

**NATIONAL BOARD OF PATENTS
AND REGISTRATION OF FINLAND | 2005**



THE VALUES OF THE NBPR

Values are continuously discussed in the 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.





For the National Board of Patents and Registration (NBPR), the operational year 2005 was marked by both development work within the Office and notable progress in the international arena. Productivity of work at the NBPR continued to rise in the year under review; this time by 5.9 per cent on average. At the same time we managed to keep the costs per unit under control.

In April 2005, as a new activity, we started conducting searches on international applications under the Patent Co-operation Treaty (PCT). This offered a significant new form of service for Finnish entrepreneurs and inventors. Collaboration with other international PCT Offices was boosted through negotiations on the European level with Austria, Spain and Sweden and by concluding an agreement with the European Patent Office (EPO). We received more applications than we had expected. The PCT issue will be addressed further later in this Annual Report.

A lively debate was conducted both at European and at Nordic level on the future outlook for the intellectual property field. Co-operation was launched between the EU Office for Harmonization in the Internal Market (OHIM) and the national Offices. We increased the intensity of co-operation with the Baltics and several other countries. We also concluded a co-operation agreement in the field of industrial property rights with our major trading partner and neighbour Russia, to complement the previous neighbouring areas co-operation agreement, which was part of the EU's Tacis programme.

PCT co-operation continued to strengthen the good relationship between the NBPR and the World Intellectual Property Office (WIPO). The year under review saw the publication of the programme called Idealuotsi for Finnish SMEs, which was launched in co-operation with WIPO and other interest groups in the previous year. It aims at improving the awareness and usability of intellectual property in enterprises.

At home, we paid special attention to developing the co-operation with our comprehensive regional service network. Once again, the INNOFINLAND and INNOSCHOOL contests attracted a good number of participants and high-standard entries. The annual INNOINT contest, which is organised in co-operation with the Defence Forces, doubled its number of participants compared to the previous year.

The client satisfaction surveys we conducted proved that the Office's services are valued and that its international dimensions are utilised. We can thus continue our operations on this basis with confidence.

I extend my warm thanks to the whole staff for a job well done, as well as to our interest groups, particularly the Advisory Committee for Associations and the Advisory Committee for Enterprise Issues, for their contribution to the development of the NBPR.

Martti Enäjärvi





Over the past year

From New Year to midsummer

In mid-February, the key persons of INNOFINLAND gathered for a brainstorming cruise.

In March, the NBPR took part in the Oma Yritys Fair in Helsinki. One could call this a "contact event for future makers".

In early April, the winning proposals in the Parliament Art Contest were put on show in the NBPR Innogallery. Mr. Paavo Lipponen, Speaker of the Parliament, gave a speech in the opening ceremony of the exhibition, which was organised by the NBPR with the contribution of the Parliament. In winter 2004 - 2005, the Parliament organised an art contest in order to receive proposals and ideas for new works of art to be exhibited in central locations of the Parliament Annex.

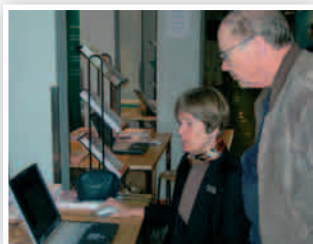
In the middle of April, entrepreneurship businesses and developers met in the Yritys 2005 Kohtaaminen (Business 2005 Contact) event in Jyväskylä. The NBPR was also present.

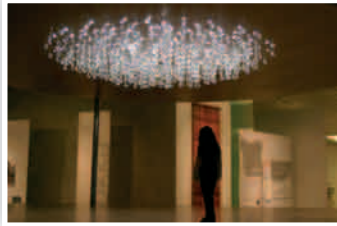
The World Intellectual Property Day was celebrated for the fifth time on 26 April. The theme of this special day, initiated by the World Intellectual Property Organization WIPO, was 'Think, Imagine, Create'. Its purpose is to encourage people from all over the world to think about how important creativity and innovation is when building a better world.

In early May, the NBPR visited the provinces: the Satakunta T&E Centre hosted a theme day on businesses, innovations and industrial property rights. The event was jointly arranged by the Foundation for Finnish Inventions, the T&E Centre of Satakunta, and the NBPR.

On 11 May 2005, the NBPR's own anniversary, a Manufacture Day reception, hosted by President Martti Ahtisaari, was held for the NBPR's cooperation partners, representatives for interest groups and other guests. Earlier in the spring of 2005, the NBPR had started functioning as an International Searching Authority under the PCT. In celebration of this new PCT status, the reception menu was a selection of dishes typical of the different PCT countries.

At the end of May, the NBPR visited the Synergy Fair in Oulu. The theme of the event was 'From creativity to business' and it was organised in cooperation with the Foundation for Finnish Inventions and the T&E Centre of Northern Ostrobothnia. The organisers shared a stand during the event.





From summer days to midwinter

At the turn of the month of September, the NBPR participated in the HITEC 2005 Fair in Tampere. The event concentrated in particular on information and communication technology used by industry.

The fair banners were soon taken into use again, when the NBPR presented its operation at the MecaTec 2005 Fair in Helsinki in early September. This summit is already an established keynote event in the field of machine constructing. The NBPR displayed its services in cooperation with the European Patent Organization (EPO).

At the Innogallery, the exhibition 'Union - associations building our society' was opened on 20 September 2005. It illustrated the past and the present of Finnish associations. The members of the Advisory Committee for Associations were invited as honorary guests to the opening ceremony.

At the end of September the NBPR attended the Subcontracting 2005 Fair in Tampere. The event concentrated mostly on issues concerning subcontracting in industry. The NBPR, the Foundation for Finnish Inventions and the local T&E Centre again had a joint stand which they had earlier found useful.

At the end of October, the NBPR information team headed for Joensuu in the heart of Northern Karelia to hold a combined INNOFINLAND, company law and industrial property rights day. In addition to short information packages, the visitors were offered individual expert advice. The day also included an award ceremony for the winners of INNOFINLAND 2005 in Northern Karelia.

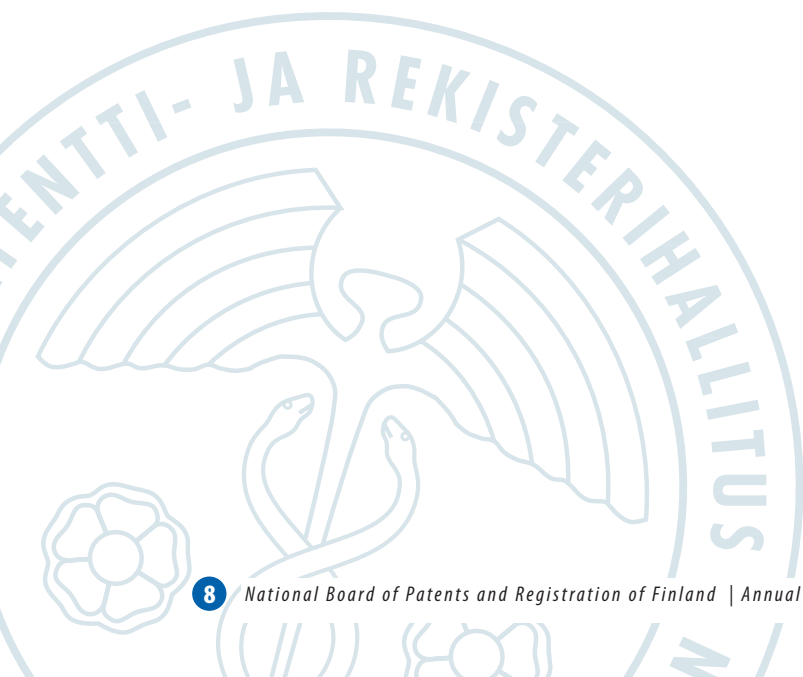
We celebrated the annual INNOVATION DAY late in November. President Tarja Halonen handed out the national INNOFINLAND 2005 Prizes. The prizewinners received a statuette and an honorary diploma. In addition, the prizes of INNOINT Invention Contest for Conscripts and INNOSCHOOL Innovation Event for school pupils were also awarded. INNOFINLAND Prizes are awarded annually in recognition and as encouragement of a creditable and innovative entrepreneurship. The theme for 2005 was 'Creativity as developer of work and entrepreneurship'. The Idea Pilot Project (Idealuotsi) that was launched the previous year was concurrently published.





The Board's binding legacies

The 20 May 2005 marked 170 years since the date on which Emperor Nicholas I appointed a Manufacture Board in the Imperial Senate of Finland. The Board was given the task "to closely monitor manufacturing activity in the country and assiduously contribute to its growth and progress." Today's National Board of Patents and Registration (NBPR) is a direct descendant of the Manufacture Board and continues its work. The NBPR, established in 1942, comes under the administrative sector of the Ministry of Trade and Industry and operates according to the principles of results management and results-oriented budgeting. It covers its operating costs by levying service fees from the clients.





*Board of Directors as from 17 September 2004:
From the left:
Martti Enäjärvi,
Leila Risteli,
Risto Paaermaa (vice-chairman),
Jussi Järventaus (chairman),
Jukka Ahtela,
Eija Lanne,
Seija Saaristo, and
Eero Mantere (secretary).*

Board of Directors in 2005

The Government appointed a Board of Directors for the period 17 September 2004 – 16 September 2007. Its members are:

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

Management Group in 2005

The President assisted by a management group answers for the performance of the NBPR.

- President Martti Enäjärvi, chairman
- Senior Vice President Eero Mantere
- Vice President Eija Nuorlahti-Solarmo
- Vice President Pekka Launis
- Vice President Olli Koikkalainen
- Director of the Register of Associations Kalevi Sadeluoto (1 January – 30 September)
- Director of the Register of Associations Kari-Pekka Helminen (1 October –)
- Director of Planning Kari Summanen
- Director of Finance Raija Järviö
- Director of Marketing Mika Waris
- Director of Communications Leo Lehdistö (1 January – 13 July)
- Director of Human Resources Esko Inkinen
- Deputy Director Christer Brännkärr
- Assistant Inspector Riitta Leikas, representing the staff

The Co-operation Committee in 2005

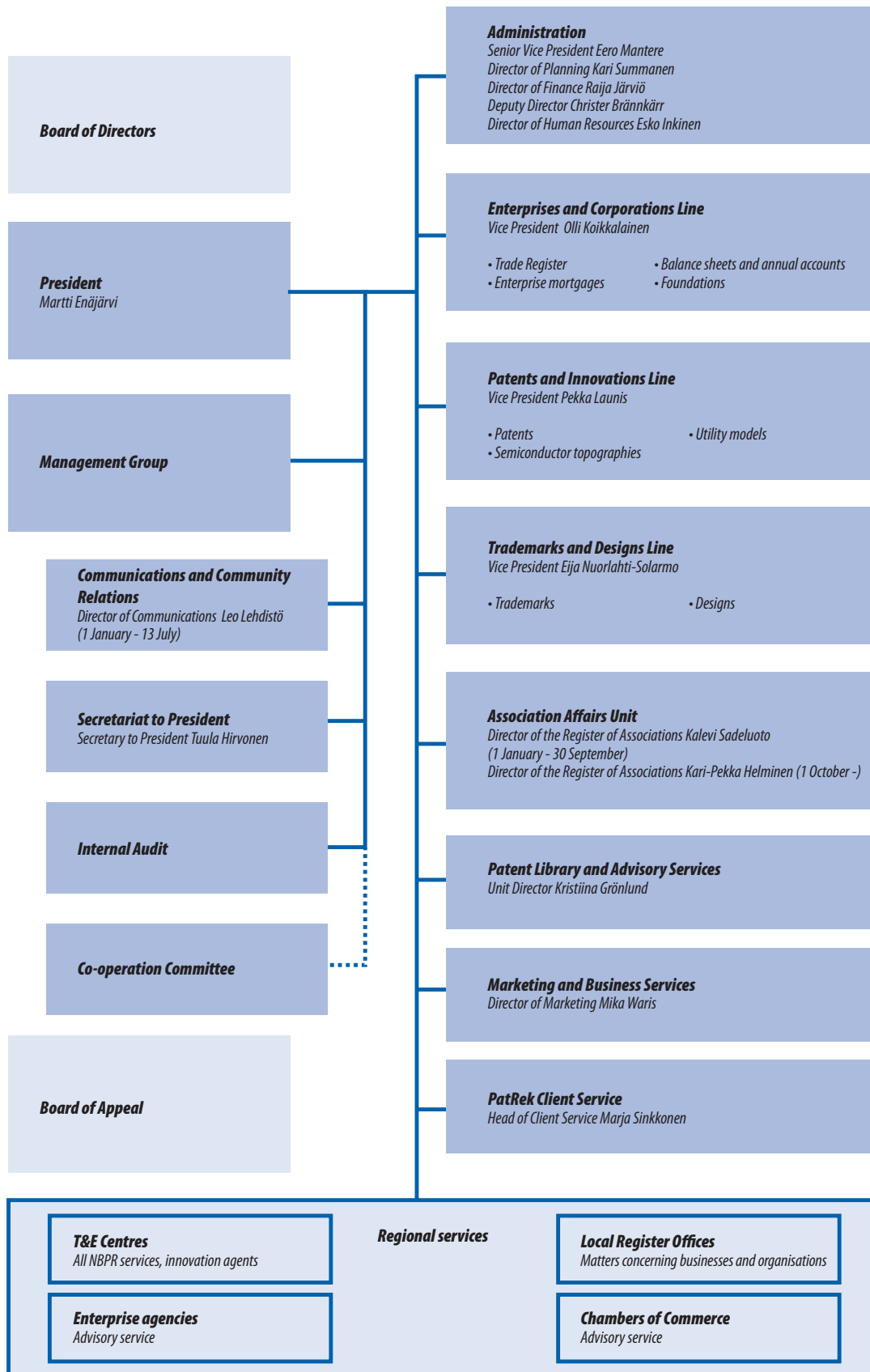
The employer was represented by:

- President Martti Enäjärvi, chairman
- Senior Vice President Eero Mantere, vice-chairman
- Vice President Olli Koikkalainen
- Vice President Pekka Launis
- Vice President Eija Nuorlahti-Solarmo
- Director of Human Resources Esko Inkinen, secretary

The personnel was represented by:

- Lawyer Timo Immonen (on leave), Chief Inspector Eija Lanne, Negotiation Organisation for Public Sector Professionals JUKO
- Senior Examiner Matti Santero, Graduate Engineers of Patent Administration / Confederation of Salaried Employees Pardia
- Assistant Inspector Riitta Leikas, The Employees' Association of the NBPR / Confederation of Salaried Employees Pardia
- Assistant Inspector Eija Peltonen, the Trade Union for the Public and Welfare Sectors JHL (local trade union of the Ministry of Trade and Industry)

ORGANISATION



8,5



Satisfied NBPR clients

At the end of 2005, we assessed the standard of our services and how they have progressed by conducting a client satisfaction survey. The results showed that our clients continue to be satisfied with the service they receive.

Survey method

Clients were able to answer the questions both electronically on the NBPR's website and by using conventional paper forms. We obtained replies from a total of 727 clients, which is a little more than in the 2002 client satisfaction survey.

The answers were analysed using the SPSS statistics software. The survey was carried out in a manner that enabled us to compare the results of this survey with the results of corresponding surveys made in 1994, 1997 and 2002 and also to some extent the results of an interview study carried out in 1987.

Satisfaction

Satisfaction with the NBPR's services has remained at an excellent level. Our clients rated

the service they received as 8.5 on the school grade scale of 4 to 10, i.e. the same satisfaction rating as in the previous survey. The great effort made by the PatRek Client Service to improve its service has paid off, in particular, as the service standard rating received by PatRek rose to an impressive level of 9.2.

Effectiveness

We also wanted to examine the effectiveness of the NBPR's actions, which has not been examined earlier in the client satisfaction surveys. The respondents were asked to rate the following two statements: 'The NBPR provides good connections to international patent and trademark systems and to information services in the field' and 'The NBPR promotes Finnish innovative activities and entrepreneurship'. The respondents gave both statements a rating of 8.0 on the school grade scale as mentioned above.

PATREK CLIENT SERVICE

The PatRek Client Service provides services to clients visiting the Office. The Unit receives applications, notices, documents and fees to be processed by the Office. At PatRek, clients can use a free electronic information service and have access to registers. In addition, they can view other public documents. The client service staff offers guidance in using the information service and advice on how applications are filled in or on what is required in order to have one's matter taken up for processing.



PatRek excels in client-oriented service. This was proved by an average of 250 clients each working day.

In 2005, the creation of result indicators for the PatRek Client Service was one of the Unit's development objectives. Indicators for queuing time and service quality were taken into use. Over 55,000 clients visited PatRek.

During the year under review, an average of 250 clients a day visited us at PatRek. In total there were over 55,000 visits. The number of those who called in personally went down by some 15 % from 2004. We supplied a total of 45,000 register extracts, certificates and copies of documents.

During the year under review, the NBPR created result indicators for the client service. The aim was to set transparent indicators for PatRek, which reflected the goals set and the results achieved. Indicators for queuing

time and service quality were completed and taken into use.

The challenge facing the client service is to observe the needs and expectations of clients and to quickly react to whatever requirements the rapidly changing operational environment sets. Overall client satisfaction with the NBPR was measured in 2005 in a client survey. The results showed that PatRek had successfully embraced the client-oriented service approach.

PATENT LIBRARY AND ADVISORY SERVICES

The Unit offers its services to both internal and external clients. It acquires literature which the staff at the NBPR need in their work. It also maintains the Office's collection of patent publications. The Unit aims to make all the national and international patent information which is relevant for its clients easily available.

Through the dissemination of patent knowledge it also furthers the introduction of new technology in businesses and prevents the overlapping of R&D work.

The library changes over to digital form, and electronic information services are better than ever. There is, however, still a need for personal advice.

Electronification is the order of the day in libraries: books and magazines are becoming electronic in form, and nearly all patent information has become available on the Internet. However, the information is scattered over tens of different databases. For example, only few clients are aware of the electronic information sources of the NBPR, and even fewer can interpret the information in them and make use of it in business. Due to this, personal advice seems to be regaining appreciation.

The Patent Library's industrial property collection contains the most important books and periodicals in the field. The collection is kept up-to-date and is continuously being added to. Students, businesses seeking product ideas and individual inventors have learned to know our library and, in turn, to give tips on the latest trends worth considering when acquisition lists are drawn up.

The electronic library has established itself alongside the collection of patent publications. Clients have access to nearly 5,000 electronic periodicals, and our staff can loan electronic books through the Office intranet.

Traditional books are still favoured by clients. The number of books purchased each year amounts to some 1,000 copies, and the library will continue with printed copies of IP periodicals at least until it has become clear how electronic material is best archived.

Patent publications can finally be printed in full

Nearly all of the 55 million patent publications of the world are already in electronic form. They are available on the Internet, free of charge, in the esp@cenet database. Finnish patent publications can be found in the

Finnish version of the esp@cenet, FI-esp@cenet, except for some old patents granted by the Senate of the Grand Duchy of Finland.

During the year under review, the esp@cenet service was revised and today all publications in PDF format can be saved or printed out in full in one go. This new function was welcomed by all clients.

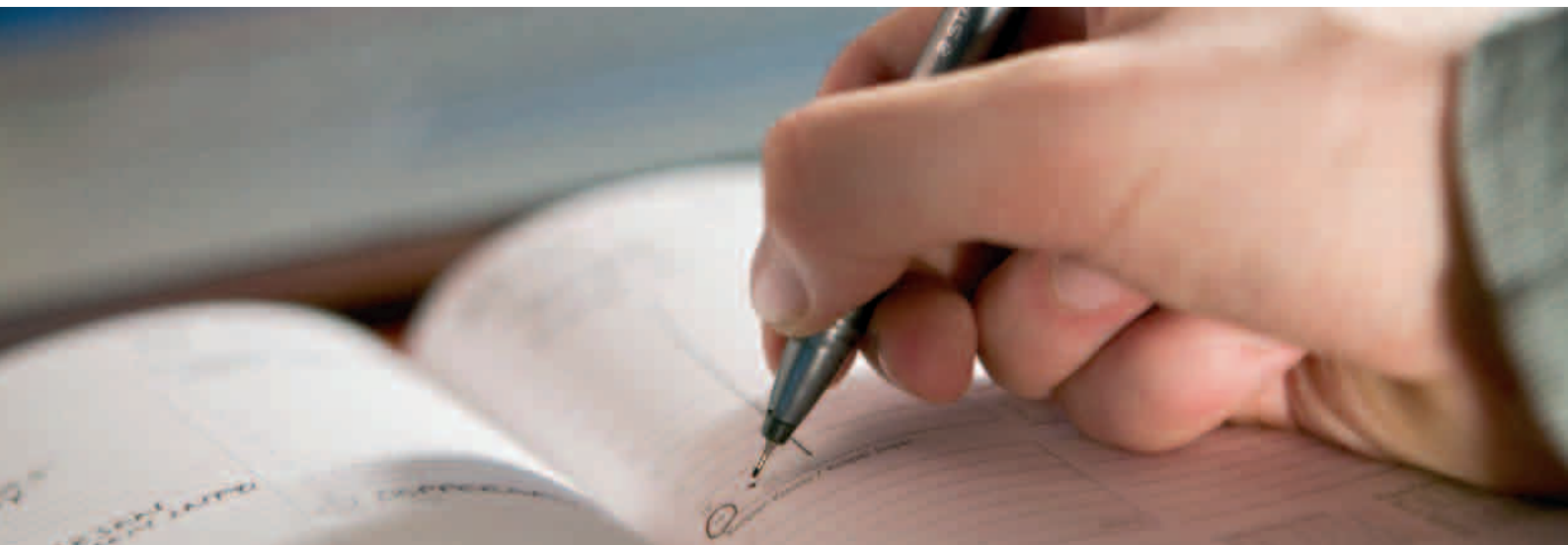
Database teaching over the Internet

Finnish patent applications and all documents in connection with them are scanned daily into electronic form. In the future this effort will bear fruit for our clients in the form of, for example, electronic application files.

The Internet is full of patent information, but clients are often easily overwhelmed by the wealth of complicated information. During the year under review, the Unit acquired a program which enables the advising officer's display image to be transported to the client's display, thus allowing the client to access information from many different databases under our guidance. We became aware as early as in the pilot phase that this kind of service would prove necessary for clients.

PERSONNEL

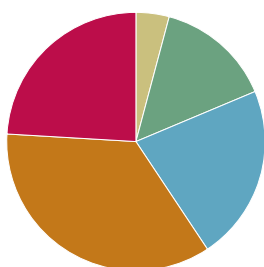
The personnel administration of the National Board of Patents and Registration is responsible for matters relating to the Office's personnel management and human resources development. The unit also prepares the collective bargaining agreement at Office level and is in charge of security matters.



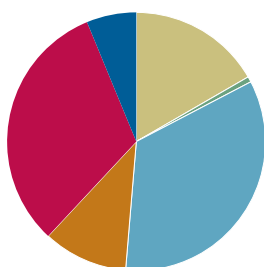
2005 saw the launching of a new pay system and focused on equality work.

During the year under review, our Office made systematic progress in personnel training and development. Fitness for work (TYKY) and recreation events were arranged in order to maintain and enhance the working capacity of the staff, and a new pay system was introduced. A wide-ranging survey focused on equality between women and men, and an equality scheme was prepared in response to new legislation in the field.

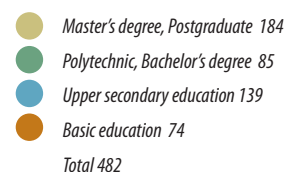
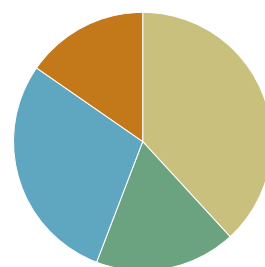
Personnel by age group on 31 Dec. 2005



Number of personnel in person-years 2005



Personnel by educational attainment



In 2005, our Office further improved its human resources policy and personnel management. The Co-operation Committee and the Management Group of the NBPR convened regularly and contributed significantly to this progress.

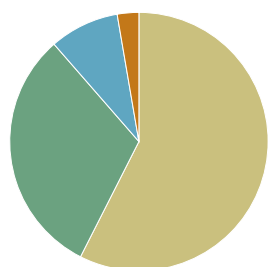
The training and development of our staff was systematically built up, with special attention given to the training of superiors. During the year, the training programme for superiors was concluded, consisting of group work, exercises and a total of 55 expert lectures.

Our staff actively attended several training events; on average, there were 6.5 training days per person.

At the end of 2005, there were nearly 500 experts from different fields working at the National Board of Patents and Registration. The number of temporary staff without a former permanent post decreased slightly from the previous year, and there were 55 persons employed for a fixed period. Well over two thirds of the staff were women, and the average age was 45.7 years.

Telecommuting contracts were brought into line with the instructions given by the State Employer's Office regarding principles for remote work and terms of service. More flexibility and freedom of choice could be introduced to the contract period and the way that work is organized. In total, five telecommuting contracts were signed or revised.

Full-time and part-time employees by gender on 31 Dec. 2005



Full-time, female	277
Full-time, male	150
Part-time, female	42
Part-time, male	13
Total	482

Breaking in the new pay system

At the beginning of 2005, the Office's management and staff representatives were busy negotiating the collective bargaining agreement required before the new pay system could be introduced. The pay system project was finished in the spring of 2005. New collective bargaining agreements with guidelines came into force as of 1 March 2005. Since then, a job requirement rating group has implemented the new pay system. The group determined or checked the requirement rating of 180 jobs.

The introduction of the new pay system required that both superiors and staff be provided with comprehensive information and practical guidance. The model for conducting staff appraisal interviews, created by the project, became an established practice. By the end of the year, a new pay monitoring and development group had started to convene. First runs of pay statistics showed that the goals set for the pay system have been achieved relatively well.

Fitness for work maintained in many ways

Within the framework of the Fitness for Work activity project (TYKY) and recreation days, our staff attended several lectures concerning the work community and well-being at work, and a range of physical exercise activities and recreational events. A special TYKY afternoon received positive feedback.

We also encouraged individual physical training, purchased new exercise equipment and offered free tickets to different sports venues. The Office joined Suomen Kuntoliikuntaliitto (Finnish Sport For All Association) as a cooperation member, and appointed a sports agent.

There were nearly 12 days of sickness absence per person-year, which was due to the age structure of the NBPR and some chronic cases of illness. A positive phenomenon, on the other hand, was that the number of short cases of absence, i.e. 1-3 days of illness, had decreased from the previous year.

The occupational health care contract was renewed for four years.

Equality plan provides foundation for monitoring and improvement of equality issues

The Office's equality committee started a series of surveys and other measures promoting equality in the autumn, in order to meet the requirements of the new equality law.

The results of the equality survey and the information from the pay statistics give a positive picture of the present status and of future trends at our Office. The committee was able to produce a concrete equality plan for later reference. The plan contains measures to be taken in order to promote equality between women and men, and includes details on their implementation, persons in charge, provision of information, and monitoring.

Working environment and conditions mostly in order - salaries problematic

A positive attitude to the working environment prevails among our staff. This is particularly clear when we study the results of the 2005 work satisfaction survey. In the survey, in which a scale from 1 to 5 was used, the average was 3.42, thus equalling the result from the previous year. The overall grade in government offices has been 3.3 over the past few years.

The most positive attitudes concerned the working environment, cooperation and working conditions. Their grade was 3.76. The content and challenge of work also received a positive grade, the average being 3.63.

The feedback on salaries has become more and more positive each year, although the grade, at 2.83, is still quite low.

New examiners recruited

According to international agreements, the NBPR in its capacity as a PCT Office must maintain at least one hundred examiner posts covering different fields of technique. This, together with an increasing workload, is why we started the recruitment of new examiners in 2005.

ENTERPRISES AND CORPORATIONS LINE

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, foundation matters and supervises foundation administration.

The Advisory Committee For Enterprise Issues comprises representatives of Finnish commerce and industry.



Smooth registration: more efficient processing of notifications. Our registers are more up-to-date than ever.

In 2005, we rationalised our operations and were thereby able to substantially speed up the processing of notifications. The quality of the registers and the up-to-dateness of the information were further improved, when we removed over 28,000 inactive businesses from the Trade Register. More than 31 million company information searches were made in the information service BIS Search. The BIS Internet service at www.ytj.fi was ranked among the top ten most well-known Internet brands in a survey carried out by market research company Taloustutkimus Oy. In 2005, we also launched the Novus project to reform our information systems.

The Trade Register's processing times were shorter because of improvements made in the processing procedure. At the end of 2005, the processing time of matters relating to the establishment of new businesses was an average of six working days. In most cases, the processing began within 2-4 days from the filing of a notification, however, in some cases, clients were required to make corrections to their notifications. In the

second half of the year, the average processing time of all start-up notifications, including corrections, was about 12 working days.

The processing time of correctly filed amendment notifications was about two days shorter than in 2004: in the autumn of 2005, we processed these notifications in an average of 5 working days. The average processing time of all amendment notifications, as well as enterprise mortgages ap-

ytj.fi

plications, was 12 working days.

We processed filed annual accounts faster than other notifications, i.e. in about an average of 1-3 working days, which was a record performance except for some peak periods during the year.

To further improve our client service, we placed a processing time prognosis on the Trade Register's web pages.

More up-to-date details in the registers

In 2005, the details contained in our registers became more up-to-date than before, when we removed more than 28,000 inactive businesses from the Trade Register. In the 21st century, we have struck a total of more than 98,000 businesses off the Trade Register, and this work will continue in the future.

We improved the coverage of the register by efficiently supervising how clients complied with the duty to file annual accounts. In 2005, we were able to carry out nearly 35,000 supervision measures, because of significantly reduced manual work, as we were able to print out supervision letters directly from the Trade Register system. The supervision of annual accounts will also be a future challenge: only about half of currently registered limited companies have submitted their annual accounts to the Trade Register as required by law.

BIS – a popular and well-known brand

The Business Information System (BIS), which is jointly maintained by the National Board of Patents and Registration (NBPR) and the Tax Administration, was ranked among the top ten most well-known Finnish Internet services in a survey assessing Internet brands in Finland carried out by market research company Taloustutkimus Oy. The BIS Internet service at www.ytj.fi provides forms on which businesses can report their details to both of the above-mentioned authorities at the same time. The service also provides free identification and contact details of businesses and information on which registers the business is listed in. In 2005, more than 31 million searches were made in the free BIS Search, which is 9% more than in 2004.

The demand for the details contained in the registers still continued to grow: electronic inquiries, for details contained in the Trade Register, charged at a fee, increased by 33% and inquiries concerning annual accounts by 26% compared with 2004.

The Novus project to reform information systems began

We prepared the Novus project throughout the year and, through competition, appointed integration consulting company Deloitte Oy to support the project.

We introduced our operations and existing information systems to the consulting company's staff and to our new technical experts. We updated and specified the project plan together with the integration consultant and prepared various kinds of procedures and guidelines for the project.

In 2005, the project jointly launched by the Tax Administration and the NBPR continued with the planning of electronic services. In the first phase, the electronic services will include the filing of business contact details with the Tax Administration and NBPR registers. A role certificate service, which enables clients to check a person's role in different businesses in the Trade Register, was completed to support these services.

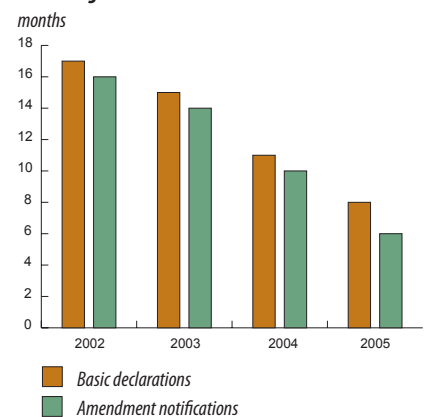
In 2005, the members of the NBPR's Advisory Committee For Enterprise Issues were as follows:

- Mr Markus Aaltonen, Chairman of the Supervisory Board, Enterprise Agency of South Ostrobothnia
- Mr Juha Ahvenniemi, Managing Director, Association of Finnish Accounting Firms
- Mr Anders Blom, Managing Director, The Finnish Family Firms Association
- Mr Stig Henriksson, Deputy Managing Director, Federation of Finnish Commerce and Trade
- Mr Erkki Kontkanen, Deputy Managing Director, Finnish Bankers' Association
- Mr Kari Lehti, LL.M. with court training, Pellervo Confederation of Finnish Cooperatives
- Ms Leena Linnainmaa, Deputy Director, Central Chamber of Commerce of Finland
- Mr Antti Majjala, Head of Department, Confederation of Finnish Industries EK
- Ms Ulla Partanen, Managing Director, Operaria Ulla Oy
- Ms Ursula Ranin, Vice President, General Counsel, Nokia Corporation
- Mr Pekka Sirviö, Attorney-at-Law, The Finnish Bar Association
- Mr Rauno Vanhanen, Director, Federation of Finnish Enterprises
- Mr Ilkko B. Voipio, Project Director, The Government Institute for Economic Research VATT

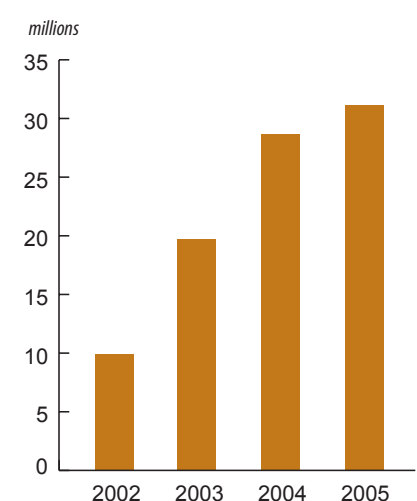
The Committee comprised the following representatives from the NBPR: President Martti Enäjärvi, Chairman; Vice President Olli Koikkalainen, Vice Chairman; and Deputy Director Ulla-Maija Sarkkinen, Secretary.

Other members representing the NBPR were Deputy Director Sakari Kauppinen, Senior Vice President Eero Mantere, Vice President Eija Nuorlahti-Solarmo, and Director of Communications Leo Lehdistö (until 13 July).

Processing times 2002-2005



Searches in BIS Search 2002-2005



PATENTS AND INNOVATIONS LINE

The main function of the Patents and Innovations Line has traditionally been to examine the novelty and patentability of inventions described in patent applications, and to register utility models. The search and examination of international patent applications is an important new task entrusted to our Line. Previously, we have received international patent applications filed by Finnish applicants according to the Patent Cooperation Treaty (PCT) and checked that they meet the prescribed formal requirements. Today, we also conduct international novelty searches on such applications. Applications for a European patent can also be filed with us, and if the owner of a granted European patent wishes to get the patent validated in Finland, we take care of its registration and publication.



PCT

Work starts as a PCT authority. Examiners in full action, applicants satisfied with our service.

Our new role creates a challenging era for the Patents and Innovations Line: the NBPR functions as an international searching authority as of the year under review. This role called for new skills among the staff, which were provided through versatile training. Due to an increased workload, a number of new examiners were also employed.

Today, almost all searches and examinations are conducted in databases, and application documents are recorded electronically; indeed electronic files will soon completely replace paper documents. In the next few years, we will permanently transfer to the electronic search process. As attention today is focused on the quality of work, both quality control and the continued development of quality systems will come to play a key role both nationally and internationally. The clients have three different patenting systems to choose from.

Finnish businesses are becoming globalised, research is moving abroad, and patent strategies are changing. This results in Finnish enterprises also making their first filings in countries other than Finland.

In spite of a slight decrease in the number of national patent applications, the workload in the Line increased in accordance with the start of PCT searches in 2005. Consequently, fifteen new examiners were employed, and more staff will be recruited in 2006.

Electronic filing is becoming more and more popular. In 2005, more than a third of the first applications for a patent and a half of the PCT applications were filed electronically. As for the translations of European patents to be validated in Finland, about a fifth of them was filed electronically.

Year after year, the group of the ten domestic companies with the highest numbers of applications has remained almost unchanged except for some newcomers. In the year under review, these included Conso-lis Technology Oy Ab, specialised in concrete structures, and Perlos Oyj, which manufactures mobile phone casings, among others.

Successful start to our role as a searching PCT authority

As of April 2005, the National Board of Patents and Registration functions as an international searching authority.

The training of examiners for the new tasks showed excellent results: search processes ran smoothly from the very beginning, and applicants received their search reports on time. The work is done in teams of two examiners. A PCT application is taken up by an examiner other than the one who took up the corresponding national application. This procedure is also what our clients have wished. The Line developed a browser-based tool to facilitate examiners' labour in filling in the number of forms required in the international application procedure.

Our new role received a warm reception from our clients. In fact, the number of PCT

applications we received clearly surpassed our expectations, and client response was positive throughout.

Emphasis on quality

Today, special attention is drawn to the quality of work. The PCT Guidelines include a part laying down a common quality framework for international search and preliminary examination, which sums up the common minimum requirements for a quality control system.

Quality issues have always been a top priority with the Patents and Innovations Line but, along with our new role as a PCT authority, concrete measures were taken by establishing a quality group assigned to create a quality control system with ISO 9000 as a model. This new system was introduced in the year under review, and our aim is to have it certified in 2006.

Radical patent classification reform

The purpose of patent classification is to facilitate data searches, and it is a tool used daily by examiners. In the year under review, the Line made preparations for the implementation of a reformed International Patent Classification (IPC) to enter into force at the beginning of 2006.

Due to the reform, many revisions were made to, for example, the Line's data systems, publications, and working practices, and various training events were arranged for examiners.

Debate on Community Patent cools down

As it proved impossible to reach consensus on a Community Patent system, the matter was laid aside in 2004, and it was not brought up further in 2005. Also the proposal for an EU directive on the patentability of computer-related inventions was rejected in July 2005 due to the conflicting points of views of the European Parliament and the Council of the EU.

Amendments to Patents Act

In 2000, a Patent Law Treaty was signed

within the World Intellectual Property Organization (WIPO) concerning the harmonisation of the formal procedures under national laws. An amendment to the Patents Act based on the above takes effect on 6 March 2006. Also the European Patent Convention was revised in 2000, and an amendment due to this revision will come into force in late 2007. Both amendments were approved by the Parliament of Finland in November 2005.

Patent applications

	2004	2005
Patent applications.....	2,220	2,059
domestic	2,011	1,830
foreign	209	229
Patents granted	2,075	1,757
European patents validated in Finland	5,759	5,639
Patents in force at the end of the year		
Granted by the NBPR	18,234	17,846
Granted by European Patent Office	17,825	21,625

Utility model applications

	2004	2005
Utility model applications	496	439
domestic	474	425
foreign	22	14
Registered utility models	434	403
Utility models in the register at the end of the year	3,156	3,034

Domestic companies with the highest numbers of patent applications filed in Finland in 2005

Metso Corporation	125
Nokia Corporation	109
Kone Corporation	57
VTT	48
ABB Oy	30
Wärtsilä Finland Oy	26
Kemira Group	14
M-Real Oyj	13
Sandvik Tamrock Oy	13
Elisa Oyj	12
Outokumpu Technology Oyj	12
Outokumpu Oyj	10
Perlos Oyj	11
Conso-lis Technology Oy Ab	10
LK Products Oy	9
Praoc Group Oy Ab	9
Planmeca Oy	9
Raumaster Paper Oy	8

TRADEMARKS AND DESIGNS LINE

The Trademarks and Designs Line promotes the technological and economic progress in its own field and supports commerce, industry and entrepreneurship. Our basic function is to process trademark and design right applications and to keep registers of them. As today's modern information society demands, we offer our clients and interest groups an increasing amount of information and advisory services. We also participate in international co-operation and aim to improve the legislation in our own field.



prh ®

The Trademarks and Designs Line achieved a record result and received excellent feedback from clients.

Many changes and reforms took place in 2005. In December, Trademark Gazette and Design Gazette were published for the last time in printed form. In keeping with modern practice, they will now be published on the Internet. At the end of 2005, we also launched a project to improve our electronic services and communication.

Our skilful staff made a vital contribution to the results of the Trademarks and Designs Line. The results of the client satisfaction survey fully reflect the satisfaction of our clients: the respondents gave us a rating of 8.6 on the school grade scale of 4 to 10.

Our gazettes onto the Internet

In 2005, Trademark Gazette and Design Gazette, our publications containing public notices, were available for the last time in printed form. As early as at the beginning of 2005, the gazettes were moved onto the Internet where our clients can study them free of charge. As from the beginning of 2006, the gazettes are only available on the Internet.

We improved our electronic services

In autumn 2005, the management of the Trademarks and Designs Line launched a project to upgrade our services in order to enable electronic filing of trademark and design right applications in the future.

Our information services and web pages were in frequent use. Each year, hundreds of thousands of inquiries are made in our trademark database and tens of thousands of inquiries in our design database. We will continue to improve our information and advisory services.

National trademarks

	2004	2005
Trademark applications	3,320	3,481
domestic	2,598	2,820
foreign	722	661
Processed applications.....	3,561	3,899
Applications pending at the end of the year.....	3,315	2,855
Preliminary examinations	263	245
Processing time (months)	8.7	6.6

National design rights

	2004	2005
Applications for design registration	215	201
Designs included in those applications	644	479
Designs included in processed applications,	665	748
of which registered designs	447	380
Renewal and amendment applications	623	662
Designs pending at the end of the year	716	426
Preliminary examinations	20	16
Processing time (months)	9.7	10

Trademark applications for Finland by countries in 2005 (top twenty)

Country	National	International	EU (OHIM)	Total
Germany	58	976	9,938	10,972
United States	283	196	10,253	10,732
Great Britain	18	72	6,661	6,751
Spain	2	81	5,758	5,841
Italy	2	244	4,697	4,943
France	12	493	4,228	4,733
Finland	2,820		513	3,333
Netherlands	33	175	1,836	2,044
Switzerland	29	334	1,108	1,471
Japan	17	123	1,330	1,470
Austria		110	1,253	1,363
Sweden	62	136	1,046	1,244
Belgium	1	52	855	908
Denmark	28	95	731	854
Poland		61	751	812
Canada	3		733	736
Portugal		21	574	595
Taiwan	1		533	534
China	5	263	233	501
Ireland	2	11	464	477

Slight changes in the number of applications; shorter processing times

In 2005, more than 7,700 trademark applications were filed. The total number of applications fell slightly.

We received nearly 3,500 national applications and over 4,200 international applications. Compared with 2004, the number of national applications increased by almost 5% and the number of international applications fell by 7%.

Nearly 80,000 search results were transmitted for Community trademark applications. The number of applications for renewal of trademark registrations totalled almost 4,600.

Because of more efficient work and a reduced number of applications, we were able to clearly speed up the processing of trademarks. At the end of 2005, the processing time of national applications was only an average of 6.5 months, i.e. the processing time was about two months shorter than two years earlier. The processing time of international applications was also nearly two months shorter than in 2004. The processing time of renewals was about 2.5 months.

Eager applications for design protection for telephone devices

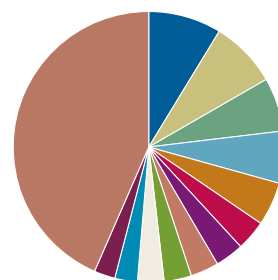
Telephone devices were clearly the largest group of products for which design protection was applied for in Finland. The second largest group comprised packages, furniture and means of transport.

The total number of design registration applications seems to have remained at around 200 applications a year, while the number of designs contained in the applications still continues to decline sharply: their number dropped by just over a quarter from the previous year. The percentage of domestic applications increased by a couple of per cent from 2004, but the processing time of design registration applications was somewhat longer than in 2004, i.e. about 10 months.

A total of some 600 design registration renewal applications were filed for processing, which was a slightly higher number than in the previous year. At the end of 2005, the Design Register contained almost 5,000 valid registrations.

The National Board of Patents and Registration sent 100 applications for Community designs to the Office for Harmonization in the Internal Market - Trade Marks and Designs (OHIM).

National trademark applications 2005 by class



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

ASSOCIATION AFFAIRS UNIT

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. As from 2003, the Unit has kept 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.

The Advisory Committee for Associations includes representatives from Finnish political parties and central labour market organisations.



Our electronic filing service brought the Register of Associations closer to the public.

Electronic filing enables our clients to quickly and easily report an association, or its changed details, for registration: associations are now able to electronically file a notice concerning establishment, dissolution or changed details on the NBPR's web pages.

Consequently, this new technology made the Unit's client service, performance of basic tasks and register maintenance more efficient.

The Unit registers both the basic notices and dissolution notices of associations, amendments to bylaws, changes concerning the chairperson of the executive committee and the persons entitled to sign on behalf of the association. The Unit may pre-check the association's bylaws and any amendments made to them, if requested by the association

concerned. The Unit also registers Chambers of Commerce, amendments to their bylaws, changes concerning the members of their committees and boards and the persons entitled to sign on behalf of the Chamber of Commerce.

The Register of Religious Communities also comprises the details of the registered congregations of religious communities. The Unit provides extracts, certificates and copies of documents concerning the information contained in the Registers. The Unit



advises clients by phone or e-mail in matters concerning the Associations Act, bylaws, the interpretation of bylaws, or the association practice in general.

Civic activities still popular

In 2005, the Register of Associations contained 124,400 associations, and nearly 2,400 new associations were entered in the Register. The Register of Religious Communities comprised almost 300 communities and registered congregations.

The Register of Associations received over 20,000 notices concerning establishment, dissolution, amendments to bylaws and changes in the right to sign on behalf of an association. In 2005, the Unit received 170 applications for a preliminary check, 18 applications for exemption and 150 notices concerning religious communities. The Unit also made over 20,000 decisions.

The processing time of notices was a little shorter than in 2004. The Unit processed basic and dissolution notices of associations in an average of two months, and notices concerning amendments to bylaws in about six months. Notices relating to changes in the right to sign on behalf of an association were processed almost in real time.

Information system to be upgraded

On the National Innovation Day on 29 November, the Unit introduced a new service to supplement its electronic services which have undergone a great deal of development over the past few years. Electronic filing is one of our electronic services, the purpose of which is to make the Registers more accessible to citizens than before.

Electronic filing is part of the future data processing system that we were preparing in 2005. In 2006, the improvement of this system will be the biggest challenge to our Unit. The new information system has four important purposes: it will speed up registration, facilitate the filing of notices, ensure the correctness of details contained in the Registers, and the legal certainty of decisions.

The Advisory Committee for Associations

The Association Affairs Unit monitors Finnish society and how it is changing. The Advisory Committee for Associations serves as a link between the Unit and its interest groups. It meets four times a year to handle legislative issues of importance to organisations and 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 to improve the handling of association affairs.

In 2005, the Committee specifically discussed the taxation of associations and listened to up-to-date reports by experts on, for example, tax issues, the third sector and non-governmental organisations.

In 2005, the members of the Committee were:

- Mr Pertti T. Hyvönen, 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

- Mr Berth Sundström, Secretary General, Swedish People's Party
- Mr Rauno Lindahl, Head of Negotiations, Confederation of Finnish Industries EK
- Mr Eero Lankia, Secretary General, Finnish Centre Party
- Mr Matti Hynynen, Director, Finnish Confederation of Salaried Employees STTK
- Mr Jarmo Nurmio, Head of Organization Unit, Confederation of Unions for Academic Professionals in Finland
- Ms Katariina Poskiparta, Director, Green League of Finland
- Mr Hannu Rautiainen, LL.M., 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 Vesa Mauriala, Head of Political Department, 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

The Committee comprised the following representatives from the NBPR: President Martti Enäjärvi, Chairman; Director of the Register of Associations Kalevi Sadeluoto, Vice Chairman; and Deputy Director Kari-Pekka Helminen, Secretary. Other members representing the NBPR were Senior Vice President Eero Mantere, Vice President Olli Koikkalainen and Director of Communications Leo Lehdistö.

MARKETING AND BUSINESS SERVICES UNIT

The primary task of the Marketing and Business Services Unit is to market and develop 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 and experts in the Line units.

The Idealuotsi Project helps SMEs in their R&D and in the commercialisation of products.

We offered clients and interest groups information about businesses and organisations as well as industrial property rights. This information is maintained and administered by the NBPR and is disseminated through various channels for utilisation in R&D and decision-making.

Our clients include SMEs, industry, law firms, accounting companies, higher education institutions, research institutes and suppliers of public and private business services.

We provide our clients with a large variety of commercial services:

- examination and information services in various technical fields
- examination services relating to trademarks and designs
- information services of the Register of Associations
- information services of the Trade Register
- courses in patents and trademarks
- courses in Trade Register matters

Innovation system and the Idealuotsi Project (Idea Pilot Project)

Finland is dependent on know-how and entrepreneurship. Intellectual capital represents as much as four-fifths of the value creation in businesses. However, the protection of intellectual property or know-how and the use of existing know-how is still in its infancy in most Finnish businesses. The know-how assets are the most valuable property of SMEs. Even so, more than half of businesses do not utilise know-how protection forms.

Up to 30-50% of investments in R&D are considered overlapping and unprofitable. In spite of this, 85% of businesses do not make

use of patent publications, a worldwide source of technical information containing detailed descriptions of more than 32 million technical solutions.

In 2005, we introduced grass-roots practices created in the NBPR's Idealuotsi Project. By using these practices SMEs can employ existing information and protection forms to boost the commercialisation of their ideas.

As part of the Idealuotsi Project, together with our co-operation partners, we published a workbook for businesses on how to take intellectual property issues into account in business ('Immateriaaliosoiden huomioiminen liiketoiminnassa'). The book concretely helps businesses make use of the intellectual property system in order to improve their competitiveness.

In 2005, we also completed a guide on efficient R&D ('Tehoa tuotekehitykseen') to facilitate the search for technical information for R&D purposes from patent publications. The guide advises how to use patent information in different stages of the R&D process and how businesses themselves can acquire information. The guide also helps clients to understand when it is time to consult an expert in information acquisition.



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.

A working group of the Ministry of Justice proposed to change the way the Board of Appeal operates. However, several oppositions were made against this proposition.

The number of appeals against refusals of patent or trademark applications is declining, while appeals concerning opposition matters were filed more often than previously. In 2005, a working group set up by the Ministry of Justice proposed that most appeals dealt with by the Board of Appeal be transferred to the Helsinki District Court.

In 2005, most of the appeals processed by the Board of Appeal related to trademarks and patents, but appeals regarding refused trademark and patent applications seem to have decreased. Appeals concerning opposition matters, on the other hand, were filed more often than in previous years. In 2005, more than 60% of the appeals in the patent field concerned decisions on oppositions against granted patents. Over 40% of the appeals relating to trademarks, on the other hand, concerned decisions on oppositions against registered trademarks.

Moreover, more than 50% of the trademark appeals received in 2005 related to decisions on international registrations, in which Finland was designated.

Tasks of the Board of Appeal to the District Court?

In its report, a working group set up by the Ministry of Justice expressed its view on the court of law that would be the most appropriate and competent in intellectual property rights issues. A majority of the working group believed that most cases processed by the Board of Appeal should be transferred to the Helsinki District Court.

The Board of Appeal and the NBPR have pointed out in their statements to the Ministry of Justice that no outstanding reasons have been given for the proposed change. Administrative courts, with the Supreme Administrative Court as the highest appellate level, should therefore in the future also deal with appeal matters belonging to non-contentious jurisdiction. The current basis of the appeal procedure required by our Constitution may also be further improved.

Board of Appeal statistics in 2004 and 2005
(2004 in brackets)

	Patents	Trademarks	Designs	Trade Register	Utility models	Register of Associations	Foundations	Total
Cases lodged with the Board	26 (65)	127 (144)	3 (6)	1 (2)	6 (11)	2 (1)	1 (1)	166 (230)
Cases decided by the Board	34 (36)	141 (114)	11 (3)	0 (2)	5 (9)	0 (1)	0 (1)	191 (166)
Amendments to decisions taken by the NBPR	13 (15)	26 (21)	0 (0)	0 (1)	3 (5)	0 (0)	0 (0)	42 (42)
Opinions given to the Supreme Administrative Court	22 (15)	20 (19)	0 (0)	0 (0)	2 (4)	0 (1)	0 (1)	44 (40)
Interim decisions	0 (0)	0 (0)	0 (0)	0 (0)	0 (0)	1 (0)	1 (0)	2 (0)
Cases undecided at the end of the year	50 (58)	289 (303)	3 (11)	3 (2)	6 (5)	3 (1)	2 (1)	356 (381)

COMMUNICATIONS AND COMMUNITY RELATIONS

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. It is also closely involved in the NBPR's national and regional projects, such as the INNOFINLAND Project, and is in charge of the INNOGALLERY.



The NBPR's website grows in popularity. Art, INNOFINLAND and associations on display at the Innogallery. Successful participation in fairs.

The year under review was varied. Our clients' magazine PRHtieto was published twice and the office newsletter Ikiliikkuja 14 times. Our website received good feedback from the clients. The Innogallery had three exhibitions and the NBPR took part in fairs both in Helsinki and in the provinces. INNOFINLAND was also brilliantly brought to the fore.

Our office newsletter Ikiliikkuja published once a month

Ikiliikkuja provided information on current affairs, events, changes in work and wellbeing at work. In 2005, it was published 14 times and was distributed to all employees as a four-colour printout. Ikiliikkuja can also be read on our intranet, called Innonet, where it is also archived in pdf format.

In 2005, Ikiliikkuja included articles about the NBPR's online communications and how the development of new online services was progressing. In one of its articles, Ikiliikkuja also expressed its satisfaction with the NBPR's new status as an international PCT authority. The new Idealuotsi Project (Idea Pilot Project) for entrepreneurs was introduced to the staff in Ikiliikkuja before the project was launched. Ikiliikkuja also took its readers to the international PatLib Conference in Romania.

The introduction of the new pay system and the human resource statement were also widely covered in Ikiliikkuja. We also published several articles about wellbeing at work and the NBPR's actions to improve it. Ikiliikkuja also wrote about the exhibitions at Innogallery, the NBPR's visit to Pori, the staff trip to Lohja in the spring, the celebration of the NBPR's Anniversary, the INNOFINLAND Awards Ceremony, and about the developments at the enormous Kamppi building site next to our Helsinki Head Office.

Clients' magazine PRHtieto described current issues in our field

The articles in PRHtieto, published twice a year, also covered the jubilee year of Finnish design: the articles described trademarks and design protection from the design point of view. In issue 2/2005, the magazine summarised: 'Without design registration, a business is virtually defenceless against product imitators.'

Other wide-ranging topical themes covered in PRHtieto were the NBPR's new PCT authority status, the European Business Register, the European Company as a new legal entity, the patent courses given to the Finnish defence forces, the INNOFINLAND Project, and a historical review of association activities. Through these themes the magazine presented the NBPR's activities and services to the readers. Furthermore, an article about the Directive on the patentability of computer-implemented inventions

thoroughly explained why the proposal of EU member states for this new Directive was rejected by the European Parliament.

We publish PRHtieto in Finnish with a summary in Swedish for our Swedish readers, and the magazine is also available in pdf format on our website.

Our website received an excellent rating

In 2005, our website at www.prh.fi was visited more than 2 million times. During the year under review, we have concentrated on enhancing our client service: we improved our trilingual website by presenting the whole service palette on the front page. In addition, we opened a web store providing all the NBPR's products and services that are subject to a charge, as well as a new registration service provided by the Register of Associations.

In the NBPR's client satisfaction survey, our website received a rating of 8.4 on the school grade scale of 4 to 10. In the survey, clients were asked to assess the quantity of information on the web pages, how up-to-date the information is and how easy it is to find and read, as well as the layout and how well the pages work from a technical point of view. Clients considered the up-to-dateness of information the best feature and claimed that finding the information they were looking for was the most difficult.

The editorial responsibility for the website is divided between the NBPR's lines and units, and the Information Officer is the Editor-in-Chief of the website. For the improvement and co-ordination of the website, a special working group has been established, consisting of 22 members representing all the NBPR's lines and units. The working group is headed by the Editor-in-Chief of the website. We also organised writing courses for staff members writing the texts for the website.

Innogallery in 2005

The Innogallery's year began with INNOFINLAND. Until the end of March, we presented prizewinners and snapshots from the past ten years of INNOFINLAND, as well as the innovations awarded in the jubilee year 2004.

Offering neighbourly help to the Parliament

In April, the Innogallery exhibited all the entries of the greatest art contest of all time in Finland. On 6 April 2005, Mr Paavo Lipponen, Speaker of Parliament and the chairman of

the jury for the Parliament Annex Art Contest, announced the winners in the Contest and opened an exhibition with all the entries at Innogallery. All 1,719 entries for works of art in the Parliament annex were exhibited until 22 April. Thereafter, until mid-May, only the six award-winning entries were on display.

UNION – associations building our society

In the autumn, the Innogallery organised an exhibition on the past and the present of Finnish associations. The exhibition reviewed how developments in world history a hundred years ago affected Finnish society and its distinctive association activities. The Register of Associations, how it was established, its significance and present electronic times were illustrated by presenting the interest organisations in the Finnish labour market.

Keen participation in fairs

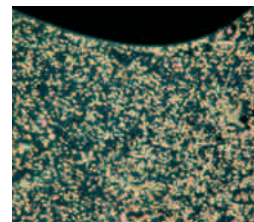
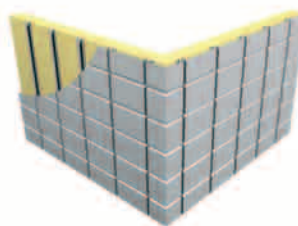
In mid-March, the NBPR took part in the Oma Yritys (Own Company) Fair in Helsinki, the annual 'contact event for future makers'. In April, the NBPR visited the Yritys 2005 Kohtaaminen (Business 2005 Contact) event in Jyväskylä.

In May, the NBPR participated in an innovation and industrial property rights theme day in Pori together with the T&E Centre of Satakunta and the Foundation for Finnish Inventions. The NBPR also attended the Synergy Fair in Oulu, where the theme was 'From creativity to business' and which was organised in co-operation with the Foundation for Finnish Inventions and the T&E Centre of Northern Ostrobothnia.

In August and September, the NBPR visited the HITEC 2005 Fair and Subcontracting 2005 Fair in Tampere and the MecaTec 2005 Fair in Helsinki. At MecaTec 2005, the NBPR displayed its services in co-operation with the European Patent Organization (EPO). In October, a combined INNOFINLAND, company law and industrial property rights theme day was held in Joensuu.

INNOFINLAND 2005

INNOFINLAND is a project launched in 1994 that promotes creativity, skill, entrepreneurial spirit and collaboration in a practical and creative way in order to improve opportunities to increase wellbeing on a national level. The INNOFINLAND Project consists of regional activities and local participants. Each year, the project culminates in an awards ceremony, where the President of the Republic hands out the prizes.



The theme for INNOFINLAND 2005: 'Creativity as developer of work and entrepreneurship'

In 2005, the enormous variety of innovations was a pleasant surprise to the INNOFINLAND Jury: Finnish know-how is more diversified than ever. The contest attracted excellent entries from Åland to Lapland, which shows that Finnish know-how is not geographically concentrated. Know-how is therefore the future and strength of our small nation.

The theme for 2005 was 'Creativity as developer of work and entrepreneurship' which highlighted good practices and examples of companies where creativity is appreciated and considered a prerequisite for the success of the company.

The INNOFINLAND Project, and society as a whole, have realised that it takes much more than the obligatory investments in R&D to concentrate on innovative operations: working conditions and the working environment have to economically and socially support the creative work input.





On the National Innovation Day on 29 November 2005, the year culminated in the national INNOFINLAND Awards Ceremony. Tarja Halonen, President of the Republic presented the national 2005 INNOFINLAND Prize to the following five businesses for innovative operations:

- Biologistiikka Oy, Pello: Method for the recovery of wood chips
- Granula Oy, Kotka: Safer sunscreen by special dispersions
- Leakomatic Ab, Mariehamn: Intelligent water leak alarm
- SoftColor Oy, Joensuu: Real-time colour correction for digital photography
- Sparklike Oy, Helsinki: Argon measuring device for insulation glazing

The Honourable Mentions went to

- Globe Hope Oy, Nummela: Fashion through recyclable materials
- Metehe Oy, Joutseno: MTH Concertto steel facade system
- Timoteos Oy, Pori: 'Sopiva' standing frame

In the 12th year of the Project, a total of 195 innovative entries were submitted, of which 38 entries were awarded a Regional Prize and 20 entries an Honourable Mention. Most entries came from Southeast Finland, the province of Satakunta, and Åland.

INNOINT inventions

The Invention Contest for Conscripts was organised for the 7th time, and this year saw great success. A record number of 204 high-class entries were submitted to the contest, partly concerning technical solutions, and partly methods. Prizes were presented to

- 2nd Lieutenant Timo Mihaljov, Oulu: Method for improving the tactical communications network
- Lance corporal Sampsa Karhunen, Helsinki: Weekly programme system in Excel table format
- Sergeant Jan Ruotsalainen, Rovaniemi: Multi-purpose jacket for rucksacks
- Corporal Jesse Viljanen, Helsinki: LED lights for a combat simulator
- Officer student Mikito Takada, Helsinki: Professional skills and innovation system
- Officer student Heikki Hirvonen, Helsinki: Field spade/periscope combination

The honourable mentions went to

- 2nd Lieutenant Tero Sundström, Huhmari: Improvement in a blast and light alarm
- Private (Airman) Esko Virkki, Vaajakoski: Storage basket
- Sergeant Jan Ruotsalainen, Rovaniemi: Glow plate for installation in the keyboard of an air surveillance device
- Corporal Ilkka Meriläinen, Oulu: Conscript's cash card
- NBC Defence man Juha-Pekka Perälä, Lappeenranta: Prize for activity on the basis of good entries submitted

INNOSCHOOL – innovation through upbringing

The INNOSCHOOL Innovation Event for school pupils is part of the INNOFINLAND Project. In 2005, the event was carried out for the sixth time and the collaborative partner was the National Board of Education. In the comprehensive school category, the event was organised for first and second forms in comprehensive schools in the Pori region. A total of 235 ideas were submitted in the event. Prizes were presented to

- Vilma Hilden, 2A, Toejoki Elementary School: Do-it-yourself rucksack
- Kim Suomalainen, 1 C, Ruosniemi School: Keijo Kätevä – a wiper wheel for tables
- Akseli Ketola, 1 A, Ruosniemi School: Traffic sign visible in the dark

In addition, Kallela School was awarded an Honourable Mention for active participation.

In addition, we tried a new practice in vocational schools in the Tampere Region, where we judged and awarded the final projects of graduating students. Out of several high-class entries, the prizes went to

- Kaisa Maansalo, Pirkanmaa College: Innovative coloured knitted jacket
- Arno Munnukka, Pyynikki Institute: Autonomous robot
- Jussi Suihkonen, Mänttä Regional Education Center: Siemens Simatic Step7 program development
- Tommi Täyränen, Valkeakoski Vocational Institute: Computer-aided music composition

INTERNATIONAL CO-OPERATION

The National Board of Patents and Registration (NBPR) is an active player in international co-operation and keenly follows the progress in this field. Finland has joined a number of international industrial property treaties and organisations which concern the NBPR. 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.



International PCT searches started. President Enäjärvi is re-elected chairman of the Administrative Board of OHIM.

During the year under review, the NBPR announced, in cooperation with the World Intellectual Property Organization WIPO, the Idealuotsi (Idea Pilot) Project to support and assist small and medium-sized enterprises. An agreement on intensified co-operation was concluded with the Russian Patent Office, and the lively debate on enhanced Nordic co-operation continued. Also our links with the Baltic Offices were cemented further. In April 2005, as a new activity, we started conducting searches on international patent application under the Patent Cooperation Treaty (PCT). President Enäjärvi was re-elected chairman of the Administrative Board of the Office for Harmonization in the Internal Market – Trade Marks and Designs (OHIM).

The World Intellectual Property Organization (WIPO) is one of the sixteen United Nations specialised agencies with 183 member states and some 300 different organisations with observer status. WIPO was established to promote the protection of intellectual property worldwide. It also administers the multinational treaties on different elements of intellectual property. Delegates from the NBPR attended several meetings organised by WIPO in the year under review.

Discussions on the draft Substantive Patent Law Treaty (SPLT) continued in 2005. The WIPO's Standing Committee on the Law of Patents (SCP) has dealt with the draft since 2000. Until today, no concrete results have been achieved. There are still big differences between the points of views of industrial countries and developing countries. Thus, the work on the draft continues.

A Diplomatic Conference for the Adoption of a Revised Trademark Law Treaty was also prepared in 2005. The Conference will take place in Singapore in May 2006. The purpose of this new Treaty is to revise and update the present one, which dates back to 1994. Among other things, the Treaty will take into account the latest progress in technology and allow the electronic filing of applications.

The Third International WIPO Forum on Creativity and Inventions - A Better Future for Humanity in the 21st Century - was arranged in Cape Town, South Africa. President Enäjärvi was active in coordinating the preparations, and he also gave a speech at the Forum. This series of Forums began in Helsinki in 2000; the following Forum took place in 2002 in Beijing, China, and South America will be host of the Forum 2007.

Our excellent co-operation especially with Director General Kamil Idris and the WIPO Secretariat continued. The Idealuotsi (Idea Pilot) Project, which was launched in Finland in co-operation with the WIPO to support and assist small and medium-sized enterprises, is an excellent example of this.

Active co-operation with European Patent Office

During the past few years, the European Patent Organisation (EPO) has expanded greatly. After the accession of Latvia in 2005,

the number of member states has risen to 31, and it will continue to increase in the future. Finland has been a member of the EPO since 1996.

The function of the European Patent Office is to grant European patents in a centralised way. After a patent has been granted, it must also be validated in those EPC member states which the applicant opts for.

Finland has actively participated in the operations of the EPO: the meetings of the Administrative Council were attended not only by the President, but also by Senior Vice President Eero Mantere, and Vice President Pekka Launis of the Patents and Innovations Line. Furthermore, experts from the NBPR have participated in various working groups.

In the year under review, the EPO Administrative Council continued the discussion on the strategy for future co-operation between the EPO and the member states, concerning, among other things, the work on international patent applications (PCT). Here, interchange has been lively, and proposals for concrete solutions are expected in 2006.

In June 2005, the EPO Administrative Council decided to reduce the fee for the supplementary European search on international applications entering the European phase for which the international search report was drawn up either by the NBPR, the Austrian Patent Office, the Spanish Patent and Trademark Office, or by the Swedish Patent and Registration Office. Thanks to the decision, all clients of the European national PCT Authorities shall now be given equal reductions.

The above national offices and the EPO continued their work on coordinating issues concerning the Patent Cooperation Treaty (PCT). In late 2005, the NBPR and the EPO signed a Working Agreement on co-operation concerning search work carried out under the PCT.

President Enäjärvi continues as Chairman of OHIM's Administrative Board

The Office for Harmonization in the Internal Market - Trademarks and Designs (OHIM) is one of the largest EU Offices outside Brussels. OHIM has registered Community trademarks since 1996, whereas the registration of the

Community designs did not begin until 2003.

Through the filing of one single application, it is possible to get trademark or industrial design protection in the entire EU area. The Community trademark and the Community design are non-divisional, which means that the protection both begins and will, in time, cease simultaneously in the whole Community area.

The NBPR actively took part in the operations of the OHIM in the year under review. President Enäjärvi was unanimously re-elected Chairman of the OHIM's Administrative Board. In this capacity, he will also continue as Chairman of the Nomination Committee. In 2005, the OHIM started intensive co-operation with national offices in areas such as training, information technology, and advisory services. In line with the Finnish policy, the NBPR has actively striven to support cooperation within the EU.

International co-operation progressed in many ways

In 2005, the NBPR hosted a number of delegations wishing to get acquainted with both our operations and the Finnish innovation policy. These included management from the IP Offices of Bulgaria, Greece, Czech, Belarus, and Estonia, for example. Reciprocally, delegates from the NBPR visited several member states of the WIPO.

The debate on an enhanced Nordic co-operation continued on a lively note. In addition, our bilateral relations to the Offices of Estonia and the other Baltic countries are becoming stronger.

President Enäjärvi paid a visit to the Russian Patent Office in October 2005. In this connection, Rospatent, which was celebrating its 50 years jubilee, and the NBPR signed an agreement on intensified co-operation.

The Patent Offices of Finland and Russia have long traditions of co-operation. Here, the first cornerstone was the neighbouring areas co-operation agreement in the field of intellectual property, signed in 1994 by the former Deputy Mayor of St. Petersburg and present President of Russia, Mr Vladimir Putin, and President Enäjärvi.

INCOME AND EXPENDITURE SHEET

	1 Jan - 31 Dec 2005		1 Jan - 31 Dec 2004	
INCOME FROM OPERATIONS				
Income from fee-charging operations	35 535 834.30		34 865 696.07	
Rents and compensations	14 020.69		12 769.99	
Other income from operations	388 481.83	35 938 336.82	302 852.51	35 181 318.57
EXPENSES FROM OPERATIONS				
Raw materials and consumables				
Purchases during the accounting period	681 047.21		871 186.11	
Staff expenses	20 394 918.24		19 383 672.79	
Rents	4 030 639.63		3 965 310.29	
Services purchased	8 661 300.97		7 940 344.15	
Other expenses	534 146.24		538 514.22	
Production for own use	-76 916.49		-136 906.44	
Depreciations	2 231 918.39	-36 457 054.19	2 845 666.99	-35 407 788.11
SURPLUS/DEFICIT I		-518 717.37		-226 469.54
FINANCIAL INCOME AND EXPENSES				
Financial income	38.58		115.04	
Financial expenses	-97.87	-59.29	-41.85	73.19
EXTRAORDINARY INCOME AND CHARGES				
Extraordinary income	279.49		8.00	
Extraordinary charges	-6 750.10	-6 470.61	-9 430.13	-9 422.13
SURPLUS/DEFICIT II		-525 247.27		-235 818.48
INCOME FROM TAXES AND OBLIGATORY FEES				
Value added taxes levied	359 127.22		308 901.46	
Value added taxes paid	-2 346 974.49	-1 987 847.27	-2 350 557.78	-2 041 656.32
DEFICIT FROM THE ACCOUNTING PERIOD		-2 513 094.54		-2 277 474.8

BALANCE SHEET

ASSETS

FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS

INTANGIBLE ASSETS

Research and development expenses	1 060 201.19
Intangible rights	189 969.53
Other capitalised long-term expenses	607 289.98
Advance payments and acquisitions in progress	912 737.89

TANGIBLE ASSETS

Machinery and equipment	1 061 931.44
Furniture and fixtures	139 031.21
Other tangible assets	137 438.11

SECURITIES INCLUDED IN FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS

Securities included in fixed assets	84.09
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FIXED ASSETS AND OTHER LONG-TERM INVESTMENTS, TOTAL

STOCKS AND FINANCIAL ASSETS

DEBTORS: CURRENT

Trade debtors	425 412.80
Prepaid expenses and accrued income	74 297.04
Other current debtors	128 672.88

CASH IN HAND AND AT BANKS AND OTHER LIQUID ASSETS

Cash accounts	4 495.45
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STOCKS AND FINANCIAL ASSETS, TOTAL

ASSETS, TOTAL

31 Dec 2005

31 Dec 2004

2 195 832.60
272 749.82
198 145.75
2 770 198.59

1 371 708.75
216 386.94
1 374 388.11

84.09

4 108 683.44

527 641.25
60 695.51
114 138.10

4 495.45

632 878.17

4 741 561.61

3 569 099.26

1 725 533.80

84.09

5 294 717.15

702 474.86

6 218.75

708 693.61

6 003 410.76

LIABILITIES

CAPITAL AND RESERVES

STATE CAPITAL

State capital on 1 January 1998	3 376 200.48
Change in capital from previous accounting periods	-4 615 642.60
Transfers of capital	-182 593.45
Deficit of the accounting period	-2 513 094.54

CREDITORS

CURRENT

External funds administered by the State	1 000.00
Advances received	567 362.34
Trade creditors	2 205 358.51
Payments to accounts between accounting offices	425 598.28
Items to be accounted for and forwarded	2 450 905.15
Accruals and deferred income	3 026 407.98
Other current creditors	59.46

CREDITORS, TOTAL

LIABILITIES, TOTAL

31 Dec 2005

31 Dec 2004

3 376 200.48
-1 716 015.53
-622 152.27
-3 935 130.11

900.00
306 196.21
1 609 847.02
410 105.85
2 042 800.46
2 872 521.84
481.50

8 676 691.72

4 741 561.61

- 1 239 442.12

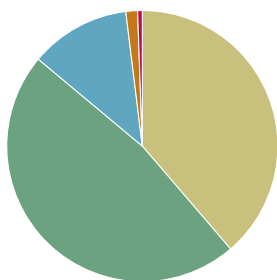
7 242 852.88

7 242 852.88

6 003 410.76

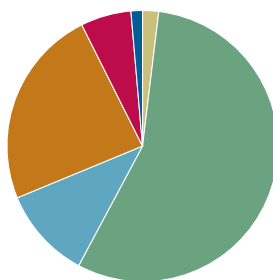
ANNUAL ACCOUNTS NOTES

Income per unit



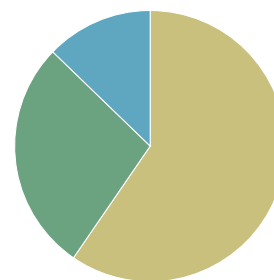
- Patents and Innovations Line €13.9m
- Enterprises and Corporations Line €17.0m
- Trademarks and Designs Line €4.3m
- Register of Associations €0.5m
- Administration and others €0.2m

Breakdown of expenditure in 2005



- Raw materials and consumables €0.7m
- Staff expenses €20.4m
- Rents €4.0m
- Services purchased €8.7m
- Depreciations €2.2m
- Other expenses €0.5m

The NBPR's assets in 2005



- Intangible assets €2.8m
- Tangible assets €1.3m
- Financial assets €0.6m

Nearly half of the income of the NBPR derived from the operations of the Enterprises and Corporations Line. The Patents and Innovations Line accounted for almost 40% of the income.

In 2005, both income and expenses rose slightly at the NBPR. Most items in the balance sheet consist of improvements made in the information systems, i.e. expenses of IT equipment and information systems. The NBPR's property consists of registers.

Income and expenditure sheet 1 January to 31 December 2005

The income in the income and expenditure sheet totalled €35.9m. The income rose by €0.8m, i.e. by 2%, from the previous year.

The total operating expenditure rose by 3% and amounted to €36.5m during the operating year.

Staff expenses of €20.4m were the biggest single expenditure item: they made up 56% of the total expenditure.

In IT development projects, an item amounting to €100,000 of staff expenses was capitalised. It is shown as a separate item in the income and expenditure sheet. External services were bought for €8.6m and rents paid for amounted to €4.0m.

Capitalised investments in fixed assets were depreciated by €2.2m.

Surplus/Deficit I was negative, at –€0.5m.

Income and expenses from taxes and obligatory fees comprised value added tax levied and paid. It totalled –€2.0m net.

The deficit from the accounting period was €2.5m.

Balance Sheet at 31 December 2005

The balance sheet total was €4.7m on 31 December 2005.

The balance sheet mainly consists of capitalised development and construction items for the NBPR's information systems and for IT equipment related to those systems.

On the assets side of the balance sheet,

the residual value of the fixed assets and other long-term investments in the annual accounts totalled €4.1m. The main part of this sum consisted of intangible assets of €2.8m and of tangible assets of €1.1m in machinery and equipment, €0.1m in furniture and fixtures, and €0.1m in other tangible assets.

Investments made in fixed assets last year amounted to €1.0m.

Stocks and financial assets include current debtors and other liquid assets, totalling €0.6m.

The productivity of work increased considerably. We also successfully achieved our economy targets.

Results management, performance measurement, the improvement of processes, the continuous upgrading of systems, and the development of staff skills have been the cornerstones of our productivity. Our processing times were shorter and clients were more satisfied than ever. The staff received a performance bonus for an excellent level of productivity and successful client service.

In 2005, the NBPR received nearly 390,000 applications and notifications, which is about 6% more than in 2004. The growth is mainly a result of an increased number of submitted annual accounts and search requests concerning Community Trademark applications.

Productivity continued to rise

In 2005, the productivity of work in the units increased by an average of 6%, well in excess of the target of 0.1% set in the state budget.

The trend for productivity in the long term is clearly above target: over the past 17 years, i.e. since 1988, the NBPR's productivity has risen by 117%.

Results management, performance measurement, improvement of processes and the continuous development work to enhance systems and to increase the staff's

skills have all contributed to the rise in productivity.

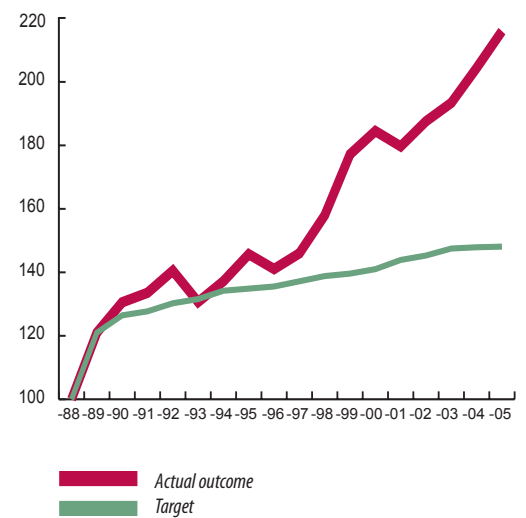
Shorter processing times

The average processing time of filed annual accounts decreased to around 1 week. In trademark matters the processing time of national applications fell to 6.5 months. Matters concerning associations were processed in less than 4 months.

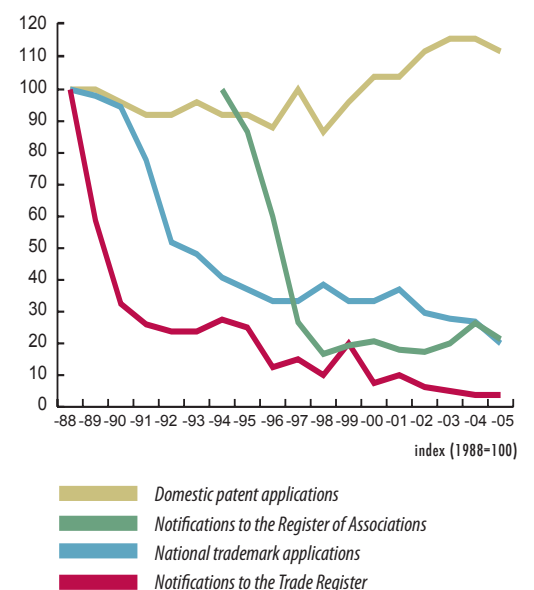
Economy targets exceeded expectations

As a whole, the economy target for 2005 was excellently achieved. In the budget, the limit for cost per unit was set to allow an increase of no more than 1.8%. In fact, the real cost per unit decreased by as much as 6%.

Development of productivity of work and targets set 1988=100



Development of processing times since 1988



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