



EU4Digital

EU4Digital: supporting digital economy
and society in the Eastern Partnership

Intellectual property rights management for digital innovations: action plan for policy recommendations: Armenia

June 2020



Background

The EU4Digital Facility was launched by the European Commission in January 2019. It aims to extend the benefits of the European Union's Digital Single Market to the Eastern partner countries: Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine. The EU4Digital Facility works in six digital thematic areas, including ICT innovation stream.

In 2019-early 2020, the ICT Innovation stream focused on the identification and sharing of best policies and practices of policy implementation at the national and regional level in ICT innovation field. Each Eastern partner country selected one policy area for EU4Digital Facility to focus on.

Five policy areas have been selected by partner countries:

1. **Intellectual property rights management for digital innovations (Armenia);**
2. New organisational forms for supporting ICT Innovation (Azerbaijan);
3. Digital innovation SMEs access to finance (Georgia, Ukraine);
4. ICT innovation ecosystems for start-ups and scale-ups (Moldova);
5. Digitising industry (digital transformation of SMEs in traditional sectors) (Belarus).

For each of these areas, the Facility studied the best EU practices, undertook the gap analysis in each country and developed recommendations that identify specific EU tools, platforms, practices that can be mastered by Eastern partner country stakeholders.

The gap analysis and recommendations were validated with the EU4Digital ICT innovation Expert Network of Armenia in April-May 2020.

This document provides the **action plan** for addressing the gaps related to policy area '**Intellectual property rights management for digital innovations**' in **Armenia**. It defines four key recommendations with action steps and considerations for implementation or intervention.

The proposed action plan can be **used for the internal policy priorities** and as a basis for further activities and possible independent joint projects of stakeholders. **It is necessary to highlight that the funding for the action plans implementation is indispensable for most of activities of this action**, while some of activities proposed in this action plan can be covered within the current mandate of the EU4Digital Facility (trainings, study visits, networking events, promotion activities, etc.).

This document was provided for national stakeholder consultation. EU4Digital Facility asked the stakeholders to read and share their position, comments and suggestions during the consultation.

List of abbreviations used in the document:

AIPA – Intellectual Property Agency of the Republic of Armenia

EC – The European Commission

EU – The European Union

EAEC – The Eurasian Economic Commission

EAEU – The Eurasian Economic Union

IP – Intellectual property

IPR – Intellectual property rights

MoE – Ministry of Economy

MHTI – Ministry of High-Tech Industry

NAS RA – National Academy of Sciences

TBD – To be determined

RA/AM – Republic of Armenia

UATE – Union of Advanced Technology Enterprises

WIPO – World Intellectual Property Organisation



Due to specifics of intellectual property (IP) as a business asset, there are only a few regulative acts that are used as part of the IPR policy in a prescriptive manner towards **IPR distribution** (mostly covering publicly co-funded R&D), while most of IPR policy tools have the objective to facilitate the **capacity building of businesses and organisations** to effectively manage their IP assets, including provision of **external specialised consultancy**.

Because of limited absorption capacity of domestic markets in Eastern partner countries, it is essential that IPR ecosystems in these countries facilitate the innovators to grow for international markets, where the IP protection strategy follows the study of the market (including competitors, customers, resource structure, logistics), and is developed in a conjunction with a business strategy. To be able to support innovations based on frontier digital technologies, the IPR policy includes capacity building of existing organisations servicing SMEs in IPR as well as building additional actors of the ecosystem to cover the service gaps.

This plan focuses on identifying practical actions from the economic perspective, that can help to strengthen the capacity of the ecosystem to support start-ups and SMEs with digital innovations to efficiently manage their IP assets on the international markets.

Overview of the Action Plan

Key recommendations	Reference to Policy recommendations
1. Adjust the legislative framework with definitions and clear rules facilitating R&D results creation in joint undertakings Final goal: <i>the clear rules of IPR allocation and transfer are established to innovation actors, incentivising collaboration and IP circulation in the economy, including IP created with public funds.</i>	R.1.1.; R.2.1., R.2.2.
2. Enhance institutional capacity of AIPA, IPR consultants, technology transfer centres and other innovation ecosystem actors to provide services for start-ups and SMEs on IPR-related issues Final goal: <i>increased capacity of AIPA, IPR consultants and other innovation ecosystem actors (technology transfer centres, techno parks, business incubators, accelerators, competence centres, etc.) to provide the fast and qualitative consultations and support services to start-ups and SMEs.</i>	R.3.1. - R.3.7.; R.2.2. - R.2.5.; R.5.1.; R.5.5.
3. Establish an IPR Helpdesk providing online and onsite support tailored to start-ups and SMEs Final goal: <i>the one stop shop is established (as a new or complementing existing services) for start-ups and SMEs to receive basic consultancy on IP assets management issues. The IPR-related services delivered by the key institutions and specialised consulting organisations are visible and accessible via online tool. The linkages among ecosystem actors in Armenia and internationally are strengthened.</i>	R.4.1.; R.4.2.; R.5.2. - R.5.4.; R.5.6. R.6.1 - R.6.4.
4. Consider introducing financial instruments to support start-ups and SMEs in IPR registration, management and enforcement, as well as support of IPR-related ecosystem services Final goal: <i>start-ups and SMEs can receive necessary financial incentives and support to facilitate IPR registration, management and enforcement, including patenting abroad and consultations on IPR and development of IPR strategy.</i>	R.7.1. - R.7.3.



Detailed Action Plan

Recommendation / Action	Potential activity owners / leads	Other participants (optional)	Indicative timeline		Status	Specification	Link to Policy REC	Comments and suggestions						
			2020-2021	2022-2025										
1. Adjust the legislative framework with definitions and clear rules facilitating R&D results creation in joint undertakings														
Final goal: the clear rules of IPR allocation and transfer are established to innovation actors, incentivising collaboration and IP circulation in the economy, including IP created with public funds.														
1.1. Update the legislation with the definitions of R&D related agreements and the principles of concluding R&D and technology transfer agreements	MESCS; NAS RA; MHTI; MoE	Other related organizations	X		Not started	<p><i>Suggested objects:</i> Research and development (R&D) agreement, technology transfer agreement and other related definitions</p> <p><i>Relevant EU best practice:</i> Commission Regulation (EU) No 1217/2010</p>	R.1.1.							
1.2. Consider applying the rules and scenarios of IPR allocation in case of publicly (co-) funded projects	MoE, AIPA; MHTI; MESCS; NAS RA; Investment Support Center	Other related organizations	X		Not started	<p><i>Specific cases:</i></p> <ul style="list-style-type: none">joint R&D undertakings;co-financing within the state aid for R&D and innovations. <p><i>Possible steps:</i></p> <ol style="list-style-type: none">analyse the national EU member states practices of governing R&D results and IPR resulting from publicly (co-) funded projects;perform an economic analysis of the most appropriate framework to be potentially introduced in Armenia with account of its specific economic structure and with a goal to support technological progress and innovation diffusion. <p><i>Relevant EU best practice:</i> Communication from the Commission COM 2014/C 198/01 as well as IPR rules for the FP7 and Horizon 2020 projects.</p>	R.2.1.; R.2.2.							
2. Enhance institutional capacity of AIPA, IPR consultants, technology transfer centres and other innovation ecosystem actors to provide services for start-ups and SMEs on IPR-related issues														
Final goal: increased capacity of AIPA, IPR consultants and other innovation ecosystem actors (technology transfer centres, techno parks, business incubators, accelerators, competence centres, etc.) to provide the fast and qualitative consultations and support services to start-ups and SMEs.														



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			2020-2021	2022-2025				
2.1. Develop digital tools and introduce training programme for AIPA	MOE, AIPA	Other related organizations		X	In progress	<p><i>Suggested forms of capacity building:</i></p> <ul style="list-style-type: none">• extend the available online application processing tools (aipa.am) into a robust online tool for handling the full application process for IPR and other relevant processes);• consider expanding the AIPA capacities, which will allow “permitting AIPA to have independent hiring and employment decision-making capacity, including hiring specialists and hiring independent contractors” (in line with the ABA recommendations);• provide targeted trainings for AIPA staff and external consultants in patent substantive examination, challenging and enforcing patent and other IP rights, including capacity building of judges;• practical knowledge transfer of the EU experience to AIPA and related regulators of building the innovation ecosystem in the collaboration of public and private stakeholders around IPR by study visits and joint projects; implementation in Armenia;• develop participation in the international working groups specialised in issues of IPR in the digital economy (<i>examples: AI initiatives in IP offices; IPR Experts Group at APEC; ALLEA Permanent Working Group on IPR</i>). <p><i>Underrepresented topics:</i> IP audit; IP strategy and IPR issues emerging around publicly funded R&D.</p>	R.3.1.; R.3.7.; R.5.5.	
2.2. Introduce the international training programme for the IPR consultants	MoE, AIPA; MHTI; MESCS; NAS RA	Other related organizations		X	Not started	<p><i>Target groups for the trainings:</i> IPR Helpdesk and innovation infrastructure organisations and ecosystem actors (technology transfer centres, techno parks, business incubators, accelerators, etc.) that help bringing innovations to market</p> <p><i>Examples of the trainings:</i></p>	R.3.2.; R.3.7.	



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			2020-2021	2022-2025				
						WIPO eLearning center; WIPO Academy.		
2.3. Introduce new services of innovation infrastructure organisations and ecosystem actors through targeted collaboration with the EU counterparts and transfer of best practices	MoE, AIPA; MHTI; MESCS; NAS RA	Other related organizations	X		Not started	<p><i>Targeted organisations:</i> Innovation infrastructure organisations and ecosystem actors (technology transfer centres, techno parks, business incubators, accelerators, etc.); patent attorneys and patent agents</p> <p><i>Relevant EU practices:</i></p> <ul style="list-style-type: none"> • PRO INNO list of services including organisations from 33 countries; • Enterprise Europe Network; • Protection against cybersquatting and counterfeit trade (i.a. <i>preventive system for avoiding trade mark infringement by domain name registrants (TMCH)</i> and dispute resolution procedures (UDRP, URS, PDDRP) to assist SMEs in using Internet as a marketing channel. <p><i>Examples of networking opportunities:</i></p> <ul style="list-style-type: none"> • IPR Helpdesk; • Registration as a EEN local Network contact point and at the European IP Helpdesk's Signposting Directory. 	R.3.3. - R.3.7.; R.5.1.; R.5.5.	
2.4. Establish the technology transfer centres and equip them with competencies and tools related to commercialisation of R&D results via licensing and creation of spin-off companies	MoE; MHTI; NAS RA; MESCS	Other related organizations	X		Not started	<p><i>Note:</i></p> <p>Establishment of technology transfer centres under the universities and R&D organisations requires efforts beyond the scope of current topic. IPR management related activities within the current action plan includes:</p> <ul style="list-style-type: none"> • analyse the EU best practices and consider application in Armenia as for the IPR-related practices of technology transfer centres; • elaborate the sample Code of Practice and sample Agreement for universities and public R&D organisations on IPR distribution; • organise the IPR-related awareness-raising, study visits and training of staff at the 	R.2.2. - R.2.5.	



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			2020-2021	2022-2025				
						universities and public research organisations for the technology transfer centres. <i>EU best practices:</i> Recommendation 2008/416/EC ; IP Booster		
3. Establish an IPR Helpdesk providing online and onsite support tailored to start-ups and SMEs Final goal: <i>the one stop shop is established (as a new or complementing existing services) for start-ups and SMEs to receive basic consultancy on IP assets management issues. The IPR-related services delivered by the key institutions and specialised consulting organisations are visible and accessible via online tool. The linkages among ecosystem actors in Armenia and internationally are strengthened.</i>								
3.1. Establish the centre 'IP for SMEs', serving as an IPR Helpdesk for start-ups and SMEs	MoE, AIPA; MHTI Investment Development Center	Other related organizations	X	Not started	Possible steps: 1. determine the organisational, financial and technical model for the IPR Helpdesk as activity of an existing or new organisation; 2. assign the staff; 3. develop the technical specification for online toolkit (Action 3.2.). Examples of services: • Consultations of start-ups and SMEs, including: <ul style="list-style-type: none">○ Free awareness-raising and first-level consultations on:<ul style="list-style-type: none">▪ registering formal IPRs (such as patents, trademarks or design rights);▪ managing IP as a business asset;▪ dealing with IPR infringements.○ The advanced consultations (considering the specifics of business cases) on a paid basis.○ Providing expertise and (or) eligibility services on state support related to IPR for SMEs (<i>operator of state support related to IPR for SMEs related to IPR</i>). Notes: • Institutional setting – such centre(s) might be established under AIPA or in cooperation with	R.4.1.		



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			2020-2021	2022-2025				
						<p>existing competence centres (including law companies), as a public agency or as an NGO uniting private consulting companies, and be open to all SMEs.</p> <ul style="list-style-type: none">Deployment of work:<ul style="list-style-type: none">Staff the centre with trained experts (see Recommendation 2);A mentorship of European IPR Helpdesk, IP Booster and PROINNO organisations might be sought.		
3.2. Develop and introduce the online toolkit for SMEs	MoE, AIPA; MHTI Investment Development Center	Other related organizations	X		Not started	<p><i>Suggested components of the modular-architecture toolkit:</i></p> <ul style="list-style-type: none">Awareness raising toolkit for SMEs:<ul style="list-style-type: none">description of the business importance of IPR, particular knowledge domains (all those covered by WIPO) and instructions for SMEs on the steps;description of the regulatory framework and links to relevant laws;model confidentiality agreement and other framework agreements with employees and economic counterparts;introduction of the main principles of IP protection and management;references to training opportunities (national and international).example - ip4inno.Mapping of the specialised consulting and support services for start-ups and SMEs:<ul style="list-style-type: none">a searchable online database of IP attorneys' specialisation and organisations delivering support and consulting on the IPR assets protection and management;combining the database with an "SME journey" functionality advising the organisation with the services relevant to	R.4.2.; R.5.2.- R.5.4.; R.5.6.	



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			2020-2021	2022-2025				
						<p>the stage of development and challenges of the business (online request for service delivery);</p> <ul style="list-style-type: none"> ○ consider the realisation of such mapping as a regional (EaP or other) platform. ○ consider introducing a voluntary 'market accreditation/certification' and maintaining a database of trusted consultants in all lifecycle stages of IP and related rights management. <ul style="list-style-type: none"> ● Example - European IP Helpdesk's Signposting Directory. 		
3.3. Introduce training programmes for start-ups and SMEs on the IP related issues	MoE, AIPA; MHTI Investment Development Center	Other related organizations	X	Not started	Possible steps:	<ol style="list-style-type: none"> 1. develop training courses and webinars in Armenian (examples: WIPO Academy; IP for Business Series for SMEs); 2. negotiate partnership and direct access to materials via WIPO e-Learning center; 3. translate materials into Armenian and negotiate hosting of them; 4. promote the usage of available training courses and webinars among start-ups and SMEs via AIPA, innovation infrastructure organisations, business associations, chambers of commerce. 	R.6.1.-R.6.4.	
4. Consider introducing financial instruments to support start-ups and SMEs in IPR registration, management and enforcement, as well as support of IPR-related ecosystem services								
Final goal: start-ups and SMEs can receive necessary financial incentives and support to facilitate IPR registration, management and enforcement, including patenting abroad and consultations on IPR and development of IPR strategy								
4.1. Localise the recommendations in other relevant ICT Innovation intervention areas (developed for other Eastern partner countries by	MoE, AIPA; MHTI: Investment Development Center	Other related organizations	X	Not started	Notes:	<ul style="list-style-type: none"> ● Specific topics of interest are 'Digital innovation SMEs' access to finance' and 'ICT innovation ecosystems for start-ups and scale-ups'. ● The main output of these recommendations should be the proposed financial framework 	R.7.1.	



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			2020-2021	2022-2025				
EU4Digital Facility) for Armenia						<p>for the national innovation ecosystem development (<i>including tax reliefs, grants, vouchers, loans, subsidies for SMEs and framework to support IPR-related ecosystem services</i>), to be used as a basis when considering the introduction of specific financial tools for IPR ecosystem.</p> <ul style="list-style-type: none"> • Development and implementation of the financial framework will benefit from expertise and advice from experienced international experts, including diaspora (i.e. Armenian Bar Association) and its networks. • The localisation must be done taking into consideration the legislation of RA. In case of some missing points in the RA legislation the appropriate normative acts must be developed. 		
4.2. Consider introducing financial support mechanisms for start-ups and SMEs for IPR patenting and advisory services	MoE, AIPA; MHTI: Investment Development Center	Other related organizations	X		Not started	<p><i>Examples of instruments:</i></p> <ol style="list-style-type: none"> 1. tax benefits for IPR-protection for start-ups and SMEs (OECD, 2006); Patent boxes, 2017); 2. co-investments scheme for patenting abroad for start-ups and SMEs; 3. targeted innovation vouchers for advanced consultations on IPR issues to be provided to start-ups and innovative SMEs by both public and private organisations, including accredited patent attorneys, law firms and valuation firms. <i>Example: Business Finland</i> and Vinnova (possible mentoring EU organisation). <p><i>Notes:</i></p> <ul style="list-style-type: none"> • TAIEX and TWINNING are the EU support tools that could be supportive in transfer of particular EU tax benefits scheme in the Eastern partner countries by EU supervision during policy elaboration. 	R.7.2.-R.7.3.	



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			2020-2021	2022-2025				
						<ul style="list-style-type: none">The exact suggestion of a tax benefit rate and model should be done after in-depth review of the options of organisation in other countries and economic assessment of the efficient model in Armenia.The advisory council of the investment fund might be sought from the EU/international business angel/patent attorneys/valuation expert communities.		