



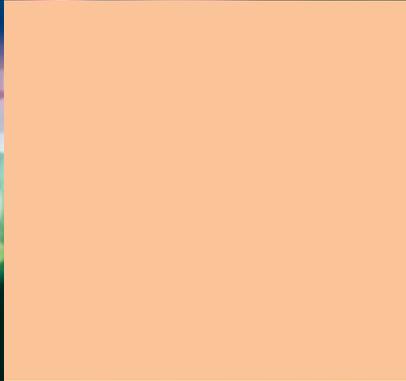
PRH FINNISH PATENT AND
REGISTRATION OFFICE

Annual Report

2017



2017



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Mission and role



We register

- businesses
- housing companies
- foundations
- associations
- LEI codes
- enterprise mortgages



We examine and grant

- patents & utility models
- trademarks
- designs



We supervise

- foundations
- auditors
- copyright organisations



We train and give advice

- customer support
- information and advisory services
- training services and courses
- fairs and events

Our strategy 2018–2022

OUR VISION

Excellent customer experience
– best authority services in collaboration



Strategic goals guide our operations and communications



Our customers succeed



Our data and information services are open to all and easy to use



Our operations are influential and effective



We are an example of thriving cooperation

Editorial staff: Päivi Männikkö / PRH • Interviews: Anna Konttinen / Marketing agency Kitchen • Layout: Antti Heikkinen / Marketing agency Kitchen • Photos: Juha Rahkonen, Kati Länsikylä, Nina Kaverinen and Juha Salminen



Message from the Director General

The Finnish Patent and Registration Office (PRH) achieved good results in 2017.

The improved general economic climate was reflected particularly in higher notification activity and growth in service demand. In spite of increased demand and the preparations for relocating to new premises, the PRH achieved nearly all of the result targets set for its operations.

Our financial result showed a surplus due to the combined effect of higher fee income and lower investments. Fee income is expected to remain at a good level in the coming years.

We relocated late in the year to new premises in Hakaniemi, Helsinki, at Sörnäisten rantatie 13. We continued to operate throughout the move, and to our customers the relocation was only visible in our walk-in customer service moving to a new address.

The productivity of our personnel continued to grow substantially during the year. For our personnel, the move to the new multi-space office meant the need to adopt more digital working methods. In spite of the changes, the overall job satisfaction among our personnel reached an all-time high.

The development of the PRH's online services continued. We introduced online notifications for private traders and began the renewal of online services for the Register of Associations. The relative share of online applications and notifications continued to grow, but the rate of increase was slow for certain services.

The PRH and the Tax Administration agreed that responsibility for the Business Information System (BIS at ytj.fi) would be assigned to the PRH. The preparation and implementation on transferring the responsibility will continue in the coming years.



The entry into force of the unitary patent system currently being prepared in the EU was delayed and it is now estimated to take effect in the second half of 2018 at the earliest. From the PRH's perspective, the loss of patent publication and annual fee income will have a significant impact on the funding of patent and trademark functions. However, these changes have been taken into account in the public sector's spending limits.

During the year, we prepared the PRH's new strategy for the period 2018–2022. The foundation of the strategy is our new vision: "Excellent customer experience – best authority services in collaboration." We defined our strategic goals to help us turn our vision into reality: our customers succeed; our data and information services are open to all and easy to use; our operations are influential and effective; we are an example of thriving cooperation. The PRH's future outlook is positive.

Antti Riivari
Director General

Management Group



Director General
Antti Riivari



Deputy Director General
Eero Mantere
Shared Services



Director
Jorma Hanski
Patents and Trademarks



Director
Riikka Harjula
Auditor Oversight



Director
Liisa Räsänen
Enterprises and Corporations



Director
Anna Lauttamus-Kauppi
Customer Services and Communications



Head of Human Resources
Nina Haavisto



Head of Finance
Pekka Heikkinen



CTO
Sakari Karstu



ICT Development Director
Sari Kuisma-Kari





We received encouragement and good ideas

In 2017, we collected even more customer feedback than before. In addition to our general customer satisfaction survey, we conducted service-specific surveys and engaged our customers in service development.

In the traditional customer satisfaction survey, the quality of our services received a score of 3.9 on a scale of 1–5. As in the past, the customers gave particularly high ratings for the expertise and service attitude of our personnel, with those scores being close to 4. The service quality score for our walk-in customer service remained at an excellent level for the second straight year at 4.7.

Areas of development highlighted by customers included processing times as well as making decisions and their justifications clear.

We also conducted service-specific surveys to assess our customers' opinions on our online services and their ease of use. The scores were slightly below or above 4 depending on the service.

The surveys provided us with valuable information on what our customers regard as important and, for example, how they want to use our services. The feedback we receive from surveys is very significant for our service development.

In addition to conducting surveys, we engaged our customers even more than before in the development of new services. **Read more on page 8.**

More customer contacts

Deregistration procedures related to the Register of Associations and the Trade Register as well as growth in the number of LEI code applications led to an increased volume of contacts for our customer service in 2017.

An increasing proportion of customers approached us by e-mail or, in matters related to the Trade Register, via our chat service. The number of telephone calls remained unchanged, and the number of in-person visits to our customer service location in Helsinki decreased.

We issued thousands of new LEI codes

The PRH issued more than 14,000 new international LEI (Legal Entity Identifier) codes to Finnish enterprises and corporations during the year. In 2016, the corresponding number was less than 300.

The dramatic increase in the number of LEI applications is due to changes in EU securities regulations.

Effective from the beginning of 2018, enterprises and corporations must have a LEI code in order to trade in listed shares and other listed financial instruments.

The PRH completed the international approval process required of issuers of LEI codes. At the conclusion of this process, we received a certificate of compliance with the requirements of the global LEI system in January 2018.

The certificate means that the PRH can continue to issue LEI codes to Finnish enterprises and corporations. The certificate was granted by GLEIF (Global Legal Entity Identifier Foundation), the administrative body in charge of the global LEI code system.

LEI CODES ISSUED BY THE PRH



Case

PRH wants success for its customers

In 2017, we began to listen to our customers' views even more systematically in order to support the design and testing of our online services. We listened to our customers' opinions on the services that are in development, with the aim of ensuring that the services will be as user-friendly as possible immediately upon their launch.

The PRH has a long history of collecting customer feedback on its existing services. We consider the development of even more user-friendly services to be important, as our vision is to provide an excellent customer experience and our aim is to help our customers achieve their goals.

During the past year, we engaged our customers even more than before in the renewal of the services of the Register of Associations and the information services of the Patent Register as well as the development of online services related to auditor oversight.

"Customers should be engaged in development efforts as early as possible, but their engagement in the process is more effective when you have something to show and test. Naturally, we know our customers and we are open to their feedback regarding our existing services. However, it would be even better if we could introduce more customer insight into the process even before the launch of a new or redesigned service," says Päivi Rauhala, Communications Specialist at the PRH.

In our meetings with customers, we obtained valuable information on their expectations, ideas and views, particularly with regard to the usability of services. The meetings were attended by experts, such as patent agents, as well as customers representing other categories. We asked the customers to comment on draft user interfaces, conducted surveys and usability tests and we also organised idea creation sessions and interviews.

Service Designer Kimmo Kena was delighted by the enthusiasm shown by the customers

"I have organised five different kinds of workshops, carried out online surveys and conducted in-depth interviews of auditors regarding their service needs. All of the messages I have received indicate that customers appreciate the opportunity to be involved in designing the PRH's services. The customers have given a lot of positive feedback on the development of online services as well as the PRH's desire to continuously develop and improve the customer experience," says Service Designer Kimmo Kena.

The workshops have included discussions at many different levels, ranging from the PRH brand and service promise all the way to the micro level, such as analysing the sizes and colours of buttons and the readability of text on online services.

The participating customers also highlighted areas for improvement, such as the need to provide clearer instructions. The groups had extensive discussions on what kind of language is clear and easily understandable. Some participants felt that certain forms were too long

and that some mandatory forms were altogether unnecessary.

"We also worked together to generate ideas for a real-time alert service that is personalised according to the user's specific interests. Today's customers face a flood of information and they expressed a desire for not only a high-quality newsletter, but also personalised alerts or notifications. They want the PRH to be even more active in making their daily lives easier."

Kimmo Kena has presented all of the results and findings of the service design process to the Director of Customer Services and Communications and the expert teams for the relevant services. The PRH found that the process produced valuable insights to drive service development.

"Our customers have noticed that we are taking steps in developing our services", explain Service Designer Kimmo Kena and Communications Specialist Päivi Rauhala.

Communications Specialist Päivi Rauhala and Service Designer Kimmo Kena





Number of patent applications finally started to increase

The number of patent applications has been declining for several years. In 2017, the number of applications for both national and international patents finally started to increase.

The increase in the number of applications was due to economic recovery as well as the management model for major IPR client accounts introduced by the PRH in 2015.

PRH continues as PCT authority

The PRH has served the role of examining PCT authority under the international Patent Cooperation Treaty (PCT) since 2005. The PCT system makes it possible for patent applicants to initiate an international patent application process with a single application.

The World Intellectual Property Organisation (WIPO) decided in October that the PRH will continue as an

examining PCT authority for the next ten-year term from 2018 to 2027. More than half of Finnish businesses file their PCT applications with the PRH for examination, which reflects their trust in the quality of our performance.

175 years of Finnish patents

From mines to airports

The airport security gate is based on Outokumpu Corporation's patents. When the metal detectors developed for mining conveyors were turned upright to create walk-through gates, the technology could be used for purposes such as airport security checks since the 1980s.

Preparations for the entry into force of the unitary patent system

The entry into force of the unitary patent system currently being prepared in the EU was delayed again. The unitary patent system is now expected to be implemented in the second half of 2018 at the earliest.

The unitary patent represents an important reform for businesses that require EU-wide patent protection. While the new system will reduce the costs of patenting, it will also pose challenges to the future funding of the PRH's patent function. However, these changes are taken into account in the public sector's spending limits.

175 years of Finnish patents

The year 2017 marked a milestone anniversary for the Finnish patent.

The Finnish patent system started in 1842 when the Imperial Senate of Finland granted patent number 1 to Swedish mechanic L.G. Ståhle for his "blowing machine made of iron", which was a piece of auxiliary equipment for an iron blast furnace.

The rate at which patents were granted was slow in the early years. Things picked up speed as industrialisation began in the late 1880s. All in all, more than 125,000 Finnish patents have been granted over the 175 years the system has been in place.

We also celebrated the PRH's 75th anniversary in 2017. [Read more on page 28.](#)

175 years of Finnish patents

An invention to fight cholesterol

In 1989, Raisio Group came up with a way to turn cholesterol-lowering plant stanols into fat-soluble plant stanol esters suitable for food production. It is considered as one of the world's most important innovations in the field of nutrition. Based on the patented invention, Benecol margarine hit supermarket shelves in 1995. Benecol is a registered trademark of Raisio plc.

National patent applications



Finalised national patent applications



INTERNATIONAL PATENT MATTERS

Processed PCT applications (PCT/RO)



Conducted novelty searches (PCT/ISA)



European patents validated in Finland (EPO)



Finalised utility model applications





Tarja Heikkilä,
Managing Director,
Jospak Oy

Case

Packaging company Jospak

IPR strategy is vital for a small enterprise

Some 85 billion food trays are consumed each year in Europe, and this figure is growing. Jospak is a Forssa-based startup that has developed a more eco-friendly tray for ready-to-eat meals and other food products.

“Our product is a combination of cardboard and plastic. Cardboard offers the advantages of printability and rigidity, while a thin plastic film provides a strong barrier for longer shelf life. By using cardboard, we are able to reduce plastic

in packaging by more than 85 per cent,” says Ari Lehikoinen, Project Manager at Jospak.

The plastic film is easily removed and it can be disposed of in mixed waste. The remaining packaging material can be recycled with other paperboard and cardboard waste.

Jospak is still in the startup phase, having produced its first prototype in 2016. Launching the products in the market has required a great deal of development related to technology, raw materials and packaging structures.

Many ways to protect intellectual property rights

Jospak has branded its packaging solution with the name of the company and protected several trademarks and online domains.

“We have applied for several patents, and our first patent application has already been approved. We use patents to protect the tray manufacturing process, the raw materials we use and our packaging structures. Our aim is to create a patent portfolio that protects our know-how as comprehensively as possible,” Lehikoinen explains.

The company’s employees have all signed non-disclosure agreements. Similar agreements are also signed with raw material suppliers, subcontractors and other partners, and even customers.

Using patents with discretion

Jospak has received a development loan from Tekes (now known as Business Finland), part of which has been directly budgeted to cover the costs of intellectual property rights (IPR) protection.

“We use a patent agent for our IPR and patent application processes, and we have been very satisfied with the agent’s services.



Jospak Oy’s product is made of cardboard and plastic. Here, the product is presented by Project Manager Ari Lehikoinen.

As patenting is rather expensive for a small company, you have to carefully consider what, when and where you wish to protect.”

In Ari Lehikoinen’s opinion, small businesses have different operating methods than large corporations, but the importance of an IPR strategy is highlighted in a small enterprise. Large companies with greater resources can otherwise overtake their smaller competitors with ease.




Jospak Oy was established in 2014. The company aims to develop and commercialise new fibre-based packaging solutions for the food industry.

Case

Sulapac® packaging is 100% biodegradable

Sulapac manufactures packaging that is completely biodegradable and free of microplastics. The company aims to tackle the problems associated with plastic by introducing better alternatives to the market.

“We currently produce cosmetics, gift and jewellery packaging for brands. It is expensive to launch a new material and new technology. We will be able to reduce prices as soon as we can produce larger quantities and shift to a licensing-based model,” says Antti Pärssinen, Technology and Innovation Director at Sulapac.

The company began operating in 2016. According to Pärssinen, IPR is an important area to consider right from the start.

“You have to start thinking about IPR as soon as you have an idea for a product. Startups need capital, and funding is easier to get when you are able to protect your technology with patents.”

Pärssinen’s advice is to first think about how to protect your products and processes and only then move on to their practical implementation:

“You shouldn’t proceed with the practical implementation of anything a competitor could copy as soon as they see it.”

The Sulapac trademark is registered in Finland and the EU. The company also has pending trademark applications in several Asian countries and North America. Sulapac submitted its first patent application to the PRH in March 2017.

“Doing things right early on creates a solid foundation for the future of the company,” Antti Pärssinen explains.



Antti Pärssinen, Technology and Innovation Director,
Sulapac Oy



Sulapac® packaging combines wood, biodegradable binding agents and Nordic design.

Effective oversight

One of our objectives for 2017 was to ensure that the financial statements information in the Trade Register is as comprehensive as possible. This was pursued through enhanced oversight. Partly due to this enhanced oversight, the number of financial statements submitted to the Trade Register was substantially higher than in the previous year.

The PRH requested limited liability companies and cooperatives that had not submitted their financial statements to the Trade Register to do so at the earliest opportunity. The threat was that even an active company could face

Financial statements submitted to the Trade Register



Media hits

Kauppa-lehti on 30 November 2017

PRH takes strong action: removes 600 companies from the Trade Register

According to Director General Antti Riivari, the deregistration decision was made in spring 2017 after nearly 70,000 companies had failed to submit their financial statements for more than two years. Riivari says the PRH became frustrated when less drastic measures proved ineffective, and decided to make it clear that they are serious about the issue.

deregistration. By January 2018, a total of 2,173 companies had been removed from the Trade Register for not submitting their financial statements information despite being requested to do so.

In its role as the authority responsible for the oversight of foundations, the PRH requested foundations to submit their annual reports to the Register of Foundations. Conditional fines were imposed on foundations that failed to submit an annual report in spite of being sent a reminder letter. A quarter of the foundations that did submit an annual report were requested to rectify deficiencies in their reports.

The PRH Auditor Oversight Unit monitors legal compliance by auditors. Auditor oversight comprises proactive monitoring in the form of quality inspections and reactive investigations into individual cases.

PRH began supervising copyright organisations

At the beginning of 2017, the PRH was put in charge of monitoring compliance with the Act on Collective Management of Copyright by copyright organisations in Finland.

The Government also established a committee to support the development of the collective management of copyright. The committee operates in connection with the PRH and it began its three-year term in December.

New quality inspection method in Auditor Oversight

The Auditor Oversight Unit, which has been part of the PRH for two years, continued to develop its operations.

To improve the quality of auditing, the Auditor Oversight Unit defined and published focus areas for quality inspection for the coming years. New auditing practices have been successfully put into practice among Finnish auditors. An annual report was produced to document the results of quality inspection activities in 2017.

AUDITOR EXAMINATIONS

Approved HT examinations



Approved KHT examinations



Approved JHT examinations



Approved transition examinations



Approved previously incomplete examination processes under the old system



A new service was introduced to enable auditors and audit firms to submit their notifications of oversight information online. Nearly all notifications of oversight information were submitted via the online service.

Examinations pursuant to the new auditor examination system were organised for the second time. The examinations took place in Helsinki in September. A total of 125 people passed one of the examinations under the current examination system, a transition examination or a previously incomplete examination under the old system.

Authorisations of auditors and audit firms



Cancellations of authorisations of auditors and audit firms



Quality inspection decisions pertaining to auditors and audit firms



Decisions on investigative matters



PRH in numbers 2017

AT THE END OF 2017, THERE WERE IN FORCE

50,315

patents granted and validated by the PRH

2,789

utility models

2,111

design rights

100,098

trademarks

AT THE END OF 2017, THERE WERE

613,713

companies in the Trade Register

105,005

associations in the Register of Associations

2,717

foundations in the Register of Foundations

1,486

auditors and audit firms in the Register of Auditors

SHARE OF ONLINE SERVICES



96%
Patent applications



86%
Trademark applications



43%
Notifications of changes to the Trade Register



53%
Start-up notifications for limited liability companies



74%
Start-up notifications for private traders



96%
Changes to address or contact details of businesses



82%
Notices to the Register of Associations



Visits to our websites

prh.fi **2.3** million
ytj.fi **6.7** million

CUSTOMER SERVICE



140,000

calls to our customer advisory service



23,000

visits to our walk-in customer service



20,000

chat discussions with the Trade Register's Advisory Service

FOLLOWERS ON SOCIAL MEDIA



5,571

Twitter



1,168

Facebook



1,203

LinkedIn

A busy year for the Trade Register

The improving economic climate was reflected in the number of notifications submitted to the Trade Register. The number of new businesses entered in the register exceeded the previous year's total by several thousands. The majority of the new registrars were private traders. The number of notifications of changes also increased substantially.

Increased use of online services

The share of notifications submitted online via the ytj.fi website saw significant growth during the year. Slightly

over 51 per cent of all notifications were submitted online, up from 40 per cent in the previous year.

An online service for filing private traders' start-up notifications was introduced at the beginning of March. The service was well received by our customers, with more than 80 per cent of new private traders now submitting their start-up notifications online.

The processing time of online Trade Register notifications was reduced compared to the previous year. Online notifications were processed in less than two working days on average.

Revamped Virre Information Service goes live

We redesigned the Virre Information Service during the year and improved its usability. The revamped Virre, which covers information from the Trade Register, Register of Foundations and Enterprise Mortgage Register, went live in April.

The PRH and the Tax Administration agreed that responsibility for the Business Information System (BIS at ytj.fi) would be assigned to the PRH. The preparation and implementation of the transfer of responsibility will continue in the coming

years. This presents the opportunity to develop the BIS to make it a hub for online business services and business information.

Continued development of the Trade Register

We brought Trade Register data up to date by deregistering nearly 14,000 businesses that had not submitted a Trade Register notification for ten years and were inactive according to the Tax Administration.

The working group established to consider reforms to the Trade Register Act continued its work, with the PRH closely involved.

In the summer, the working group published a memorandum containing proposals for the development of the Trade Register. The feedback received on the memorandum will be used in drafting a Government proposal, which will then be circulated for comments. The legislative amendments could enter into effect on 1 January 2019 at the earliest.

Media hits

Taloussanommat / Ilta-Sanommat on 28 August 2017

Signs of a boom? New business registrations are piling up

The Trade Register received some 21,250 start-up notifications for businesses in January–July, up 19 per cent from the previous year. The PRH's Jouko Koitto says the figures reflect increased business activity and the improved economic climate. The high volume of notifications has seen processing times increase to 22 working days. The PRH intends to work through the backlog by mid-September.

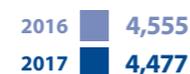
Start-up notifications



Notifications of changes



Matters related to enterprise mortgages



Registering a new housing company will soon be possible online

The PRH is participating in a joint project (ASREK) between several authorities to create a new register of housing company shares. The register will enable the registration of information on housing company shares and their ownership as well as the submission of online notifications on the transfer and mortgaging of housing company shares.

As part of the project, the PRH will implement functionality for the online submission of start-up notifications of housing companies and mutual real estate companies via the ytj.fi website. According to the current plans, the online filing service will be available from the beginning of 2019.

Trademarks registered faster than before

The number of national trademarks registered showed an increase from the previous year. Meanwhile, registrations of international trademarks turned to a decline.

The number of national trademark applications was slightly lower than in 2016, but higher than in 2015. As in the previous year, the most popular class for new trademark applications was education, training and entertainment services.

The average processing time for trademark applications in 2017 was 2.6 months, which represents an impressive one-month improvement on the previous year. The faster processing time is due to the continuous improvement of application processes and a new processing system.

Registration applications for trademarks and designs have been accepted online for several years now. During the past year, we began to also process the applications electronically.

While decisions are still sent to customers on paper, the decision letters are now furnished with a machine signature instead of a handwritten one.

The PRH participated in a Ministry of Economic Affairs and Employment working group that drafted the comprehensive reform of the Trademarks Act. The working group finished the legislative proposal in March 2018. The amended Trademarks Act is scheduled to enter into force at the beginning of 2019.

Attorney examinations were organised for the second time

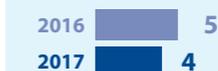
The Industrial Property Attorney Board, which operates under the PRH, arranged attorney examinations for the second time. The attorney examination consisted of a common component that all examinees were required to take, and one or more elective components that are specific to particular areas of industrial law.

INDUSTRIAL PROPERTY ATTORNEY EXAMINATIONS

Common component authorisations granted



Patent law authorisations granted



Trademark law authorisations granted



Trademark protection in Finland for 126 years

The history of the Finnish Trademark Register starts in 1889, which is when the first entries were made in the register. We produced a presentation of Finnish trademarks and trademarks registered in Finland from various decades starting from the 1900s. The campaign was part of the programme celebrating the centenary of Finnish independence.



KISS-KISS is the oldest Finnish trademark that is still valid. It was registered in 1901.

Siporex is a lightweight concrete developed by Finnish chemist Lennart Forsén in the 1930s.



Airam, which expanded its operations from bottles to light bulbs, registered its logo as a trademark in 1952.

Swan sailing boats are manufactured in Pietarsaari. The trademark was granted in 1973.



Kiasma Museum of Contemporary Art commissioned its new building and registered its trademark in 1998.

Mestis, the second tier of ice hockey in Finland, was given protection for its figurative mark with words in 2004.



RESOLVED NATIONAL TRADEMARK APPLICATIONS



INTERNATIONAL TRADEMARKS Processed Madrid applications (Finland as country of origin)



Resolved Madrid applications (Finland as designated country)



Registered designs



Case

Next-generation Gyro Gearloose sought in Finnish Donald Duck's Keksijänero (Genius Inventor) competition



The PRH and the Finnish weekly Donald Duck comic book magazine *Aku Ankka* teamed up to encourage children and young people to be innovative and to teach them about IPR protection in a way that appeals to this target audience. The Genius Inventor competition for young people under the age of 16 was organised for the second time in 2017. There were three age categories in the competition. The broad theme of the competition was digitality in daily life.

"The original idea came from the PRH's experts, who are big fans of the Finnish Donald Duck comic book magazine. In particular, stories featuring Gyro Gearloose and Little Helper have taught our readers about intellectual property rights for as long as the magazine has been published, and we were proud to be chosen as a partner for this competition," says Aki Hyyppä, Editor-in-Chief of the Finnish Donald Duck magazine.

Utopian ideas in true Donald Duck style and innovations for daily life

The Genius Inventor 2017 competition received a total of 42 entries from individual girls and boys as well as pairs and teams.

The wide range of ideas and inventions included some that were quite Utopian in true Donald Duck style. The entries

were based on a variety of technologies and principles, from artificial intelligence to gravity and perpetual motion machines.

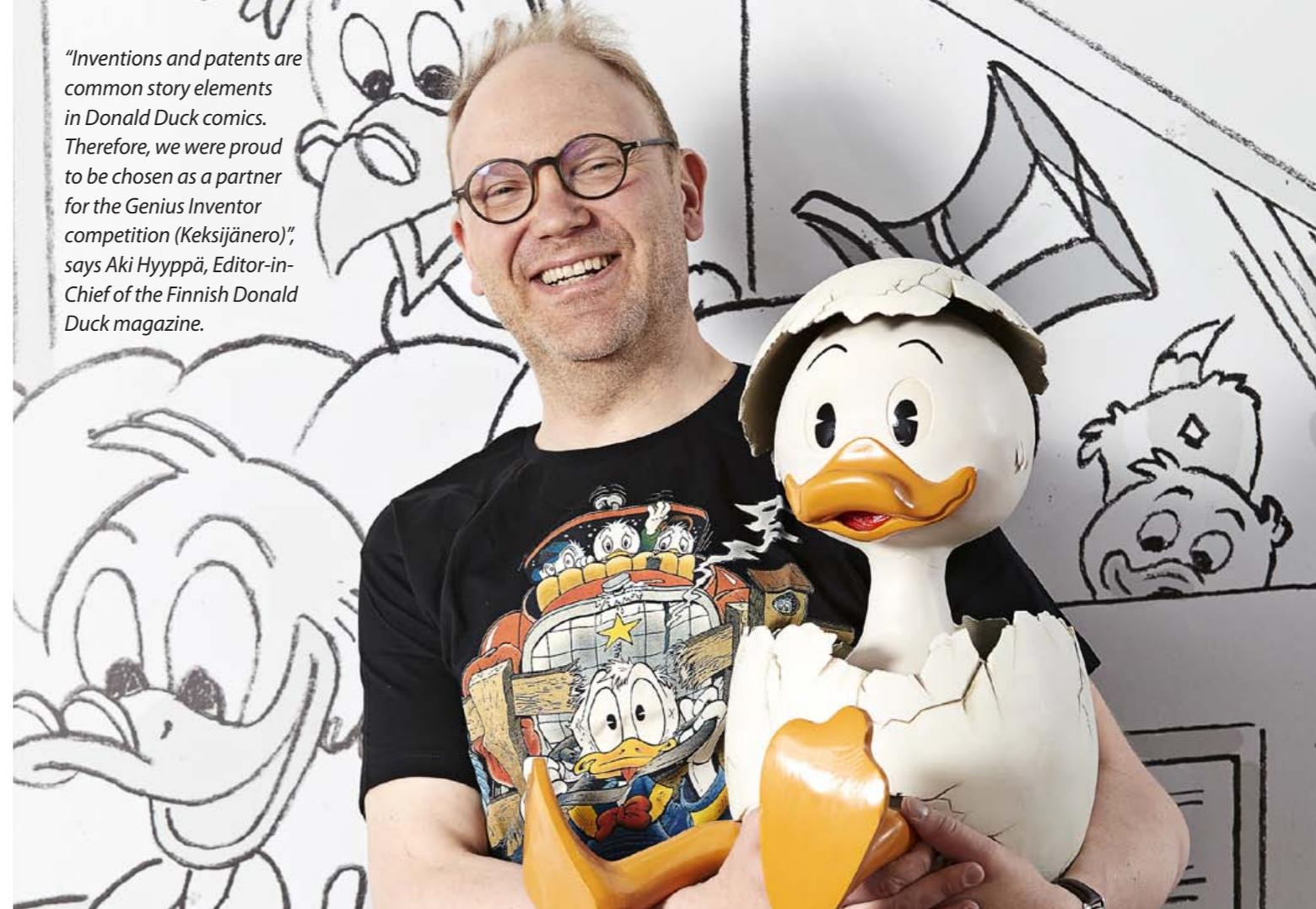
Many of the inventions were designed to make daily life easier, such as *Kuumakalle*, a Tornio-based inventor's adjustable heated clothing solution that allows the wearer to adjust the temperature of the outfit based on where they are feeling cold.

Info



The trademark Donald Duck and its Swedish and Finnish equivalents *Kalle Anka* and *Aku Ankka* were registered in Finland on 14 December 1959. The owner of the trademark is the Walt Disney Company.

Many subscribers view the Finnish Donald Duck magazine as a way of motivating children to improve their reading skills, and children between the ages of 7 and 13 are its most active readers. However, the magazine also has a large adult readership. With more than one million readers, the Finnish Donald Duck magazine is Finland's largest weekly publication.



"Inventions and patents are common story elements in Donald Duck comics. Therefore, we were proud to be chosen as a partner for the Genius Inventor competition (*Keksijänero*)," says Aki Hyyppä, Editor-in-Chief of the Finnish Donald Duck magazine.

One entry that Hyyppä remembers clearly is a clever gaming chair that gives the player a shake when the gaming session is finished. The chair also won the Genius Inventor naming competition with its funny name: the beep chair.

Getting to know Intellectual Property Rights without even realising it

According to Aki Hyyppä, patents are a common story element in Donald Duck comics. The magazine has featured a number of storylines on patent disputes and the rejection of patents.

"We make sure that we convey an accurate picture of the patent process and have our facts straight. The Finnish Donald Duck magazine teaches its young readers about the protection of intellectual property rights.

"When we announced the Genius Inventor competition in the My Corner column of the magazine, we published several stories featuring Gyro Gearloose. Known for his greed, Scrooge McDuck likes to amass trademarks to retain the rights and make money from them, and his eponymous corporation has a trademark of its own. The panels of the comic book magazine often include small details the reader might not immediately notice, such as patent numbers and hidden trademarks like Gearloose TM."

Many of the inventions submitted for the competition had the potential for the registration of at least a utility model and trademark.

"There are plenty of inventors in Finland, but young inventors might not always have the courage to look for help," Aki Hyyppä adds.



Bringing the Register of Associations up to date

The information in the Register of Associations was brought up to date in early January 2017 by deregistering 35,000 inactive associations that had not indicated that they are still in operation.

New associations were registered at the same rate as in the previous years. As usual, the most popular areas of activity among the new associations were culture, sports and leisure. Associations were active in submitting notices to the Register of Associations during the year. As much as 82 per cent of all notices were submitted online via the online filing service for associations.

Notices from associations were processed even faster than before, in four working days on average.

Development of online services

We began work on the renewal of the Register of Associations' processing system, filing service and information service. The aim is to speed up the processing times of notices and offer associations an even easier way to file changes to their details with the Register of Associations.

The aim is to roll out the new services in 2019.

Financial statements submitted to the Register of Associations for the first time

Certain associations submitted their financial statements to the Register of Associations for the first time during the year.

The obligation to submit financial statements applies to associations that are larger than small businesses or, in other words, whose net turnover, balance sheet total and number of employees exceed the specified limits. The submission obligation is based on an amendment to the Accounting Act.

The number of notifications to the Register of Foundations levelled off

The number of notifications and applications submitted to the Register of Foundations decreased slightly from the previous year. The number of notifications was exceptionally high in 2016 due to the entry into force of the new Foundations Act in December 2015. The new Foundations Act contains provisions that have compelled some foundations to amend their rules.

Registered new associations



Notices of changes and dissolutions submitted to the Register of Associations

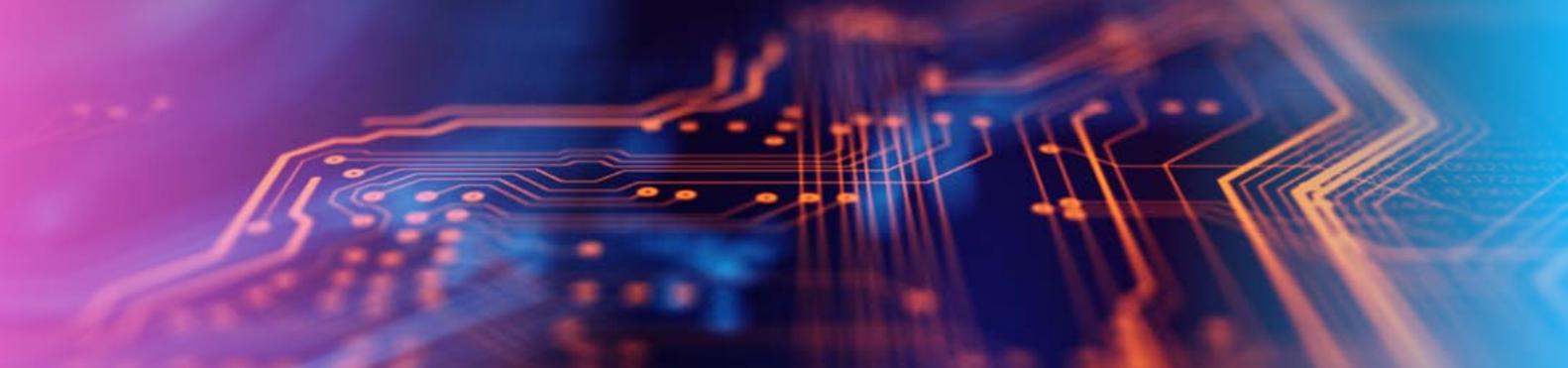


Registered new foundations



Registered annual reports





A digital leap taken the PRH way

Most online services by the state and municipalities allow customers to pay fees by using their Internet banking codes or credit card. The funds are automatically transferred to the bank account of the agency in question.

Received payments need to be processed by the agency's accounting department and the necessary documentation must be produced for the transaction. These tasks are still performed manually in many agencies.

Manual work is reduced

The comprehensive model developed at the PRH for online payment services automates not only payments, but also the relevant accounting processes. The benefit arises from the use of a shared model and the cost-effectiveness it creates.

The model was implemented in Suomi.fi Payments, the new online payment service of the public administration. Suomi.fi Payments replaced Vetuma at the end of 2017.

Centralised solution generates and coordinates data

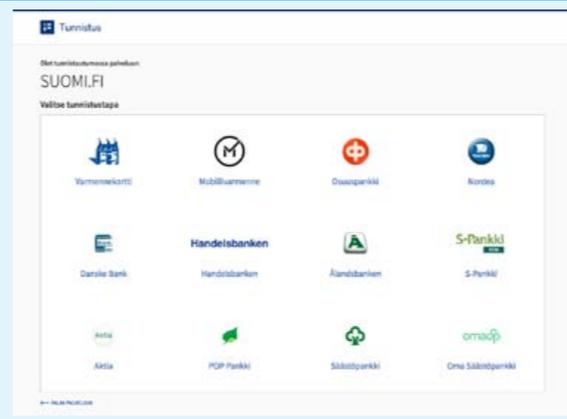
The comprehensive model created by the PRH describes the IT elements and data streams that are required for an agency to automate the creation and archival of accounting documents and other similar appendices.

The model involves several parties and information technology factors. The centralised technical solution generates financial administration data for various systems while also coordinating and synchronising processes and data streams.

Shared identification and payment services introduced

Suomi.fi services are shared online services operated by the public administration. The PRH began using Suomi.fi services in the provision of online services in 2017.

Our customers now sign in via the Suomi.fi user identification service to use the online services of the Business Information System at ytj.fi, apply for patents, trademarks and designs as well as renew trademarks. The service fees are paid via the Suomi.fi Payments service, which is used for the aforementioned services as well as the Virre Information Service.



PRH hosted and attended events

January

- Awarding honorary mentions at the Fennia Prize gala

February

- IPR joint seminar
- Auditing seminar in partnership with Aalto University

March

- Participated in the TID Business Forum
- Our seminar on trademarks and patents in the United States
- IPR joint seminar

April

- Yrityksen nimipäivä (Company Name Day) event in cooperation with the Communications Regulatory Authority FICORA and NewCo Helsinki
- Participated in the main Finnish event of World Intellectual Property Day

May

- The theme of our Toukotyöt seminar was startup companies

August

- PRH's 75th anniversary



November

- Participated in the IPR theme day
- Yrityksen nimipäivä (Company Name Day) event in cooperation with the Communications Regulatory Authority FICORA, EnterpriseEspoo and the Espoo branch of the Federation of Finnish Enterprises
- Participated in the Slush Founders' Day event





Job satisfaction at a record high

Job satisfaction among the PRH's personnel was at an all-time high at 3.79. Job satisfaction was assessed using the central government's VM Baro survey (on a scale from 1 to 5). Satisfaction with the management also improved from the previous year.

According to the survey, the PRH's strengths include its operating culture, the content of the work and the employer image. Some 78 per cent of the respondents considered the PRH a good place to work. The response rate among our personnel was also at a record high.

WORK ATMOSPHERE SURVEY RESULTS 2016–2017, VM BARO, SCALE 1–5

Overall job satisfaction



The management's performance in setting an example and pointing out the right direction



The management's performance in organising work



The PRH is a good place to work



We moved to new premises

The PRH relocated late in the year to new premises in Hakaniemi, Helsinki, at Sörnäisten rantatie 13. The property was renovated to create a multi-space solution that matches the needs of the PRH and the property's other tenant, the State Treasury.

The relocation was a well-planned and smoothly executed project with no disruption to operations. To our customers, the relocation was only visible in our walk-in customer service moving to the new premises.



From the personnel's perspective, the year was characterised by preparations for the move and getting used to the rules and best practices of working in a multi-space office. The decision to forego designated workstations meant that all employees needed to embrace new working methods with a strong emphasis on digital solutions.

We worked on our new strategy

We began shaping the PRH's new strategy during the year. The development of the new strategy started at the beginning of March, led by the new Director General, Antti Riivari, and the new strategy was subsequently announced in winter 2018.

The strategy extends to 2022 and consists of a shared vision, strategic objectives and the success factors necessary for achieving them. The implementation of the strategy will be monitored and measured on a regular basis.

The PRH's new vision is: Excellent customer experience – best authority services in collaboration.

NUMBER OF PERSONNEL IN PERSON-YEARS 2017



- Patents and Trademarks 168.28
- Enterprises and Corporations 125.53
- Customer Services and Communications 44.85
- Shared Services 35.71
- Auditor Oversight 14.90
- Management 3

PRH turned 75 years old

The past year was a milestone year not only for the Finnish patent system, but also for the PRH, which turned 75 years old.

The roots of the office go back even further, to the Manufacture Board under the Imperial Senate of Finland, established in 1835. Through the years, the PRH has evolved into an office that promotes technological, economic and social development on a broad front.

We celebrated our anniversary mainly by continuing to focus on our work, but we also took time in August to organise a party for our personnel and stakeholder representatives.

1942	The National Board of Patents and Registration of Finland (NBPR) is established.
1971	First registered design.
1992	First utility model.
1995	The Register of Foundations and Register of Associations are transferred from the Ministry of Justice to the NBPR.
1996	Finland joins the European Patent Convention (EPC) and the NBPR becomes a full member of the European Patent Organisation (EPO)
1997	Finland becomes a member of OHIM, the EU Office for Harmonisation in the Internal Market (Trademarks and Designs), which is today known as EUIPO.
2005	The NBPR becomes an examining PCT authority.
2016	Auditor oversight duties are assigned to the office, which has by now changed its English name to the Finnish Patent and Registration Office (PRH).
2017	The PRH is put in charge of the monitoring of organisations for the collective management of copyright.



Financial performance remained positive

The PRH was successful in meeting the financial targets established for 2017 in the performance agreement with the Ministry of Employment and the Economy.

The income and expenditure sheet showed a total income of EUR 51.6 million. This consisted almost entirely of income from ordinary operations (EUR 51.2 million), with minor items from rents, fees and other income amounting to around EUR 400,000.

Income increased by EUR 700,000 from the previous year. The Enterprises and Corporations result area accounted for

the largest increase in euros earned. The increase in income was attributable to higher overall demand and a change in pricing structure. The pricing of online notifications has been reduced, but our customers have not shifted to using them to the extent that was anticipated. The incomes of the other result areas remained largely unchanged.

Overall operational expenditures, as per the income and expenditure sheet, decreased by approximately one per cent and totalled EUR 50.5 million during the year. Overall expenditures decreased by approximately EUR 425,000

compared to the previous year. Service purchases increased by EUR 1.1 million due to factors including LEI accreditation costs and expenses arising from the relocation to new premises.

Staff expenses were the largest expenditure item at EUR 24.4 million, or 48.3 per cent of total expenditures. Staff expenses decreased by approximately EUR 840,000 from the previous year. The decrease was mainly due to a lower amount of holiday pay liabilities recognised and cuts to holiday bonuses. Purchases of external services represented the second-largest expenditure item at EUR 14.4 million. Rental expenses amounted to EUR 4.3 million.

Depreciation declined by approximately EUR 200,000 because the PRH's investments have been at an exceptionally low level in the previous years. Expenditures on raw materials, consumables and other expenses increased by EUR 170,000 compared to the previous year.

The PRH is subject to net budgeting. Total income for the year amounted to EUR 51.5 million, and total expenditure was EUR 46.6 million. The surplus based on income and expenditure was EUR 5 million.

The appropriation allocated to the PRH within the normal budget spending limits, EUR 1.2 million, is mainly intended to cover expenses incurred through the processing of issues relating to associations and religious communities because, for social policy reasons, services performed for these clients are priced below cost. Appropriations were also received for the oversight of foundations in the amount of EUR 650,000, information disclosure compensation in the amount of

EUR 214,000, maintaining the register of industrial property attorneys in the amount of EUR 80,000 and the monitoring of the collective management of copyright in the amount of EUR 120,000.

The PRH also had access to an appropriation of EUR 2.4 million to cover the costs of auditor oversight.

Non-recurring appropriations were received in the amount of EUR 2.8 million for the development of the register of beneficiaries and the issuing of Legal Entity Identifiers.

The balance sheet total on 31 December 2017 was EUR 22.7 million. The balance sheet total declined by about EUR 2.8 million (equal to depreciation) due to replacement investments being made only to the amount of approximately EUR 3.3 million. Depreciation recognised on capitalised investments in fixed assets in 2017 totalled EUR 5.9 million. The balance sheet consists almost entirely of capitalised development items for the PRH's data systems and related IT software.

On the assets side of the balance sheet, the majority of the total, EUR 22.0 million, consists of intangible assets. The value of unfinished investments increased by EUR 3.2 million.

Investments in fixed assets were mostly made in data systems and they amounted to EUR 3.3 million. The level of investments increased by EUR 2.9 million compared to the previous year.

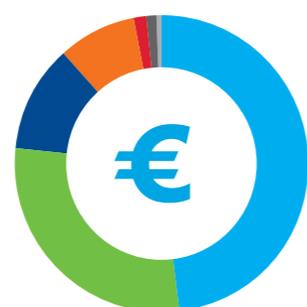
Current receivables and other financial assets, which are included in inventories and current assets, decreased by approximately EUR 576,000. This was mainly due to a decline in trade receivables and accrued income.

INCOME IN 2017



- Enterprises and Corporations **EUR 29.2 million**
- Patents and Trademarks **EUR 22 million**
- Auditor Oversight **EUR 0.18 million**
- Support Services **EUR 0.1 million**

EXPENDITURE IN 2017



- Staff expenses **EUR 24.4 million**
- Services purchased **EUR 14.4 million**
- Depreciation **EUR 5.9 million**
- Rents **EUR 4.3 million**
- Other expenses **EUR 0.7 million**
- Raw materials and consumables **EUR 0.6 million**
- Internal expenses **EUR 0.2 million**



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