geographical indications were registered in the name of a national legal entity.

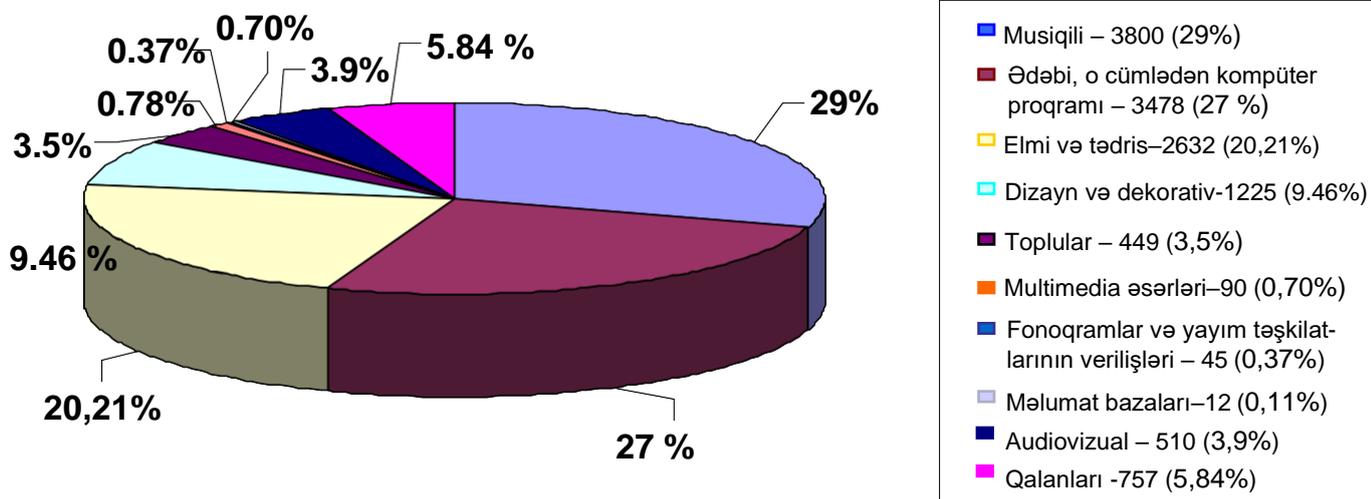
86 contracts on industrial property objects were registered. 81 of them are related to the issuance of trademark rights, 1 - to the invention, 1 - to the industrial design, 3 - to the issuance of a trademark license.

**5.2 Registration and inclusion of copyright objects in the register.** During the reporting year, 834 works of 387 authors were registered and 834 Certificates of registration were issued, including 32 works were registered and 32 certificates of

registration were issued on the basis of the authors' application through the "Electronic Service" section. In addition, 4 contracts were registered in the reporting year.

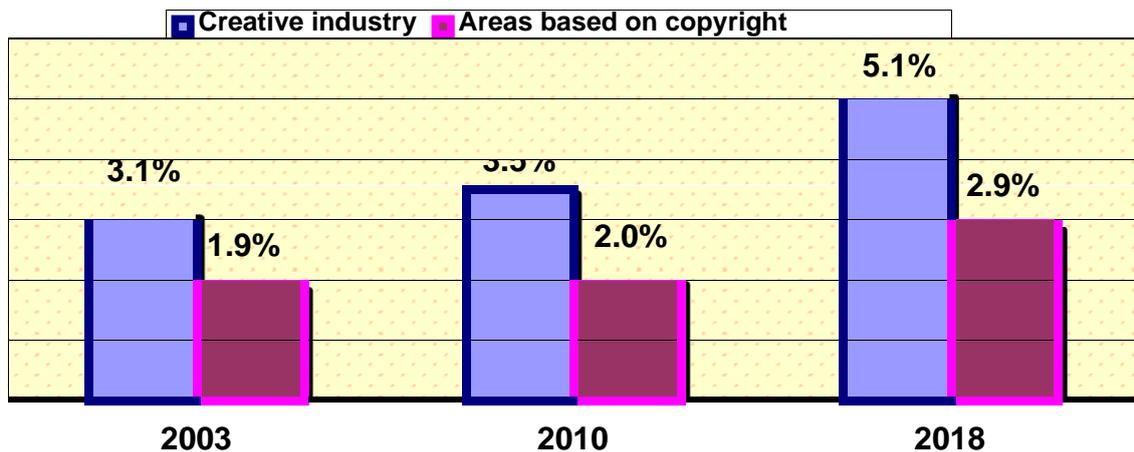
From 1996, when the official registration of works was applied, to January 1, 2020, a total of 12,956 works and objects of related rights, including 225 works by 109 authors were registered in the Agency through the "Electronic Service" section.

Total number of works registered in 1996-2019 (as a percentage)  
(including online registration)



**6. Creative economy.** During the reporting period, the actual statistics of the creative industry based on the national economy and the state budget figures for 2018 were analyzed, the volume of production in the national economy based on copyright was determined, then the share of these areas in GDP was calculated. The Agency's analysis and calculations show that the share of the creative industry in Azerbaijan's GDP is growing steadily. Thus, the share of the creative industry in the country's GDP over the past 8 years increased from 3.5% in 2010 to 5.1% as of January 1, 2018 and is now at the level of developed countries. Areas based on copyright have grown from 2.0% to 2.9% in 8 years. These are the main indicators of the development of copyright field. In 2018, the volume of production in copyright-based industries in Azerbaijan amounted to 4096.3 million Manats. The table below illustrates this.

The share of Azerbaijan's creative industry, including  
copyright-based industries, in GDP



350/5000

Presentation of the "Creative Azerbaijan" portal organized by the Ministry of Culture on December 9, 2019 and a speech on "Creative industries: new opportunities for sustainable development and employment" by the Agency's representative on "Creative economy, intellectual property and economic growth" has done.

## 7. Ensuring intellectual property rights and forming a culture of intellectual property.

7.1 On June 14, 2019, with the support of the Academy of Justice of the Ministry of Justice, organized by the Agency for the Enforcement of Intellectual Property Rights within the relevant implementation of the tasks arising from the Decree of the President of the Republic of Azerbaijan dated April 3, 2019 Judicial Reforms: The Role of the Judicial-Legal System in Ensuring Intellectual Property Rights ". On December 5-6, 2019, an international seminar on "Ensuring the protection of intellectual property rights: national and international experience of specialized courts" was organized by the Intellectual Property Agency and WIPO. At the meeting held between the leadership of the Agency and the leadership of the State Customs Committee on June 21, 2019, the issues of cooperation in the field of protection of the IPR during the import of goods containing IPR were discussed.

At the meeting held with the leadership of the American Chamber of Commerce in Azerbaijan (AmCham) on May 25, 2019, information was provided about the reforms carried out in the field of IP in our country. Prospects for future cooperation, including joint events and trainings for AmCham representatives using the Agency's logistics and databases, etc. were discussed at the Intellectual Property Rights Center under the Agency, etc. The issue of ensuring the IPR was also on the agenda of the 4th meeting of the Azerbaijan-US Intergovernmental Commission in Baku. In order to implement relevant measures in this area, a meeting was held on June 4, 2019 with the Economic Counselor of the US Embassy in Azerbaijan, and views were exchanged on parallel imports, imports of counterfeit goods, and protection of IPRs.

As part of anti-piracy measures in the field of software, cooperation with Microsoft continued. Several meetings of the Working Group consisting of representatives of the Agency and Microsoft, established to coordinate cooperation in this area, were held. A meeting was held with the representatives of Oracle and Trimble Tekla in our country in connection with the issues raised by these companies regarding the illegal use of their software. It was agreed to take joint measures to prevent violations of the law, as well as to promote the use of licensed software.

In 2019, 10 appeals were received from legal entities and individuals regarding the restoration of infringed copyrights, these appeals were considered in terms of the requirements of copyright legislation, some were resolved within the Agency's authority, and some were sent to the relevant authorities.

The Agency's "Hotline" No. 960 and the "Legal Advice" operating on a voluntary basis have been used by authors and other right holders, more than 1,530 appeals and inquiries on copyright issues have been considered, legal assistance in resolving issues raised, as well as filing lawsuits shown. Representatives of the Agency participated in more than 90 court hearings on 35 cases related to IP objects in various courts (31 of them on industrial property objects and 4 on copyright), expert opinion was prepared on each case, awareness-raising events were held.

In 2019, 135 cases were considered by the Board of Appeals of the Agency, which considers disputes in the field of protection of industrial property (110 of them were received in 2019, and 25 are from the previous period). Decisions were made on granting applications on 52 cases, partially satisfying applications on 26 cases, rejecting applications on 45 cases, including 43 on trademark, 1 on invention, 1 on industrial design. 12 applications were not considered (applications were withdrawn).

As a result of the measures taken, the level of piracy in the field of book sales decreased from 61% to 23%, in the audio-video products market from 90% to 58%, and in software from 96% to 72% compared to 2005..

**7.2** About 15 events were organized and attended by the Agency for legal education. More than 350 informational, educational and propaganda materials were published in the media, more than 35 programs and plots were shown on TV and radio channels. At the events organized by the Agency, about 90 presentations and speeches on intellectual property issues were made by professionals, scientists, international experts, representatives of non-governmental organizations representing our country, foreign countries and international organizations. Representatives of the Agency have made about 15 presentations at various international events.

Traditionally, April 23 - "World Book and Copyright Day" and April 26 - "International Intellectual Property Day" were widely celebrated in our country, a seminar on "Intellectual Property and Sports" was held. Efforts to publish and disseminate educational materials among the population continued. In total, more than 1,630 copies of books, brochures and brochures were published in 2019, numerous educational materials, including international conventions and agreements in the field of copyright, national legislation, other normative acts were republished and distributed in Azerbaijani, Russian and English. Special book exhibitions of the Agency's publications were organized during the events.

As part of the awareness-raising activities, a meeting was held with trainers-graduates representing science, education, customs, banking and the private sector who studied at the WIPO Academy's "Module 1-4" training programs. Discussions were held on the procedures used for crossing the customs border of goods containing IP objects, international experience in filing claims for registration of industrial property objects, teaching IP in higher education institutions, etc.

Based on the agreement reached during the meeting between the heads of the Agency and the National Confederation of Entrepreneurs (Employers) on holding a seminar to educate entrepreneurs, free training courses on "Legal regulation of the use of industrial property" were organized at PC for entrepreneurs on June 10-11. About 50 participants representing the private sector participated in the courses, and the participants were awarded certificates of the Agency.

41 volunteers of various specialties participated in the "Patent Volunteers" project held in 2019, and now some of the project participants are successfully working as volunteers at the subordinated bodies of Agency..

**8. Protection of cultural heritage and fight against Armenian plagiarism.** Measures to protect cultural heritage and combat Armenian plagiarism were in the focus of the Agency during the reporting year. At the conference "Ancient texts and classical sources expose Armenian forgery and fabrications" held on April 19, 2019, the claims of Armenians to our expressions of tangible and intangible cultural heritage were once again exposed with irrefutable scientific and historical facts.

In addition, it was investigated that the song "Kamancha" sung by Russian singer Avraam Russo was plagiarized from the song "The Black Sea Flickered" composed by Uzeyir Hajibeyov in 1918 to the words of Ahmad Javad. The fact that a part of our great composer Uzeyir Hajibeyli's musical comedy "O olmasın, bu olsun" was stolen by Armenian composer A. Babajanyan and presented as "Vagarshabat dance" was also investigated. A scientific reference has been prepared and disseminated in this regard.

In general, the Intellectual Property Agency has sent a number of protests to WIPO regarding the theft of Azerbaijan's cultural heritage, including the works of our composers, folk tunes, and dances by Armenians.

In the reporting year, the books "**Ancient texts and classical sources exposing Armenian forgery or fabrications or attempts of Armenians to Caucasian autochthony**" and "**Кавказская Албания и генетический анализ в историко-географическом аспекте**" exposing and forging Armenian frauds were prepared and published. In addition, "Armenian fiction infringes on the rights of other peoples", "Armenian genocide" or "Armenian terror?", "Introduction to the history of Armenian historical fiction", "Copyright of self-denying Armenianism", The booklet "Armenian Foreign Tales" and the booklet "I came, I saw ..., I stole" (in Azerbaijani, Russian, English and French) were republished and distributed to foreign guests, representatives and participants of the Agency's events during the year.

**9. Organization of electronic services.** In the reporting year, the total number of uses of copyright and related rights in the "Electronic service" section of the Agency was 11304. 32 works were registered on the basis of 33 applications of 12 authors through the electronic service system and a Certificate of registration of the work was issued. In order to expand the range of e-services, some of the services provided by the Patent and Trademark Examination Center and the Republican Scientific and Technical Library under the Agency were provided on the e-government portal and proposals were prepared.

During the reporting period, a wide range of propaganda, advocacy and awareness-raising activities were provided for those who benefit from the e-services provided by the Agency to use the opportunities of the e-government portal.

**10. International cooperation.** In 2019, international relations in the field of intellectual property were further deepened, special attention was paid to strengthening cooperation with international organizations engaged in management and coordination activities in the field, including WIPO and the Eurasian Patent Organization (EPO).

In the elections held within the 59th session of the WIPO in 2019, our country was elected a member of the Coordination Committee (in rotation), the Program and Budget Committee, one of the main committees of the WIPO. For the first time, a representative of the Agency was elected chairman of the most influential Berne Union Assembly of WIPO. The issue of representation of Azerbaijan in the WIPO Secretariat was resolved, the Agency's delegation held working meetings with the leadership of the Secretariat and Economics and Statistics Division of the WIPO Accessible Book Consortium, as

well as representatives of Turkey, Russia, Kazakhstan, Kyrgyzstan, Uzbekistan, Turkmenistan and Ukraine. Issues of interest to Azerbaijan were discussed at these meetings.

The Agency's relations with the Eurasian Patent Organization have become intensive. A delegation led by the Chairman of the Board of the Agency took part in the Diplomatic Conference on September 9, 2019 in Nur-Sultan, Kazakhstan dedicated to the signing of the Protocol to the Eurasian Patent Convention. The conference adopted the text of the "Protocol on the Protection of Industrial Designs to the Eurasian Patent Convention" and the final act of the diplomatic conference. The Protocol was signed by a representative of the Intellectual Property Agency on behalf of the Government of the Republic of Azerbaijan.

The author's team of the Azerbaijani national patent won the prestigious competition on "In the field of protection of human life and health" held for the first time during the diplomatic conference with high results. In addition, according to the results of the Eurasian Patent Universiade "Looking to the Future" in the first age category (10-17 years) the project "Application of bioplate for water treatment of reservoirs" presented by students of the lyceum named after Academician Zarifa Aliyeva under the Ministry of Education was awarded first place. The participation of Azerbaijani representatives in the competition was made possible thanks to the direct support and assistance of the Agency.

The delegation led by the Chairman of the Board of the Agency participated as the guest of honor and speaker at the II International Conference "Digital Transformation: IP in the Focus" held on April 23-24, 2019 in Moscow, Russia at the invitation of the Head of the Federal Intellectual Property Service. Meetings were held with the heads of the Federal Service and the Eurasian Patent Office, and issues of cooperation were discussed.

Work has been done on the implementation of the Twinning project "Strengthening the institutional capacity of the Intellectual Property Agency for the management and protection of intellectual property rights in digital networks" implemented jointly with the European Commission. The opening of the project is scheduled for early 2020.

During the reporting year, the management of the Intellectual Property Agency held about 20 meetings with representatives of a number of international organizations and foreign countries related to intellectual property, and discussed issues of cooperation in the field. Representatives of the Agency participated and spoke at more than 15 international events held abroad, prepared opinions and proposals on more than 180 draft documents related to the international relations of our country in the field of intellectual property, and presented them in the appropriate manner.