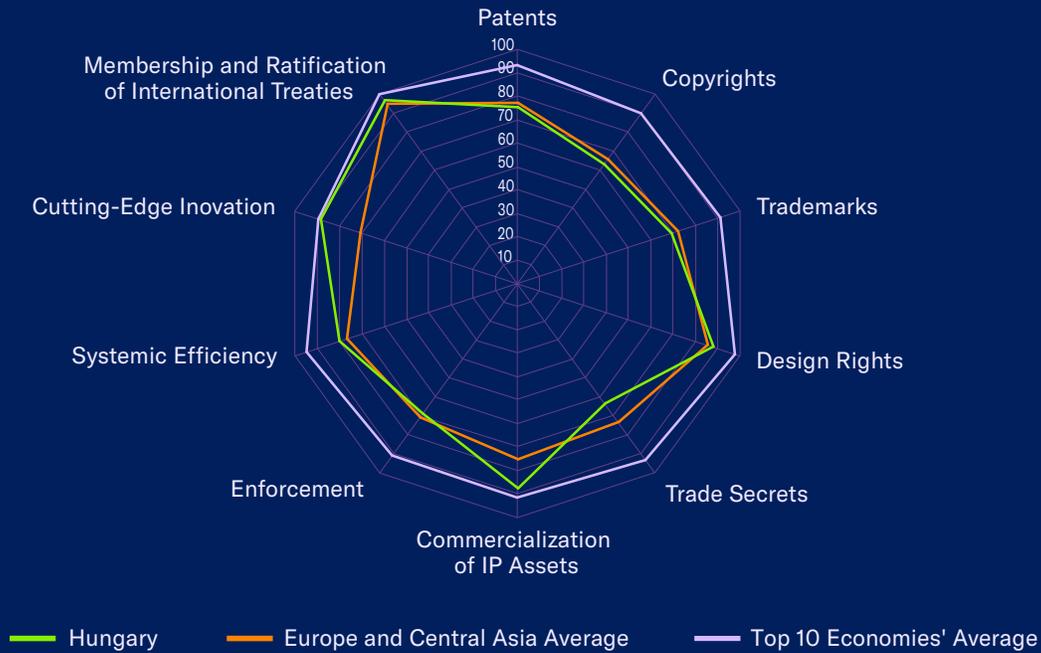


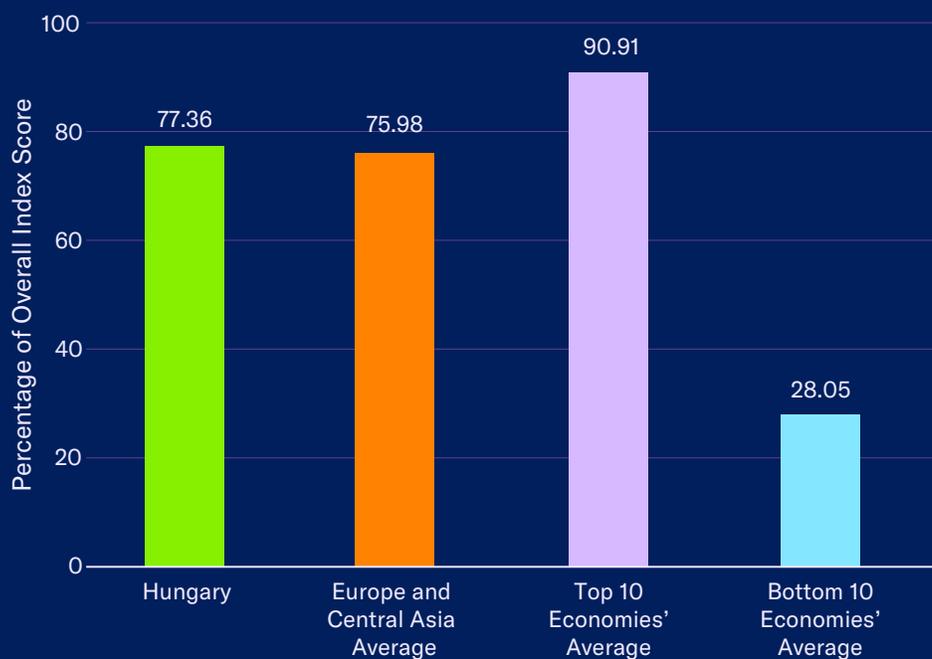
Hungary

Rank
14/55

Category Scores



Overall Score in Comparison





Key Areas of Strength

- Transposed the EU Trade Secrets Directive into Hungarian Law through Act LIV of 2018 on the Protection of Trade Secrets
- Generous R&D and IP specific tax incentives in place
- Since 2000, Orphan Regulation has provided a world-leading 10-year term of orphan market exclusivity resulting in new biopharmaceutical R&D and development of new treatments and medicines for rare diseases
- Fairly strong and sophisticated IP system conferred through EU membership
- Sector specific IP rights in place

Key Areas of Weakness

- EU package of new pharmaceutical laws fundamentally weakens biopharmaceutical IP rights including RDP and orphan incentives
- New EU-wide compulsory licensing regime risks undermining patent rights in Europe
- 2020 compulsory license issued for drug remdesivir
- Regulation 2019/933 and existing SPC exemption for exports of biopharmaceuticals poses significant risk to Hungary's and EU's research and IP based biopharma industry
- Challenging enforcement environment, particularly with regards to online and digital content
- Consultation mechanisms on IP policies are in place, but time offered to make submissions is relatively short

Indicator	Score	Indicator	Score
Category 1: Patents Rights and Limitations		6.75	
1. Term of protection	1.00	29. Direct Government intervention in setting licensing terms	1.00
2. Patentability requirements	0.75	30. IP as an economic asset	0.50
3. Patentability of CII	0.75	31. Tax incentives for the creation of IP assets	1.00
4. Plant variety protection	1.00	Category 7: Enforcement	
5. Pharmaceutical-related enforcement	0.50	4.82	
6. Legislative criteria and active use of compulsory licensing	0.00	32. Physical counterfeiting rates	0.68
7. Pharmaceutical patent term restoration	0.75	33. Software piracy rates	0.64
8. Membership of a Patent Prosecution Highway	1.00	34. Civil and procedural remedies	0.50
9. Patent Opposition	1.00	35. Pre-established damages	0.50
Category 2: Copyrights and Limitations		36. Criminal standards	0.50
4.38		37. Effective border measures	1.00
10. Term of protection	0.63	38. Transparency and public reporting by Customs	1.00
11. Exclusive rights	0.50	Category 8: Systemic Efficiency	
12. Expeditious legal remedies disabling access to infringing content online	0.75	4.00	
13. Cooperative action against online piracy	0.75	39. Coordination of IP rights enforcement	1.00
14. Limitations and exceptions	0.75	40. Consultation with stakeholders during IP policy formation	0.75
15. TPM and DRM	0.50	41. Educational campaigns and awareness raising	0.75
16. Government use of licensed software	0.50	42. Targeted incentives for the creation and use of IP assets for SMEs	0.50
Category 3: Trademarks Rights and Limitations		43. IP-intensive industries, national economic impact analysis	1.00
2.75		Category 9: Cutting-Edge Innovation	
17. Term of protection	1.00	2.65	
18. Protection of well-known marks	0.50	44. IP incentives for orphan medicinal product development	1.00
19. Exclusive rights, trademarks	0.75	45. IP incentives for orphan medicinal product development, term of protection	0.90
20. Frameworks against online sale of counterfeit goods	0.50	46. Restrictions on the effective use of existing IP incentives for orphan medicinal product development	0.75
Category 4: Design Rights and Limitations		Category 10: Membership and Ratification of International Treaties	
1.75		6.75	
21. Industrial Design Term of Protection	1.00	47. WIPO Internet Treaties	1.00
22. Exclusive rights, industrial design rights	0.75	48. Singapore Treaty on the Law of Trademarks and Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks	0.75
Category 5: Trade Secrets and the Protection of Confidential Information		49. Patent Law Treaty and Patent Cooperation Treaty	1.00
1.90		50. Membership of the International Convention for the Protection of New Varieties of Plants, act of 1991	1.00
23. Protection of trade secrets (Civil Remedies)	0.75	51. Membership of the Convention on Cybercrime, 2001	1.00
24. Protection of trade secrets (Criminal Sanctions)	0.25	52. The Hague Agreement Concerning the International Registration of Industrial Designs	1.00
25. Regulatory data protection term	0.90	53. Post-TRIPS FTA	1.00
Category 6: Commercialization of IP Assets		5.25	
26. Barriers to market access	1.00		
27. Barriers to technology transfer	0.75		
28. Registration and disclosure requirements of licensing deals	1.00		

Total Score: 41.00

Spotlight on the National IP Environment

Past Editions versus Current Score

Hungary's overall score has decreased from 41.20 out of 53 indicators in the 13th edition to 41.00. This reflects a score decrease on indicators 25 and 45.

Area of Note

In 2023, the European Commission published a package of proposed legislative changes to almost all facets of the biopharmaceutical market authorization process and related incentives. Multiple proposals have been put forward by the Commission, Parliament, and Council. Although the proposed reforms are intended to create a 21st-century life sciences landscape that fosters innovation, enhances access to innovative therapies for patients, and elevates Europe's competitiveness, many of the proposed changes would do the opposite by fundamentally weakening the EU's legal framework for biopharmaceutical IP rights.

At the time of research, European institutions had agreed on a final package, and a legislative text was being finalized and expected to take effect soon after Index publication. Under this finalized deal, IP rights related to regulatory data protection (RDP), orphan drugs, and patent protection — through an expansion of existing Bolar exemptions — would all be negatively affected. The impact of these proposals on specific Index indicator scores is detailed below. Some of these changes affect several categories of the Index and could affect multiple indicators, including, for example, changes to Bolar exemptions.

A Bolar exemption (or exception) allows biopharmaceutical follow-on applicants to begin testing and regulatory approval for their follow-on products without obtaining consent from a rights holder, in this case, the market authorization holder of a biopharmaceutical reference product. This type of exception originates in the United States, specifically in the 1984 Drug Price Competition and Patent Term Restoration Act (Hatch-Waxman Act).

The rationale for these exclusivity exemptions is to ensure there is no undue delay in the market supply of follow-on products once the reference product's exclusivity expires. These exceptions are not intended to shorten or undermine rights holders' legitimately granted exclusivity periods. The expansion of existing EU Bolar exemptions risks weakening IP exclusivity periods at the level of each EU Member State — including, for example, duly granted patent protection — by prematurely launching IP-rights-infringing generic or biosimilar products. The exact impact of this expansion will depend on the individual national characteristics of each EU Member State. The Index will continue to monitor these developments at the Member State level as the pharmaceutical package is nationally implemented.

Patent Rights and Limitations

6. Legislative criteria and use of compulsory licensing of patented products and technologies: In December 2025, the European Council and European Parliament formally adopted, as regulation, a new cross-European compulsory licensing regime. While this agreement constitutes an improvement over preceding drafts — this includes, for instance, the exclusion of trade secrets and know-how — it remains unclear why the EU needs a cross-European compulsory licensing regime.

Fundamentally, the proposals are based on the idea that the COVID-19 pandemic showed the need for a clearer and more 'effective' pan-EU compulsory licensing mechanism. But as this Index and rights holders argued, if anything, the actual evidence and experience from the pandemic show the complete opposite.

Together with the proposed rollback of IP protections in the pharmaceutical reform package discussed above, this new compulsory licensing regime will further undermine biopharmaceutical IP rights in the EU. At the time of research, no finalized legal text had been published. The Index will continue to monitor these developments.

7. Patent term restoration for pharmaceutical products:

Since 2015, the European Commission has sought to recalibrate certain elements of patent term restoration for biopharmaceuticals, namely the Supplementary Protection Certificates (SPCs). Notably, Regulation 2019/933 created an SPC manufacturing and export exemption. The exemption allows companies to manufacture generic and biosimilar products in the EU during the SPC period for export to third (non-EU) economies, and to stockpile them during the last six months of the SPC's validity for the domestic market. As a result of this action, the score for this indicator was reduced by 0.25 across all EU Member States in the eighth edition of the Index.

Unlike Regulation 2019/933 and the SPC exemption, proposals for a new centralized process for granting and administering SPCs would be a positive addition to the EU's IP environment. In 2022, as part of the introduction of the Unitary Patent system and the Patent Court, the European Commission outlined several options for reforming the SPC system, including a new centralized system for SPC protection and applications. In 2023, the Commission released a formal legislative proposal for both a unitary SPC and a new centralized procedure for other applications, and the European Parliament subsequently responded to it.

The Commission and Parliament should be congratulated for recognizing that a potential centralized procedure for SPC protection would provide legal, administrative, and financial efficiencies to all affected parties.

In this sense, the proposed legislation fills a gap and is a net positive. Unfortunately, fundamental aspects of the proposed procedure would insert a new level of uncertainty and potential delay into the patent term restoration process. For example, both the Commission's proposal and Parliament's response include a novel mechanism for SPC opposition. The purpose of the SPC system is to restore patent term lost due to the unique and lengthy sanitary registration requirements for biopharmaceutical products. This restoration is for an already existing, duly granted, valid, and in-force patent. As a result, by the time an SPC application is submitted, there will have been numerous opportunities for interested parties to challenge the validity of the underlying patent. This can occur either regionally through the EPO, nationally in accordance with the procedures defined in each Member State, or through the Unified Patent Court. As such, it seems unnecessary to add a novel layer of potential opposition. The most likely outcome is simply additional delays, bureaucracy, and costs imposed on applicants. At the time of research, no finalized legal text had been published. The Index will continue to monitor these developments.

Copyrights and Limitations

14. Scope of limitations and exceptions to copyrights and related rights:

As noted last year, there is now a legislative framework governing the development and deployment of AI-based technologies in the EU, the AI Act. The first of its kind in the world, the Act defines different levels and types of AI deployment, with some activities prohibited and other forms of deployment and systems regulated based on perceived level of risk. The European AI Office has been created to coordinate and oversee the implementation and enforcement of the Act.

In 2025, further developments occurred regarding the interaction between copyright protection and the use and application of AI. The European Commission, AI Office, and EUIPO all released new guidance documents. While these documents address some of the key challenges creators and rights holders face — most notably the *AI Code of Practice* and the EUIPO's *The Development of Generative Artificial Intelligence from a Copyright Perspective* — none of them carry any legal weight or impose any additional regulatory requirements on AI developers and platforms. AI and machine learning are important areas of future economic activity, as advances in computational power and new technologies enable scientific research and innovation through the analysis of large volumes of data. However, given the existing dynamics of the Internet and the volume of infringing content available online, it is essential that safeguards be adhered to, and that rights holders can appropriately enforce their rights. It remains to be seen whether the AI Act and its subsequent implementation will provide rights holders with a meaningful avenue of enforcing their copyrights. The Index will continue to monitor these developments in 2026.

Trade Secrets and the Protection of Confidential Information

25. Regulatory data protection (RDP) term:

As noted in previous editions, in 2023, the European Commission published proposed legislative changes to the EU's RDP regime. In December 2025, the Council and the European Parliament agreed on the final General Pharmaceutical Legislation. Article 10 of Directive 2004/27/EC (amending 2001/83/EC) has historically provided new pharmaceutical products with eight years of data exclusivity, two years of marketing exclusivity (in which generic and follow-on applicants are allowed to submit bio-equivalence studies), and one additional year of protection for significant new indications of existing products.

On this basis, all EU Member States have, up until this edition of the Index, achieved the maximum available score of 1.00 on this indicator. The General Pharmaceutical Legislation has weakened this term of protection. The final legislation provides eight years of data protection and one year of market protection, for a baseline of eight + one years. This reduces market protection from two years to one year, weakening the EU's RDP framework. The agreement also conditions the restoration of lost RDP terms on criteria such as conducting clinical trials in multiple EU Member States or seeking EU marketing authorization within 90 days of the first global submission. The deal includes an 11-year cap on the combined RDP. As a result, the score on this indicator has been reduced for all EU Member States included in the Index. The Index will continue to monitor these developments in 2026.

Incentives for Cutting-edge Innovation

45. Special market exclusivity incentives for orphan medicinal product development, term of protection:

Since coming into force in 2000, Regulation (EC) No 141/2000 (the “EU Orphan Regulation”) has provided innovators with a strong term of IP exclusivity. Specifically, Article 8 of the Regulation defines exclusivity as a baseline 10-year marketing exclusivity term, which may be extended by two years upon completion of additional pediatric studies. For over a quarter of a century, this Regulation has stood as an international example of how strong IP incentives can incentivize the R&D and innovation necessary to tackle some of the toughest health challenges in the world. The Regulation has directly resulted in more clinical research, product development, and medicines available to patients with rare diseases in the EU and beyond.

Despite this track record of success, the Regulation has been under review for an extended period, most recently as part of the pharmaceutical package. Like the term of protection relating to RDP, the finalized agreement between the Parliament, Council, and Commission has weakened the term of protection offered to innovators. While it is possible to obtain an 11-year period of protection for products “addressing a high unmet medical need,” the baseline term of protection has been reduced from 10 to nine years. As a result, the score on this indicator has been reduced for all EU Member States included in the Index. The Index will continue to monitor these developments in 2026.