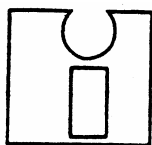


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WORLD INTELLECTUAL  
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**WIPO-IFIA INTERNATIONAL SYMPOSIUM ON  
THE COMMERCIALIZATION OF INVENTIONS  
IN THE GLOBAL MARKET**

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ONLINE MARKETPLACES FOR INVENTIONS

THE INTERNET INVENTION MARKET IN HUNGARY – NEW RESULTS

*Document prepared by Mr. András Vedres, Secretary General, Association of  
Hungarian Inventors (MAFE), Budapest*

## I. THE ENVIRONMENT AND CONDITIONS OF COMMERCIALIZATION

1. One of the great contradictions of our globalizing world is that production and trade are concentrated in the hands of global enterprises, while inventions and art are created by individuals who in most cases, are not associated with such enterprises.
2. The realization of creations – in this case the commercialization of inventions – is a one-way street leading from the inventor and patent owner to the global enterprise, with costs supposedly covered by the inventor. In most cases, however, the inventor lacks the capital to cover those costs, and the global enterprise will never make a move toward the inventor.
3. The public's interest in the manufacture of inventions are realized in the greatest possible numbers; that means that the initial cost of realizing an invention should be financed with public money, namely taxes. There are only a few countries where such a practice exists, however. In Hungary the State provides only limited support for the realization of inventions. The most important aim of MAFE is to assist in the commercialization of inventions. To do this the Association receives substantial support from its members. MAFE has worked out a cheap and efficient method of commercializing inventions over the last decade. Let me outline it for you.

## II. SELECTION OF INVENTIONS

4. Great attention and thought need to be given to the selection of the inventions that MAFE is going to support from the beginning, since our resources for commercialization are scarce. The first phase of this selection is the collection of inventions and the best place for doing that is an exhibition of inventions. MAFE has organized five exhibitions in the last decade at which 1,500 Hungarian inventions have been shown (see Table 1). There was a jury at each of these exhibitions evaluating the inventions. The invention competition was made international; and there were also 800 foreign inventions displayed overall. We selected inventions to commercialize out of the winners of these competitions. The majority of those selected (80 percent) were at such a stage of development that there was a tangible product to display. The main selection criterion was the sales prospects of that product.
5. We provided freestands for independent inventors and members of the IFIA at these GENIUS exhibitions, which themselves started the realization of hundreds of successful inventions. They also served to publicize the work of IFIA and the international inventors' movement, and to increase the security of intellectual property rights. For example, after the 4<sup>th</sup> GENIUS International Inventions Exhibition more than 50 news reports were disseminated in the press and on radio and television, mentioning IFIA, IFIS and WIPO.
6. MAFE has used part of the support provided by the Hungarian State to help IFIA members. For example, at the 4<sup>th</sup> GENIUS International Inventions Exhibition, MAFE members displayed 210 inventions, while IFIA members (together with the 71 IFIS offers) showed 127. Exhibition space was free, the posters of IFIA's offers were prepared by MAFE and the accommodation costs of foreign participants (US\$3,647) were also paid by MAFE, so 37 percent of the overall costs (US\$45,339 of US\$120,519) were supported by IFIA membership.

Year	Event	Occasion/Aim	Inventions (total)	Inventions (abroad)	Countries
1991	Invenció'91	National Demonstration	500	-	1
1996	GENIUS'96	Centennial of Hu Patent	621	175	22
1998	GENIUS'98	IFIAGA and WIPO Seminar	396	156	29
2000	GENIUS'2000	Hu Millennium	439	217	32
2002	4 <sup>th</sup> GENIUS	IFIS and Ecology	337	127	80

Table 1: Invention Exhibitions organized by MAFE

### III. FOREIGN EXHIBITIONS

7. We provided consultation to help obtain proper international protection for the chosen inventions for the chosen inventions. In brochures we encouraged the use of the IFIS offer scheme. We were engaged in planning the materials and products to be displayed at future exhibitions. Posters were reproduced by MAFE in all cases so that MAFE displays might have a coherent design. MAFE took care of the formalities for participation in foreign exhibitions and organized and provided transport and multilingual personal presentations of the inventions. Only about 10 - 20 percent of inventors took part in the exhibition themselves, mostly on account of high travel and accommodation expenses and language difficulties. The foreign exhibition that we took part in were in four categories. The first exhibition category was organized for profit by a specialized enterprise; we participated in almost all of the major exhibitions in that category. The major for-profit exhibitions differ in terms of exhibitors and visitors. The Geneva Salon and the Brussels EUREKA feature predominantly foreign exhibitors, with mostly French businessmen among the visitors. Nuremberg's IENA features mostly German inventors, fewer Slavic countries and more exhibitors from the Far East. The exhibitions in the United States and in the United Kingdom are mainly for local exhibitors.

8. In our experience, the numbers of prospective investors seeking promising inventions at these exhibitions have decreased with globalization. Ten years ago, we returned home with 500 business cards of potential investors for ten inventions. Today there are only five showing serious interest. The most important benefit of these events nowadays is the prizes awarded by panels.

9. The second major category of exhibitions is that of specialized exhibitions for certain products or industries. MAFE has participated in various such exhibitions (in Hanover, Basel, Milan and Leipzig) within inventions in relevant categories. These participations had little success; inventions (and inventors' associations) were considered strange kinds of animals and there were no opportunities for doing business or prizes awarded.

10. The third category is that of specifically Hungarian displays of inventions in foreign countries. These have been organized by one of the Hungarian consulates or embassies (such as in Seoul, Tel Aviv and Sofia), and the exhibition has been accompanied by cultural events. The success of these, in terms of business contacts, has depended heavily on their reputation. We participated fully in these events.

11. The fourth and last category is that of exhibitions organized by sister organizations. MAFE has participated in many of these (in Beijing, Hong Kong, Manila, Belgrade, Szabadka, Zagreb, Gdansk and Gdynia). Unfortunately, however, these exhibitions are very poorly attended. With well-prepared exhibitions there are more visitors such as in Beijing. Because MAFE provides free stand space for all sister organizations participating in MAFE-organized exhibitions, we do not participate in exhibitions where stand space is charged for (which is why we did not participate in Seoul this year).

#### IV. THE BENEFITS OF EXHIBITIONS

12. Very few licenses have been sold as a result of exhibition participation, the typical sale being that of a patented product; if there is no patent in the country of the exhibition, there is no business. The most important advantage of exhibitions has been the media attention that they attract, which serves as free advertising for inventions: those achieving success at foreign exhibitions are featured in the media, which attracts investors and potential consumers. Hundreds of inventions have found interested investors at home and have started or increased production in this way. We have made some of these inventors into "media stars" through media attention (e.g. by giving them the title of "Inventor of the Year"), and that too has attracted investors.

#### V. OTHER MEANS

13. We have now been using the Internet as a tool for commercializing inventions for four years; we have created virtual versions of the GENIUS exhibitions on our website (<http://www.inventor.hu>), on which we also display the Hungarian inventions that we present at foreign exhibitions. Interested investors contact the inventors directly, so we know little about visitors to the site.

14. MAFE has created an Inventions Shop on its website; we offer products based on inventions (mostly toys and household items – 19 altogether), which can be ordered online. There has been moderate interest already due to the novelty of this new feature (10-20 buyers a month). We strive to increase the popularity of the website: there is a new television program on the No. 1 public television channel entitled "Navigator," which features new technology and inventions, and at the end of each show there is a puzzle – a picture of an invention from the website; the person who chooses the right answer, from the three proposed for what the invention is, wins dinner at a restaurant. This has produced an increasing number of hits on the site: we have had 17,000 in the last two years. There have been 6,000 visitors to the English version of the site.

15. Another idea for increasing the popularity of our website has been the organization of an online art exhibition of one of our members' paintings.

#### VI. THE SUCCESS OF OUR METHOD

16. Using the method outlined above we have contributed to an overall realization rate for inventions of about 10-20 percent in Hungary with minimal costs ranging from between US\$50 to 150,000.