

Capitolul 39 – MĂSURI PENTRU DEZVOLTAREA, PROTECȚIA ȘI EXPLOATAREA REZULTATELOR ACTIVITĂȚII INTELLECTUALE: EXPERIENȚA REPUBLICII MOLDOVA

Chapter 39 – MEASURES FOR THE DEVELOPMENT, PROTECTION AND EXPLOITATION OF THE RESULTS OF INTELLECTUAL ACTIVITY: THE EXPERIENCE OF THE REPUBLIC OF MOLDOVA

Alexandra NOVAC¹

Abstract

As the global economy shifts towards a knowledge-based framework, the importance of intellectual property continues to increase. This paper aims to comprehensively evaluate the measures and approaches employed in the Republic of Moldova to foster the development, protection, and commercialization of intellectual property. The research methodology is based on an analysis of statistical data, policy documents, and specialized literature. The findings highlight that while there are initiatives in place to promote innovation and safeguard intellectual property, these measures are often fragmented and insufficiently aligned with the demands of an innovation-driven economic model.

Keywords: intellectual property development, intellectual property protection, innovation policy, Republic of Moldova

JEL: O3

Introduction

The current stage of development of the world economy has brought intellectual property to the attention of governments. From a marginalised and little known concept, intellectual property has become a key element of government policies and corporate strategies. This approach is based on the awareness that intellectual property and its proper management contribute significantly to economic growth and determine the degree of competitiveness of a country, certain industries and companies. Following these trends in recent decades, Western countries have paid increased attention at the governmental level to promoting the development, protection and efficient use of intellectual property.

For the Republic of Moldova, the need to implement new technologies and products and to create and effectively use intellectual creations is also of great importance, which is conditioned not only by the limited characteristics of natural resources and the need to import raw materials, but also by the limited capacity of the internal market and, of course, by the ever-increasing potential of intellectual property as the main driver of economic growth.

The objective of the paper and methodology

The primary objective of this paper is to analyse and offer a comprehensive review of the measures employed in the Republic of Moldova to foster the development, protection, and exploitation of intellectual property. The research methodology is based on a qualitative analysis of relevant statistical data, policy documents, and specialized literature. The study includes a detailed examination of the legislative and institutional frameworks, as well as the mechanisms and instruments used to promote intellectual property in Moldova.

¹ PhD, research associate professor, National Institute for Economic Research, Academy of Economic Studies of Moldova, Chisinau, alecsandra_novac@yahoo.com

Results and discussion

The research carried out has made it possible to generalise and systematise the instruments used in Moldova to promote the development, protection and use of intellectual property:

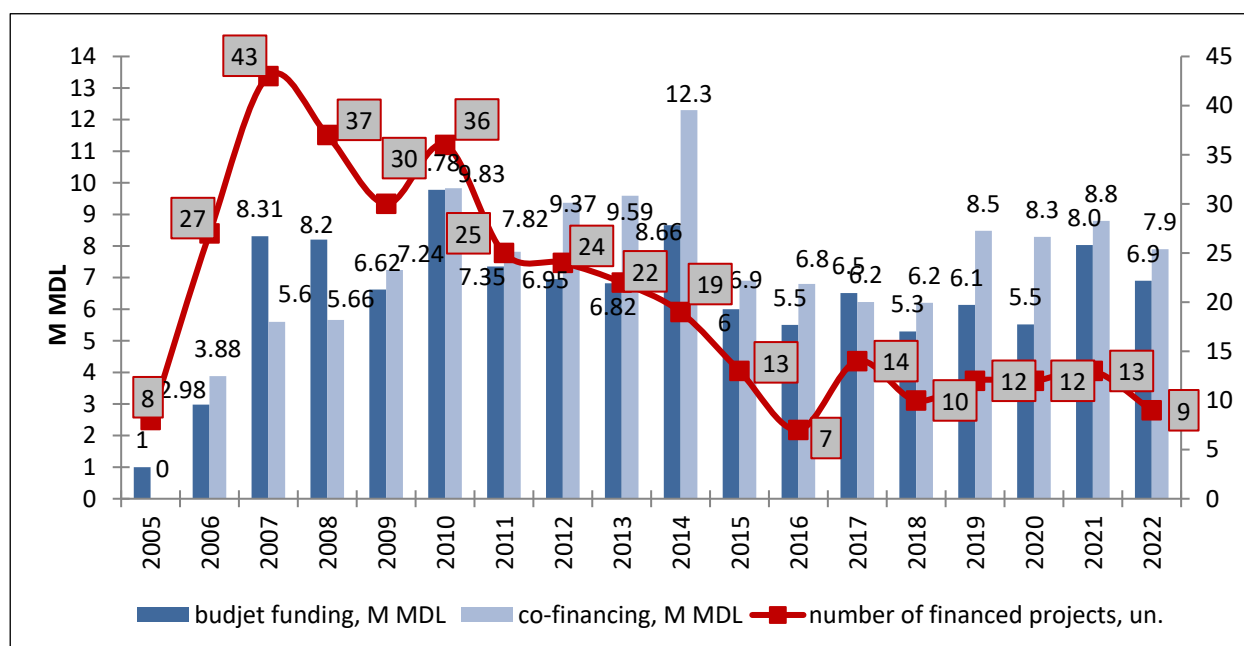
- *Grants from the state budget for research, development and innovation projects.* Grants for innovation activities are administered by both the Entrepreneurship Development Organisation (grants for innovative start-ups) and the National Agency for Research and Development. The National Agency for Research and Development administers Aa grant programme for technology transfer projects with an annual budget of approximately MDL 8 million. Technology transfer projects are currently the main method of government support for the implementation of scientific results and innovations in enterprises. For project implementation, up to 50% of the total cost of the project is financed from the state budget, while the other part is provided by the economic actor – the project coordinator – or a third party – the project sponsor.

In the period 2005-2022, 361 technology transfer projects were financed in various fields of economic activity; the cumulative amount of financing from the state budget was MDL 116.5 million. On average, the co-financing of innovative projects by the former Agency for Innovation and Technology Transfer, later the National Agency for Research and Development, during the period 2005-2022 represented a rather limited amount allocated from the state budget (about MDL 6.8 million per year).

As regards the co-financing of projects, there were different trends over the period analysed. In 2014, more funds were allocated from the private sector, with the value of co-financed projects from other sources reaching a maximum quota.

The technology transfer projects funded are related to the following strategic priorities: biotechnology, energy efficiency and the use of renewable energy sources.

Figure 1 – Dynamics of funding for technology transfer projects over the period 2005-2022



Source: developed by authors based on data (ANCD, 2021)

- *Support for the promotion of inventions and research results* The State Agency on Intellectual Property of the Republic of Moldova offers support for the participation of local

inventors in international salons on inventions and new technologies in order to promote domestic inventions and scientific results outside the Republic of Moldova. These initiatives aim to promote innovation-related cooperation, attract funding for the implementation of local ideas, and familiarise foreign scientists, inventors and businessmen with the achievements of universities and research institutes in the Republic of Moldova.

Another activity of this kind, which represents a real opportunity to combine the efforts of the real sector with the research sector, is the specialised international exhibition “InfoInvent”, which is organised twice a year by the State Agency on Intellectual Property in partnership with the Ministry of Education and Research, the Ministry of Culture, the National Agency for Research and Development, and the National Agency for Quality Assurance in Education and Research. The aim of the exhibition is to support and promote innovative activities, to attract investments in innovative activities and technology transfer, to promote projects for the implementation of new inventions, technologies and materials, to develop technical and scientific cooperation, and to encourage cooperation between the business and research sectors.

In order to achieve these objectives, the State Agency for Intellectual Property offers discounts on participation fees, organises various seminars and round tables focusing on the challenges of the innovation process and ways to overcome them.

- *Exemption from fees for the protection of intellectual property.* In the Republic of Moldova, the promotion of intellectual property protection is achieved by offering an exemption from the payment of registration fees and legal protection for intellectual property objects. Currently in Moldova, in accordance with the provisions of the Governmental Decision No. 774 of 13 August 1997 on the Nomenclature of Services of Legal Significance in the Field of Protection of Intellectual Property Objects, significant discounts are offered, the amount of which is shown in Table 1.

Table 1 – Reductions in the amount of fees for the protection of intellectual property established for individuals, SMEs and organisations in the field of science and innovation

Intellectual property object	Discounts for individuals from the amount of the established fee, %	Discounts for SMEs, %	Discounts for science and innovation organizations, %
Inventions	95	85	95*
Plant varieties	95	85	95
Trademarks	50	50	
Industrial designs	85	65	

Source: elaborated in accordance with (Guvernul Republicii Moldova, 1997)

For example, research and innovation organisations and inventors/individuals pay only 5% of the fixed fees for the filing, examination and grant of patents for invention, and SMEs pay 15%. For trade marks, the reduction is 50% for SMEs and individuals, and 65% and 85% respectively for industrial designs. Given that SMEs represent about 98% of all enterprises, these exemptions are quite significant.

- Support programmes for the SME sector, including for research and innovation activities, funded by the State or international partners. The main programmes supporting the SME sector include the national programme “Start for Young People: A Sustainable Business at Home”, the Pilot Programme for Attracting Remittances to the Economy (PARE 1+1), the Pilot Programme “Women in Business”, the Programme for Increasing Export

* In addition, if the applicant is an organization working in the field of science and innovation, a total exemption from fees is offered for the maintenance of invention patents for the first 5 years.

Competitiveness and Internationalisation of SMEs, the Programme for Digital Transformation of SMEs, the Programme for Supporting Digital Innovations and Technological Start-ups etc.

In particular, the Programme for Increasing Export Competitiveness and Internationalisation of SMEs is aimed primarily at SMEs that introduce innovative elements into the production process and diversify their products and services. The programme enables SMEs to acquire equipment, including intellectual property.

Similarly, another programme (the Programme for the Support of Digital Innovations and Technological Start-ups) aims to stimulate research and development in the field of ICT, prototyping and innovation in the field of sustainable industrial production and eco-technologies. The programme provides grants to innovative SMEs and start-ups for the development of ICT products, services and new technologies.

In addition to measures to encourage and support enterprises in the exploitation of intellectual creation, *integrated intellectual property services*, which are provided as part of other services and are not specifically focused on the results of intellectual activity, play an equally important role. Such services are usually provided in the country's science and technology parks and innovation incubators. In accordance with the provisions of Law No. 226 of 01 November 2018 on science and technology parks and innovation incubators, the manager of an innovation incubator provides consultancy services in the field of innovation and technology (Parlamentul Republicii Moldova, 2018). At the request of the residents, the manager of the innovation incubator is entitled to provide intellectual property assessment and promotion services at a price lower than the market price.

The main objective of this law is to create, through innovation incubators and science and technology parks, the necessary conditions for innovation and technology transfer activities aimed at transforming the results of scientific research and innovation into new or improved products and services that are competitive on the market.

In addition to supporting resident businesses, parks and incubators aim to attract investment, create competitive industrial sectors based on advanced and innovative technologies, and carry out activities in line with the specific development opportunities of the area in which they are located. In addition, science and technology parks provide production space and equipment to innovative SMEs, intervene in relations with central and local public administrations to solve problems related to the innovation activities of resident companies etc.

According to art. 17 of the aforementioned Law, the residents of the science and technology park and the innovation incubator may also benefit from other forms of support, such as:

- a) funds obtained through competition within State programmes and research and development projects, including for the creation and/or development of innovation infrastructure;
- b) donations, sponsorship and investment;
- c) favourable terms for rent, use of infrastructure and communications, including staggered payments.

It's important to mention that in 2012, the tax and customs exemptions initially provided by Law No. 138 of 21 July 2007 on science and technology parks and innovation incubators were cancelled, but until then no resident had benefited from them because there was no single opinion at the level of state authorities on the mechanism for granting and using these tax exemptions, which was established in the relevant normative acts.

The existence of a robust innovation and technology transfer infrastructure is essential to ensure that the results of innovative research are put to practical use. Although Moldova has a

legal framework for innovation infrastructure and technology transfer, it does not provide sufficient incentives for technology transfer. Moldova has practically no institutional regulations to facilitate technology transfer, such as intellectual property policy, spin-off regulations. This lack of regulation hinders technology transfer and knowledge exchange activities with existing companies, as well as the creation of new start-ups and spin-offs. In order to ensure appropriate incentives for the adoption of an innovative entrepreneurial spirit, the current law on science and technology parks and innovation incubators could be amended to include fiscal and customs incentives, similar to those provided in the 2007 version of the law. The introduction of financial incentives for enterprises could be beneficial as it would encourage greater use of university-based innovation incubators (United Nations, 2021).

- *Pre-diagnostic services of intellectual property* are a tool offered by the State Agency on Intellectual Property and are aimed at assessing the intellectual potential of the enterprise and elaborating recommendations on efficiency and increase of legal protection of intellectual creations, as well as providing the company with a perspective vision of its competitive advantages that can be generated by effective use of intellectual property. Intellectual property pre-diagnostic services have been offered since 2009 and are primarily aimed at SMEs.

The main objectives of the intellectual property pre-diagnosis are:

- to make management and employees aware of the opportunities offered by intellectual property (internal use, licensing to third parties, promotion etc.);
 - to guide companies towards the development, exploitation and launch of competitive new products; to increase the value of assets through the accounting of intellectual property objects; to obtain competitive advantages from the use of intellectual creations;
 - to increase the company's interest in the use of intellectual property and ensure its effective management;
 - to assess the company's innovation potential;
 - to identify ways to effectively manage the intellectual property portfolio;
 - to identify the appropriate methods of protecting the company's intellectual property;
 - to assist in the exploitation of the company's intellectual property;
 - to assist in the filing of applications for the protection of intellectual creations;
 - assistance in encouraging innovation and creativity among employees.
- *Free documentation in the public databases of the State Agency on Intellectual Property* and other national intellectual property offices is an important tool for the development, protection and exploitation of intellectual property objects. Consultation of public databases is a preliminary action that can prevent “reinventing the wheel”, speed up the terms of granting legal protection and promote the free use of intellectual creations from the public domain, which is greater than the private domain. The databases can be consulted on the websites of the National Intellectual Property Offices.
 - The database of the State Agency for Intellectual Property contains the following data:
 - information on patent applications, short term patents and utility models published by the agency since 1993; granted patents, short term patents and registered utility models. Access to bibliographic data, summaries, claims, descriptions, drawings and front pages;
 - bibliographical data and reproductions of trademark applications for which the National Repository has been established and of trademarks registered in the Republic of Moldova according to the national procedure;

- information related to applications for geographical indications, appellations of origin, filed according to the national procedure, for which the date of deposit has been assigned;
- bibliographic data and reproductions of industrial designs and models registered in the Republic of Moldova according to the national procedure since 1993;
- information on published plant variety patent applications and patents granted from 1996 to date;
- information on the registration of objects of copyright and related rights, namely: the series and number of the registration certificate, the date of registration, the name of the registered object, the name and surname of the author and the holder of the patrimonial right;
- the information sheets of the interim and final scientific reports financed from the State budget.

Databases of intellectual property objects are a very important source of information for the processes of creation, protection and exploitation of intellectual property objects. According to the specialised literature, a number of reasons have been identified for the use of patent databases, especially by SMEs: for educational purposes, to determine the purity of the patent, to obtain information on the activities of competitors, to detect infringements of intellectual property rights, to select new domains and to identify licensing opportunities. Similarly, the potential of national IP offices' databases cannot be ignored for familiarising oneself with the portfolio of patents with expired or forfeited protection terms for the free use of inventions in the public domain.

- *Support for patenting abroad.* In order to provide financial support for patenting abroad, the Regulation on Support for Patenting Inventions and Plant Varieties Abroad (approved by Government Decision No. 805 of 28 June 2016) has been developed. Financial support for patenting inventions and plant varieties abroad is granted to legal entities of the Republic of Moldova (small and medium-sized enterprises, research and development organisations), which have an invention/plant variety patent or have applied for its grant on the territory of the Republic of Moldova. The financial support consists in the payment of one or more fees necessary for the filing and/or examination of the patent application, documentation fees and technical examination of the plant variety, depending on the stage of the application.
- *Activities to raise public awareness of the role of intellectual property and how to encourage its development, protection and exploitation.* These include a wide range of activities to promote the importance and usefulness of intellectual property, which, as stated in the Strategic Development Program 2022-2024, aim to increase the level of knowledge and use of intellectual property objects.

Key activities include:

- Improving the level of knowledge of intellectual property rights among intellectual property administrations;
- Facilitating SMEs' access to IP information services, in particular through the implementation of the online IP pre-diagnostic service for SMEs;
- Increasing the level of knowledge in the field of intellectual property through the organisation of thematic courses and training, national, regional and international seminars on the latest issues in the protection and exploitation of intellectual property rights for various categories of beneficiaries (representatives of central public authorities responsible for the protection and enforcement of intellectual property rights, courts,

academic institutions and universities, business, experts, inventors, students etc.), radio and TV thematic programmes on intellectual property, various competitions;

- Dissemination of publications on the possibilities and methods of legal protection of intellectual property;
- Introduction of some intellectual property subjects in university and high school curricula. In 2017, the National Curriculum Council of the Ministry of Education approved the curriculum for the optional subject “Introduction to Intellectual Property” for high school education (AGEPI, 2021).

Summarising what has been said, the main ways of promoting the development, protection and use of intellectual property used in the Republic of Moldova, which have a certain impact on the innovation process, include the following:

- Co-financing of innovative projects from the state budget through the National Agency for Research and Development;
- Services provided within the infrastructure of the innovation process (science and technology parks, innovation incubators etc.);
- Exemption from fees for the protection of intellectual property by the State Agency for Intellectual Property;
- Activities to promote inventions and research results at national and international invention fairs and exhibitions;
- Free documentation in the public databases of the State Agency for Intellectual Property and other national intellectual property offices.

Conclusion

Despite the establishment of an initial legislative framework and the creation of supporting institutions, innovative activity in the Republic of Moldova remains inadequately supported. The legislative framework tends to be largely declarative and lacks alignment with key public policy areas. This disconnect is evident in the absence of practical mechanisms – such as regulations, instructions and government decisions – to effectively implement innovation legislation. In addition, the incentives initially provided by the law for residents of science and technology parks and innovation incubators were withdrawn before they could be put into practice. This has further hampered the development and support of a robust innovation ecosystem in the country.

At the same time, research, including applied research, is not focused on the practical needs of the economy or on improving competitiveness. The link between the research sector and the private sector is weak, resulting in independent development paths for industry and research organisations. This disconnection limits the transfer of knowledge and technology to sporadic interactions rather than fostering comprehensive activities driven by private investment in research and innovation.

The measures taken in the Republic of Moldova to stimulate innovative activity and to encourage the development, protection and use of intellectual property are welcome and essential. However, the methods currently used, such as co-financing of innovative projects, exemption from intellectual property registration fees, and foreign programmes and grants aimed at supporting the SME sector and innovative infrastructure, show that innovative activity in the Republic of Moldova is insufficiently supported. The instruments used in this sense do not meet all the requirements of the transition to the innovative path of economic growth and the knowledge society; a complex approach in this respect would be appropriate. It is also worth noting that the

most effective ways of supporting innovative activity, which have demonstrated their potential in several countries (such as: preferential loans, tax incentives, venture funds), are not widely used in Moldova.

Note: The article was developed within the framework of Subprogram 030101 „Strengthening the resilience, competitiveness, and sustainability of the economy of the Republic of Moldova in the context of the accession process to the European Union”, institutional funding.

Bibliography

1. AGEPI (2021), *Programul de dezvoltare strategică 2022-2024*. Retrieved from: https://agepi.gov.md/sites/default/files/2021/09/PDS_AGEPI_2022-2024.pdf
2. ANCD (2021), *Finanțarea proiectelor de inovare și transfer tehnologic*. Retrieved from: <https://ancd.gov.md/ro/finantare-activitati-infrastructura>
3. Guvernul Republicii Moldova. (1997), *Hotărâre Nr. 774 din 13.08.1997 cu privire la nomenclatorul serviciilor cu semnificație juridică în domeniul protecției obiectelor proprietății intelectuale*. Monitorul Oficial al Republicii Moldova, 57-58.
4. Guvernul Republicii Moldova (2013), *Hotărâre Nr. 952 din 27.11.2013 cu privire la aprobarea Strategiei inovaționale a Republicii Moldova pentru perioada 2013-2020 „Inovații pentru competitivitate”*. Monitorul Oficial Nr. 284-289, art. Nr: 1063. Retrieved from: <http://lex.justice.md/viewdoc.php?action=view&view=doc&id=363036&lang=1>
5. Parlamentul Republicii Moldova (2018), *Legea cu privire la parcurile științifico-tehnologice și incubatoarele de inovare nr. 226 din 1.11.2018*. În Monitorul Oficial nr. 448-460/725 din 07.12.2018
6. United Nations (2021), *Innovation for Sustainable Development: Review of Moldova*. Retrieved from: https://unece.org/sites/default/files/2022-02/I4SDR_MOLDOVA_2021_web_full%2Bcover.pdf