

those funds are basically committed to the sectors of the institutions of higher education, universities and the Government itself<sup>324</sup>. As follows from the statistical data, from the total expenditure on R&D<sup>325</sup> the main percentage is spent for applied research and basic research, whereas experimental development receives less foundation<sup>326</sup>. In Latvia the Government funds spent for financing R&D make the biggest part among other sources of finance<sup>327</sup>. Additionally, the Governments also support projects which are related to increasing better conditions to innovative activities<sup>328</sup>.

While talking about the national governments' support in the field of R&D in the Baltic countries, it should be noted that by virtue of the procedure set out in the national legislations, interested parties have a right to participate in the preparation of the national IP laws<sup>329</sup>. Such participation is deemed to be important in terms of a possibility to make a better link between the legislators and "IP players" in practice, in terms that the local as well as foreign companies can express their views, actual needs important for legislative improvements and also provide constructive proposals to amend the laws. "Sunrise Valley" project in Lithuania is again a good example of certain cooperation between the national "IP players", the leading IT companies, and the national Government.

## V. Concluding remarks

In the recent years the social transformation of "IP mentality" from Soviet "IP-thinking" to "think-western" in the Baltic countries is observed. The national legislators and government institutions strongly advocate for the adequate and effective protection of IP rights by applying the European as well as worldwide standards of such protection. The changing attitude of local businesses, consumers and general public towards the use of legal IP products also plays an enormous role in the process of bringing the application of the provisions of such protection into practice.

Alongside with changing social factors, the ideas and concrete local projects related to innovative and creative activities such as technology parks and centres, for instance, deemed to promote local research, innovation, technology transfer and industry are being implemented. This is also supported by the data regarding the

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324 In 2007 the biggest share of expenditure on R&D was comprised of the government sector funds (47,9 %), whereas business enterprise sector funds made up 24,5 %, and foreign funds 19,6 %, as indicated in *Statistics Department of Lithuania (2008)*.

325 In 2007 distribution of expenditure on R&D mostly belonged to high education sector (50,6 %), business enterprise sector (28,5 %) and government sector (20,9 %). The percentages remained similar since 2004, as observed in information provided by *Statistics Department of Lithuania (2008)*.

326 Statistically, the percentages of basic, applied research and experimental development in 2002 – 2005 did not change, see also more in *Research Activities in LT (2006)*, p. 22.

327 See *Latvian Research Landscape (2008)*.

328 E.g., the project supported by the Ministry of Economy of Lithuania to identify main drawbacks of innovation system in Lithuania, as indicated in *Mizaras, Current Key Aspects of Intellectual Property in Lithuania (ATRIP Congress (2008))*, p. 2.

329 See overview about adoption of national IP legislation in *supra* § 3C.I.

growth of investments into the R&D sector, increase of FDI in the local, especially, IT companies, active financial support of the national Governments of the Baltic countries to the local or local with a foreign investment companies working in the field of science, technology and innovations that are actually applied in practice, also the Governments' funding of certain projects which are focused on improving local conditions to innovations. On the other hand, the discrepancies in the field of local technology transfer regulations, management of IP rights, effective finance of R&D projects, etc. are to be still tackled.

Considering the fact that in the Baltic countries many innovations are based on the contractual basis with the foreign partners, it is significant to develop the projects which have the actual applicability in foreign countries and for foreign partners. On the other hand, it is also significant to bring certain incentives to local researchers and, moreover, to induce FDI in the regions of the Baltic countries which, along with educational programs, will allow to promote innovations and research on the regional basis.

The social factors as well as factors in relation to the local research and innovation are important for the further analysis of the implementation and actual application of the provisions on enforcement of IP rights, especially, considering that fact that, despite the positive social and economic changes in the Baltic countries, the piracy level is still high. This fact allows arriving at a conclusion that there should be more efforts to strengthen the actual system of enforcement of IP rights made. It is also believed that the strong, adequate and effective IP rights protection has an immediate effect on encouraging local innovation and successful investments in R&D sector.

