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National Strategy for the Development of the Intellectual Property System of the Republic of Croatia for the period 2010 - 2012

### **ABBREVIATIONS**

CA - Customs Administration

SI - State Inspectorate

CMAs - Collective Management Associations

SAO - State Attorney's Office

SIPO - State Intellectual Property Office

EU - European Union

EPO - European Patent Organization/Office

CAMPMD – Croatian Agency for Medicinal Products and Medical Devices

CP - Criminal Police

MFIN - Ministry of Finance

MELE - Ministry of the Economy, Labour and Entrepreneurship

MC - Ministry of Culture

MSTI – Ministry of the Sea, Transport and Infrastructure

MJ - Ministry of Justice

MI – Ministry of the Interior

MSES - Ministry of Science, Education and Sports

MHSW - Ministry of Health and Social Welfare

MAFRD – Ministry of Agriculture, Fisheries and Rural Development

NIPS - National Intellectual Property System

OHIM - Office for Harmonization in the Internal Market

SABs - State Administration Bodies

GRC - Government of the Republic of Croatia

WIPO - World Intellectual Property Organization

WTO - World Trade Organization

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Intellectual property legislation framework in a wider sense

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#### I. INTRODUCTION

On 13 October 2005, the Government of the Republic of Croatia (*the Government*) adopted the National Strategy for the Development of the Intellectual Property System of the Republic of Croatia 2005-2010 (*the Strategy 2005-2010*). The Strategy has defined the national intellectual property system (*NIPS*), the strategic goals, the measures for the achievement thereof, competent authorities responsible for the implementation of such measures, including the time schedule therefor, as well as the system of reporting.

The purpose of this revised and supplemented document (the Strategy) is such as follows:

- To make a balance sheet of the measures referred to in the Strategy 2005-2010 by singling out the ones remained to be implemented, in order to get a more clear insight in and better focus on the implementation thereof
- To change the time schedule as laid down in the mentioned Strategy in order to harmonize it with the time period covered by the Government strategic planning (from 2010 to 2012)
- To harmonize this document with the relevant guidelines included in the Government<sup>1</sup> and other strategic documents<sup>2</sup> as adopted after the adoption of the Strategy
- To include in the document the recommendations resulting from the accession negotiations with the European Union concerning Intellectual Property Law (Chapter VII)
- To harmonize the document with the global economic trends and the Government measures for the adaptation of the Croatian economy.

The measures contained in this document are not divided by the periods within which they are planned to be implemented, but the period covering 2010-2012 is considered as an entirety, whereas the dynamics of implementation of the measures has been regulated by the implementation plan (the Action Plan) in more detail.

The short-term measures and the majority of the mid-term measures referred to in the Strategy 2005-2010 have been implemented, whereas the desired results and goals of certain measures have been achieved otherwise or by other means<sup>3</sup>. Certain further measures proved to be unnecessary due to the fact that the development of the international intellectual property

In the course of the Strategy implementation (2005-2009) as carried out thus far, the Government of RC and certain Ministries have adopted a series of strategic documents and action plans that are more or less relevant for this National Strategy. Those are, for example, the following documents: Strategic Development Framework for 2006-2013, State Administration Reform Strategy for the period 2008-2011, Small and Medium Sized Enterprises Incentive Programme 2008-2012, Science and Technology Policy of RC 2006-2010, Action Plan 2007-2010 "Science and Technology Policy", etc., as well as the most important and most coherent strategic document entitled the Strategy of the Government Programmes 2010-2012.

For example, "Scenarios for the future – How might IP regimes evolve by 2025" – European Patent Office, 2007, EPO strategy debate; WIPO strategic realignment; WIPO Program and Budget 2010-2011, etc.

The overall specification of the measures as implemented and the evaluation of the effects of the Strategy occurring thus far were given in the Consolidated Report on the Implementation of the National Strategy for the Development of the Intellectual Property System 2005-2010 for the period until the end of 2009.

system and global economy has changed the strategic climate for the application thereof. Therefore, all such measures have been omitted from this revised document. The authorities competent for the implementation of particular measures have changed as a result of the changes having occurred in their organizational structure or scope<sup>4</sup>.

Due to the abovementioned, the structure of the document has changed, so the strategic guidelines and measures are contained in its first part, and the specific activities, competent authorities and time schedule are contained in the Action Plan.

For example, in February, a change occurred in the competence over the State Intellectual Property Office (SIPO). The competence of the Minister for Science, Education and Sports for SIPO was transferred to the Minister of the Economy, Labor and Entrepreneurship (and the supervision over SIPO work was transferred from MSES to MELE). Consequently, the majority of measures under the competence of MSES was transferred and is presently under the competence of MELE.

### II. STRATEGIC INTENTION

- **2.1. THE SUBJECT MATTER of the strategic planning** referred to in this document is the *National Intellectual Property System* (NIPS) consisting of<sup>5</sup>:
  - a) A set of subjects (stakeholders) involved in the system, such as the competent state administration bodies (SABs), subjects of the judicial authorities, copyright and related rights collective management associations (CMAs), holders of intellectual property rights and the associations thereof, economic subjects and the associations thereof (CCE, CEA, CCTC, etc.), consumers' associations, authorized representatives and other experts in the field of intellectual property.
  - b) <u>A set of laws and other legal regulations</u> governing the field of intellectual property in the narrower and wider senses
  - c) A set of programs, projects and initiatives related to intellectual property matters
  - d) <u>The supervisory body and the coordination mechanism</u> for the strategic management of NIPS
- 2.2. The NIPS MISSION is to stimulate the economic, scientific and cultural development of the Republic of Croatia through:
  - a) the provision of a reliable system of protection of intellectual property rights (acquisition, maintenance and enforcement of the rights), and
  - b) <u>stimulation of the economic exploitation</u> of intellectual property.
- 2.3. The NIPS VISION
  In 2012, the NIPS of the Republic of Croatia shall:
  - a) <u>guarantee the level of protection of intellectual property rights</u> equal to that existing in the EU and harmonization with all the international agreements concluded by RC in that field,
  - b) provide the optimal conditions for an advanced application of intellectual property as a power tool for economic growth and an actuator of scientific, cultural and overall social progress, equal to that existing in the leading EU countries<sup>6</sup>.

<sup>&</sup>lt;sup>5</sup> Schematic representation of NIPS is enclosed in the Analytic Attachment.

<sup>&</sup>lt;sup>6</sup> The referent level includes the countries with the highest European creativity index (ECI).

### 2.4. STRATEGIC ASPECTS (STRATEGIC TOPICS)

- **1.** The adaptation of NIPS, which is defined as a set of the Government measures for the development of the legislative and institutional framework, development of the national intellectual property infrastructure, and stimulation of the development of interested non-governmental stakeholders of the system.
- **2.** The protection of intellectual property rights, which is defined as an efficient application of legal means by the institutions competent for carrying out intellectual property rights granting and protection procedures, at the one hand, and respect for the intellectual property rights by the general public, on the other hand.
- **3. Intellectual property use (exploitation)** is defined as use of the results of human intellectual work, protected in the system of intellectual property rights, as an entrepreneurial resource at all levels<sup>7</sup>, as a catalyst of the scientific and technological, as well as cultural and artistic creativity, and as an instrument used in the implementation of other public policies<sup>8</sup>.

### 2.5. STRATEGIC GOALS

The mentioned strategic intent shall be realized by the achievement of the following strategic goals:

- **1. Adaptation of the legislation framework** in the field of intellectual property rights by its harmonization with the EU *acquis communautaire* and international legal order in the field of intellectual property;
- 2. Improvement of the NIPS institutional framework in the Republic of Croatia through:
  - a) organizational and managerial development of institutions, modernization of methods and procedures, recruitment and development of the human resources and equipment;
     and
  - b) transparent and efficient cooperation between bodies, institutions and organizations competent for intellectual property, established on the agreed policies;
- **3. Improvement of the national intellectual property infrastructure** and its integration into the global one;
- **4. Improvement of the use of intellectual property** as a power tool for the economic, technological, scientific, cultural and overall social progress;
- 5. Increase in the level of recognition of and respect for the intellectual property rights by:
  - a) raising the level of public awareness about the importance of intellectual property, and
  - b) increasing the efficiency of the legal enforcement of rights.
- 6. Regional and global integration of NIPS and active international cooperation.

Macro-economic level of the national economy, mezzo-economic (corporative) level of economic subjects and micro-economic level (individual/citizen as homo economicus).

This concern in particular, the policies related to uniform regional development, increase in the competitiveness of the agricultural and food sector, environmental protection, protection of plant varieties, health protection, consumers' protection, etc.

### III. STRATEGIC GUIDELINES AND MEASURES FOR REACHING THE GOALS

The national intellectual property system, which includes the aspects of protection, enforcement and use (exploitation) of intellectual property rights, shall provide an encouraging environment for a creative and innovative development of all the economic and social activities, ensuring thereby a fair market competition and balance between the private interests of the creators and right holders, respectively, on the one hand, and general social interests on the other hand.

Such a balanced approach shall also be reflected in the system funding, where, with regard to the fact that the intellectual property rights are private rights, the system funding should be divided in an optimal manner between the right holders, as its direct users, and the State or public finances. With a view of the optimal use of NSIP for the development of the economy, science and technology, culture and education, an efficient and transparent cooperation, as well as coordination of the activities related to intellectual property have to be ensured among all the NSIP stakeholders.

### Strategic Goal 1

### 3.1. ADAPTATION OF THE NIPS LEGISLATION FRAMEWORK

### Guideline 1 Intellectual property legislation framework in a narrower sense

The Republic of Croatia has a long lasting tradition of having a regulated legal/statutory protection of intellectual property, the beginnings of which date back to the second half of the 19<sup>th</sup> century. A high quality of this legislation and its harmonization with the highest international standards has been continually maintained. Croatia will pay its full attention to permanent conformity of its national legislation in this legal field with the highest international standards.

### Guideline 2 Intellectual property legislation framework in a wider sense

National legislation in the field of intellectual property rights is a part of the legal system of every country on the one hand, and the international legal order on the other hand. Therefore, it shall also be permanently harmonized with the legal rules not directly related to the intellectual property protection matters.

### **MEASURE 1 Harmonization of the special legislation**

The developments of the EU *acquis communautaire* and of the international legal order in the field of intellectual property, as well as of the implementing methods and techniques shall be permanently followed up, in particular, in the framework of the activities initiated by WIPO, EPO, OHIM and WTO. The respective Croatian laws and other legal regulations, as well as the practice in the application thereof shall be continually harmonized with the mentioned developments.

The State Intellectual Property Office (SIPO) shall be the main competent authority responsible for all the tasks related to the monitoring, analyzing and giving proposals for the implementation of the new legal regulations and institutes in the Republic of Croatia.

### **MEASURE 2 Harmonization of the system legislation**

The developments of the EU *acquis communautaire* and of the international legal order in the respective legal fields (the administrative law, the civil law, the criminal law, the so-called system laws, etc.), as well as the best judicial practice in the EU, indirectly, but essentially affecting the legal protection of intellectual property shall be monitored permanently. The respective Croatian laws and other legal regulations, as well as their application practice shall be continually harmonized with such developments.

The Ministry of Justice (MJ) shall be the main competent authority responsible for all the tasks to be carried out in the implementation of this measure, whereas SIPO shall be the co-competent authority.

### Strategic Goal 2

#### 3.2. IMPROVEMENT OF THE NIPS INSTITUTIONAL FRAMEWORK

#### 3.2.1. DEVELOPMENT OF INSTITUTIONS

Increase in the market competitiveness, an active participant of which is, among others, the State, requires an effective public administration. The complexity and multidimensionality of the role of State in the economy and society makes the public administration a particularly critical factor in achieving the strategic economic goals. The size of the state sector, the methods of intervention in the economy, the efficiency and transparency are the basic preconditions for an effective public administration.

The Government of RC makes efforts towards and creates preconditions for achieving the vision of a modern public administration, which includes: increasing the efficiency and economy of the state administration system, raising the level of quality of administrative services, achieving openness and responsiveness of the state administration bodies (SABs), strengthening the standards of the rule of law, enhancing social sensitivity in the state administration and in conduct towards the citizens, increasing the level of ethical behaviour in the civil service and reducing corruption<sup>9</sup>.

In the institutional development, the need for improvement of the institutional activity has to be emphasized in the following spheres:

- a) organizational and managerial sphere
- b) modernization of procedures and methods of operation
- c) development of human resources
- d) development of material resources.

A special goal, number 3.5, referred to in the Strategy of the Government Programmes 2010-2012 – "Enhancing the capacity and improving the quality of public services and public administration". The parts of the text indicated *in italic*, have been taken from the Strategy of the Government Programmes 2010-2012, the State Administration Reform Strategy, or from other mentioned strategic documents.

### 3.2.1.1 State Intellectual Property Office (SIPO)

SIPO, which is at the same time the competent authority responsible for the EU accession negotiations concerning Chapter VII., "Intellectual Property Law", has a special responsibility for the implementation of the Strategy. SIPO is a pivotal institution of NIPS and its institutional connection with the international intellectual property system, in particular with the relevant European (EPO and OHIM) and world (WIPO and WTO) institutions, as well as national offices of the Member States of the mentioned intergovernmental organizations. SIPO is responsible for the implementation of the majority of the provisions as laid down in (presently) 27 multilateral international agreements<sup>10</sup>, and of the body of provisions as laid down in the bilateral agreements on cooperation in the field of intellectual property.

The main task (mission) of SIPO is to contribute to the global competitiveness of the national economy, and to the social, scientific and cultural progress of the Republic of Croatia and its citizens, by means of granting and registering the industrial property rights, as well as supervising the copyright and related rights collective management associations; drafting legal regulations and developing NIPS in cooperation with other stakeholders of the system; providing information and professional services, as well as education in the field of its activity; advocating the interests of RC in the relevant international organizations and other forms of international cooperation in the field of intellectual property.

Therefore, SIPO shall be awarded a corresponding coordination role and provided with appropriate instruments for the performance of the mentioned tasks.

#### Guideline 3 Optimization of SIPO statutory aspect

This guideline is based on the State Administration Reform Strategy. The first of the five basic fields of this Strategy covers Structural adjustments of the state administration system, and includes a subfield covering Reorganization of the state administration aimed at increasing efficiency and cutting costs.

It is necessary to revise which functions and activities should be performed in the state administration, and which can be more rationally and cost-effectively carried out by independent agencies, if possible based on the market principle, and to reallocate these functions and activities, as well as the civil servants and civil service employees. All the functions and activities which are necessary and which do not have the character of the state administration tasks should be gradually transferred to non-governmental subjects through various contractual and similar mechanisms (concessions, outsourcing, public private partnership, privatization, etc.). In this way, significant savings in the operational costs could be achieved<sup>11</sup>.

<sup>&</sup>lt;sup>10</sup> A list of the international treaties is enclosed in the Analytical Attachment.

<sup>&</sup>lt;sup>11</sup> From the State Administration Reform Strategy.

### Guideline 4 Optimization of SIPO managerial and organizational aspect

This guideline is, as the previous one, based on the determinants referred to in the State Administration Reform Strategy, indicating that: It is also necessary to rationalize the organizational structures in the state administration bodies (SABs) and to align them with the tasks and responsibilities which the SABs have to assume.

SIPO will revise its organizational structure, i.e. review in detail the suitability of the solutions referred to in the Regulation on the Internal Organization of SIPO, as in force. In addition, it will implement comprehensive measures for the improvement of its managerial function by introducing the strategic management system.

### **Guideline 5** Optimization of the industrial property granting procedures

SIPO will ensure a high quality, reliable, timely and cost effective procedure for granting industrial property rights. To achieve this, it will follow the best practices of national offices to determine the content, scope and structure of the specialized tasks to be carried out in their entirety in SIPO, using its own resources, in relation to the content and scope of use of the results of expertise carried out in the centres of excellence within the international intellectual property system.

#### **Patents**

The above mentioned guideline is particularly important for substantive examination procedures in the field of patents, where the strategic optimum for the acquisition of search reports and/ or preliminary examination reports from the best world specialized centres and from own substantive examination capacity in the chosen technical fields has to be carefully planned and defined. The optimum level is to be defined taking account not only of the estimated future number of patents to be granted or the structure of applications, but also of the involvement of the SIPO patent specialists in particular technical fields in the performance of the activities and implementation of measures for the realization of other strategic goals.

This strategic guideline is in a significant correlation with Guideline 19 referred to in the economy cluster of measures and Guideline 21 referred to in the science and technology cluster of measures.

#### Trademarks, industrial designs and geographical indications

Since the features of goods and services, that are most prominent to their buyers/end users, are sublimated in their appearance and presence of a trade or a service mark on the market, and since a modern buyer/consumer is increasingly guided by preference of the mark itself, trade and service marks, as well as industrial designs have become extremely significant, and, in certain branches, decisively important elements of business. SIPO will develop its resources, organizational framework and procedures in the manner to be able to achieve the highest standards in the protection of these forms of intellectual property or intangible assets.

On account of the accession to full membership of the EU, expected to take place in this strategic period, and the consequential membership of the Community Trademark (CTM) as well as (Registered) Community Design (RCD), a special attention will be paid to the impact of this membership on the SIPO organizational structure and scope of its activities in this field, and consequently, on the structure and scope of the required resources – primarily the human resources.

### Guideline 6 Strengthening SIPO information function

Having in mind that the information generated in the world intellectual property system is an inexhaustible source of valuable business, technological, marketing, scientific, artistic and cultural subject matters, as hardly ever used effectively in RC, SIPO will play an increasingly important role in collecting, processing, keeping, explaining and providing information to the public and other participants of NIPS. Such a strategy is also in line with the accepted development of the European patent system through a determinant on the European Patent Network.

### Guideline 7 Optimization of the copyright and related rights protection

SIPO will participate in the enforcement of copyright and related rights, by actively performing all the tasks comprising the application of law with respect to collective management associations (CMAs), thus contributing to the public position of CMAs. By strengthening and optimizing its role in the provision of information about copyright and related rights, SIPO will promote better understanding of and respect for copyright and related rights by the public. SIPO is a focal point for identifying problems in the enforcement of copyright and related rights, and it will, by a more proactive role with respect to CMAs and associations of users, provide assistance, as a neutral party, by giving advice or introducing working groups on multilateral basis.

Having regard to the changes occurring in the global business models related to the use of the subject matters protected by copyright and related rights (in particular, under the influence of the Internet), as well as other changes to be brought by the EU future membership, a special attention shall be paid to the re-definition of the role of SIPO, as the competent SAB, and consequentially, to the adaptation, in terms of organization and staff, to the possibly changed scope of SIPO activity.

#### Guideline 8 Optimization of the education and training activities

Due to a strongly manifested need for and demonstrable lack of appropriate resources for specialist education and training in the field of intellectual property, as well as due to a noticeable lack of professional and scientific or research work, as well as publishing activity in this field, SIPO will establish the Academy for Intellectual Property, as a separate organizational unit, starting from the internal organizational unit, which has carried out (partially) some of the mentioned activities so far.

#### **Guideline 9** Development of SIPO IT infrastructure

SIPO will pay a special attention to further improvement of its capacity and equipment for the implementation of the most modern information technologies, as the key factor of support to its strategic development. In this pursuit, SIPO will entirely follow the strategic lines of e-Croatia, on the one hand, and IT development trends in the field of intellectual property, on the other hand. SIPO will thereby ensure full compatibility of its IT system with the relevant national systems and the systems of WIPO, EPO, OHIM and others<sup>12</sup>.

Such compatibility is absolutely necessary due to the contemporary interconnection of the national, regional and international systems.

### Guideline 10 SIPO human resources (recruitment and development)

Experts in the field of intellectual property are the basic SIPO resources. The offer of such experts on the domestic market is very limited. Consequently, SIPO own development comprising the education potential at SIPO, but also the potential to motivate the staff for its permanent engagement at SIPO is required. To recruit specialized experts and to keep them employed in order to perform the SIPO tasks, such as provided by this Strategy, is not possible to be carried out within the framework of the civil servants system (and/or legislation). Thus the question is whether to ensure an alternative status<sup>13</sup> of SIPO or to abandon the ambitious strategies, and to reduce its functioning to the elementary administrative tasks to be carried out within the scope of its activities.

### **MEASURE 3 Preparation of the SIPO Strategic Development Plan**

SIPO shall prepare its Strategic Development Plan based on the above mentioned strategic guidelines (guidelines 3 to 10)<sup>14</sup>.

### MEASURE 4 Adoption and implementation of the SIPO Strategic Development Plan

MELE shall take a decision on the strategic development of SIPO by adopting the Strategic Work and Development Plan, and shall support such a development by approving and/or proposing to the Government of RC changes in the respective policies, organizational adjustment and procurement of the necessary resources.

# MEASURE 5 Statutory change in accordance with the provisions of the State Administration Reform Strategy, and the findings of the Feasibility Study Concerning the Transformation of SIPO to a Self-Financing Organization

The optimal scope of the activities and competencies of SIPO shall be determined more clearly through the activities engaged in the strengthening of the strategic cooperation and operational coordination with the competent bodies and organizations, included in the national innovation system and NIPS. Based on the above mentioned, the optimal future status of SIPO as an organization shall be determined in accordance with the models of the most successful European national offices and the respective feasibility study.

### 3.2.1.2. Ministry of the Interior (MI) – the General Police Directorate (GPD):

**Guideline 11** Improvement of the crime prevention, detection and suppression system<sup>15</sup> Consequences of threats to security imposed by crime (criminal activity) in Croatia constitute about 50% of all the harmful consequences occurring in the area of public security. Detection and suppression of the same is the basic task of the police and judiciary. Suppression of corruption and organized crime is one of the main goals of the Government of RC, and a special strategic document<sup>16</sup> has been adopted to achieve that goal. Transnational organized crime includes various activities, and in particular, arms and drug dealing, as well as human trafficking. All the mentioned activities are menace to both the society and the legal order.

<sup>&</sup>lt;sup>13</sup> In accordance with guideline 3.

<sup>&</sup>lt;sup>14</sup> SIPO Strategic Plan covers the same period as the Strategy (2010-2012).

Special goal no. 10.1 within the framework of the general goal no. 10 from the Strategy of the Government. Programmes 2010-2012 – "Police and armed forces in service of the citizens".

<sup>&</sup>lt;sup>16</sup> Anticorruption Strategy and the Action Plan for the fight against corruption.

The above mentioned strategic guideline (goal) does not expressly mention the combat against the infringements of intellectual property rights, although intellectual property rights are an extremely important object of the increasing organized crime global activity. In addition to its economic importance, this form of organized crime has a huge social importance due to its potential threat to the health and security of the people using counterfeited products (primarily medical products). This guideline is expressly supplementing this subject matter, since the very lack of focus of the police activity all over the world on this form of organized crime has brought it to such a level that it is now difficult for it to be suppressed.

**Guideline 12** <u>Criminal Police Reform</u> has been indicated as the main activity in achieving the goal as set forth. The Criminal Police reform at all the levels of its activity has to: strengthen capacities for the suppression of corruption and organized crime, reorganize the Criminal Police at all the levels of its activity, build and strengthen capacities of the National Police Office for the Suppression of Corruption and Organized Crime.

### MEASURE 6 Higher attention to the suppression of the infringements of intellectual property rights

A higher attention shall be paid to the suppression of the infringements of intellectual property rights, through incorporation of the fight against the infringements of intellectual property rights in the strategic documents of the Government relating to the suppression of corruption and organized crime.

### MEASURE 7 Organizational development of the Criminal Police specialized unit

An appropriate settlement of the status of a specialized organizational unit for intellectual property within the system of suppression of organized and economic crimes.

### MEASURE 8 Improvement of the Criminal Police capacities in terms of facilities and equipment

The Criminal Police (CP) Directorate will be provided with sufficient facilities for the storage of the seized counterfeited and pirated goods, to be used, if possible, in cooperation with the Customs Administration and the State Inspectorate, as well as the required equipment and technical means.

### MEASURE 9 Improvement of the human resources in the Criminal Police

The Criminal Police activities have been performed by the police officers specialized in the relevant fields. Their additional training is required with respect to the implementation of measures against the infringements of intellectual property rights, and such trainings shall be, when appropriate, organized also including the customs and inspection officers. The Criminal Police Directorate shall continue to organize (specialized) trainings (i.e. product specific and target oriented trainings, including courses, organized by the industry, on its main products, its technological protection measures, identification of pirated and counterfeited goods, and on other matters).

### 3.2.1.3. State Inspectorate (SI)

**MEASURE 10 Organizational development of the State Inspectorate specialized unit** Appropriate enlargement/improvement of the State Inspectorate specialized unit for intellectual property, within the inspection supervision system.

### MEASURE 11 Improvement of the State Inspectorate capacities in terms of facilities and equipment

The State Inspectorate will be provided sufficient storage facilities for the seized counterfeited and pirated goods, to be used, if possible, in cooperation with the Criminal Police and the Customs Administration, as well as the required equipment and technical means.

### MEASURE 12 Improvement of the human resources in the State Inspectorate

The SI activities have been performed by the inspectors specialized in the relevant fields, and their additional training is required (organized, if possible, together with the customs and inspection officers) with respect to the implementation of measures against the infringement of intellectual property rights. SI will continue to organize (specialized) trainings (i.e. product specific and target oriented trainings, including courses, organized by the industry, on its main products, its technological protection measures, identification of pirated and counterfeited goods, and on other matters).

### 3.2.1.4. Ministry of Finance – Customs Administration (CA)

### MEASURE 13 Organizational development of the Customs Administration specialized unit

Appropriate enlargement/improvement of the Customs Administration specialized organizational unit for intellectual property, within the framework of suppression of customs offences and other illegal actions in the movement of persons, goods and services across the border of the Republic of Croatia.

### MEASAURE 14 Improvement of the Customs Administration technical equipment

The Customs Administration shall be provided with the required equipment and technical means for an effective prevention of the infringements of intellectual property rights within the framework of suppression of the customs offences and other illegal actions in the movement of persons, goods and services across the border of the Republic of Croatia.

### MEASURE 15 Improvement of the human resources in the Customs Administration

Further training of the customs officers is required (organized, if possible, together with the police and inspection officers) with respect to the implementation of measures against the infringement of intellectual property rights. Customs Administration shall continue to organize (specialized) trainings (i.e. product specific and target oriented trainings, including courses, organized by the industry, on its main products, its technological protection measures, identification of pirated and counterfeited goods, and on other matters).

### 3.2.1.5. Judicial Bodies

**Guideline 13** Strengthening the effectiveness of the judiciary in the protection of intellectual property rights<sup>17</sup>

The Government of RC has a clearly defined goal – to take measures which will improve the efficiency of the judiciary in the protection of the rights of citizens and in the economic growth.

General goal no. 3, from the Strategy of the Government Programmes 2010-2012, special goal no. 3.1 – Judicial Reform.

The judicial reform is focused on the strengthening of the rule of law and the independence and impartiality of the Croatian judicial system, the improvement of efficiency and effectiveness of the judiciary through reducing the number of pending cases and the backlog, and improving the court management, the strengthening of the professionalism through a high quality education, and an objective and transparent system of career-management of the judicial staff.

### MEASURE 16 Education of the members of judicial bodies

Continuous training and education of the members of the judicial bodies directly affects the effectiveness of the judiciary and a high quality preparation of the judicial system for the EU membership. The relevant Ministry takes measures necessary for the improvement and development of the Judicial Academy and the establishment of the State School for Judicial Officials, as well as development of the program for the specialized training of trainees, court counsellors, judges and State attorneys<sup>18</sup>.

The teaching modules on intellectual property in the Judicial Academy Curriculum will be continually applied and modernized. Additional specialized training of judges will be carried out through both the permanent and the ad hoc international specialized programs for judges, within the European and the world intellectual property systems. MJ shall, in cooperation with SIPO, continue to strengthen the relations with EPO, and establish relations with OHIM, to ensure the participation of judges dealing with intellectual property rights in the seminars and meetings, regularly organized for judges by those institutions.

### MEASURE 17 Increase in the transparency of the work of the judicial bodies

Aiming at achieving the above mentioned, measures have been taken for the publication of the case law on the web site, and publishing of publications for the purpose of informing the public, particularly of those important for the operation of the court (judicial bodies) and actions taken by the parties.

MJ will take measures including the collection and publication of the rendered final judgments, thereby indirectly contributing to a more harmonized interpretation of the relevant laws in the field of intellectual property rights. MJ will, in an appropriate manner, make available the data on initiated and concluded procedures for the protection of intellectual property to interested NIPS participants. The relevant published case law relating to the intellectual property legal field will further be collected, grouped and published in an appropriate manner and used in further education.

#### 3.2.2. IMPROVEMENT OF COOPERATION AMONG COMPETENT INSTITUTIONS

This strategic aspect is of permanent nature and forms part of the overall Government effort in defining and establishing a closer and more harmonized cooperation among SABs, based on joint programs. Such a general goal is to be achieved in a wider context. The measures which are, within such a context, the most directly related to the cooperation among the state administration bodies – the NIPS participants, have been described in detail in Chapter 3.5.2 – Increasing Efficiency of the Enforcement of Rights.

One of the methods for achieving the goal as set forth (goal 3.1) from the Strategy of the Government Programmes.

This Chapter is only providing for the establishment of a supervisory body for NIPS, as its fourth component and as a coordination mechanism for the implementation of this Revised Strategy.

### Guideline 14 Establishment of a high level supervisory body for NIPS

A coordination role of the Government of RC in the implementation of the Strategy, i.e. the strategic coordination in terms of implementation of the guidelines, is carried out on the ministerial level. Having regard to the content and structure of the measures referred to in the Revised Strategy, the Supervisory Council for NIPS shall be composed of the Ministers competent for: the economy, science, culture, agriculture, justice and the interior affairs.

### MEASURE 18 Supervision and coordination of the Strategy implementation

The Supervisory Council for NIPS shall revise the implementation of the strategic measures according to the strategic guidelines twice a year and shall approve the possible amendments to the Action Plan. Technical coordination in terms of the implementation of the measures and the performance of the specific activities referred to in the Action Plan shall be carried out by SIPO in a manner to submit twice a year a report to the Supervisory Council for NIPS, on the measures as implemented and activities as performed, as well as on the possible proposals for amendments to the Action Plan given by the competent authorities.

Once a year, the Government shall revise the implementation of the Strategy on the basis of the reports prepared by SIPO, and approved by the Supervisory Council for NIPS.

### Strategic Goal 3

### 3.3. IMPROVEMENT OF THE NATIONAL INTELLECTUAL PROPERTY INFRASTRUCTURE

The Government will initiate and support the creation of a modern national intellectual property infrastructure, which includes the improvement of the existing and further development of the new professional services, provided by the competent subjects (primarily SIPO) on the one hand, and the establishment and development of the lacking specialized subjects of the NIPS, on the other hand.

**Guideline 15** Improvement of the existing and development of the new professional services SIPO will ensure to its users better preconditions for understanding intellectual property and its effective protection, as well as its profitable use (exploitation), by improving the quality and efficiency in providing the existing professional services, by developing new professional services in the field of search and analysis of information on the registered industrial property, and by developing public services for training and specialization of experts in the field of intellectual property, and other corresponding professional public services.

The basis for the improvement and development of services is the efficient monitoring of the needs of users and stakeholders. In addition to the users in a narrower sense, whose satisfaction will be monitored through the respective periodical pooling, SIPO will monitor the needs of other stakeholders, such as for example, the right holders' associations, economic subjects, research and development institutions, organizations supporting innovation system, educational institutions, etc., in order to adjust its activity to their needs to the most possible extent.

### Guideline 16 Establishment and development of the lacking NIPS subjects

Modern national intellectual property systems are very complex and include a large number of participants of various nature, status, size and role. The Croatian NIPS is an advanced and well developed system, but it is lacking certain subjects that would perform particular activities and functions efficiently. They have not been developed due to the lack of demand for the provision of services comprising sophisticated management of intellectual property in RC. Since this is one of the main goals of this Strategy, their development should be supported for the sake of the future needs of the Croatian economy.

#### MEASURE 19 INCENTIV - SIPO Information Centre for Intellectual Property

The quality and content of the professional services provided in the field of search and analysis of the information on the registered industrial property, and the efficiency in the provision thereof will be further improved. The Croatian users will benefit from continuous provision of the existing international tools (such as translations and publications of all the relevant classifications, WIPO IP Standards, etc.), as well as the information infrastructure (SIPO web site, HR.Esp@cenet, etc.). The function comprising the provision of support to NIPS users in terms of an information point, providing information about all the aspects of intellectual property system will also be constantly improved.

### **MEASURE 20 Academy for Intellectual Property**

The Academy for Intellectual Property, the scope of which will cover education, research and publishing in the field of intellectual property, will be formed, in an appropriate status and organizational form, from the already existing organizational unit of SIPO. As regards education, the Academy will develop and implement both, the internal education programs intended for SIPO employees, and the public education programs.

### MEASURE 21 Centre for Mediation and Intellectual Property Disputes Resolution

The Centre for Mediation and Intellectual Property Disputes Resolution will be formed in an appropriate status and organizational form, if possible, in cooperation with other infrastructural entities, as are provided by this strategic guideline.

#### MEASURE 22 Centre for Intellectual Property Related Business Services

The Centre for Intellectual Property Related Business Services, including the possibility of copyright works deposit and *escrow* agent services, will be formed in an appropriate status and organizational form, if possible, in cooperation with other infrastructural entities, as are provided by this strategic guideline.

### MEASURE 23 Centres for intellectual property related special services

Centres for intellectual property related special services (assessment of values, drafting of patent applications, specialized translations, etc.) will be formed in an appropriate status and organizational form, if possible, in cooperation with other infrastructural entities, as are provided by this strategic guideline.

### Strategic Goal 4

### 3.4. IMPROVEMENT OF THE CREATION AND USE (EXPLOITATION) OF INTELLECTUAL PROPERTY

Improvement of the creation and use of intellectual property in RC is the most complex strategic goal as set forth in this Strategy, since it is relating to the use of intellectual property as an instrument in the entrepreneurial activity, as the subject of macroeconomic policies, as an actuator of the scientific, technological and artistic creativity, and as an element in the implementation of other important public policies, such as environmental protection, harmonization of regional development, health protection etc.

This goal is focused on the achievement of the optimum between the total public expense invested in the establishment and maintenance of an advanced system of protection of intellectual property rights on the one hand, and the total social benefit provided by the system on the other hand.

For the sake of clearness and easier implementation, the respective measures have been grouped in the following clusters:

- a) economy cluster
- b) science and technology cluster
- c) culture cluster
- d) other public policies cluster

The majority of the guidelines and measures has been taken from the Strategy of the Government Programs 2010-2012 and are based on the strategic plans of the competent authorities. In that sense, they have not been introduced by this Strategy, but only selected from the Government Strategy due to their connection with intellectual property and incorporated in this document in order to have an entirely and clearly defined NIPS horizon for a period 2010-2012 described in a single document. Therefore, by adopting and implementing this Strategy, the Government of RC has been supporting horizontal processes, in the implementation of many parts of the Strategy of the Government Programs.

#### Guideline 17 Optimal climate for the development of the competitive economy<sup>19</sup>

Within the framework of the general goal such as defined, the priorities of the economic policy are stated to be: the strengthening of entrepreneurship, tax reduction, growth of employment, strengthening of the social security system, and strengthening of the role of science and new technologies in the economy.

General goal no. 2 from the Strategy of the Government Programmes 2010-2012 – "Optimal climate for the development of the competitive entrepreneurship".

### Guideline 18 Stimulation of knowledge, excellence and culture<sup>20</sup>

The development of NIPS is one of the most important power tools in the achievement of this general goal, as well as in the realization of the priorities specified in the mentioned general goal.

#### 3.4.1. ECONOMY CLUSTER OF MEASURES<sup>21</sup>

Guideline 19 Improvement of the production processes and market competitiveness of products

The strengthening of competitiveness of economic subjects has been specified as one of the special goals, including among other things:

The improvement of the production processes and market competitiveness of products is implying the networking of production and knowledge, i.e. the introduction of new technologies and technological processes, the modernization of the existing technologies and technological processes, the development of new products and products with increased value added, as well as the effective application of the intellectual property protection system<sup>22</sup>.

The creation of the environment stimulating the development of innovative economy through an effective protection system providing for the application and enforcement of intellectual property rights, which is a strategic guideline fully aligned with the strategic guidelines for the development of SIPO, is stated to be one of the main methods to be used in the achievement of the mentioned goal<sup>23</sup>.

<sup>&</sup>lt;sup>20</sup> General goal no. 4 from the Strategy of the Government Programmes 2010-2012 – "Stimulation of knowledge, excellence and culture".

<sup>21</sup> It has to be pointed out that the mentioned measures are not the only measures relating to and/or affecting the economic exploitation of intellectual property. On several occasions it has been pointed out that this is one of the main aspects and final goals of this Strategy, and the majority of measures are in principle also related directly or indirectly to the economic aspect. Nevertheless, it is worth mentioning that there are measures which are expressly aimed at the economic exploitation of intellectual property, and which are mentioned elsewhere due to the methodological reasons.

Special goal no. 2.1 from the Strategy of the Government Programmes 2010-2012 – "Strengthening the capacity of economic subjects".

<sup>&</sup>quot;The creation of an environment stimulating the development of the innovative economy through the efficient protection system, and the use and enforcement of intellectual property rights. A high quality, efficient and financially acceptable protection system, as well as the use and enforcement of intellectual property rights will develop a stimulating environment for a creative and innovative development of the economic activities, ensuring thereby a fair market competition and optimal balance between the private interest of right holders and general public interests. By further developing the quality of the registration system and by granting industrial property rights, performing activities to develop the use of intellectual property as development and business resources, as well as by improving the system of the enforcement of intellectual property rights through the development of the respective coordination and cooperation mechanisms among the competent bodies, SIPO will contribute to the creation of such an environment. By improving the quality and efficiency in the provision of the existing and development of the new professional services in the field of search and analysis of information on the registered industrial property, and by developing public education services, SIPO will provide the users with better pre-conditions for the understanding of the system and the efficient protection of intellectual property rights."

### **MEASURE 24 Program of technical assistance to enterprises**

SIPO will, in cooperation with MELE, develop a public service program, which will assist economic subjects to increase competitiveness in connection with intellectual property. The program will run on the principle of "enterprises which learn" how to improve business activities by:

- a) preventing competitors from copying or illicitly imitating goods or services of enterprises,
- b) avoiding wasting of funds for research, development and marketing,
- c) creating corporative identity and/or strengthening the market position through active strategies of trade or service marks,
- d) negotiating licensing ("in" or "out"), franchising or other contractual transactions based on intellectual property,
- e) increasing the market value of a company by increasing the value of its intangible assets.
- f) acquiring a venture capital and facilitated and improved access to financial resources.
- g) facilitating the entry to new markets,
- h) avoiding unintended infringements of somebody else's intellectual property rights avoiding thereby judicial disputes, compensation for damage and loss of market share (profits),
- lawful and legitimate free of charge use of all the most valuable world technologies, the patent protection of which does not extend to RC and/or other relevant markets.

### MEASURE 25 Support to the use of intellectual property through tax incentives

The tax system shall be studied in its entirety and proposals shall be given concerning the parts thereof, the extent to which and how such parts may be used by RC as an incentive to active entrepreneurial use of intellectual property on the national and international level.

### MEASURE 26 Financial support to the use of intellectual property

The MELE projects financing the state of the art searches, applications for the protection of intellectual property, construction of prototypes, displays at exhibitions and fairs, licensing and other forms of exploitation of intellectual property, intended for innovators and enterprises, shall be implemented and further developed in successive annual periods.

### MEASURE 27 Support to better managerial decision-making in the use of intellectual property

The development of the content and structure of the statistical data on intellectual property, and the method of their collection, processing and publication, as the basis for a reliable macroeconomic monitoring of and decision-making on intellectual property in the RC economy shall be stimulated, and the financial and bookkeeping methods of keeping business records, capitalization and evaluation of intellectual property value as an intangible asset shall be stimulated and developed.

### MEASURE 28 Support to the recognition and adoption of good practices in the use of intellectual property

A bilateral cooperation with the relevant national institutions of the Scandinavian countries

including Denmark, Finland and Sweden will be established for the purpose of gaining a direct insight into and appropriate application of the best world experience in the use of intellectual property, as a factor of the economic growth.

### MEASURE 29 Promotion and stimulation of the use of intellectual property

A National Award for Innovation (which includes the application of intellectual property) will be established as a measure for the promotion and stimulation of a serious and targeted inventiveness, of a higher technological level, and industrial usability.

#### 3.4.2. SCIENCE AND TECHNOLOGY CLUSTER OF MEASURES

Guideline 20 Development of science as an initiator of a long term economic and social development<sup>24</sup>

The rapid development of science and technology under the globalization conditions makes the acquisition of knowledge and its productive application a major challenge for competitive economies and societies. The development of the science and technology system will allow Croatia to be developed as a state oriented to knowledge and innovations, with the final goal to increase competitiveness and productivity, as well as to achieve a stable economic growth. Scientific research and the effectiveness of transferring the results (innovations) into goods, services and processes act as one of the fundamental power tools in the creation of a competitive economy and a knowledge based society.

### MEASURE 30 Effective protection and application of intellectual property in the academic community<sup>25</sup>

The culture of intellectual property protection is desired to be increasingly spread in the Croatian academic community, providing the basis for the development of the society of knowledge and knowledge based economy. Introduction of the systematic education in the field of intellectual property and strengthening of cooperation and coordination between the academic community and the relevant professional organizations in the promotion and development of the use of intellectual property rights will contribute to the achievement of this goal.

<sup>24</sup> Special goal 4.2 from the Strategy of the Government Programmes – "Development of science as an initiator of a long term economic and social development".

The importance of science and technology is crucial for the development of a modern State, its progress and prosperity. The biggest competitive advantage enjoyed by a society is a large number of own innovation processes and technology solutions, and, in such a context, science gives vital contributions to knowledge-based economies... The National Science Council and the National Council for Higher Education, the highest professional and advisory bodies appointed by the Croatian Parliament, together with MSES, are responsible for the development and quality of the overall system.

Measures 30 and 32, as well as Guideline 21 has been defined as the methods for the achievement of the above mentioned goal. Apart from the methods indicated herewith, the Strategy of the Governments Programmes provides for the following methods for the achievement of the mentioned goal: strengthening of the international cooperation, raising public awareness about and confidence in the science and technology, development of the stimulating funding of the scientific activity of public institutes, scientifically profiled universities and other scientific institutions etc.

### Measure 31 Management of intellectual property resulting from the publicly funded research

For the purpose of significantly stimulating the innovation development based on the publicly funded research results, on the model of the world and European best practices<sup>26</sup>, the drafting will be considered of the respective legislation framework which would regulate intellectual property resulting from such research more clearly and in a more stimulating manner.

**MEASURE 32 Improvement of the professional services relating to intellectual property** By improving the quality and efficiency in the provision of the existing and development of the new professional services in the field of search and analysis of information on the registered industrial property, adjusted to the needs of the academic community, the State Intellectual Property Office will provide the scientists and researchers with better pre-conditions for an effective protection of the results of their work.

### Guideline 21 Recognition and development of the priority fields

The priorities which would allow the globalization of knowledge, scientific propulsion, and economic efficiency based on social values, as well as such which directly support a rapid development of the fundamental economic branches are promising for Croatia. Croatia has to identify, stimulate and develop highly specialized niches, by which it would become recognizable in the global knowledge society and important on the world market.

### MEASURE 33 Development of SIPO resources for priority technical fields

SIPO will develop its expertise within the framework of such highly specialized niches, recognized as priority technical/technological fields, in the manner that it will engage and develop its own resources, primarily human, information, and IT resources, as well as material preconditions for such defined technical fields.

#### **Guideline 22** Stimulation of the scientific system excellence

The excellence of the scientific research sector should be demonstrated through innovativeness, originality, efficiency, increase in the number and quality of patents, publication of top-level scientific papers, and, above all, through rationality, adaptability and the ability to transfer knowledge into the economy, as well as through cooperation with high education institutions and research institutes<sup>27</sup>.

For instance, in the USA the so-called the Bayh-Dole Act (*University and Small Business Patent Procedures Act*), according to which certain types of institutions that develop innovations as a result of the publicly funded research may, under certain conditions, retain the right of disposal with intellectual property related to them. In the European Union, see *CREST Report 1206/04 – Application of the open method of coordination in favor of the Barcelona research investment objective (14 October 2004) or Commission Recommendation of 10 April 2008 on the management of intellectual property in knowledge transfer activities and Code of Practice for universities and other public research organizations [C(2008/1329)].* 

Special goal 4.3 from the Strategy of the Government Programmes – "Stimulation of excellence of the science system".

### MEASURE 34 The state of the art as a criterion for projects funding

The achievement of this goal will include introduction, in an appropriate manner, of the obligation for scientific and research institutions to analyze the existing state of the art contained in the patent literature (searching the relevant sources of patent information), as one of the criteria/preconditions used in the application procedure related to scientific research projects funded from the public funds. This will result in double benefit: first, avoiding uneconomical spending of limited funds on research the "targeted results" of which already form part of the world state of the art (patent literature), and second, providing researchers with actual and reliable starting point (the achieved world level) for further research.

### MEASURE 35 Establishment and development of offices for technology transfer<sup>28</sup>

A significant number of offices for technology transfer have been established at high education institutions and scientific research institutes aiming at the introduction of the system of identification, evaluation, protection, as well as assistance in the commercialization of intellectual property created by scientists and researchers. Following the examples from the European practice, such offices may offer similar services to the local innovation and/or business community.

### MEASURE 36 Support to technology-related programs in the economy

The Business Innovation Centre of Croatia (BICRO d.o.o.) is in charge of the implementation of the Government technology development support programs in order to increase the competitiveness of domestic enterprises and products, and to create conditions for a successful transfer of knowledge.

### MEASURE 37 Establishing connections between the scientific research and economy sectors

The Croatian Institute of Technology develops and implements programs and projects aimed at the establishment of the functional connection between the scientific research resources and other segments of the social and economy system in order to create conditions for the development of new technologies and innovations, in conformity with the concept of sustainable development and competitiveness on the global market. A significant role in establishing such connections is played also by BICRO and its respective programs.

### **MEASURE 38** Increase in the quality of scientific researchers

Universities and scientific public institutes, will, together with the business and public sector, and supported by the Government, develop the innovation and the transfer of knowledge policies, aiming at the extension of the scope of the innovation and research bases. Universities have to create preconditions for innovation and business projects of students by systematically providing interdisciplinary knowledge, evaluating and awarding innovation projects and setting up students' business incubators.

Measures 35, 36, 37 and 38 have been set forth as the method for the achievement of the mentioned goal. In addition to them, the Strategy of the Government Programmes provides for the following: development of integrated scientific programs, establishment and development of the centres of excellence in science, stimulation of science infrastructure centers, intensification of inclusion of the science system in the European research area, competitive projects launched by the National Foundation for Science, Higher Education and Technological Development, doctoral studies reform and doctoral candidates, inclusion of students in research and innovations, additional awarding and stimulation of scientific excellence, development of the system strengthening the human resources competencies.

### MEASURE 39 Education of students in the field of intellectual property

To provide support to the previously mentioned measure, an appropriate systematic education of students in the field of intellectual property matters will be developed through the respective formal curricula, as an improvement of the sporadic education carried out so far within the courses of lectures at the relevant faculties. The Academy for Intellectual Property will cooperate with the academic community in developing such curricula, including, if necessary, development of special curricula within the Academy.

### 3.4.3. CULTURE AND ART CLUSTER OF MEASURES

### Guideline 23 Development of the cultural and artistic creativity<sup>29</sup>

Development of the cultural and artistic creativity including all the forms of stimulation and promotion of culture and cultural activities will contribute to the development and improvement of the cultural life in RC. Increasing the cultural expenditure and supporting participation in culture as the quality of life of population are essential for the maintenance of culture as the sector creating and producing goods and values and for the development of socially cohesive cultural effects.

Stimulation of intellectual creativity through an appropriate protection of the interests of creators is one of the main reasons for the establishment of the intellectual property system, and the appropriate development of NIPS, primarily in the field of copyright and related rights, is directly contributing to the achievement of the mentioned goal.

### MEASURE 40 Realization of the program of public needs in culture

Starting from the achieved level of the development of culture and cultural activities, the realization of the program of public needs in culture will improve all the segments of the cultural and artistic creativity and production, strengthen the participation in the overall cultural life, safeguard the cultural diversity, strengthen the uniformity of the cultural development, promote culture as a development force of the society, raise the awareness about the evaluation of the cultural product, as well as strengthen the cultural entrepreneurship and the status of artists.

An effective national intellectual property system appropriately integrated in the global system of intellectual property is one of the key bases for the development of the cultural entrepreneurship. MC will, in cooperation with SIPO and CMAs, promote respect for the legitimate moral and economic rights of the authors and holders of related rights through the respective public promotional activities.

### MEASURE 41 Implementation of the program stimulating cultural entrepreneurship

The implementation of the program stimulating cultural entrepreneurship will stimulate the majority of the cultural production through investment in the development and application of new technologies in culture, stimulation of competitiveness of cultural industries, marketing activities of entrepreneurs in culture, as well as through the stimulation of innovations in culture.

Special goal 4.5 from the Strategy of the Government Programmes "Development of the cultural and artistic creativity".

MC will, in cooperation with SIPO and the Croatian Audiovisual Centre, study, select, translate, as well as distribute and promote, in an appropriate manner, the relevant professional publications on entrepreneurship in various artistic fields, published by the World Intellectual Property Organization.

### MEASURE 42 Increase in the contribution provided by the culture sector to other social sectors

The increase in the cultural expenditure and participation, including cultural amateurism, as well as the strengthening of interest of other sectors (economy, tourism, education, science) in the contribution of culture to their development will be continually stimulated. To develop the creation of the Croatian cultural product by stimulating artists, cultural workers and institutions dealing with culture to create the works, included in their programs, on the domestic and the European cultural markets.

SIPO will, in cooperation with Central Bureau of Statistics and supported by the competent Ministries, carry out regularly, and within the appropriate time intervals, a study on the economic contribution of the copyright and related rights based activities to the Croatian economy.

### **MEASURE 43 Strengthening the role of the artistic education**

MSES, SIPO and MC will support the strengthening of the artistic education in the school system, in the lifelong education, and in the media, as well as the development of the culture management program.

MSES and MC will, in cooperation with SIPO, initiate a systematic introduction of education on the relevant aspects of intellectual property in all the forms of artistic education.

**Guideline 24** Optimizing of the model for the protection and preservation of cultural goods<sup>30</sup> Cultural heritage<sup>31</sup>, tangible and intangible, is a common wealth of humanity in terms of its diversity and its specific character, and its protection is one of the important factors for the recognition, definition and affirmation of cultural identities. The Ministry of Culture develops mechanisms and establishes measures for the protection of cultural heritage in order to ensure its sustainability comprising the identification, documentation, research, preservation, protection, as well as promotion of its values.

<sup>30</sup> Special goal 4.6 from the Strategy of the Government Programmes – "Creation of the optimal model for the protection and preservation of cultural goods".

The cultural heritage comprises the movable and immovable cultural goods of the artistic, historical, paleontological, archeological, anthropological and scientific importance, archeological sites and zones, landscapes and the parts thereof bearing witness to human presence, intangible forms and outputs of the human intellectual creativity in the history, as well as documentation and bibliographic heritage and buildings, or areas in which cultural goods and the documentation about them have been permanently kept or displayed.

Copyright and related rights collective management associations shall allocate a part of the remunerations collected for the use of various copyright works and other subject matters of copyright and related rights for the purpose of stimulating the above mentioned protection of the Croatian cultural heritage.

### MEASURE 44 Development of the Register of Cultural Goods and other data bases within the cultural heritage protection system

The Ministry of Culture will, using its experience in the standardization of documentation and in developing the EU supported program, plan and finish development of the Register of Cultural Goods of RC. The digitalization will speed up the registration of cultural goods and make the data on cultural goods available to the public on the Internet<sup>32</sup>.

MC will, in cooperation with SIPO and the professional public, analyze the issues of trademark and industrial design protection (exclusions from protection) in relation to the registered works of cultural heritage. Furthermore, SIPO will, in cooperation with MC, monitor the development of the international legal instruments in the field of intellectual property relating to the protection of traditional knowledge and traditional cultural expressions (folklore), and initiate, if necessary, the relevant national measures.

#### 3.4.4. CLUSTER OF MEASURES FOR OTHER RELEVANT PUBLIC POLICIES

### Guideline 25 Regional development policy<sup>33</sup>

The goal of the regional development policy of RC is to contribute to the overall national growth and development by creating conditions that will reduce the social and economic developmental disparities among statistical regions and counties, and allow the supported areas to become competitive.

#### MEASURE 45 Protection and promotion of the production on the islands

In order to develop, promote and stimulate the production on the islands and to improve the quality of the products including the characteristics of the island tradition, a designation of the products produced on the islands have been introduced. This allows the island products to be distinctive, to have better position on the market and to be promoted on the national and international market. The relevant NIPS elements will support further development of the protection of island products<sup>34</sup>.

<sup>&</sup>lt;sup>32</sup> General goal 3 from the Strategy of the Government Programmes – "Strengthening the State of law, and the rule of law", special goal 3.4 – "Strengthening the legal security in economic operations and real estate transactions".

<sup>&</sup>lt;sup>33</sup> General goal no. 5 from the Strategy of the Government Programmes – "Uniform regional development" including a special goal 5.1 "Stimulating competitiveness of the Croatian regions".

<sup>&</sup>lt;sup>34</sup> The implementation of this measure has been based, apart from the goals mentioned in the Strategy of the Government Programmes, on a large number of the previous documents and legal regulations (for example, the National Islands Development Programme (1977), The Islands Act (OG no. 34/99, 32/03, 33/06).

### Guideline 26 Increased competitiveness of the agricultural, food and fishery sector<sup>35</sup>

The main goal of the overall agricultural and rural policy is to increase the competitiveness of agriculture, to improve the status of farmers and fishermen and to improve the quality of life in rural areas. Within the framework of the agricultural policy, funds are invested in the programs for the agricultural products market regulation and the increase in the food industry competitiveness in order to increase the quality of food and stimulate the ecological agricultural production and to achieve the ability of Croatia to be recognized as the country of the high-quality food (...).

### MEASURE 46 Protection and production of autochthonous agricultural products and foodstuffs, plant varieties and animal breeds

Having regard to the world production and consumption trends, agricultural products and foodstuffs of a recognizable and autochthonous character have been increasingly appreciated. The European Union has recognized the value of such products and has supported their preservation by various programs improving the quality, protection and distribution thereof. Therefore, MAFRD will continue to develop the system of registration and protection of geographical origin, designations of origin and indications of the traditional reputation of agricultural products and foodstuffs, as well as plant varieties and animal breeds.

To that effect, MAFRD will, in cooperation with SIPO, continue to strengthen the infrastructure for the protection of geographical indications and designations of origin of agricultural products and foodstuffs.

### **Guideline 27** <u>Protection of human, animal and plant health, and protection of consumers' interests</u><sup>36</sup>

In order to protect human, animal and plant health, as well as the interests of consumers, the system of safety and quality of food, and animal food, the system of health and protection of animals, as well as the system of plant health care have to be improved, with a clear allocation of competencies and responsibilities of all the bodies and institutions involved in the mentioned system.

The system of official controls in the field of food and feed safety and quality, animal health and protection, as well as plant health care that includes the conformity assessment and control in the field of agricultural products and foodstuffs protected by designations of origin, geographical indications and indications of traditional reputation, may function only where the effective organization of official controls has been established.

### MEASURE 47 Establishment and strengthening of the system of official controls

In order to achieve the efficiency and uniformity of official controls, the Ministry of Agriculture, Fishery and Rural Development coordinates the preparation of the Perennial Official Controls

<sup>&</sup>lt;sup>35</sup> General goal no. 8 from the Strategy of the Government Programmes – "Increased competitiveness of the agricultural, food and fishery sector", including a special goal 8.2 – "Improvement of the market mechanisms for the sale of agricultural, food and fishery products".

<sup>&</sup>lt;sup>36</sup> General goal no. 8 from the Strategy of the Government Programmes – "Increased competitiveness of the agricultural, food and fishery sector", including a special goal 8.3 – "Protection of human, animal and plant health, and protection of consumers' interests".

National Plan, Annual Official Controls Plan based on the risk assessment for particular areas, Procedures for Carrying Out Official Controls intended for the persons carrying them out..., as well as authorizes accredited official and reference laboratories and appoints control bodies.

### Guideline 28 Environmental protection and physical planning<sup>37</sup>

The protection and conservation of nature will ensure the stability of the basic values and potentials for further development of RC. The aim is to conserve the existing biological, landscape and geological diversity, to recover a part of the lost species (taxa) and habitats, if possible and justified, as well as to develop an appropriate system for the evaluation and conservation thereof.

Strengthening the protection and conservation of the biological, landscape and geological diversity on the regional and local level, education and training, inter-departmental cooperation, as well as inclusion of the public is aimed at raising the awareness of the need for the conservation thereof in all the forms of political, economic and social activities.

#### MEASURE 48 Protection and conservation of nature

The Ministry of Culture will improve the collection and recording of data on the biological, landscape and geological diversity, and will stimulate the further research and study thereof, contributing thereby to the protection and conservation of rare, endangered and protected wild species and habitats. A single nature protection information system will ensure a unified, simple and efficient transfer of data and information within the nature protection system, and towards other sectors, the economy, entrepreneurship and interested public.

MC will, in cooperation with SIPO, monitor the development of the international legal instruments in the field of intellectual property relating to genetic resources and protection of biological diversity, and will initiate the corresponding national measures, if necessary.

### MEASURE 49 Inventory making and monitoring of the state of biological diversity

The Ministry of Culture will continue to stimulate the inventory making of biological diversity and will establish a system of monitoring of protected and endangered species (taxa), as well as the goals of the ecological network conservation. The Ministry of Culture will, in cooperation with other sectors, scientific institutions, non-governmental organizations and stakeholders, continue to monitor and eliminate invasive alien species, threatening the stability of the ecological system.

#### MEASURE 50 Stimulation of the stakeholders' activities

The Government will stimulate the organization and operation of the associations of right holders, innovators'/inventors' associations and national branches of international non-governmental professional organizations in the field of intellectual property and will establish a systematic cooperation with them through the competent state administration bodies.

<sup>&</sup>lt;sup>37</sup> General goal no. 12 from the Strategy of the Government Programmes "Environmental protection and spatial development", including special goals 12.1 "Environmental protection and effective environmental management", and 12.2 "Protection and preservation of nature".

### Strategic goal 5

### 3.5. RAISING THE LEVEL OF RECOGNITION OF AND RESPECT FOR THE INTELLECTUAL PROPERTY RIGHTS

### 3.5.1. RAISING THE LEVEL OF PUBLIC AWARENESS ABOUT THE IMPORTANCE AND VALUE OF INTELLECTUAL PROPERTY

**Guideline 29** Government measures for raising the awareness about intellectual property
The Government will contribute to raising the awareness about intellectual property directly,
on its own initiative, appropriately communicated to the public and the parties concerned, and
indirectly, by fostering activities of the state bodies and stakeholders.

### MEASURE 51 Spreading knowledge about the social importance of intellectual property

The Government will support the preparation of expert studies and the presentations thereof in the relevant professional and political circles in order to raise the level of understanding of the social importance of the intellectual property system, and to ensure the improved quality of further participation of all the stakeholders of the system in its optimal development, consistent with the needs of the Croatian society.

### MEASURE 52 Informing the public about the enforcement activities

The Government will regularly inform the public about the enforcement activities in the field of intellectual property rights and successes of the competent SABs achieved in the various protection fields, specifically mentioning occasional significant successes, including the respective media coverage.

#### MEASURE 53 Strict respects for the intellectual property rights

The Government will implement strict policies for the state administration bodies obliging them to use only legally procured computer programs (without infringing intellectual property rights); to pay a special attention when purchasing them in order to identify the possibly counterfeited products, or products and services that are unlawfully designated by somebody else's trademark or protected geographical indication, or products infringing industrial designs rights, copyright and other intellectual property rights.

#### MEASURE 54 Direct promotion of the intellectual property protection

The Government of RC will support public campaigns aimed at raising the level of awareness of the public about the social importance of the intellectual property protection system. It will support and coordinate, through the competent SABs and relevant technical assistance programs, an effective, highly-profiled, audio-visual campaign, which will draw the attention of consumers to the risk of counterfeited goods, in particular, counterfeited food, pharmaceutical and other products, important for the health and safety of humans and animals, as well as property.

### MEASURE 55 Indirect promotion of the intellectual property protection

The Government and the competent SABs will indirectly contribute to the promotion of intellectual property through sponsorship or initiation of the events related to raising the awareness about intellectual property, as well as through the participation of the high-ranking

Government officials and civil servants in such events organized by economic operators (subjects) and other stakeholders.

### 3.5.2. INCREASING THE EFFECTIVENESS OF THE LEGAL EXERCISE (ENFORCEMENT) OF INTELLECTUAL PROPERTY RIGHTS

The original text of the Strategy has paid a great attention to and has set up strategic guidelines for the improvement of the enforcement of intellectual property rights in RC. In the last period, those measures have not been completely realized, particularly as regards the coordination of the competent bodies' activities.

The recommendations given by the so-called EU Peer Mission<sup>38</sup> that visited RC in May 2008, and assessed the status of NIPS in its report, mainly relate to the enforcement of intellectual property rights in RC.

A Project within the EU PHARE 2006<sup>39</sup> Programme, the implementation of which is in progress, is mainly aiming at the improvement of cooperation and coordination among the bodies competent for the enforcement of intellectual property rights, in performing their activities.

The improvement of coordination and harmonization of the work of SABs has been indicated in the State Administration Reform Strategy as one of the goals of that reform.

Consequently, these guidelines and measures are intended to ensure a qualitative progress towards an agreed activity of the competent bodies and institutions as NIPS subjects.

### Guideline 30 Improving the coordination and harmonization in the work of SABs

The obligation of mutual cooperation between the central SABs through providing expert assistance, submitting notifications from official records, harmonization of administrative programmes and operating plans, organizing joint expert consultations, and establishing joint expert commissions and working groups regarding the issues of common interest, i.e. cooperation of the central SABs and first instance SABs by giving expert opinion and holding consultations on the manner of implementing laws, is in general terms stipulated in the State Administration System Act. The new coordination methods, the obligation to coordinate and the responsibility for insufficient coordination between the state administration bodies at all levels

The goal of the so-called Peer Mission was to assess the enforcement of intellectual property rights in Croatia, but the Final Report also contains other aspects of NIPS. Although the Report expressly indicates that the views given in the Report are the views of the independent experts from the EU Member Countries, and as such represent neither the views of the Member Countries nor the views of the European Commission, the views given in that Report has been treated as the official views of the European Commission.

The Project "Strengthening the Enforcement of Intellectual Property Rights".

The beneficiaries of the Project are SIPO, and the bodies competent for the enforcement of intellectual property rights (the Ministry of the Interior, the Ministry of Justice, the Customs Administration and the State Inspectorate). The Project consists of several components related to the strengthening of the horizontal cooperation and coordination of the activities of the bodies competent for the enforcement of intellectual property rights as well as strengthening the capacity of such bodies, primarily through the professional training of their experts. The Project is planned to be implemented in the period from November 2008 to July 2010. The total value of the Project is EUR 1,266.848. The Project, in its technical assistance segment, has been implemented on the so-called twinning principle, in cooperation with the Kingdom of Denmark, and the Danish Office for Patents and Trademarks, respectively, as the main Project implementation coordinator.

will be established and regulated in the new State Administration System Act<sup>40</sup>.

The Criminal Police Reform to be carried out at all the levels of its activity should: ... strengthen cooperation with the State Attorney's Office (USKOK); strengthen cooperation with the state administration bodies in the combat against corruption and organized crime (the Tax Administration, the Customs Administration, and the Office for Money Laundering Prevention, the Financial Police, and the Financial Inspectorate)<sup>41</sup>.

### **Guideline 31** Establishment of coordination mechanisms between the competent bodies and organizations

The respective EU assistance project (PHARE 2006 Programme), coordinated by SIPO will include the establishment of a (multileveled) coordination mechanism in the performance of the tasks and activities related to the enforcement of intellectual property rights between SIPO, the Ministry of Justice, the State Attorney's Office, the Criminal Police Directorate of MI, the State Inspectorate and the Customs Administration of the Ministry of Finance, which will include appropriately other governmental (e.g. the Agency for Medicinal Products and Medical Devices) and non-governmental (e.g. associations of right holders) NIPS stakeholders. The same project will also include development of the basis of an integrated information system for the exchange of the data required for the efficient enforcement of intellectual property rights.

# **MEASURE 56 Steering Committee for the Enforcement of Intellectual Property Rights**The Steering Committee for the Enforcement of Intellectual Property Rights, consisting of high officials from the competent SABs, will be established as a managerial (strategic) level of coordination of all the tasks and activities related to the prevention and suppression of the infringements of intellectual property rights<sup>42</sup>.

**MEASURE 57 Coordination Board for the Enforcement of Intellectual Property Rights**The Coordination Board for the Enforcement of Intellectual Property Rights, consisting of managerial civil servants from the competent SABs, will be established as an executive (tactical) level of coordination of all the tasks and activities related to the prevention and suppression of the infringements of intellectual property rights<sup>43</sup>.

An extract from the State Administration Reform Strategy, field I. Structural adjustments of SA system, sub-field "Improvement of coordination and harmonization of the work of the State administration bodies".

Strategy of the Government Programmes 2010-2012 – General goal 10 "Police and armed forces in service of the citizens", special goal 10.1 "Improvement of the system of prevention, detection and suppression of crime".

The members of the Steering Committee for the Enforcement of Intellectual Property Rights are: the competent State Secretary of the Ministry of Justice (the Chairman of the Committee), the Director General of the State Intellectual Property Office, the Head of the Criminal Police Directorate, the Director of the Customs Administration and the Chief State Inspector.

The members of the Coordination Board for the Enforcement of Intellectual Property Rights are: the Deputy Director General of the State Intellectual Property Office (the Chairman of the Board), the Head of the Department for Economic Crime and Corruption (Police Directorate General), the Head of the IP Department (the Customs Administration), the Head of the IP Department (the State Inspectorate), the Head of the Department for Economic Crime (SAO), the Head of the Department for Pharmaceutical Inspections (MHSW), the Head of the Department for Sanitary Inspection (MHSW), the competent Head of HALMP, the competent Head of the Department of the Croatian Food Agency, and the competent Head of the Department of MAFRD.

### MEASURE 58 Operational Group for the Enforcement of Intellectual Property Rights

The Operational Group for the Enforcement of Intellectual Property Rights, consisting of officers from the Ministry of the Interior, the State Inspectorate and the Customs Administration, will be established at an appropriate regional and inter-ministerial structure as an implementation (operational) level of coordination of the tasks and activities related to the prevention and suppression of the infringements of intellectual property rights.

### MEASURE 59 Group for Cooperation with the Holders of Intellectual Property Rights

The Group for Cooperation with the Holders of Intellectual Property Rights, consisting of the representatives of right holders from particular sectors and the representatives of SIPO, will be established as a consultative level of coordination of the tasks and activities related to the prevention and suppression of the infringements of intellectual property rights between the competent SABs and the representatives of the right holders.

**MEASURE 60 Advanced system of information exchange among the competent SABs** On the basis of the expert status and needs assessment, as well as the best solutions available in this field, an advanced system of the effective exchange of relevant information among the competent SABs will be established in the proceedings for the enforcement of intellectual property rights.

### **MEASURE 61 Preparation and implementation of joint projects**

The Coordination Board for the Enforcement of Intellectual Property Rights, supported by SIPO, will initiate, as well as organizationally and professionally support joint projects of the enforcement bodies, both those aimed at strengthening the capacities of such bodies and those aimed at the users of the system.

**MEASURE 62 Professional support to the strengthening of the enforcement system** SIPO will, by organizing its own activities, or in cooperation with the relevant international organizations, provide education and professional support to the enforcement bodies in the performance of their tasks related to the specific issues in the field of intellectual property.

**MEASURE 63 Monitoring the world trends and implementation of the best practice** By following up the world trends and activities, and participating in the international projects, as well as carrying out the national studies, the Coordination Board for the Enforcement of Intellectual Property Rights, supported by SIPO, will initiate and professionally support the implementation of the best practice in the enforcement of intellectual property rights within NIPS.

**MEASURE 64 Statistical monitoring of the developments in the enforcement of rights**A systematic and integrated statistical monitoring of the suppression of infringements of intellectual property rights, based on the model developed jointly by the competent SABs within the framework of the program of measures necessary for the closure of the relevant Chapter of the EU accession negotiations will continue to be developed and regularly carried out, as well as supplemented in accordance with the best EU practices.

### Strategic Goal 6

### 3.6. NIPS REGIONAL AND GLOBAL INTEGRATION

The measures aimed at the regional and global integration of NIPS contribute to the achievement of the goals as set forth in the Strategy of the Government Programmes for the Period 2010-2012 aimed at the strengthening of the international position of the Republic of Croatia, and relating, in particular, to the accession to the European Union and the strengthening of the bilateral and multilateral cooperation<sup>44</sup>.

Potentials of the political, economic, social, scientific and cultural development of RC are significantly higher within the context of the EU full flagged membership. Therefore, the preparations of RC for the EU full flagged membership will significantly contribute to the internal transformation of the Croatian society and create conditions for its further development and prosperity to the benefit of all the Croatian citizens.

### Guideline 32 Completion of the process of accession to the European Union

In the next period covering 2010 to 2012 the foreign policy goals, and the national interests of Croatia, respectively, should be aimed at the completion of the process of accession of the Republic of Croatia to the EU, further strengthening of the role and position of Croatia in the South-Eastern Europe, strengthening of the national and promotion of the regional security, promotion of the interests of the Croatian economy, as well as strengthening the overall credibility of the country (...). The first priority is to reopen negotiations and to complete the process of integration of Croatia in the EU.

### MEASURE 65 Intensive interdepartmental coordination and communication

Holding of ordinary interdepartmental coordination meetings, monitoring the implementation of the reforms and the alignment of the Croatian legislation with the EU legislation is an important precondition for meeting all the criteria and achieving complete readiness of RC for the EU membership. The interdepartmental coordination also allows a timely and continued monitoring of the progress in the opening and closing of negotiating Chapters.

### Guideline 33 Strengthening of bilateral and regional cooperation

The regional dimension of the international position of RC need to be additionally developed, since the main development and security interests of RC are to be realized particularly in its direct environment. Our regional responsibility for the stabilization and development of the South-Eastern Europe is strengthening our international position and credibility, and is in direct correlation with the basic national interests. Croatia, as the most advanced country in the Euro-Atlantic integrations and overall social development should continue to transfer the acquired knowledge, in particular, to a number of bilateral and multilateral projects in the region.

General goal 9 – "Further strengthening the international position of the Republic of Croatia", and special goals – "Accession to the European Union", and 9.2 – "Strengthening the bilateral and multilateral cooperation", from the Strategy of the Government Programmes 2010-2012.

### MEASURE 66 Bilateral documents on cooperation with third countries

SIPO will continue and improve bilateral cooperation with the partner national institutions of third countries, and, in particular, with the institutions of the countries of the region (Serbia, B&H, Montenegro, Macedonia, Albania and Kosovo), and sign bilateral acts on the content of and the method for the implementation of such cooperation in accordance with this strategic guideline.

### MEASURE 67 Holding of political bilateral consultations and exchanging opinions

In addition to official visits on the high ranking level, the interdepartmental cooperation and contacts related to the transfer of the Croatian knowledge and experience acquired in the course of the activities aimed at achieving a particular foreign policy goal (lobbying for the membership of certain UN bodies, experience gained in the course of the negotiation process with the EU, NATO and the like), as well as consultations in which RC obtains information on the experience of other countries, will continue to be developed.

In the recent decades, intellectual property has become a topic of the highest importance in the global economy, science, technology, and consequently, in the international policy. Intellectual property issues will continually be involved, in an appropriate manner, in the political bilateral consultations and exchange of opinions.

### MEASURE 68 Participation of the Republic of Croatia in the international forums

Active participation in the organization and hostage of various international conferences on the topics of interest for the foreign policy of RC, in order to present the Croatian views about the topics of interest.

Croatia has the opportunity to show initiative and leadership in the matters of creation, effective protection and profitable exploitation of one's own and somebody else's intellectual property, as an important aspect of its domestic and foreign policy. Therefore, RC will initiate the holding of an international/regional high-level (ministerial) conference on the relevant intellectual property matters. Furthermore, regular participation of RC representatives in the relevant international conferences in the field of intellectual property will be pursued.

## MEASURE 69 Intensification of the activities aiming at becoming a member of the managerial/operational bodies of multilateral organizations and institutions of interest for the Republic of Croatia

By performing the activities aimed at further strengthening and developing bilateral relations with all the States in the world, as well as by actively engaging in the work of the multilateral bodies, organizations, institutions or initiatives, the international recognisability of the Croatian foreign policy and views should be achieved, which is the best argument when lobbying for membership and functions on the international level.

Within the context of this Strategy this concerns primarily the World Intellectual Property Organization (WIPO), as a global organization, the European Patent Organization (EPO), as an independent regional organization, the Office for Harmonization in the Internal Market (OHIM), as an EU Office competent for trademarks and industrial designs, of the relevant Directorate-General of the European Commission, as well as the World Trade Organization (WTO – UN), in its part relating to the aspects of intellectual property protection (TRIPS).

