

2006

National Board of Patents and Registration of Finland



Annual Report

The Values of NBPR

Values are continuously discussed in the NBPR (National Board of Patents and Registration). After a discussion held and preparations made in 2004, our core ethical values were condensed into the following concepts: Service, performance, wellbeing, co-operation, responsibility and development.

Service

- Our operation is based on our clients' needs and produces added value to the operation of our interest groups both domestically and internationally.
- We provide reliable, wide-ranging and easily accessible service and consultancy.

Performance

- Our operation is based on pre-set result targets, which help us to produce high-quality services effectively and profitably.
- The staff is committed to the operational goals.

Wellbeing

- We promote innovativeness, enterprise, and corporate activities.
- We work together to ensure optimum interest, endurance and wellbeing at work.

Co-operation

- Our interaction with clients and other interest groups is open and active.
- Operation inside the Office is based on open co-operation among the staff.
- We respect both equality and the work of our fellow workers.

Responsibility

- Clients can rely on the objectivity and legal validity of our operation.
- We operate impartially and independently. We are just and unbribable.

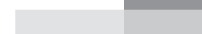
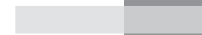
Development

- We value know-how and support it through continuous training and development of professional skill.
- As experts we develop our operations and services in both the national and international operating environment.



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Our Mission

As an organisation specialised in industrial property rights and business and corporation activities, the National Board of Patents and Registration of Finland (NBPR) advances enterprise, innovativeness, and corporate activities both in Finland and internationally.

The NBPR fosters human capital and furthers technological and economic development by ensuring that

- companies, associations, and foundations are able to operate legally in Finland
- inventors, researchers, product developers, manufacturers, and marketers are able to obtain patents, trademarks, design rights, or other forms of industrial property rights
- the interests of Finns are internationally protected
- our information and consultation services are reliable and quickly accessible.

Our Vision 2007

Creativity, know-how, enterprise, and collaboration are key factors for the success of our clients, as well as the basis for technological, economic and intellectual development and wellbeing in Finland.

Our clients rely on our legal validity, impartiality, and internationally competitive quality, and through the NBPR are also able to fully operate in international business and the multinational innovation system.

Our service is fast, flexible, and easily accessible at our Helsinki Head Office (Innohouse), regional service points, and electronic information networks.

Our staff is the friendliest and most competent in Finland. We respect our fellow workers, we are open, and we constantly strive to improve our performance.





The President's Report

The National Board of Patents and Registration (NBPR) continued to develop its various functions in the year under review. These included the upgrading of the Enterprises and Corporations Line information services, further promotion of growing PCT activity, and enhancing the role of civic activities. Our successful domestic projects Innofinland, Innoschool and Innoint found a parallel in the Ideapilot project, particularly among SMEs. This project is being realised in co-operation with the World Intellectual Property Organization WIPO and numerous domestic interest groups.

There was a good deal of activity in the international arena, and the Finnish EU presidency kept us very busy. An area deserving a mention was the promotion of innovation policy, which was high on Finland's agenda.

Several analyses and lively debates took place throughout the whole of Europe regarding patent system reforms and the improvement of co-operation in the field of trademarks and design protection. The diplomatic conference organised by WIPO succeeded in reaching unanimity on the new Singapore Treaty on the Law

of Trademarks. Further development of regional activities was continued: these projects are dealt with in more detail in other parts of this Annual Report. Finland's relations with all neighbouring countries also continued to develop positively in our operational area.

We did not succeed in reaching our result targets as well as in preceding years, owing primarily to sizable development projects and variations in consumer demand. Nevertheless, the entire personnel of the NBPR deserve warm thanks for a job well done. The positive feedback from clients, the international ISO 9001:2000 certificate granted for the PCT examination work, and the Gender Equality Award presented to the NBPR testify to the quality of our work. I also take this opportunity to thank our interest groups in both the public and private sector for their excellent co-operation.

We look forward with confidence to the challenges that lie ahead.



Events 2006



2006 was an eventful year for the National Board of Patents and Registration of Finland. The Registers Open! Event took place in mid-February. During the day our clients were able to check what information on them has been saved in different registers and to learn about the registers and the bodies maintaining them. The venue was the Innogallery and the Library of our Office, and the event was organised by the Rekisteripooli (the Register Pool) project group, which consists of authorities maintaining the base registers, including the NBPR.

At the end of March, the representa-

tives of the NBPR attended the Oma Yritys Fair in Wanha Satama, Helsinki, holding a half-day seminar entitled "From creativity to business", where NBPR experts provided information for businesses.

Early in April, it was time for our fair representatives to head for Jyväskylä and the Business 2006 Fair. The exhibitors offered the latest information for companies in support of their business operations.

At the end of April, the FinnTec Fair was organised in Helsinki. It is the biggest technical fair in Finland and exhibits,

for example, the latest innovations in mechanical engineering and the metal and plastic industries.

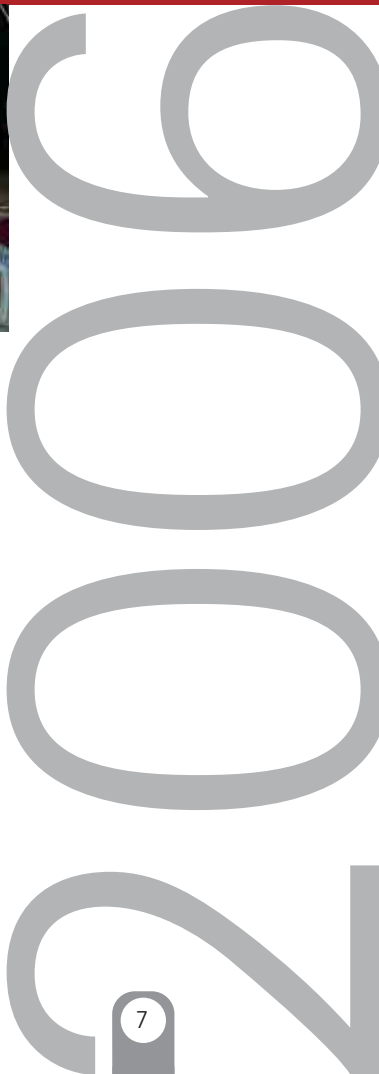
The World Intellectual Property Day was celebrated globally on 26 April. It is a special theme day initiated by the UN agency, the World Intellectual Property Organisation WIPO. The day emphasized the importance of innovation and skill, and this year's theme in Finland was "SMEs forward as innovation specialists". The celebration of the day culminated in a meeting at the Alexander Theatre in Helsinki.

After Mayday, our representatives at the

Model Expo Fair in Helsinki marketed our electronic services specially designed for associations.

At the end of May, we celebrated our Office's traditional anniversary, Manufacture Day. Over a hundred co-operative partners, representatives of our interest groups and other guests arrived at the Innohouse to a reception hosted by the President of our Office, Mr Martti Enäjärvi.

In mid-June, the Innogallery opened an exhibition in honour of the inventor and founder of Suunto Oy, Mr Tuomas Vohlonen and his wife Elli.



The "Vohlonen takes a bearing" exhibition illustrated their life and the history of Suunto Oy. One of Vohlonen's key inventions was the liquid-damped march compass.

After the summer break, September signalled the "IPR at the Crossroads" Conference, where the participants sought to find ways of breaking the stalemate in the European industrial policy, paying particular attention to issues concerning the patenting system. The NBPR was one of the organisers of the conference.

In mid-September, the NBPR attended

the international Subcontracting 2006 Fair in Tampere. The fair is the biggest professional industrial fair in Finland, gathering almost 17,000 visitors.

November heralded one of the year's highlights. Minister of Social Affairs and Health, Ms Tuula Haatainen and Ombudsman for Equality, Ms Päivi Romanov presented the representatives of our Office with the Gender Equality Prize as recognition for excellent gender equality work. Another prize-winner in the ceremony, held in the House of the Estates in Helsinki, was Neste Oil Plc.

At the same time, there was an equally

festive occasion taking place in another historical building only some hundreds of metres away: at the Presidential Palace, President Tarja Halonen handed out the five national Innofinland Prizes and two honorable mentions. The winners of Innoint Prizes for conscripts and Innoschool Prizes for school pupils were also awarded in the ceremony.

At the beginning of December, the exhibition "Women 100 years Citizens and Inventors" was opened in the Innohouse. The exhibition was set up in co-operation with QUIN-SUOMI ry, a network of Finnish female inventors, and illustrated the impact that female

innovators have had on Finnish society. An international seminar on women as inventors was arranged in connection with the opening of the exhibition.

Board of Directors, Management Group and Co-operation Committee



NBPR's Board of Directors as from 17 September 2004. From left to right: Eero Mantere (Secretary of the Board of Directors), Leila Risteli, Risto Paaermaa (Vice-Chairman), Jussi Järventaus (Chairman), Jukka Ahtela, Eija Lanne, Martti Enäjärvi and Seija Saaristo.

The National Board of Patents and Registration of Finland (NBPR) was established in 1942 when the Patent Affairs and Trade Register Departments of the Ministry of Trade and Industry were transferred to a new central agency, the NBPR. Since 1835, the NBPR was preceded by the Manufacture Board of the Senate of Finland, and the Industrial Board. Today, the NBPR comes under the administrative sector of the Ministry of Trade and Industry and is a central agency applying the net principle, and is funded by service fees. A substantial part of the NBPR's income comes from foreign clients.

Board of Directors 2006

The Board of Directors sets the targets for the NBPR's operations and decides on policies. It also controls and supervises how the targets set are achieved. Furthermore, the Board decides on the budget proposal and the operating and financial plan, and promotes the co-operation between the NBPR and the users of its services. The Government appoints the Board of Directors for a period of three years, and the current term of office is 17 September 2004 – 16 September 2007.

Members

- Mr Jussi Järventaus, Managing Director, Federation of Finnish Enterprises (Chairman)
- Mr Risto Paaermaa, Deputy Director General, Ministry of Trade and Industry (Vice-Chairman)
- Mr Martti Enäjärvi, President, NBPR
- Mr Jukka Ahtela, Director, Confederation of Finnish Industries
- Ms Leila Risteli, Director, University of Oulu
- Ms Seija Saaristo, Trademark Attorney, Association of Finnish Patent Attorneys
- Ms Eija Lanne, Chief Inspector, NBPR (representing the staff)
- Mr Eero Mantere, Senior Vice President, NBPR (Secretary)

Management Group 2006

The Management Group assists the President in developing and assessing the operations. It is appointed by the President and discusses the operating and financial plan, the budget proposal, important development projects, how the targets are achieved, as well as matters concerning the national and international context.

Members

- Mr Martti Enäjärvi, President (Chairman)
- Mr Eero Mantere, Senior Vice President (Vice-Chairman)
- Ms Eija Nuorlahti-Solarmo, Vice President
- Mr Pekka Launis, Vice President
- Mr Olli Koikkalainen, Vice President
- Mr Kari Summanen, Director of Planning
- Mr Kari-Pekka Helminen, Director of the Register of Associations
- Ms Raija Järviö, Director of Finance
- Mr Mika Waris, Director of Marketing
- Mr Esko Inkinen, Director of Human Resources
- Mr Juha Klemola, Director of Communications
- Mr Christer Brännkärr, Deputy Director (Secretary)
- Ms Eija Peltonen, Assistant Inspector (representing the staff)

Co-operation Committee 2006

The Co-operation Committee is a statutory co-operation body. Its purpose is to give the personnel an opportunity to influence their own work and the operational decision-making affecting their working conditions. As a result, this improves the performance and economy of the central government.

Members

The employer was represented by:

- Mr Martti Enäjärvi, President (Chairman)
- Mr Eero Mantere, Senior Vice President (Vice-Chairman)
- Mr Olli Koikkalainen, Vice President
- Mr Pekka Launis, Vice President
- Ms Eija Nuorlahti-Solarmo, Vice President
- Mr Esko Inkinen, Director of Human Resources (Secretary)

The personnel was represented by:

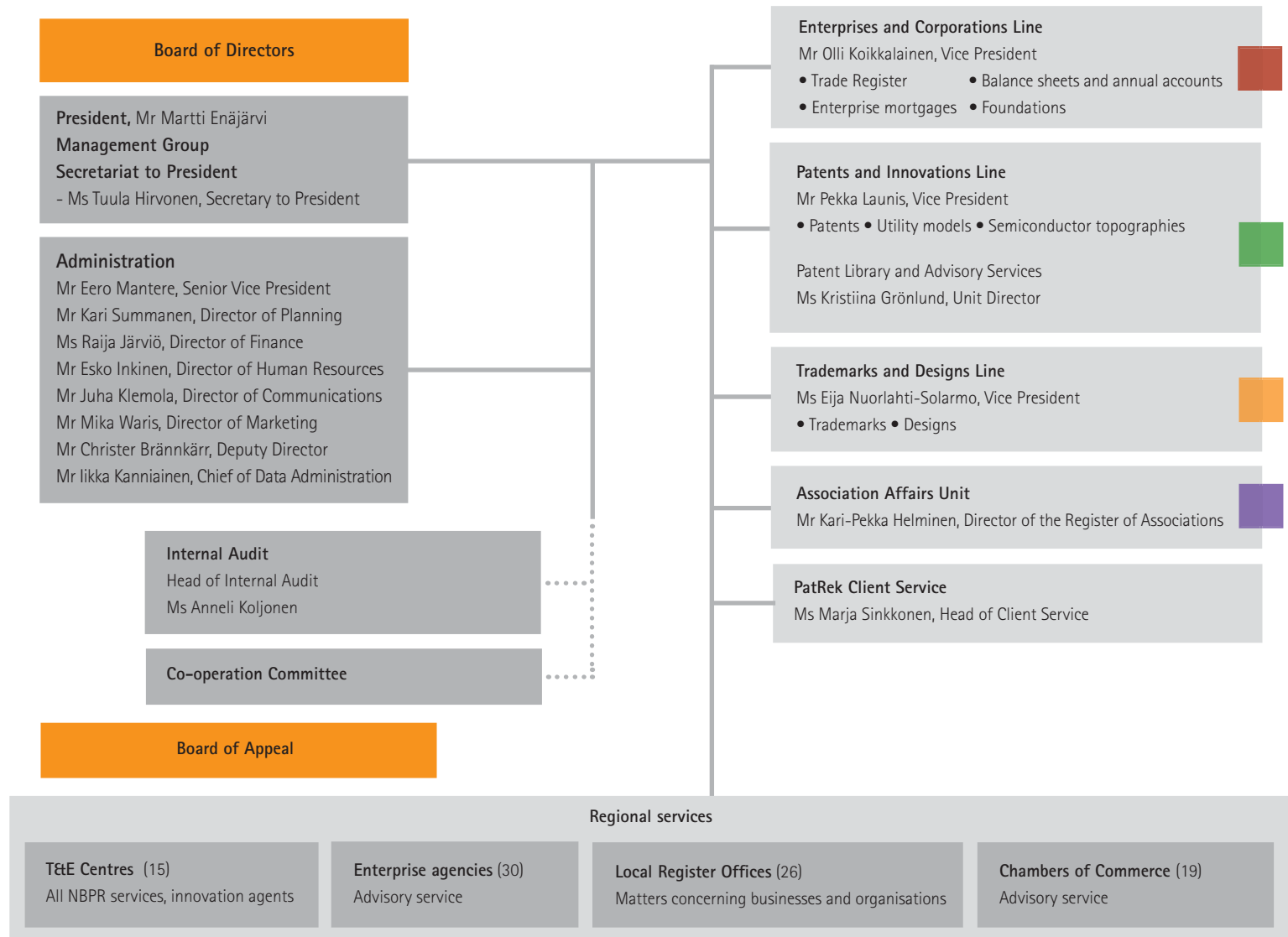
- Ms Eija Lanne, Chief Inspector, Negotiation Organisation for Public Sector Professionals JUKO
- Mr Matti Santero, Senior Examiner, Graduate Engineers of Patent Administration/Federation of Salaried Employees Pardia
- Ms Helena Wirama, Administrative Officer, the Employees' Association of the NBPR/Federation of Salaried Employees Pardia



NBPR's Management Group. Front, left to right: Kari-Pekka Helminen, Eija Nuorlahti-Solarmo, Eero Mantere, Martti Enäjärvi, Raija Järviö and Matti Santero. Back, left to right: Esko Inkinen, Juha Klemola, Christer Brännkärr, Olli Koikkalainen, Pekka Launis and Kari Summanen. Mika Waris and Eija Peltonen not pictured.

- Ms Eija Peltonen, Assistant Inspector, the Trade Union for the Public and Welfare Sectors JHL (local trade union of the Ministry of Trade and Industry)

2006 Organisation Chart



The NBPR has two committees: the Advisory Committee for Enterprise Issues (page 17) and the Advisory Committee for Associations (page 23).



PatRek Client Service

PatRek Client Service improved its registration practices. Service became more efficient and the number of clients began to increase again.



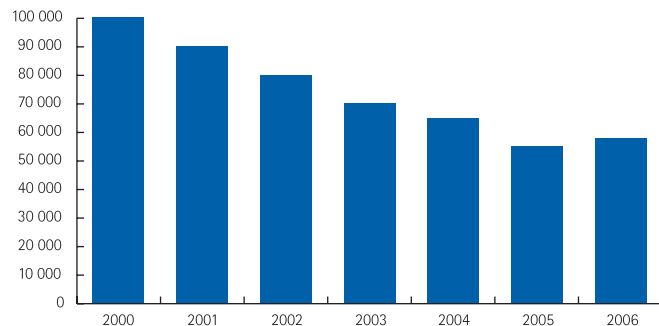
The PatRek Client Service provides services to clients visiting the Office. The Unit receives documents and fees and gives advice on how applications are filled in or on what is required in order to have one's matter taken up for processing. At PatRek, clients can use a free electronic information service and have access to registers. The Patent Library and Advisory Services Unit offers its services to both internal and external clients. It also maintains our office's collection of patent publications, and provides easy access to all relevant national and international patent information. All our operational lines have expert advisors whose free advisory services are available to our clients. A significant part of NBPR-related information can also be found on our web site.

Following an analysis of current registration procedures, the PatRek Client Service adopted new working methods: the administrative records management system was updated and converted into electronic form, and registry guidelines were drawn up for our personnel. As a result, it is now easier to monitor the status of matters pending. The availability of documents to the public improved, and we created a new system of electronic document management. All in all, we are now able to serve both our clients and the NBPR staff more efficiently.

Legislative reform

In September 2006, the new Companies Act entered into force, bringing about changes in the customary procedures at the Trade Register, and to related notifications. The law reform redefined

Visitor trend at PatRek 2000 – 2006





Patent Library and Advisory Services actively disseminate patent information. Even the oldest Finnish patent specifications are now in electronic form.

Patent Library and Advisory Services



previously established terminology and practices, and these were made part of the PatRek internal training scheme.

Client visits back on the up

The decrease in the number of client visits that began in 2000 came to a halt, and began to increase again, rising by some 5% compared with the previous year. A total of 58,000 clients visited our client service, and we supplied 25,000 register extracts, certificates, and copies of documents.

New self-service option pleases clients

A revamped electronic annual accounts archive was opened in the PatRek self-service room. It provides our clients with quick and simple access to companies' annual accounts and includes an easy printout facility. Our clients were extremely satisfied with the new service.

Our library has continued to improve its electronic services and training in the use of data bases. The Library's collection of industrial property books and periodicals has enrolled new users thanks to its inclusion in common search portals of scientific and other special libraries. In 2006, over 400,000 searches were made in the book data base.

Dissemination of information on patents crucial

After the joining of forces of the Library and the Advisory Unit, their cooperation has gained momentum. One of the key issues in the Unit's strategy for the years to come is to further the general awareness on patents. The need for industrial property knowledge has increased and, due to our office's new status as a PCT authority, the client service staff faces the challenge of internationalisation.

We have provided training sessions for our clients on how patent data bases can be used, and our own staff has been trained in the use of professional data bases and scientific search services. As the examination of patent applications increasingly often takes place electronically today, our clients also need to know more about our electronic services, which are available on our web site.

There is, however, still demand for the traditional library. Dissertation writers and researchers in industrial property rights have found our Library's comprehensive collection of periodicals and our selection of newest literature in the field very useful. Clients can also access electronic periodicals on our client terminals.

All Finnish patent publications now on the Internet

The scanning of old Finnish patent documents into electronic form was completed at the end of the year under review. At the beginning of 2007, the scanned documents were saved in the esp@cenet service (www.espacenet.com) and are now available to our clients. In addition to the esp@cenet, the Unit started to develop a publication server which speeds up the process of making Finnish and Finnish-language patent information public, and completes the esp@cenet. The server will be taken into use in the spring of 2007.

The next reform in patent-related library services, expressly wished by our clients, is the electronic application folder, from which our clients can gain access to all public application files and study them over the Internet.

Work satisfaction remains at a high level. New pay system divides opinions.
NBPR receives equality prize.



Personnel administration is responsible for human resources development, security and other issues relating to the staff of the Office. It also assists in recruiting and prepares both collective bargaining agreements and collective agreements for civil servants.

At the end of 2006, we employed a staff of 499, which is ca. 3.5% more than in the previous year. Women accounted for nearly two thirds of the entire staff, and the average age of an employee was 45.5, slightly lower than the previous year. The staff received well over four days' training on average during the year.

The NBPR has to have at least one hundred examiner vacancies from different branches of technology in order to meet the requirements set for a PCT Authority. For this reason the Office continued recruiting new examiners in 2006. The realisation of the Government's programme for enhancing public sector productivity and efficiency, on

the other hand, will gradually reduce the number of staff in some other functions in the future.

Recognition for equality work

A new equality plan was adopted at the NBPR in March 2006. In November, we were one of two working communities that received an award and honorary diploma for meritorious promotion of equality through an equality plan, granted by the Minister of Social Affairs and Health and the Equality Ombudsman.

The grounds for the NBPR receiving the award were as follows:

"Through the revision of the Equality Act in 2005, the demands on workplace equality plans were tightened: the jury sought to find workplaces that have taken the new Act's requirements into consideration in their equality plans in the best possible way, thus setting an example for others. Being concrete in both their goals and measures also served as a criterion.

The NBPR's equality plan is part of the Office's personnel strategy. The necessary resources have been recorded in the equality plan and the whole Equality Committee has participated in equality training organised outside the Office. The goals, timetable, and the body responsible are clearly stated in the plan. The Office has also promoted equality work in the public sector, by sharing its own experiences with other public sector workplaces".

New pay system established

The new pay system has now been in use at our Office for almost two years. In order to find out whether the system was successful, we surveyed the opinions of the staff. These were strongly divided into both extremes, which means that the system also received ample criticism. This result is in line with the feedback that the new system has received throughout the public administration in its first years.

The job requirement rating group, which is part of the pay system, rated or rechecked the previous rating of a total

of 140 jobs in 2006.

Praise for promotion of wellbeing at work

The Fitness for Work (TYKY) activity project placed special emphasis on supporting weight control and non-smoking, and revised instructions on how to intervene in substance abuse.

The Fitness for Work working group and the Recreation Committee also organised lectures on working community and wellbeing, and a wide range of exercise and recreational events, such as the already traditional TYKY afternoon. We also supported employees' personal efforts to maintain physical fitness, by, for example, distributing tickets for sports centres.

Our Office organised an enquiry into the Fitness for Work and recreation activity among the staff. The results indicated that these activities are considered truly necessary and positive for improving the workplace atmosphere.

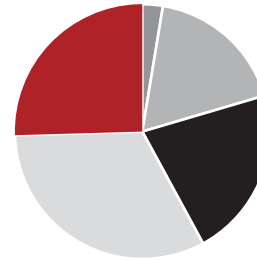
In 2006, we used a total of some 189 euros per person for physical activation of our staff, recreational activities, and other forms of maintaining and improving fitness for work. This is some 38% more than in the year before.

We continued investing heavily into preventive occupational health work. There were, however, ca.11 days of sickness absence per person-year during the year under review, which is around two days more than in the state administration on average. This may be due to the NBPR's age structure, and a few cases of chronic illness.

General rate of job satisfaction settling?

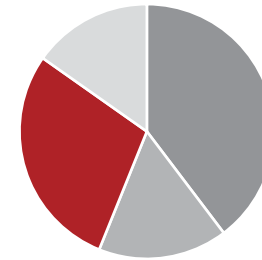
The job satisfaction enquiry conducted in 2006 revealed that our staff's attitude towards their working environment has remained positive. Employees placed the highest value on working conditions, work atmosphere, and cooperation. Jobs were also considered challenging and meaningful.

Personnel by age group on 31 Dec. 2006



- below 24
- 25-34
- 35-44
- 45-54
- over 55

Personnel by educational attainment



- Master's Degree, Postgraduate 198
- Polytechnic, Bachelor's degree 82
- Upper secondary education* 143
- Basic education 76

*upper secondary school, college or vocational education or comparable

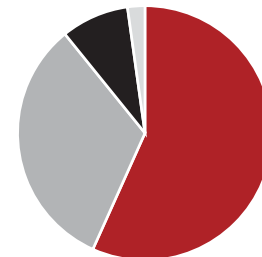
Number of personnel in person-years 2006



- Administration* 80,49
- Marketing and Business Services Unit 3,88
- Patents and Innovations Line 168,17
- Trademarks and Designs Line 48,32
- Enterprises and Corporations Line 148,73
- Register of Associations 29,07

*incl. Board of Appeal, Communications, PatRek

Full-time and part-time employees by gender on 31 Dec. 2006



- Full-time, female 283
- Full-time, male 162
- Part-time, female 43
- Part-time, male 11



Enterprises and Corporations Line

The Enterprises and Corporations Line met the challenges of the new Companies Act. Data system reform on schedule.



The Enterprises and Corporations Line provides society with up-to-date and comprehensive information on businesses and foundations operating in Finland. It enters new businesses and makes amendments to the details of existing businesses in the Trade Register and the Business Information System (BIS). The Line also registers enterprise mortgages and foundation matters and supervises foundation administration.

In 2006, the Trade Register's processing times continued to remain remarkably short, despite the introduction of the new Companies Act, which resulted in a considerable increase in the number of notifications. Matters relating to new enterprises were processed in an average of six working days, while amendment notifications and enterprise mortgage applications were processed in ten working days.

We made good use of our web site in order to inform the public of the revision of the Companies Act. It seems that the message successfully reached the target group, as almost half of the new limited companies used the establishment package that we had laid out on the site. We processed annual accounts faster than other notifications. Except for some peak periods, the average processing time was a record,

one to three working days.

Up-to-date registers

The details contained in our registers were finally updated, as we removed the rest of the inactive businesses from the Trade Register during 2006. This was an extensive project, as we have now struck more than 104,000 inactive businesses off the Trade register during the 21st century. In order to improve the quality of the register, we are looking for new ways for businesses to easily update their register details.

We improved the coverage of the details by efficiently ensuring that clients complied with their duty to file annual accounts. The Trade Register received more than 112,000 annual accounts in 2006, and the number of our supervision measures was almost 47,000.

Popular information

Enterprises are being established at an accelerating rate, and businesses are increasingly becoming global. Companies want to ensure that an enterprise is a reliable contracting party. All these trends have contributed to an increased use of the Enterprises and Corporations Line's information service. Since 2005, the growth is as high as 14.5%. The income to the information service exceeded €2,100,000, which is three quarters of the whole Office's information service income.

Together with Kauppaletti Oy, we launched a service which offers enterprise mortgage details in electronic form. We also introduced new services for authorities regarding the details in the Trade Register and annual accounts.

The Business Information System (BIS)

jointly maintained by the NBPR and the Tax Administration continued to be popular. This Internet service, which provides information on enterprises and corporations, had thousands of visitors daily. In 2006, the website was visited over nine million times, i.e., 2.3 million times more often than in 2005.

The Novus project

The Novus project to reform the Enterprises and Corporations Line's data systems proceeded according to plan and schedule. Unanimity was reached on a subsystem requirements specification for the information service and electronic archives, and technical architecture was updated to meet the given requirements.

As regards the Register of Foundations, which also falls within the Novus project, we had to change our plans. Risks to the present register system meant that deploying a new one had to be hurried up. Amending the plans was actually beneficial: the system for the Register of Foundations, expected to be accomplished at the end of 2007, can now be used as the functional and technical pilot in the whole Novus project.

In addition to outside resources, fifteen full-time employees of the NBPR are

now working on the Novus project.

Supervision of foundations

We rationalised the processing of foundation matters by introducing more specified and effective working procedures and practices. During the year, we also worked on the requirements specification for the new data system, which will be in place at the end of 2007.

Advisory Committee for Enterprise Issues

The Advisory Committee for Enterprise Issues is a cooperative link between businesses and the NBPR. It regularly assembles to discuss topical issues on businesses, foundations, and amendments of law. If necessary, the Committee consults experts and invites them to lecture on various subjects.

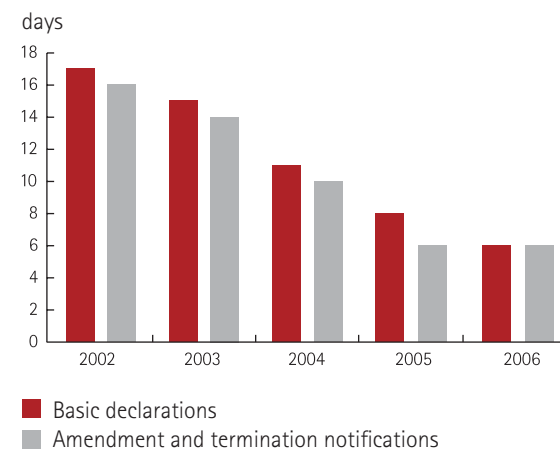
Members of the Advisory Committee for Enterprise Issues in 2006

- Mr Martti Enäjärvi, President, chairman
- Mr Olli Koikkalainen, Vice President, vice chairman
- Mr Pekka Sirviö, Attorney-at-Law, Castren & Snellman
- Ms Leena Linnainmaa, Deputy Director, Central Chamber of Commerce of Finland
- Mr Antti Majjala, Head of Depart-

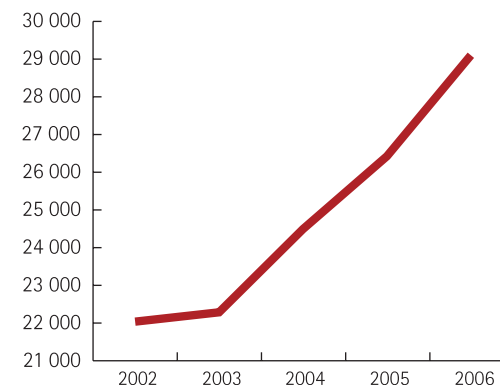
ment, Confederation of Finnish Industries EK

- Ms Ulla Partanen, Managing Director, Operaria Ulla Oy
- Mr Martti Virtanen, Licentiate in Laws, Federation of Finnish Commerce
- Mr Erkki Kontkanen, Deputy Managing Director, Finnish Bankers' Association
- Mr Markus Aaltonen, Managing Director, Veterator Oy
- Mr Kari Lehto, LL.M. with court training, Pellervo Confederation of Finnish Cooperatives
- Mr Rauno Vanhanen, Director, Federation of Finnish Enterprises
- Mr Iikka B Voipio, Project Director, The Government Institute for Economic Research
- Mr Juha Ahvenniemi, Managing Director, Association of Finnish Accounting Firms
- Mr Anders Blom, Managing Director, The Finnish Family Firms Association
- Mr Eero Mantere, Senior Vice President, NBPR
- Ms Eija Nuorlahti-Solarmo, Vice President, NBPR
- Mr Juha Klemola, Director of Communications and Community Relations, NBPR
- Mr Sakari Kauppinen, Deputy Director, NBPR
- Ms Ulla-Maija Sarkkinen, Deputy Director, NBPR, secretary

Processing times 2002-2006



Registered new businesses 2002 - 2006





Number of patent applications increase.
Quality certificate for our international patent application procedure - the first in the world.

The main function of the Patents and Innovations Line is to examine the novelty and patentability of inventions described in patent applications, and to register utility models. Since 2005, the tasks of the Line include the search and examination of international patent applications according to the Patent Cooperation Treaty (PCT). Applications for a European patent can also be filed with the NBPR, which registers and publishes European patents to be validated only in Finland.

The Patents and Innovations Line prospered in 2006, undergoing various challenges in development and training, an increase in the number of applications, and an active recruitment policy in order to strengthen resources.

Novelty searches of international patent applications, i.e., PCT applications, increased in accordance with our expectations, and we also received the first requests for preliminary examination of patentability in 2006. The scanning of old patent publications was completed, and all Finnish publications are now available through the esp@cenet service.

In 2006, our PCT work was fully up and running. Finnish applicants chose the NBPR to carry out an international search in 65% of the PCT applications filed through us. Because of the great number of applications, we had to allocate resources for PCT work. Along with

preliminary examinations of patentability, our Line also introduced phase II of the PCT procedure.

Today, a considerable number of the PCT applications are ones where no priority is claimed from a previous national first application. This demonstrates a change in business practices: the first application is no longer always national but more and more often international.

The PCT procedure is mainly carried out electronically. Searching, examining, and reporting within the Patents and Innovations Line are totally electronic, and 60% of the PCT applications are filed in electronic form.

Quality certificate for our PCT procedure

In 2006, our quality management system for the PCT procedure was completed and subjected to an assessment.

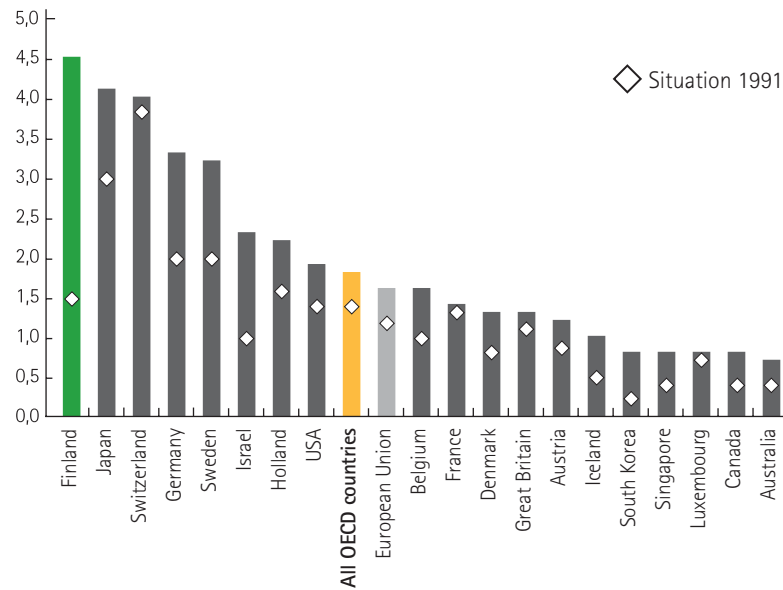
The Patent Cooperation Treaty (PCT), signed by more than 130 member states, creates an international patent system. Its basic idea lies in that it allows simultaneous patent applications in all the contracting states through one single application, which is filed and paid with one authority. The searching authorities, the NBPR among them, search and examine the applications. Thirty months from the filing date of either the international application or of the national first application, the applicant can pursue the international application with national authorities.

As a result, the whole process from the receipt of an application to the international search and preliminary examination was awarded the ISO 9001:2000 Certificate. The next step for the NBPR will be to expand certification to cover the processing of national patent and utility model applications. The quality management system and the Certificate are a promise to our clients of our commitment to continuously improve our functions and to guarantee their high quality.

National patent applications at previous year's level – increase in the number of utility model applications

The number of national patent applications remained at the previous year's level. Every year, most of the patent applications come from the same technology areas: transmission of digital information, digital data processing, paper machines, lifts, escalators, and moving walkways. The reason for this

Triadic patent families in proportion to the gross domestic product (GDP) in 2003



A triadic patent family consists of inventions for which a patent is pending with three patent offices, namely the European Patent Office and the offices of USA and Japan. Finnish businesses are outstanding in patenting internationally. Finland also ranks first in the world as regards triadic patent families in proportion to the population.

is clear; year by year, the list of the 15 biggest applicants is topped by the same companies, i.e., Metso, Nokia, and Kone. In 2006, newcomers to the list were Planmecca, Beneq, and Iprbox.

There was a considerable increase in the number of utility model applications. The utility model is mainly favoured by domestic applicants. In about 60% of applications, the applicant is a business. This protection form is most often used by small and medium-sized enterprises, but also sometimes by large-scale businesses. The utility model is used to protect inventions which are different from those patented; for example, inventions in connection with building, transport and packaging, furniture, and agriculture and forestry equipment.

Improved co-operation between European patent offices

For the last two years, the Administrative Board of the European Patent

Office (EPO) has been involved in the strategy debate on a European patent system and the distribution of work between the EPO and the national authorities. In 2006, the debate resulted in a pilot project on utilising national patent offices' search and examination work, a project on developing a joint European Quality Management System (EQMS), and a project where various tasks in preliminary patentability examinations will be transferred from the EPO to the national patent offices.

The aim is to create an effective network economy, a European Patent

Network, depending on both the EPO and the national patent offices.

The debate on a community patent cooled down in early 2005. In January 2006, the EU Commission raised a new discussion on the European patent system in order to learn the points of view of different quarters on which direction the development of the patent system should take. It seems that the discussion cannot continue on the basis of the old proposal for a community patent. However, the Commission did not come up with any communiqué on a European patent strategy although it had promised to do so.

Patent applications

	2005	2006
Patent applications	2,059	2,018
domestic	1,830	1,813
foreign	229	205
Patents granted	1,757	1,059
PCT applications		
received (RO)	1,059	1,015
requests for novelty search	427	643
requests for preliminary examination of patentability	4	122
European patents validated in Finland	5,639	6,469
Patents in force at the end of the year		
Granted by the NBPR	17,846	17,076
Granted by the European Patent Office	21,625	26,269

Utility model applications

	2005	2006
Utility model applications	439	520
domestic	425	493
foreign	14	27
Registered utility models	403	414
Utility models in the register at the end of the year	3,034	3,183

Domestic companies with the highest numbers of patent applications filed in Finland in 2006

Metso Paper Inc.....	155
Nokia Corporation.....	74
Kone Corporation.....	61
Valtion teknillinen tutkimuskeskus.....	55
ABB Oy.....	26
Outokumpu Technology Oyj.....	25
Wärtsilä Finland Oy.....	18
Rautaruukki Oyj.....	13
Abloy Oy.....	12
Beneq Oy.....	11
Iprbox Oy.....	11
Planmecca Oy.....	11
Tellabs Oy.....	11
Wallac Oy.....	11
Perlos Oyj.....	10



National trademarks and design rights on the increase. Processing times reduced. Telephones and furniture most popular in design protection.

The Trademarks and Designs Line processes trademark and design right applications and keeps registers of them. We offer our clients and interest groups advanced information and advisory services, and participate in international co-operation. Our aim is to improve the legislation in our own field.

The average processing time of national trademark applications was 5.4 months: over one month shorter than the previous year. We processed international trademark applications in about five months, which was also clearly an improvement on 2005, when it was 7.8 months.

We were able to reduce the processing time of design registration applications slightly from the previous year's time of 10 months.

We also succeeded in cutting back the processing times of trademark applications, despite the fact that the number of national applications grew. These applications often take longer to process, as they need completing or correcting in order to meet the formal requirements.

Number of national applications on the increase

In 2006, a total of 7,500 trademark applications, 3,800 national applications and 3,700 international applications,

were filed. The number of national applications grew by almost 10%. However, the total amount of trademark applications fell somewhat, because the number of international applications decreased, as expected, by some 12%. At the end of 2006, there were about 120,000 valid trademarks in the NBPR Trademark Register.

We sent 70,500 examination reports concerning European Community Trademark applications, which was almost 8,000 reports less than the previous year. The number of applications for trademark renewal was also slightly lower than before, namely 4,400.

The number of design applications filed was 240. Compared with the previous year, the number of both applications and designs clearly increased. The number of applications for design registration filed was 600, representing almost no change from the year before. At the end of the year under review, the Designs Register contained 4,500 valid design registrations.

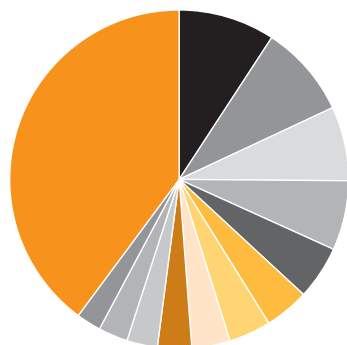
The increase in the number of national trademark and design applications was, at least partly, due to our dissemination of information to SMEs during the report year, which emphasised the importance of registering trademarks and designs.

We forwarded 88 applications for Community designs to the Office for Harmonization in the Internal Market (OHIM).

Telephones and furniture most popular in design protection

Telephone devices were clearly the biggest product group for which design protection was sought in Finland. The second largest group was furniture. These were followed by ironmongery, building materials and lighting fittings.

National trademark applications 2006 by class



- Education; sporting and cultural activities
- Advertising; business management and administration
- Scientific, technological and legal services
- Scientific and electric apparatuses; computer software
- Paper goods, printed matter, office requisites
- Clothing, footwear, headgear
- Telecommunications
- Pharmaceutical preparations
- Building construction; repair; installation services
- Foodstuffs of plant origin
- Insurance; financial and monetary affairs; real estate affairs
- Medical, beauty-related and agricultural services
- Other classes

Trademark applications for Finland by country in 2006 (top twenty)

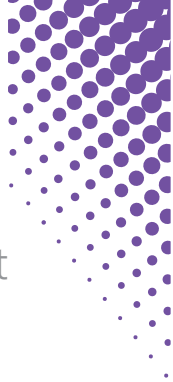
Country	National	Inter-national	EU (OHIM)	Total
Germany	43	792	13,340	14,175
United States	214	164	12,629	13,007
Great Britain	12	52	8,350	8,414
Italy	10	205	6,193	6,408
Spain	3	60	6,266	6,329
France	19	384	5,253	5,656
Finland	3,258		624	3,882
Netherlands	15	132	2,831	2,978
Switzerland	33	304	2,287	2,624
Austria		111	1,797	1,908
Japan	28	78	1,728	1,834
Sweden	62	133	1,462	1,657
Belgium		48	1,087	1,135
Denmark	13	74	1,034	1,121
Portugal		22	1,039	1,061
Poland	3	67	934	1,004
Canada	2		870	872
China	16	282	501	799
Australia	1	14	763	778
Ireland	3		689	692

National design rights

	2005	2006
Applications for design registration.....	201	244
Designs included in those applications.....	479	531
Designs included in processed applications.....	748	452
of which registered designs.....	380	307
Renewal and amendment applications.....	662	669
Designs pending at the end of the year.....	426	506
Preliminary examinations.....	16	16
Processing time (months).....	10	9.7

National trademarks

	2005	2006
Trademark applications.....	3,481	3,810
domestic.....	2,820	3,258
foreign.....	661	552
Processed applications.....	3,899	4,020
Applications pending at the end of the year.....	2,855	2,586
Preliminary examinations.....	245	200
Processing time (months).....	6.6	5.3



Study reveals: electronic services for associations top-class. Electronic establishment package completed.



The Association Affairs Unit is a registrar that implements the rights of freedom of association and religion guaranteed by the Constitution of Finland. The Unit maintains the Register of Associations, which for its part enables free civic activities. The Unit also keeps the Register of Religious Communities, whose purpose is to ensure the freedom of religion laid down in the Constitution of Finland and religious freedom of association.

New technical solutions were implemented at the Association Affairs Unit. This enabled us to enhance both our client service and the performance of our basic tasks in the maintenance of the Register of Associations and the Register of Religious Communities.

We enter basic notifications of associations and their rule amendments into the Register of Associations. We also record changes in the details of Board chairpersons and of those with signatory rights. The dissolution of an association is also entered in the Register. Upon request, we can pre-check an association's rules or their amendments before the association files its notification. In addition, the Unit registers Chambers of Commerce, amendments to their rules, and changes concerning the members of their committees, boards and those with signatory rights.

The Register of Religious Communities also contains the details of the registered

congregations of religious communities. We supply information from the Register of Associations and the Register of Religious Communities by providing extracts, certificates, and copies of documents when requested. We provide advice to our clients by telephone or e-mail on the Associations Act, associations' rules and their interpretation, or on association matters in general.

Civic activity thrives

In 2006, there were 126,053 registered associations, and nearly 2,400 new associations were entered into the Register. The Register of Religious Communities comprised over 300 communities and registered congregations.

During the year under review, we received nearly 20,000 notifications concerning the establishment or dissolution of associations, rule amendments, and changes in signatory rights. We also received 149 applications for a preliminary check, 10 applications for

exemption, and nearly 100 notifications concerning religious communities. All in all, we made over 20,000 decisions.

Processing times of notifications almost reached their target: we processed basic and dissolution notifications in a little less than two months, and notices concerning amendments to rules in about four months. Changes in signatory rights were almost processed in real time.

New information system under preparation

The electronic notification to the Register of Associations aims to make our Registers more accessible to citizens.

In 2006, we received almost 2,300 electronic notifications, which is 17% of all notifications filed. In addition, 2006 saw the launch of an Electronic Establishment Package which supplements electronic notification.

Electronic filing is part of our future

data processing system. The system was under preparation during the year under review and will be completed in 2007. The new data system has four major goals: to speed up registration, to facilitate the filing of notifications, to ensure the correctness of register entries, and to grant legal security to decisions.

Advisory Committee for Associations

The Association Affairs Unit monitors the changes in Finnish society, and the Advisory Committee for Associations serves as a link between the Unit and its interest groups. It meets four times a year to process legislative issues of importance to organisations, as well as issues relating to other fields. The Committee has representatives from the six biggest political parties in Finland, from central labour market organisations and from organisations in the fields of commerce, agriculture and sport. The Committee's diverse expertise helps improve the processing of association affairs.

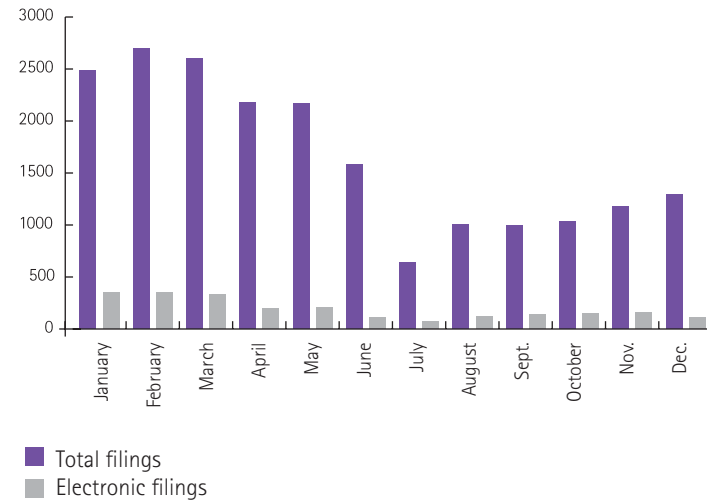
In 2006, the Committee specifically discussed free civil activity issues. It also focused on the effects of the auditing law proposal on associations and civil organisations.

In 2006, the members of the Committee were:

- Mr Martti Enäjärvi, President, chairman
- Mr Kari-Pekka Helminen, Director of the Register of Associations, vice chairman
- Mr Reijo Paananen, Deputy Manager, Central Organisation of Finnish Trade Unions

- Ms Kerstin Ekman, Director of Sport Policy, Finnish Sports Federation
- Mr Esko Grekelä, Secretary for Trade Union Affairs, Left Alliance
- Ms Ulla Achrén, Swedish People's Party
- Mr Rauno Lindahl, Expert, Confederation of Finnish Industries
- Mr Pekka Loukola, Organisational Manager, Finnish Centre Party
- Mr Matti Hynynen, Director, Finnish Confederation of Salaried Employees STTK
- Mr Risto Kauppinen, Director, Confederation for Unions for Academic Professionals in Finland
- Ms Katariina Poskiparta, Director, Green League of Finland
- Mr Hannu Rautiainen, LLM, Confederation of Finnish Industries EK
- Mr Matti Kankare, Project Manager, National Coalition Party
- Mr Matti Voutilainen, Director, Central Union of Agricultural Producers and Forest Owners
- Mr Rauno Vanhanen, Director, Federation of Finnish Enterprises
- Mr Arto Heinonen, Head of Organisational Unit, Finnish Social Democratic Party
- Mr Guy Wires, Managing Director, Federation of Finnish Commerce and Trade
- Mr Hannu Salokorpi, Director, Finland's Slot Machine Association RAY
- Mr Eero Mantere, Senior Vice President, NBPR
- Mr Olli Koikkalainen, Vice President, NBPR
- Mr Juha Klemola, Director of Communications, NBPR
- Ms Riitta Lae, Deputy Director, NBPR, secretary

Filings in 2006



Filings by type of notification 2006





The Marketing and Business Services Unit markets and develops the business services of the National Board of Patents and Registration (NBPR). The services are provided on a commercial basis, and developed in close co-operation with the NBPR's client service, advisory service, Communications and Community Relations Unit, and the experts in the line units.

Idea Pilot Project (Idealuotsi Project)

The Idea Pilot Project is carried out by the NBPR in collaboration with the World Intellectual Property Organization (WIPO). Its purpose is to integrate the intellectual property (IP) system into the business service and financing system of the public administration sector, to raise the profile of the system and to make its services accessible to SMEs.

The project co-operates closely with the Confederation of Finnish Industries (EK), the Central Chamber of Commerce of Finland, the local Chambers of Commerce, the Federation of Finnish Enterprises, the Federation of Finnish Technology Industries, the public administration sector, and other operators in the innovation field.

INTO seminar series

The INTO seminars are regional events for entrepreneurs and SMEs, with the aim of encouraging participants to protect their know-how and use accessible IP information in their business. The NBPR, the T&E Centres, the Ministry of Trade and Industry and other partner organisations run the seminars. They also launch and co-ordinate regional events and give lectures. The INTO seminars began in November 2006 in Tampere and will be held in different parts

of Finland over the next two years.

InnoInfo development project

The NBPR and the Technical Research Centre of Finland (VTT) launched a research project: InnoInfo, financed by the Finnish Funding Agency for Technology and Innovation (Tekes). The project investigates the impact of patent information on the R&D process and the impact of market information on the innovation process. The project strengthens the Finnish innovation system by making the use of information and related services more effective.

ip4inno co-operation project

The NBPR is one of 18 European partners in the ip4inno project, which aims to improve SMEs' use of the IP system in their business. The European Patent Office (EPO) co-ordinates this EU-funded project, the primary purpose of which is to establish a comprehensive national and European training network.

InnoTraining – information retrieval training project

The NBPR, the Society for Finnish Information Specialists, VTT and Lifelong Learning Institute Dipoli (TKK Dipoli) are to launch a training project to bring the occupational skills of information specialists up-to-date by teaching them

to use patent information. The project is essential, as up to 30–50% of R&D investments in Finland are made in pre-existing and documented solutions.

The patent information source of the InnoTraining project comprises about 30 million detailed descriptions of technical solutions in all technical fields from all over the world. As much as 85% of SMEs do not presently use this information.

Venture Cup – developing growth business and building networks

The NBPR supports the annual Venture Cup business plan competition, which is organised by universities, polytechnics, technology centres, and business incubators. Its purpose is to make the participants include the protection of know-how in their business plans, and use the information provided by the IP system in their background studies. The competition contributes to the creation of new growth businesses, promotes academic entrepreneurship, and strengthens the support network that is necessary for growth businesses.

EnterpriseFinland – providing services at the right time

The NBPR actively takes part in the improvement of the national Enter-



Board of Appeal

Steady flow of cases. Most appeals refer to trademarks and patents.

priseFinland service, which consists of five different models for approaching clients:

- the EnterpriseFinland web service at www.entreprisefinland.fi;
- the Contact Center service;
- regional business services;
- the Innovation Service; and
- the Growth Company Development Service.

EnterpriseFinland is a business service provided by ten partner organisations and is co-ordinated by the Ministry of Trade and Industry.

Courses organised by the Marketing and Business Services Unit 1998–2006

Year	Number of courses	Number of participants
1998	19	697
1999	24	699
2000	19	554
2001	23	656
2002	23	463
2003	24	464
2004	24	380
2005	16	295
2006	19	371

The Board of Appeal of the National Board of Patents and Registration (NBPR) processes and decides on appeals against decisions made by the NBPR concerning patents, designs, semiconductor topographies, utility models or trademarks. Furthermore, the Board deals with different kinds of appeals concerning the Trade Register, the Register of Associations or the Register of Foundations. Further appeals against decisions of the Board of Appeal may in turn be made to the Supreme Administrative Court.

In 2006, the majority of cases processed by the Board of Appeal related to concerned trademarks and patents. Of decisions in the patent field, 60% concerned were on decisions on oppositions that were filed against granted patents. Similar decisions in trademark matters accounted for some 15% of all cases. Less than 50% of decisions on patent appeals and 14% of decisions on trademark appeals were further appealed to the Supreme Administrative Court.

The number of appeals filed with the Board of Appeal in 2006 did not change much compared with the previous years. Of all patent and trademark appeals, relating to patents and trademarks, about 50% concerned decisions that the National Board of Patents and

Registration had given in the opposition procedure. More than 50% of trademark appeals related to decisions on international registrations in which Finland was designated.

The appeal statistics shows that the number of pending appeal matters decreased slightly. However, the trend was not strong enough to cut down the processing times.

Board of Appeal sessions are held by a chairperson and two other members. The composition of the Board varies in order to ensure its familiarity with the legislation pertinent to the case under hearing. Each case is introduced by a presenting official.

Board of Appeal statistic 2006 and 2005 (2005 in brackets)

	Patents	Trade marks	Designs rights	Trade Register	Utility models	Register of Associations	Foundations	Total
Cases lodged with the Board	32 (26)	102 (127)	0 (3)	3 (1)	6 (6)	0 (2)	0 (1)	143 (166)
Cases decided by the Board	30 (34)	118 (141)	3 (11)	3 (0)	7 (5)	3 (0)	2 (0)	166 (191)
Amendments to decisions taken by the NBPR	11 (13)	22 (26)	1 (0)	0 (0)	2 (3)	0 (0)	0 (0)	36 (42)
Opinions given to the Supreme Administrative Court	14 (22)	17 (20)	0 (0)	0 (0)	2 (2)	0 (0)	2 (0)	35 (44)
Cases undecided at the end of the year	52 (50)	273 (289)	0 (3)	3 (3)	5 (6)	0 (3)	0 (2)	333 (356)

Communications and Community Relations

Electronic communication continues to grow in popularity. All communication channels in versatile use. Reconstruction of web site underway.



The Communications and Community Relations Unit is responsible for the NBPR's media contacts, both general and common communication, and assists in the maintenance of community relations. It supports the NBPR's interaction with interest groups and takes part in its marketing and client service. The Unit is also closely involved in the NBPR's national and regional projects, such as the Innofinland Project, and it is in charge of the Innogallery.

Number of visits to www.prh.fi increase

According to our communications strategy, our web site (www.prh.fi) is regarded as our priority communication channel. It comprises over 6,000 pages. Visits to the site are constantly increasing: in 2006, the Finnish front page was visited nearly 2.3 million times, and the Swedish and English front pages both had more than 90,000 visits. The number of visits to the main pages of our lines and units and to the service pages exceeded 4 million. In the client satisfaction survey of 2005-2006, the web site scored 8.4 on a scale of 1 to 10.

Our web site is maintained by some 40 NBPR experts in various areas. These

editors form 12 editorial groups, whose work is organised in a Contents and Coordination Group headed by the web coordinator of the Communications Unit.

We began reconstruction of the production technology of our web site in 2006. A new programme, to be launched in 2007, will enable considerable improvements to the structure, function, and lay-out of the pages.

The Communications Unit and the various electronic services of the NBPR have networked with our closest cooperative partners. The most significant networks are ytj.fi in cooperation with the tax administration, Yritysuomi.fi run by the Ministry of Trade and Industry, the suomi.fi portal, and the valtiolle.fi site.

Revival of office newsletter *Ikiliikkuja*

The publication of the office newsletter *Ikiliikkuja* was restarted after a small break. The role of this multi-colour newsletter with 12-32 pages is to provide background information on work, events, and developments at the NBPR, even though real-time information is available on our intranet. The newsletter is an important player in job satisfaction, and also contributes to achieving results in the Fitness for Work activity project (TYKY) and recreation events.

Innonet's new role

The NBPR has four line-specific intranets plus a common one, Innonet, which was made the starting page for the whole staff in 2006. Its structure was improved through, for example, revision of the discussion forum. Most of the information on Innonet dealt with TYKY and recreation activities, job satisfaction and pay issues, events, survey results, and general administrative guidelines. All our forms and documents, as well as the pdf versions of our publications, are accessible on Innonet.

Innogallery

The completion of the Kamppi Center provides new opportunities for the Innogallery, which is situated at street level of the Innohouse. In early 2006, the Innogallery presented the winners of the 2005 Innofinland Contest, and the new prizetakers were displayed in late 2006.

Our special "Vohlonen Takes a Bearing" exhibition illustrated the impressive story of the Vohlonen inventor family, and the history of Suunto liquid compasses up until the present day. The most significant invention by Mr Vohlonen was the liquid-damped march compass, which was completed on the threshold of the Winter War between Finland and the Soviet Union in 1939-40.

Fairs – going solo or joining forces with cooperative partners

In 2006, the NBPR had a stand at seven fairs in different parts of Finland. At some of these, we had a joint stand with the Foundation for Finnish Inventions and T&E Centres. Altogether, these fairs had more than 100,000 visitors. The NBPR employs about 40 experts who have undergone special training for introducing fair visitors to issues in our spheres of authority. Our fair activities are supported by newspaper advertisements and training. Client feedback has been excellent.

Interest group meetings

The NBPR has wide networks, both domestically and internationally. The international World Intellectual Property Day is annually celebrated on 26 April. In 2006, the main ceremony, to which Dr. Kamil Idris, Director General of the World Intellectual Property Organization (WIPO), Minister Mauri Pekkarinen, and Mr Jorma Ollila, Chairman and CEO of Nokia, among others, had sent their greetings, gathered almost 300 guests at the Alexander Theatre in Helsinki. The Manufacture Day commemorates the Manufacture Board, the predecessor to the NBPR. This anniversary is organised in the Innohouse with high-level interest groups. In 2006, the main lecture was given by Mr Matti Pääs,

Director General of the Estonian Patent Office.

The Innohouse annually offers dozens of delegations and representatives of interest groups and the media the opportunity to become acquainted with topical issues in our spheres of authority.

Follow-up and development projects

We monitor our communications both by conventional media follow-up and by separate surveys. In 2006, the number of limited search media hits exceeded 2,000. Innofinland was the most popular news topic. The results of the follow-ups are used in order to improve and diversify our activities and to plan staff training. In 2006, we carried out an extensive survey on the need for training in communications.

According to our Management Group policy, communications play an important role in all large-scale development projects, such as the Novus project of the Trade Register. The publication of our client magazine PRHtieto was restarted at the end of the year. As a new technical medium, we launched on-demand broadband television as part of Kuntakanava, a new service-level channel that broadcasts television programmes over the Internet.



Innofinland 2006

The Innofinland "service innovations" theme attracted entrepreneurs. Festive celebrations of the best entries at the Presidential Palace.



Innofinland is a project launched in 1994 that practically and creatively promotes creativity, skill, entrepreneurial spirit and collaboration in order to improve opportunities to increase wellbeing on a national level. The Innofinland Project consists of both regional activities and local participants. The project looks for new innovative businesses, and the best entries are awarded prizes. Each year, the project culminates in an awards ceremony, in which the President of the Republic hands out the prizes.

Innovative businesses are fundamental to Finnish industry and the service sector. The key to their success lies in their ability to develop new, internationally competitive services in addition to technological innovations. The Innofinland organisation aimed at speeding up new service innovations by its theme for 2006: "Turning skill and ideas into service products".

Enterprises today are no longer purely technology companies or service producers. Clients want to buy complete packages that meet their needs and solve their problems, and businesses aim at meeting these wishes. A prerequisite for continued economic growth in Finland is that the service industry also advances. Innovative service solutions are essential for the national economy in that they possess novel competitiveness.

In 2006, the 13th year of the project, Innofinland received a total of 222 entries. Five of them were awarded a national prize, 35 received a regional prize, and 16 an honourable mention.

The Invention Contest for Conscript, Innoint, was organised for the eighth time in 2006. The objective of the contest is to encourage innovativeness, creativeness, and enterprise among conscripts by rewarding inventions, ideas, and methods that can be seen to be of wider importance.

Innoschool is part of the Innofinland Project. Its purpose is to promote creative and inventive actions among pupils at comprehensive and vocational schools. In 2006, the event was carried out for the seventh time in co-operation with the National Board of Education.

Awards Ceremony at the Presidential Palace

National Innovation Day was celebrated on 28 November at the Presidential Palace, where Tarja Halonen, President of the Republic, presented the Innofinland, Innoint, and Innoschool prizes.

Five innovative businesses were awarded the national Innofinland 2006 prize:
- Footbalance System Oy, Helsinki:
Footbalance product and service concept for custom-made insoles



- Silecs Oy, Espoo: Polymeric material technology that improves the performance and reduces the power consumption of storage, logic, and digital devices
- Ab Solving Oy, Pietarsaari: Custom-made heavy load handling systems
- Suomen Tenava Päiväkoti Oy, Espoo: Novel child day-care concept
- Suorakanava Oy, Pori: Interactive online service for builders

Honourable mentions went to:

- Idean Research Oy, Espoo: User-oriented research and design in the mobile and telecommunication branch
- Tieto-Oskari Oy, Kajaani: New condition analysis system for constructions

High-quality Innoint

The 2006 entries to the Innoint Invention Contest were of exceptionally high quality and showed not only know-how but an open-minded insight into practical matters. Three entries were awarded an Innoint prize and five an honourable mention:

- Sergeant Eero Helin, Kuopio, Karelia Air Command: New device for improving on-ground maintenance

- Second Lieutenant Mikido Takada, Army Academy: A prototype of a leadership system at tactical level
- Corporal Teemu Ylilauri, Tampere, Jaeger Brigade: Short diagnosis for physician's morning consultation on camps in order to speed up hospital treatment

Innoint 2006 honourable mentions:

- Corporal Matti Heliö, Helsinki, Karelia Brigade: Playstation joystick for handicapped people
- Corporal Tuija Lehtinen, Jyväskylä, Satakunta Air Command: Freeze-free Teepol – new antifreezing agent in BC cleansing emulsion
- Private Ville Mattila, Turku, Karelia Brigade: Water canteen m/05 (winter)
- Second Lieutenant Ilmari Tamminen, Tampere, Karelia Brigade: A talk tube for vehicles between cabin and other space
- Corporal Vili Veijalainen, Helsinki, Archipelago Sea Naval Command: A shortening hook for the hip strap of a combat belt

In 2006, the Innoschool Innovation Event was directed at Northern Karelian schools and the co-operating schools within the Technology Now! Project.

In the comprehensive school category, first and second grade pupils in the Joensuu region and in the co-operating schools within the Technology Now! Project came up with many ideas and inventions. After a trial contest, Innoschool received 228 entries from 19 schools. In 2006, a contest for final projects by graduating students at vocational schools was organised in Northern Karelia.

Awardees in the vocational school category:

- Jenni Saarinen, Joensuu: A coat made of two separate parts for those who, even with an assistant, have difficulty in putting on clothes
- Eveliina Salo, Joensuu: A traditional bridal box re-designed to combine traditions, practicality, and modern design
- Jarko Törmänen, Rovaniemi: Learn and practice ashtanga yoga by using an animated program.

Awardees in the comprehensive school category:

- Minttu Mecklin and Iina Törrönen, Karsikko School, 2nd grade, Joensuu: "Hyppix", a motorised skipping-bar, with accessories, for outside use
- Roope Valomäki, Karsikko School, 1st grade, Joensuu: Flexible building blocks that are visible in the dark and can be magnetically attached to each other to build a lamp, for example
- Susanna Laukkanen, Nolja School, 2nd grade, Joensuu: A wash basin with excellent grips for elderly people
- Nea Pietilä and Minja Kauppila, Mäkkylä School, 2nd grade, Espoo: A shoe radar to warn the visually impaired of obstacles
- Niko Kuri, Samuli Naukkarinen, Joona Ojala, Tomi Räsänen, and Walteri Sorjonen, Utra School, 2nd grade, Joensuu: A snow-pusher with excellent accessories for versatile all-year use

International Co-operation

Globalisation manifested in closer international co-operation. Patent issues debated in Europe.



The National Board of Patents and Registration (NBPR) is an active player in international co-operation and keenly follows progress in the field. Finland has joined a number of international industrial property treaties and organisations in the NBPR's field of activity. Co-operation has also recently shown substantial growth in Trade Register issues, on the European level in particular. The International and Legal Affairs Unit, together with the President, is responsible for the development and co-ordination of the NBPR's international operations.

As globalisation increases, the international contacts of the National Board of Patents and Registration are becoming closer and are expanding. Our co-operative partners in the international field consist of the World Intellectual Property Organization WIPO, the European Patent Organisation EPO, and the EU Office for Harmonisation in the Internal Market (Trademarks and Designs) OHIM. Co-operation with the industrial property offices of the Nordic and Baltic countries has also continued to be intensive.

Activity-packed year for WIPO

The World Intellectual Property Organization WIPO is one of the United Nations' specialised agencies. WIPO has 184 member states, and its duty is to promote the protection of intellectual property worldwide and to administer multinational treaties on all the different elements of intellectual property. Delegates from the National Board of Patents and Registration attended several meetings organised by WIPO's governing bodies and working groups last year.

The diplomatic conference held in Singapore in 2006 approved a revised Treaty on the Law of Trademarks. This new treaty replaced the 1994 Trade-mark Law Treaty, and enables electronic filing, for example.

Negotiations continued on the Draft Treaty on Substantive Patent Law, which the WIPO Standing Committee on the Law of Patents has been processing since the year 2000. Despite all efforts, no concrete results have been achieved so far. Substantial differences in views between the industrialised and the developing countries continue, and steps are being taken to resolve this issue.

The Patent Law Treaty concluded in Geneva in June 2000 came into force in respect of Finland in March 2006. Finland also began preparations for its access to the Geneva Act of the Hague Agreement.

Active co-operation at EPO and OHIM

The EPO, or the European Patent Office, is in charge of the centralised grant-



ing of European patents. Finland has actively participated in the operation of EPO ever since its accession in 1996. EPO has 31 member states, 27 of which are members of the European Union.

In the year under review, the most crucial issue was the strategy debate held at the Administrative Board of EPO on the future of the European patent system and the co-operation between EPO and its member states. This debate resulted in preparations for the creation of a European Patent Network, and preparatory working groups were established.

The National Board of Patents and Registration also actively participated in the operation of OHIM, the EU Office for Harmonisation in the Internal Market (Trademarks and Designs). The most significant issues at OHIM were the strategy debate and the co-operation between the national offices and OHIM. President Martti Enäjärvi acts as the Chairman of both the Administrative Board and the Nomination Committee of OHIM.

European Business Register provides easy access to company information

The National Board of Patents and Registration participates in the European Business Register (EBR) service, which is a joint information service of the business registers of 14 European countries. The service provides official and reliable information direct from the national business register of each of these countries. Official, reliable company information is always needed to ascertain the background of a contracting or business party.

Through the EBR service anyone can now obtain official company information from abroad, at a reasonable cost, and in one's own language.

Co-operation near and far

Several delegations visited the Office last year to get acquainted with the operations of the National Board of Patents and Registration and the Finnish innovation policy. Among the visitors were the heads of the Portuguese and Russian Patent Offices, representatives

from the top management of the Chinese Patent Office, and guests from the period of the Finnish EU presidency.

The discussion on promoting co-operation among the Nordic countries continued to be lively. Our relations with the corresponding offices of Estonia and the other Baltic countries also continued their positive development. In December 2006, the Finnish, Estonian, Latvian and Lithuanian Patent Offices signed a joint agreement, the purpose of which is to strengthen co-operation among these countries.

The National Board of Patents and Registration has expanded its international collaboration beyond Europe and the adjoining areas. March 2006 saw the signing of a co-operation agreement with the Registering Authority of Ghana.

The Finnish EU Presidency programme contained an "IPR at the Crossroads" seminar in Helsinki. The participants pondered on the future of the IPR system, i.e. industrial property rights, the Community

patent, and ways in which to promote the competitiveness of Europe. The National Board of Patents and Registration of Finland was one of the organisers of this occasion.

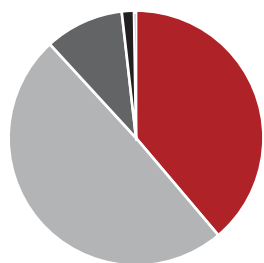


A balanced economy. Operations financed by performance charges.
Trade Register collects half all income.

Breakdown of expenditure 2006

Cost development	2004	2005	2006	Change percentage
Raw materials and consumables	871 186.11	681 047.21	1 025 161.64	+ 50
Staff expenses	19 383 672.79	20 394 918.24	21 077 646.95	+ 3
Rents	3 965 310.29	4 030 639.63	4 849 713.88	+ 20
Services purchased	7 940 344.15	8 661 300.97	8 436 480.60	- 3
Other expenses	538 514.22	534 146.24	568 871.61	+ 7
Production for own use	-136 906.44	- 76 916.49	- 424 902.03	+452
Depreciations	2 845 666.99	2 231 918.39	1 642 883.97	- 26
Expenses, total	35 407 788.11	36 457 054.19	37 175 856.62	+ 2

Income per unit



- Patents and Innovations Line €15.1m
- Enterprises and Corporations Line €19.2m
- Trademarks and Designs Line €3.9m
- Register of Associations €0.6m
- Administration and others €0.1m

Financing

In 2006, the income of NBPR exceeded its expenses; all our operations were financed by income from charges. The income amounted to €38.2m and expenses to €37.9m, leaving a financing surplus of €0.3m.

In the main budget for 2006, a three-year appropriation of €1,189m was made, but remained unused. It was made with a view to covering the costs of associations, religious communities and foundations, as their charges are set under cost price.

Income

The income of the NBPR totalled €38.9m, increasing by some €3.0m, or 8% from the previous year.

The majority of income was collected by the Enterprises and Corporations Line, in practice by the Trade Register. The second largest part of income was collected by the Patents and Innovations Line, mainly in the form of patent fees, followed by the Trademarks and Designs Line's portion, which came mainly from trademark fees. The rest of the income was covered by other registered rights, such as enterprise mortgages, designs and utility models, and

registrations of associations.

Expense structure

Total operating expenditure rose by 2% and amounted to €37.2m during the operating year. Staff expenses of €21.1m were the biggest single expenditure item, accounting for 56% of total expenditure. A sum of €0.4m of staff expenses was capitalised for our own IT projects: this is shown as a separate item on the income and expenditure sheet. External services were bought for €8.4m, and rents paid for amounted to €4.8m.

Capitalised investments in fixed assets were depreciated by €1.6m.

Breakdown of expenditure 2006



- Raw materials and consumables €1.0m
- Staff expenses €20.7m including production for own use
- Rents €4.8m
- Services purchased €8.4m
- Depreciations €1.6m
- Other expenses €0.5m

Total expenditure rose by €0.7m from the previous year. The greatest increase concerned staff expenses, €0.7m, and rents, €0.8m. In addition, materials and consumable expenses increased by €0.4m compared with the year before, and €0.2m less was spent on external services. Other expenses remained at the same level, and depreciations decreased by €0.6m.

Balance sheet

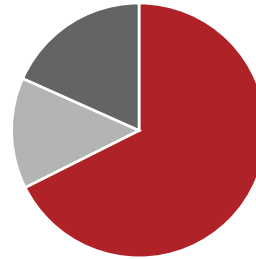
The balance sheet total was €7.1m on 31 December 2006.

The balance sheet mainly consists of capitalised development and construction items for the NBPR's information

systems and for related IT equipment. On the assets side of the balance sheet, the main part, €4.8m, of the sum total consists of intangible assets. A total of €2.1m was capitalised in intangible assets, which includes both external specialist services used for upgrading our Office's IT systems and our own staff's contribution to this work. Other intangible fixed assets included unfinished development projects totalling €1.8m, €0.6m of other expenses with long-term effects (repairs etc) and €0.2m of intangible rights (IT programs).

Tangible assets comprised €0.8m in machinery and equipment, €0.1m in furniture and fixtures, and €0.1m in

The NBPR's assets 2006



- Intangible assets €4.7m
- Tangible assets €1.0m
- Financial assets €1.3m

other tangible assets.

The residual value of fixed assets and other long-term investments in the annual accounts totalled €5.7m. Investments made in fixed assets amounted to €2.1m.

Stocks and financial assets include current debtors and other liquid assets, totalling €1.3m.

Performance Report



Productivity continues to exceed the long-term target. Number of applications and notifications clearly on the rise.

In 2006, the total number of applications and notifications increased by 5% from the previous year to a total of 406,600. This growth is mainly a result of an increased number of submitted annual accounts and search requests concerning Community Trademark applications.

Productivity

After four consecutive years of growth, in 2006, the productivity of our units decreased by an average of 1.5% as we were not able to carry out as many removals from the Trade Register than in the previous year. However, although we did not reach the growth target of 2% set in the state budget, the long-term development of our productivity is clearly above target: productivity has risen by 113% since 1988. Results management, performance measurement, improvement of processes, and the continuous development work on enhancing data-processing systems and increasing staff skills have all contributed to this rise.

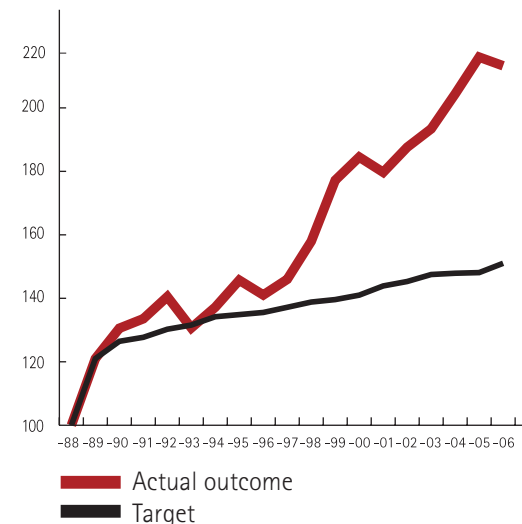
Processing times

The processing times at the Trade Register decreased to six working days. In trademark matters, the processing time of national applications fell to 5.4 months. The average processing times at the Register of Associations decreased to 3.2 months, but basic notices were processed in 1.8 months. In other units, the processing times remained more or less unchanged.

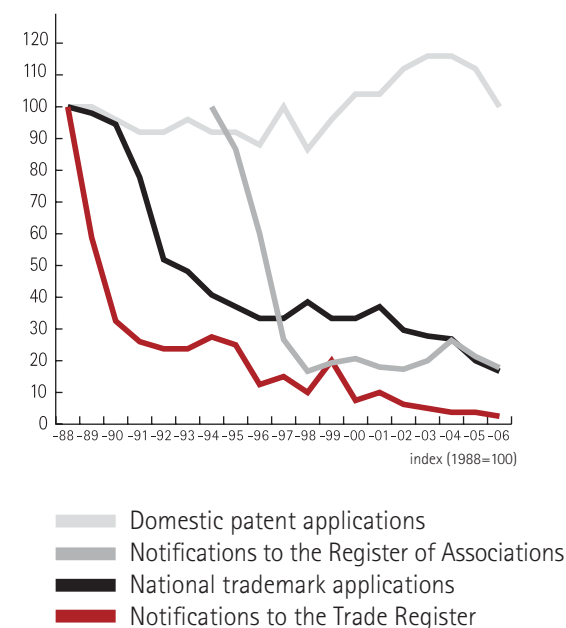
Economy

Cost per unit rose by 2.8%. The target for 2006 was not achieved: in the budget, the limit for cost per unit was set to allow an increase of 0.9%, whereas in real terms, the cost per unit rose by only 0.8%.

Development of productivity of work and targets set (1988 = 100)



Development of processing times





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