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on Putting knowledge into practice: A broad-based innovation strategy for
Europe
(2006/2274(INI))

Committee on Industry, Research and Energy

Rapporteur: Adam Gierek

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Putting knowledge into practice: A broad-based innovation strategy for Europe (2006/2274(INI))

The European Parliament,

- having regard to the Commission Communication entitled ‘Putting knowledge into practice: A broad-based innovation strategy for Europe’ (COM(2006)0502),
- having regard to the Commission Communication entitled ‘Investing in research: an action plan for Europe’ (COM(2006)0226),
- having regard to the Commission Communication on implementation of the Lisbon Strategy entitled ‘More research and innovation – investing for growth and employment: a common approach’ (COM(2005)0488) and the relevant Commission working documents (SEC(2005)1253 and SEC(2005)1289),
- having regard to the January 2006 report of the independent group of experts on R&D and innovation, constituted after the Hampton Court summit, entitled ‘Creating an innovative Europe’ (Aho report),
- having regard to the Presidency conclusions of the Lisbon European Council of 23 and 24 March 2000, which aimed to make Europe the most competitive and dynamic knowledge-based economy in the world, and the Presidency conclusions of the Brussels European Council of 22 and 23 March 2005 and 23 and 24 March 2006,
- having regard to the conclusions of the 2 769th meeting of the Competitiveness Council of 4 December 2006¹,
- having regard to the Commission communication entitled ‘Working together for growth and jobs – a new start for the Lisbon Strategy (COM(2005)0024),
- having regard to the Commission Communication entitled ‘Community actions for growth and employment: the Community Lisbon Programme’ (COM(2005)0330),
- having regard to the national reform programmes (NRPs) presented by the Member States, the Member States' autumn 2006 reports on the implementation of their National Reform Programmes², and the assessment of the implementation of these NRPs by the Commission in its annual progress report (COM(2006)0816),
- having regard to Council Recommendation 2005/601/EC of 12 July 2005 on the broad guidelines for the economic policies of the Member States and the Community (2005 to 2008)³ and Council Decision 2005/600/EC of 12 July 2005 on Guidelines for the employment policies of the Member States⁴, which together form the ‘Integrated

¹ http://www.consilium.europa.eu/ucDocs/cms_Data/docs/pressData/en/intm/92107.pdf

² http://ec.europa.eu/growthandjobs/key/nrp2006_en.htm

³ OJ L 205, 6.8.2005, p. 28.

⁴ OJ L 205, 6.8.2005, p. 21.

guidelines for jobs and growth’,

- having regard to Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities (2007-2013)¹,
- having regard to Decision No 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)²,
- having regard to the proposal for a Regulation of the European Parliament and the Council establishing the European Institute of Technology (COM(2006)0604),
- having regard to the proposal for a Council Regulation on the Community patent (COM(2000)0412), and the text revised by the Presidency³,
- having regard to the Community framework for state aid for research and development and innovation⁴, and the Commission Communication entitled 'Towards a more effective use of tax incentives in favour of R&D' (COM(2006)0728),
- having regard to the Commission staff working paper entitled ‘European Competitiveness Report 2006’ (SEC(2006)1467) and the Commission Communication entitled ‘Economic reforms and competitiveness: Key messages from the European Competitiveness Report 2006’ (COM(2006)0697),
- having regard to the ‘European innovation scoreboard 2006’, which clearly shows that the USA and Japan remain ahead of the EU in this field,
- having regard to the OECD Science, Technology and Industry Outlook 2006⁵,
- having regard to its resolution of 5 July 2006 on implementing the Community’s Lisbon Programme: more research and innovation – investing for growth and employment: a common approach⁶,
- having regard to its resolution of 12 October 2006 on future patent policy in Europe⁷,
- having regard to its resolution of 15 March 2006 on the input to the Spring 2006 European Council in relation to the Lisbon Strategy⁸,
- having regard to the report by the group of experts of July 2004 entitled ‘Improving institutions for the transfer of technology from science to enterprise’,

¹ OJ L 412, 30.12.2006, p. 1.

² OJ 2006 L 310, 9.11.2006, p. 15.

³ <http://register.consilium.europa.eu/pdf/en/04/st07/st07119.en04.pdf>

⁴ http://eur-lex.europa.eu/LexUriServ/site/en/oj/2006/c_323/c_32320061230en00010026.pdf

⁵ http://www.oecd.org/document/62/0,2340,en_2649_34273_37675902_1_1_1_1,00.html#highlights

⁶ *Texts Adopted*, P6_TA(2006)0528.

⁷ *Texts Adopted*, P6_TA(2006)0416.

⁸ *Texts Adopted*, P6_TA(2006)0092.

- having regard to the working document of the European Economic and Social Committee of 8 November 2006 entitled ‘Investment in knowledge and innovation’ (Lisbon Strategy), information report INT/325,
 - having regard to the i2010 initiative, and particularly the Commission communication entitled ‘i2010 e-government action plan – accelerating e-government in Europe for the benefit of all’ (COM(2006)0173),
 - having regard to the Commission working document on innovation in services of November 2006,
 - having regard to the Committee on Regional Development's report entitled ‘The contributions of future regional policy to EU innovative capacity’ (A6-0000/2007),
 - having regard to Rule 45 of its Rules of Procedure,
 - having regard to the report of the Committee on Industry, Research and Energy and the opinions of the Committee on Economic and Monetary Affairs, the Committee on the Internal Market and Consumer Protection, the Committee on Regional Development and the Committee on Legal Affairs (A6-0159/2007),
- A. having regard to the state of progress of the Lisbon Strategy and consequently the importance, in view of global competition, of an even more extensive innovation strategy,
 - B. whereas diversity through innovation is one of the paths open to the EU to meet the challenges of globalisation,
 - C. whereas both the transfer of academic results, particularly to SMEs, and the availability of research results, especially for innovations with a social dimension, should be increased, and whereas the geographical concentration of innovation platforms should be addressed so that use can be made of the skills and diversity found in different EU regions,
 - D. whereas insufficient use is made of the vast reserves of specialist scientific knowledge in research centres in the European Union,
 - E. whereas the environment in the innovation support field is not competitive and lacks transparent and fair conditions for all players carrying on innovative activities, including small innovative companies and technological innovation centres,
 - F. whereas the conventional approach to driving innovation, combining "technological-push" and "demand-pull", is not in itself sufficient and requires the simultaneous promotion of favourable market conditions to create a regulatory environment that is conducive to innovation,
 - G. whereas a well-functioning internal market, supported by the new Services Directive, creates a favourable environment for innovation through increased competition in a larger and more stable economic area, attracting greater investment and encouraging the mobility of workers,
 - H. whereas barriers that continue to hamper mobility of goods, services and the labour force persist in the single market, depriving European businesses of the scale necessary to

capitalise on investments in research and innovation,

- I. whereas the main objective of innovation is to boost the EU's competitiveness and give its citizens a better quality of life,
 - J. whereas the principle of excellence, which is appropriate mainly in the support of top priority scientific research, hinders healthy competition in the area of innovation support and excludes smaller players (innovative companies, technological and innovation centres, research centres) from support programmes,
 - K. whereas innovation also makes it possible to maintain traditional sectors,
 - L. having regard to the role of innovation in devising social models in EU Member States,
 - M. whereas innovation can contribute to the integration of social groups such as the disabled,
 - N. whereas goods, services and processes offer an underexploited innovation potential in the EU,
 - O. having regard to the importance of institutional support for the process of innovation and copyright knowledge management,
 - P. having regard to the funding of innovation policy and the increasingly important role of public procurement and public-private partnerships,
 - Q. whereas education, including interdisciplinary teaching covering areas that overlap traditional subjects is a precondition for innovation and innovation should be an integral part of education programmes at all levels of teaching,
 - R. whereas lifelong learning can contribute to the development of knowledge about innovation and promoting the information society helps to combat marginalisation on the job market,
 - S. whereas establishing European quality standards and rules concerning the early phase of development of new-generation products and services could inspire innovation,
 - T. whereas the Seventh Framework Programme should facilitate the establishment of a stronger and more extensive European research area, focused on specific tasks,
 - U. whereas the definition of innovation in the OECD's 'Oslo Manual' has received a broad interpretation and is becoming the standard in the European institutions,
1. Welcomes the Commission's proposal to launch a new initiative for lead markets, aimed at facilitating the marketing of new innovative products and services in areas where the EU can become the world leader; takes the view that the new lead market initiative, which should concentrate particularly on the creation and marketing of new innovative products and services, must be started up particularly in fields where there is a large potential demand, whilst ensuring that the less developed regions are not left behind;
 2. Points to the importance, when devising policies to support innovation, of focusing on innovation in the wider sense so as to include both the services sector, including tourism,

as well as non-technological innovation, in other words innovation in the field of marketing and organisation; fully endorses the conclusions of the Competitiveness Council of 5 December 2006 calling on the Commission to draw up political guidelines concerning innovation relating to services and non-technological innovation and calls on the Commission to involve in particular organisations representing small enterprises and cottage industries in these deliberations;

3. Notes that although SMEs, clusters and cooperation between organisations, enterprises, universities and research centers have a particular role to play in creating and implementing innovative solutions, including in low and medium-tech sectors, systematic public support with transparent conditions is missing; welcomes, nevertheless, the new framework for State aid for R&D and innovation which provides a list of specific measures supporting SME innovation activities;
4. Urges the Member States to revitalise European businesses and their potential to innovate by cutting red tape, thereby improving the quality of regulation whilst reducing the administrative burden; is of the firm opinion that better regulation, in particular lightening the unnecessary regulatory burdens on SMEs, will encourage favourable market conditions and help place new innovative products and services on lead markets, and that it will also increase consumer trust and confidence;
5. Welcomes the launching of the broad-based innovation strategy for small and micro enterprises, whose innovation potential, particularly as regards low and medium-level technology and non-technological innovation, has not so far been sufficiently recognised and exploited; regrets, however, that the Commission's Communication on putting knowledge into practice fails to propose operational measures in respect of such enterprises; calls therefore on the Commission and Council to integrate their special features and needs in the ten priorities of the broad-based innovation strategy and urges the Commission, in conjunction with their representative organisations, to submit to the Council and Parliament a specific programme for developing innovation in the broad sense of the term in such enterprises, whatever their field of activity;
6. Underlines the importance of science, technology and innovation in education and culture; emphasizes the need to introduce into education programmes activities and initiatives designed to attract young people to science and innovation; is of the opinion that the quality and quantity of lifelong learning courses must be improved and increased and the use of ICTs must be encouraged in order to create a knowledge-based society that will benefit European innovation;
7. Recommends that the Commission and the Member States evaluate the creation of a truly European system of further education, which would help to build a stronger European labour market;
8. Considers that measures at EU, regional and local levels are needed to increase the number of science, engineering and technology graduates, particularly female graduates, also in primary research and notably by using the 'People' Specific Programme within the Seventh Framework Programme, by supporting grants, awards and other incentives, and by encouraging women to set up innovative enterprises, particularly through mentoring projects and other forms of support;

9. Proposes the installation of the technological and scientific infrastructure needed for creating innovative solutions in existing tertiary educational establishments, so as to provide research centres with development prospects; recalls the importance of funding for high-quality physical and technological infrastructure in order to attract investment and facilitate labour mobility;
10. Stresses that innovatory processes require adequate territorial organisation, with the creation of new models for relations between enterprises, research centres, universities (such as clusters, districts and platforms) and points to the positive effect innovation can have on organisational processes; invites the Member States to use the Structural Funds for building new and strengthening existing technical infrastructure for innovation development in the form of innovation centres, technical incubators and research-development centres in the regions endowed with sufficient innovative and knowledge potential; takes the view that a pre-condition of innovative capacity-building in the EU is free or low-cost broadband access, which serves to facilitate knowledge-based enterprise; welcomes efforts to promote knowledge transfer between universities and other public research organisations and industry;
11. Invites the Member States to consider and implement tax incentives that encourage enterprises to invest more in research, development and innovation, including, if necessary, a structural review of existing mechanisms and incentives;
12. Invites the Member States to work together swiftly to complete the internal market and to seek political agreement on legislative and non-legislative measures in the areas where barriers still persist and hinder the free movement of goods, services, capital and labour, depriving businesses of capitalization of their investments in innovation;
13. Considers it necessary to reduce obstacles to the free movement of production factors and products within the internal market, given that this may help to secure easier access to risk capital, while ensuring the mobility of researchers and of technologically innovative goods and services and an improved flow of knowledge, all of which contribute to the development of a genuine European innovation area; is of the opinion that there should be wider consideration of useful innovative solutions specific to the services industry, and believes that the continued removal of barriers to the free movement of goods, services and capital, freedom of establishment and the free movement of persons, including workers, will stimulate innovation;
14. Notes the positive effects of the existence of European technology platforms (ETP) and calls on the Member States to support these platforms and encourage the creation of ETP networks; also views as positive the Council decision on European joint technology initiatives in key areas for European innovation, to take the form of public-private partnerships;
15. Invites the Member States to identify on a scale of importance the areas that they consider as priorities for innovation, both for applied research and technology and for non-technological activities such as management theory or bureaucratic organisation and to support, in addition to their own priorities, the priorities laid down by the ETPs in the area of innovation;
16. Calls on the Commission to promote exchanges of best practices and promote the

identification and exchange of lessons learnt from improper practices, in order especially to promote the better regulation of joint technological initiatives based on specialised public-private partnerships, which would stimulate the development of innovation also in less-developed EU regions;

17. Draws the Commission's and Member States' attention to the fact that if a European Institute of Technology (EIT) were created, it should have the ambition of investing in the relationship between knowledge institutions and businesses through a focus on innovation and, in addition to its coordination role within the knowledge triangle, it should help to boost competition in innovation fields; and thus be able to make a significant contribution to translating Europe's potential for innovation into practice;
18. Takes notes of the setting up of the European Research Council and calls for innovation and the scope for practical implementation of chosen projects to be important criteria when selecting research topics;
19. Emphasises that it regards the 3% of GDP target for expenditure on R&D outlined in the Lisbon Strategy as a minimum;
20. Understands that the uncertainties inherent in R&D diminish the willingness of financial markets to invest in R&D projects; welcomes the Commission's proposal for a Risk Sharing Finance Facility for the purpose of investing in high-risk R&D projects by means of loans and guarantees;
21. Notes the Competitiveness and Innovation Programme, which provides for appropriate financial instruments, and the Commission Communication entitled 'Financing the growth of SMEs', which sets out specific measures to increase risk capital investment;
22. Emphasises that access to resources for SMEs, micro enterprises and entrepreneurs is crucial to increasing R&D, developing new technologies and getting innovative solutions to the market; in this regard stresses the need for both early stage funding and ongoing funding of sufficiently long duration; highlights, however, that the present venture capital system does not meet the funding needs of the target group, particularly as regards non-technological innovation; calls, therefore, on the Member States to use public funds, including the Structural Funds, to begin establishing risk capital funds in the form of public-private partnerships in regions and fields having innovative potential and a sound knowledge base ;urges, furthermore, the Commission, the European Investment Bank (EIB) and the European Investment Fund (EIF) to determine suitable ways of funding by adapting venture capital or, if necessary, designing innovative funding instruments;
23. Invites Member States and the regional and local communities to adopt innovative, environmentally-friendly solutions under the Competitiveness and Innovation Programme and also draws attention to the option of using financial aid for SMEs, such as in the Jeremie Programme; encourages the Commission, Member States and regional authorities to make use of renewable sources of financial support for innovation-oriented research such as the 'innovation voucher' system; encourages the relevant actors at regional level to include experimental and therefore risky measures in funding from the Structural Funds;
24. Calls on the relevant actors at regional and local level to create favourable conditions and

to make the promotion of innovation a key part of operational programmes and to devote a significant proportion of funding from the Structural Funds to investment in knowledge, innovation and further training, which among other benefits will create jobs, enhance employability and counter 'brain-drain' and depopulation trends; also calls on the Member States to support this by public investment in higher education institutions targeting the development of individual talents;

25. Asks the Commission to evaluate the results obtained by assessing the quality, quantity and financial aspects of projects and actions in a manner conducive to improving, over a period of time, the efficiency of future actions;
26. Expects that greater competition generated by the internal market will encourage companies to step up funding for research and innovation; calls on companies to plough some of their profits back into research and technological development;
27. Takes the view that eco-innovation plays an important role in improving energy efficiency, developing clean and secure energy supplies (including renewables and clean fossil energy) as well as in boosting European competitiveness; is, therefore, of the opinion that eco-innovation must receive greater attention in European and national innovation agendas and that the EU should apply the 'top runner' approach;
28. Points out that that urban centres can play an important part in devising an innovation strategy for a whole region and that they can perhaps take the initiative with some promising projects, such as using the potential of thermo-modernisation and combined heat and power, or taking other initiatives such as developing science and technology parks;
29. Draws attention to the difficulties that less developed regions encounter in obtaining private investment capital, and calls on the Member States as well as actors at the local and regional levels to make greater use of EIB borrowing facilities and to promote and strengthen public-private partnerships in the area of innovation activities, having special regard to best practises and value for public money;
30. Stresses the need to strengthen the role of enterprises as a main driving force behind innovation, rather than simply the beneficiary of innovatory processes and mechanisms;
31. Notes the Europe INNOVA initiative, which adopts a more dynamic approach to the creation and support of innovative enterprises in the services sector;
32. Invites the Commission to encourage the use of reformed networks of EuroInfoCentres and Innovation Relay Centres for providing complex services at regional level for all players involved in the innovation process, particularly for individual innovators and small innovative companies; encourages sectoral and intermediary organisations such as chambers of commerce and other information centres to set themselves up, in cooperation with the EuroInfoCentres and Innovation Relay Centres as one-stop information shops; calls, furthermore, on the Commission to support the role that intermediary organisations representing SMEs play as innovation developers and advisors, by generating support for this advisory mechanisms;
33. Urges the Member States to continue their efforts to reduce any regional disparities that

hinder the creation of a European scientific and technological area;

34. Considers that public procurement plays a strategic role in promoting innovative products and services, provided it is geared to the creation of more efficient and effective products and the provision of rationally organised services offering better value for money; calls on the Member States and regional and local authorities to take genuine innovation into account when selecting the best tenders;
35. Welcomes the Commission's intention to publish guidelines for making the most effective use of the consolidated legal framework for public procurement, one that not only promotes competition but renders the rules more flexible, thereby encouraging the uptake of innovative solutions and creativity;
36. Calls on the Council and the Commission to improve legal standards linked to the economic aspects of research and innovation so as to provide better protection in the diffusion of processes, techniques or discoveries in a context of international openness;
37. Notes that innovation in services plays a major part in the economy and that the protection of intellectual property relating to services is often restricted in Europe to trade secrets; is of the opinion that smaller businesses find it difficult and expensive to negotiate and enforce confidentiality agreements and that this can hinder cooperative ventures and the raising of finance;
38. Stresses that efforts should be focused on facilitating the transfer of research results into marketable products, particularly for SMEs (while taking care not to stifle fundamental research) and believes there is a need for a more holistic approach, balancing closer cooperation between the research and business sectors with the interests of consumers, civil society and the environment, and including all local actors (public and private); welcomes the fact that the Commission plans to adopt a Communication to promote knowledge transfer between universities and other public research organisations and industry;
39. States that reasonable and reliable copyright protection and patent systems are crucial elements in building an innovative knowledge-based economy and society; confirms the need to reform patent policy in Europe, recognizes, however, that patent policy reform is a long-term process; calls on the Commission to set up, in cooperation with the Member States, a group of experts, including also economic experts, to review the situation including the question of patentability; calls on the Commission and the EIF to examine the possibilities for providing small businesses with adequate financial support for their patent applications;
40. Calls on the Commission to present, in cooperation with the Member States, a plan to integrate the European Patent Organisation into the Community, in order to address concerns over democratic control and coherent Community policy on patent law;
41. Calls on the Commission to draw up, in cooperation with the Member States, measures that are alternative and complementary to patent right legal protection measures which will defend inventors and emerging models of creation against blackmail and law abuse (such as FLOSS (free/libre/open source software) licensing systems);

42. Welcomes the recent initiatives taken by the Commission regarding open access seeking to promote the spread of scientific knowledge;
43. Calls on the Commission and the Member States to ensure that common rules on patentability are appropriate to the conditions prevailing in each particular sector;
44. Calls on the Commission and the Member States to propose, in the context of the new Community patent, a procedure for eliminating trivial patents and sleeping patents filed for the sole purpose of obstruction;
45. Calls on the Commission, in cooperation with the European standardisation organisations, to increase the pace of European standardisation and make effective use of standards that already exist;
46. Is convinced that setting interoperable European standards more quickly will help support the development of lead markets in the services and high-tech fields in particular and will contribute towards having them apply at world level, thereby putting European businesses at an advantage over other players in the global market;
47. Calls on the Member States to encourage the search for a consensus on European standards, as a rapid decision in this area is vital for the proper functioning of the EU's internal market, cross border trade and consequently the return on companies' investment in research and innovation;
48. Calls on the Commission to encourage not only the adoption but also the application of European standards, in particular by communicating them to SMEs in a simple manner; considers that handbooks and explanatory procedures should be available in all official languages of the EU;
49. Welcomes the EU's cooperation with world-wide regulatory bodies and expects the quick and efficient roll-out of technical innovations through standardisation;
50. Takes the view that the fragmentation of standards on a worldwide scale is not desirable; recommends that the Commission, the Member States and the various European and international standard setting bodies consider an 'international-comes-first' approach whenever possible in setting new standards;
51. Recalls the definition of open standards adopted by the Commission pursuant to which (i) the standard is adopted and will be maintained by a not-for-profit organisation, and its ongoing development occurs on the basis of an open decision-making procedure available to all interested parties; (ii) the standard has been published and the standard specification document is available either freely or at a nominal charge; (iii) the intellectual property – i.e. patents possibly present – of (parts of) the standard is made irrevocably available on a royalty-free basis;
52. Agrees with the Commission that 'cluster policy' is an important part of Member States' innovation policies and calls on actors, particularly at regional and local levels, to promote clusters, as well as innovation and technology centres, in urban centres and rural areas, in such a way that a balance can be reached between different regions; encourages the Member States to promote, in their countries, the creation of 'knowledge regions' and

‘clusters’ and EU-wide and cross-border cooperation, and also to promote cooperation with experts from third countries; stresses in this context the importance of creating governance structures so as to improve cooperation between different actors in a cluster and asks for clusters to be directed also to cross-border activities, building notably on the experience of Euroregions, which possess established cross-border structures and social networks;

53. Notes the initiative of the Committee of the Regions to set up a network of regions within an interactive platform of local communities aiming to compare and exchange experience acquired while implementing the Lisbon Strategy;
54. Calls on the Commission to monitor the innovation processes in the regions and to develop common innovation indicators across the EU that will better demonstrate the eagerness of the Member States and regions to innovate;
55. Urges the Member States to actively raise the profile of the scientific career path, promoting existing incentives and awards such as Descartes, Aristotle and the young scientist awards and offering attractive conditions to draw the brightest and most innovative scientists to Europe;
56. Urges the Commission, Member States and regional authorities to introduce and promote national and European prizes for innovation;
57. Considers that, in order to secure wider public acceptance of goods and services which are the fruits of research, suitable consumer protection instruments are required to improve levels of confidence and safety;
58. Stresses that innovation is a means of improving the quality of life of EU citizens and not an aim in itself; accordingly takes the view that, while competition and the liberalisation of goods and services contribute to achieving that objective in terms of innovation, they must be accompanied by monitoring and consumer protection provisions, where justified by the public interest;
59. Considers that innovation activities should be better supported through information campaigns and emphasises the need to share information obtained from completed projects; at the same time recommends that lessons be learnt from incorrect procedures in unsuccessful projects and that warnings be given against similar mistakes in other regions of the EU;
60. Calls on the Commission, Member States, regional and local authorities to ensure universal access to information and communication technology-based working, in order to facilitate e-learning and e-working generally;
61. Instructs its President to forward this report to the Council, Commission and the parliaments and governments of the Member States.

EXPLANATORY STATEMENT

1. Introduction

Europe has built up substantial specialist knowledge in various scientific fields thanks to research conducted by universities, research centres and national institutes, national science academies and Union research and development bodies. National patent offices represent an important source of knowledge, as does, more recently, the European Patent Office (EPO). However, there is no simple way of translating this knowledge into economic practice in order to make effective use of it. The paradox of the situation in Europe is that we have highly developed centres for the development of knowledge - centres of excellence, but with little economic impetus to use that knowledge as a basis for developing innovative activities.

The aim of the document that has been drawn up is to realise the Lisbon Strategy and lay the foundations for European innovation policy, by spelling out clearly its objectives and adopting instruments to achieve those goals which will facilitate:

- tackling research areas geared to current and future social and economic needs of the EU;
- transfer of advanced knowledge developed by research centres to economic units;
- practical application of innovative solutions to economic and social spheres.

2. Defining innovation

Innovation should be taken to mean innovative solutions to problems arising in the manufacture or use of goods or the provision of services. The goal of innovation is to rationalise the manufacture of goods, the provision of services and the use of market products, in a way that will result in savings in energy, materials and working time, as well as protecting the environment and improving the quality of services. The beneficiary and instigator of innovation is always the individual. It is often the case that a practical solution has not yet been found to a problem or it may also be that a solution already exists but the new problem entails a revision, modernisation or modification of that solution. Innovation applies to products, processes and services. The goal of innovation activities may be the interests of beneficiaries (marketing aspect), developing competitiveness (economic aspect), eliminating adverse effects on the environment (environmental aspect) or improving quality of life and working conditions (social aspect). Unfortunately, there are also 'artificial innovations' relating to certain products, which mostly involve just changing the packaging and a misleading advertising campaign. These bogus innovations need to be fully eliminated.

3. Promoting innovation

Innovation is a process which involves introducing new innovative solutions or refining existing ones by adapting them to new areas of human activity. If it is to succeed, it is vital to have a full knowledge of the factors that encourage innovation. It should be remembered that the results of innovation are usually cheaper, more effective or more environmentally-friendly goods or manufacturing techniques and better organised, higher quality and cheaper services. The influence of these activities may vary, yet they create the conditions to help ensure a greater probability of successful innovation.

The essential factors that will encourage innovation are:

- (a) a properly functioning market in goods and services,

- (b) high levels of education at all levels,
- (c) advanced scientific research - both basic and applied,
- (d) regulation of Member States' activities.

In the case of the EU the following also apply:

- (e) effect of synergies resulting from enlargement,
- (f) new patenting and licensing strategy,
- (g) development of the European research area - Seventh Framework Programme,
- (h) setting up of the European Institute of Technology,
- (i) EU legislation laying down rules governing the environment (e.g. the REACH directive, the directive on waste and the provisions governing the power industry).

4. Pro-innovation measures in detail

A. Single market

The process of developing the EU single market is currently under way. A properly functioning market, taking account of all four freedoms, is the best guarantee of success for innovation activities.

At present the market provides for:

- free movement of goods;
- free movement of capital (financial services market);
- the market in commercial services is being developed, but administrative barriers need to be overcome before it can be fully liberalised (services directive);
- restrictions on the free movement of workers are gradually being lifted.

B. Education

Education systems in all EU Member States are being standardised under the Bologna Strategy (e.g. introduction of a single, three-level, higher education system). The EU has recorded one of the highest increases in the world in the number of higher education graduates per 1000 inhabitants. Unfortunately, the subjects studied by graduates are not in line with the most pressing technological needs. There is a preponderance of business studies graduates from humanities or management faculties, whereas the need is for new directions in interdisciplinary education, to produce graduates better equipped than at present to adapt to the swiftly changing requirements of the labour market. There is also a need for education to encourage innovation and for lifelong learning, regardless of age.

C. Research

Fundamental to the development of innovation is expenditure on research and development under the framework programmes, together with the programme being developed in cooperation with the European Investment Bank (EIB) known as the *growth initiative*. The intention is that by 2010 expenditure on research in the EU will increase to 2.6% of GDP, two thirds of which will come from the private sector. Exchange of ideas could be improved through greater mobility for researchers within the Community, and through the introduction of standard rules on researchers' employment, pay and social security. It is important to recruit experts from third countries.

The criteria for assessing the abilities of young researchers determining whether they should

move up the ranks of a research career, particularly in the applied sciences, should take into account not only the number of publications and citations, but also activities in the field of patents and new development. Selected important technological design problems of strategic significance to be resolved during a full research cycle should be entrusted to a number of competing research teams. For example, this might involve the development of a new and unconventional concept of road or other transport modes or other unconventional solutions pertaining to working methods and lifestyles in ageing European societies. It might also involve ways of spending free time.

D. Regulatory activity

The European Union, the Member States and the regions need to stimulate innovation by means of:

- use of tax incentives (tax law is under national control), for example, a proportion of depreciation allowances for economic agents could be used to set up an innovation fund;
- competitive tendering for the preparation and realisation of major projects, e.g. investments in the environment, defence and other areas;
- creation of science and technology parks with Union resources (Cohesion Fund);
- use of public-private partnerships;
- credit guarantees to support innovative business plans to help develop spin-offs;
- EU regulations, e.g. the REACH regulation, which, thanks not least to the 'substitution principle', may prompt large-scale innovation.

E. Exploiting synergies

The phenomenon of positive synergy derives in this case from effects of scale, where an increase in the market for goods or services means that goods can be produced in series on a larger scale and therefore more cheaply. Synergy will have even more positive effects on innovation if uniform common rules and quality standards are introduced. One way of taking advantage of enlargement would be to make better use of existing potential in the form of the many highly trained researchers, designers and other specialists, who have lost their jobs as a result of closures or cutbacks in research institutes and design bureaux in the new EU Member States of Central and Eastern Europe. Company takeovers by Western producers under privatisation arrangements have often ended in the closure of research and development support facilities, as the new partners usually possessed such facilities already.

F. Patents

A new European strategy on patents is needed that will safeguard copyright but will not monopolise knowledge in the field of innovation or the scope for small and medium-sized enterprises in particular to make use of it. This strategy must review the existing patentability criteria established by the European Patents Convention of 1973 with a view to making them more precise and perhaps providing more details, thus leaving no scope for different legal interpretations, as happens at present in connection with the introduction and use of concepts such as the 'technical contribution', which are not defined in the Convention. The patent process itself needs to be simplified and speeded up. Perhaps it could be a two-stage process, whereby the expensive development work needed for obtaining a patent could take place once the proposed invention had found a sponsor, or if its originality was in doubt. The first phase of the patent process would be confined to registration of the idea, guaranteeing its author

precedence, and to making his blueprint available for public inspection by those interested in its practical application.

5. Innovation forecasting

Among the different methods of forecasting innovation and technological progress, particular emphasis should be placed on extrapolation, exploitation of probability theory and mathematical statistics, and the Delphic method among others. The most promising areas for innovation are the points where traditional knowledge sectors overlap. On the one hand, then, an interdisciplinary approach is needed, but accompanied at the same time by systems analysis. The greatest potential for innovation lies in knowledge sectors involving: ICT (information and communications technology) and medicine, ICT and energy, ICT and business, ICT and logistics, environment and energy, environment and chemicals (REACH), environment and land planning, new materials and energy, new materials and medicine, etc.

6. Summary

As we have seen, innovation depends on the one hand on purely market mechanisms and, on the other, on central regulation, concerning particularly the funding or co-funding of projects from budget resources.

The theory of probability tells us that EU success in the field of innovation, measured in terms of the number of economic agents who have introduced innovations, for example over the last three years, as a percentage of the overall number of agents in the target population, is likely to depend on the implementation of all possible measures capable of stimulating this phenomenon.

28.3.2007

OPINION OF THE COMMITTEE ON ECONOMIC AND MONETARY AFFAIRS

for the Committee on Industry, Research and Energy

on Putting knowledge into practice: A broad-based innovation strategy for Europe
(2006/2274(INI))

Draftswoman: Sharon Bowles

SUGGESTIONS

The Committee on Economic and Monetary Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Emphasises that it regards the 3% of GDP target for expenditure on R&D outlined in the Lisbon Strategy for Growth and Jobs as a minimum;
2. Recognises that small, medium and large enterprises all play a part in a dynamic, integrated innovation strategy; thus considers that access to resources for smaller enterprises and individuals is crucial to raising R&D levels and developing new technologies; believes that both early stage funding and ongoing finance over a timeframe that is sufficiently long for getting products to market must be fostered, but that failure should not be fatal to future attempts;
3. Welcomes efforts to promote knowledge transfer between universities and other public research organisations and industry;
4. Considers that in order to meet the Lisbon objectives, a European innovation strategy should move towards knowledge and research in the broad sense and include technological development, technical innovation of products, services and processes, social innovation and investment in human capital; reiterates the importance of boosting the presence of women in the fields of science and technology, stressing the contribution that women could give to progress and innovation in these sectors;
5. Considers it vital to develop research and innovation networks involving universities, science parks, businesses and the entire production system in order to generate concrete social and technological development policies; stresses that such a knowledge and innovation network could be the appropriate way to meet also the needs of small and medium-sized enterprises organised in the form of clusters or districts;

6. Understands that the uncertainties inherent in R&D diminish the willingness of financial markets to invest in R&D projects; welcomes the Commission's proposal for a Risk Sharing Finance Facility for the purpose of investing in high-risk R&D projects by means of loans and guarantees; also welcomes the integration into existing state aid rules of provisions enabling Member States to target aid on innovation and to speed up approval processes;
7. Notes that the European Community is a member of the World Trade Organisation and thus bound by the WTO-TRIPS Agreement on Trade-Related aspects of Intellectual Property rights, Article 27 of which prohibits discrimination between fields of technology when making patents available for inventions; calls on the Commission to review Europe's history of working requirements and compulsory licensing for patents and analyse whether the circumstances that caused them to fall out of favour have changed;
8. Notes that innovation in services plays a major part in the economy and that for services protection of intellectual property is often restricted to trade secrets, which can be inadequate and means that cover is not as extensive as in competing jurisdictions and can also be in conflict with transparency; notes that smaller businesses find it difficult and expensive to negotiate and enforce confidentiality agreements, a situation which can hinder growth and the raising of venture capital and the formation of joint ventures;
9. Calls on the Commission to carry out a study into the impact of intellectual property litigation on SMEs and to investigate alternative dispute resolution mechanisms relevant to intellectual property, including for breaches of confidentiality, in particular for the benefit of SMEs;
10. Emphasises that to achieve cost effectiveness and establish innovative products with ease, it is vital to eliminate fragmentation in the single market ; believes that public procurement relating to innovative solutions should not be hampered by excessive risk aversion or purely cost-centred tendering; notes that modular IT solutions offer greater opportunities for smaller businesses and pilot projects;
11. Encourages Member States to adopt tax incentives for research, innovation and private investment and calls on businesses to promote greater research and innovation including innovation in workplace practices that promote quality and wellbeing, and encourage concentrations of SME's in districts - a basic requirement for developing and implementing innovations.

PROCEDURE

Title	Putting knowledge into practice: A broad-based innovation strategy for Europe
Procedure number	2006/2274(INI)
Committee responsible	ITRE
Opinion by Date announced in plenary	ECON 29.11.2006
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	Sharon Bowles 12.12.2006
Previous drafts(wo)man	
Discussed in committee	28.2.2007
Date adopted	27.3.2007
Result of final vote	+: 40 –: 0 0: 1
Members present for the final vote	Zsolt László Becsey, Pervenche Berès, Sharon Bowles, Udo Bullmann, Ieke van den Burg, David Casa, Jonathan Evans, Elisa Ferreira, José Manuel García-Margallo y Marfil, Jean-Paul Gauzès, Robert Goebbels, Donata Gottardi, Gunnar Hökmark, Karsten Friedrich Hoppenstedt, Sophia in 't Veld, Othmar Karas, Piia-Noora Kauppi, Guntars Krasts, Astrid Lulling, Hans-Peter Martin, Gay Mitchell, Cristobal Montoro Romero, Joseph Muscat, Joop Post, John Purvis, Alexander Radwan, Bernhard Rapkay, Heide Rühle, Antolín Sánchez Presedo, Manuel António dos Santos, Olle Schmidt, Peter Skinner, Cristian Stănescu, Margarita Starkevičiūtė, Ivo Strejček,
Substitute(s) present for the final vote	Harald Ettl, Werner Langen, Klaus-Heiner Lehne, Thomas Mann, Gianni Pittella, Adina-Ioana Vălean
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	

22.3.2007

OPINION OF THE COMMITTEE ON THE INTERNAL MARKET AND CONSUMER PROTECTION

for the Committee on Industry, Research and Energy

on putting knowledge into practice: a broad-based innovation strategy for Europe
(2006/2274(INI))

Draftswoman: Barbara Weiler

SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- A. whereas the success of the revised Lisbon Strategy will depend in particular on progress made in the area of innovation,
 - B. whereas diversity through innovation is one of the paths open to the EU to meet the challenges of globalisation,
 - C. whereas the conventional approach to driving innovation, combining "technological-push" and "demand-pull", is not in itself sufficient and requires the simultaneous promotion of favourable market conditions to create a regulatory environment that is conducive to innovation,
 - D. whereas a well-functioning internal market, supported by the new Services Directive, creates a favourable environment for innovation through increased competition in a larger and more stable economic area, attracting greater investment and encouraging the mobility of workers,
 - E. whereas both the transfer of academic results, particularly to SMEs, and the availability of research results, especially for innovations with a social dimension, should be emphasised, and whereas the geographical concentration of innovation platforms should be addressed so as to make use of the skills and diversity found in different EU regions,
1. Is of the firm opinion that better regulation, in particular lightening the unnecessary regulatory burdens on SMEs, will encourage favourable market conditions and help place new innovative products and services on lead markets, and that better regulation will also

raise consumer trust and confidence;

2. Is convinced that setting interoperable European standards more quickly will help support the development of lead markets in the services and high-tech fields in particular and will contribute towards having them apply at world level, thereby putting European businesses at an advantage over other world players;
3. Calls on the Commission to encourage not only the adoption but also the application of European standards, in particular by communicating them to SMEs in a simple manner; considers that handbooks and explanatory procedures should be available in all official languages of the EU;
4. Points to the fact that the current patent system represents a threat to innovation as it does not answer the needs of some economic fields; calls on the Commission to carry out a study into the impact of patent litigation on SMEs; also calls on the Commission to give effect to Parliament's resolution of 12 October 2006 on future patent policy in Europe¹;
5. Welcomes the EU's cooperation with world-wide regulatory bodies and expects the quick and efficient roll-out of technical innovations through standardisation;
6. Welcomes the Commission's intention to publish guidelines for making the most effective use of the consolidated legal framework in public procurement, one that not only promotes competition but renders the rules more flexible, thereby encouraging the uptake of innovative solutions and creativity;
7. Calls on the Commission to promote exchanges of best practices and promote the identification and exchange of lessons learnt from improper practices, in order especially to promote the better regulation of joint technological initiatives based on specialised public-private partnerships, which would stimulate the development of innovation also in less-developed EU regions;
8. Is of the opinion that rapidly building up national single points of contact and supporting European Information Centres at regional as well as at other levels will provide consumers and the wider business community with transparent access to information; further considers that relevant information promptly provided is a key factor for innovative activities, and that these centres can therefore be an asset in terms of deepening cooperation within national borders and in the context of cross-border cooperation;
9. Emphasises that it is vital for SMEs to have access to appropriate financing for innovation, especially in the early stages of their business activities; believes that it is therefore necessary to support the provision of microcredit and risk capital also in a cross-border context;
10. Expects that greater competition generated by the internal market will encourage companies to step up funding for research and innovation;
11. Stresses that efforts should be focused on facilitating the transfer of research results into marketable products, particularly for SMEs (while taking care not to stifle fundamental

¹ *Texts Adopted*, P6_TA(2006)0416.

research) and believes there is a need for a more holistic approach, balancing closer cooperation between the research and business sectors with the interests of consumers, civil society and the environment, and including all local actors (public and private);

12. Welcomes the fact that the Commission plans to adopt a Communication to promote knowledge transfer between universities and other public research organisations and industry; also welcomes the recent initiatives of the Commission to promote "Open Access" to scientific knowledge, which is aimed at improving its dissemination;
13. Strongly encourages initiatives which improve professional or social inclusion by promoting innovations with social applications, namely innovations addressing gender equality, consumer health and safety, mobility issues and, by drawing on their lifelong experience in solving problems, the needs of the elderly (a growing population group with high purchasing power);
14. Considers that, in order to secure wider public acceptance of goods and services which are the fruits of research, suitable consumer protection instruments are required to improve levels of confidence and safety;
15. Stresses that innovation is a means of improving the quality of life of EU citizens and not an aim in itself; accordingly takes the view that, while competition and the liberalisation of goods and services contribute to achieving the given objective in terms of innovation, they must be accompanied by monitoring and consumer protection provisions, where justified by the public interest;
16. Considers it necessary to reduce obstacles to the free movement of production factors and products within the internal market, given that this may help to secure easier access to risk capital, while ensuring the mobility of researchers and of technologically innovative goods and services and an improved flow of knowledge, all of which contribute to the development of a genuine European innovation area;
17. Calls on companies to plough some of their profits back into research and technological development;
18. Urges the Commission to continue its efforts to remove obstacles to the creation and development of new leading markets conducive to innovation;
19. Is of the opinion that there should be wider consideration of useful innovative solutions specific to the services industry, and believes that the continued removal of barriers to the free movement of goods, services and capital, freedom of establishment and the free movement of persons, including workers, will stimulate innovation.

PROCEDURE

Title	Putting knowledge into practice: a broad-based innovation strategy for Europe		
Procedure number	2006/2274(INI)		
Committee responsible	ITRE		
Opinion by Date announced in plenary	IMCO 29.11.2006		
Draftswoman Date appointed	Barbara Weiler 19.12.2006		
Discussed in committee	24.1.2007	28.2.2007	21.3.2007
Date adopted	22.3.2007		
Result of final vote	+: 31 -: 0 0: 2		
Members present for the final vote	Nedzhmi Ali, Adam Bielan, Godfrey Bloom, Georgi Bliznashki, Charlotte Cederschiöld, Gabriela Crețu, Mia De Vits, Rosa Díez González, Martin Dimitrov, Evelyne Gebhardt, Małgorzata Handzlik, Malcolm Harbour, Anna Hedh, Pierre Jonckheer, Alexander Lambsdorff, Toine Manders, Arlene McCarthy, Bill Newton Dunn, Zita Pleštinská, Karin Riis-Jørgensen, Zuzana Roithová, Heide Rühle, Leopold Józef Rutowicz, Christel Schaldemose, Andreas Schwab, Alexander Stubb, Marianne Thyssen, Jacques Toubon, Bernadette Vergnaud, Barbara Weiler		
Substitute(s) present for the final vote	Simon Coveney, Jean-Claude Fruteau, Othmar Karas, Manuel Medina Ortega, Joseph Muscat, Søren Bo Søndergaard, Gary Titley		
Substitute(s) under Rule 178(2) present for the final vote			
Comments (available in one language only)	...		

22.3.2007

OPINION OF THE COMMITTEE ON REGIONAL DEVELOPMENT

for the Committee on Industry, Research and Energy

on Putting knowledge into practice: A broad-based innovation strategy for Europe
(2006/2274(INI))

Draftswoman: Christa Prets

SUGGESTIONS

The Committee on Regional Development calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the Commission's view that the regions should be involved in devising and implementing national reform programmes; calls on the Member States to publish information on the national reform programme guidelines, to ensure early participation, in particular, by adjusting programmes to better suit local needs, through more intensive dialogue between the Commission, the Member States and the regions, through clearer and more decentralised sharing of responsibilities and through improved interaction within the regions themselves;
2. Recognises that cohesion policy makes a unique contribution to the implementation of the Lisbon objectives, in particular due to the earmarking of Structural Funds for pursuing them, and stresses that the local and regional levels have a key role to play in promoting innovation, as is also reflected in the Seventh Framework Programme on Research and Development and the First Framework Programme on Competitiveness and Innovation, since innovation strategies can be implemented at local and regional levels through interaction between enterprises, particularly SMEs, universities, education and technology centres, in partnership with civil society;
3. Takes note of the difficulties faced by start-up companies in accessing risk capital, and stresses the value of tax and other incentives in this regard;
4. Calls on the relevant actors at regional and local level to create favourable conditions and to make promotion of innovation a key part of the operational programmes and to devote a significant proportion of funding from the Structural Funds to investment in knowledge, innovation and further training, which among other benefits will create jobs, enhance employability and counter 'brain-drain' and depopulation trends; also calls on the Member

States to support this by public investment in higher education institution targeting the development of individual talents;

5. Agrees with the Commission that 'cluster policy' is an important part of the Member States' innovation policy and calls on actors, particularly at regional and local levels, to promote clusters, as well as innovation and technology centres, in urban centres and rural areas, in such a way that a balance can be reached between different regions;
6. Stresses in this context the importance of creating governance structures so as to improve cooperation between different actors in a cluster and asks for clusters to be directed also to cross-border activities, building notably on the experience of Euroregions, which possesses established cross-border structures and social networks;
7. Stresses that rural and peripheral areas must not be left behind, and must be encouraged and helped to develop eco-innovation and agri-tourism;
8. Draws attention to the difficulties that less developed regions encounter in obtaining private investment capital, and calls on the Member States as well as actors at the local and regional levels to make greater use of EIB borrowing facilities and to promote and strengthen public-private partnerships in the area of innovation activities, having special regard to best practise and value for public money;
9. Takes the view that the new lead market initiative, which should concentrate particularly on the creation and marketing of new innovative products and services, must be started up particularly in fields where there is a large potential demand, whilst ensuring that the less developed regions are not left behind;
10. Notes that the Member States have by no means yet fully exhausted the possibilities of aid in the field of environmental innovations, and points out once more that innovative environmental technologies can give the EU a significant competitive advantage in the world;
11. Encourages the relevant actors at regional level to include experimental and therefore risky measures in funding from the Structural Funds;
12. Considers that innovation activities should be better supported through information campaigns and emphasises the need to share information obtained from completed projects; at the same time recommends that lessons be learnt from incorrect procedures in unsuccessful projects and that warnings be given against similar mistakes in other regions of the EU;
13. Considers that supporting European Information Centres also at regional level helps provide civil society and the wider business community with transparent access to information and that relevant information provided quickly is a key factor for innovative activities, and that such centres can therefore be an asset in terms of deepening cooperation within national borders and in the context of cross-border cooperation;
14. Considers that measures at EU, regional and local levels are needed to increase the number of science, engineering and technology graduates, particularly female graduates, also in primary research and notably by using the 'People' Programme of the Seventh Framework

Programme, by supporting grants, awards and other incentives, and by encouraging women to set up innovative enterprises, particularly through mentoring projects and other forms of support;

15. Considers that research and development infrastructures, which are a necessary precondition of forming and retaining scientists and researchers particularly in outlying regions, need to be built up; considers that a financial contribution from the Seventh Framework Programme and the Structural funds aimed at improving research infrastructure in cohesion regions with good research potential would be an effective investment if the results of science and research activities lead to innovative products and services;
16. Taking into consideration the significant financial investments made by the EU, asks the Commission to evaluate the results obtained by assessing the quality, quantity and financial aspects of projects and actions in a manner conducive to improving, over a period of time, the efficiency of future actions;
17. Takes the view that a pre-condition of innovative capacity-building in the EU is free or low-cost broadband access, which serves to facilitate knowledge-based enterprise;
18. Calls on the Commission, Member States, regional and local authorities to ensure universal access to information and communication technology-based working, in order to facilitate e-learning and e-working generally;
19. Recalls the importance of funding for high-quality physical and technological infrastructure in order to attract investment and facilitate labour mobility.

PROCEDURE

Title	‘Putting knowledge into practice: a broad-based innovation strategy for the EU’						
Procedure number	2006/2274(INI)						
Committee responsible	ITRE						
Opinion by Date announced in plenary	REGI 29.11.2006						
Enhanced cooperation – date announced in plenary	-						
Drafts(wo)man Date appointed	Christa Prets 1.2.2007						
Previous drafts(wo)man							
Discussed in committee	26.2.2007						
Date adopted	20.3.2007						
Result of final vote	<table> <tr> <td>+: </td><td>41</td></tr> <tr> <td>–: </td><td>0</td></tr> <tr> <td>0: </td><td>3</td></tr> </table>	+:	41	–:	0	0:	3
+:	41						
–:	0						
0:	3						
Members present for the final vote	Stavros Arnautakis, Elspeth Attwooll, Tiberiu Bărbulețiu, Jean Marie Beaupuy, Rolf Berend, Jana Bobošíková, Antonio De Blasio, Vasile Dîncu, Gerardo Galeote, Iratxe García Pérez, Ambroise Guellec, Pedro Guerreiro, Gábor Harangozó, Marian Harkin, Mieczysław Edmund Janowski, Gisela Kallenbach, Tunne Kelam, Evgeni Kirilov, Miguel Angel Martínez Martínez, Yiannakis Matsis, Miroslav Mikolášik, Jan Olbrycht, Maria Petre, Markus Pieper, Wojciech Roszkowski, Elisabeth Schroedter, Stefan Sofianski, Grażyna Staniszevska, Kyriacos Triantaphyllides, Oldřich Vlasák, Vladimír Železný						
Substitute(s) present for the final vote	Jan Březina, Brigitte Douay, Den Dover, Ljudmila Novak, Mirosław Mariusz Piotrowski, Zita Pleštinská, Christa Prets, Toomas Savi, Richard Seeber, László Surján, Károly Ferenc Szabó, Nikolaos Vakalis						
Substitute(s) under Rule 178(2) present for the final vote	Věra Flasarová						
Comments (available in one language only)	-						

11.4.2007

OPINION OF THE COMMITTEE ON LEGAL AFFAIRS

for the Committee on Industry, Research and Energy

on Putting knowledge into practice: A broad-based innovation strategy for Europe
(2006/2274(INI))

Draftsman: Jaroslav Zvěřina

SUGGESTIONS

The Committee on Legal Affairs calls on the Committee on Industry, Research and Energy, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

- having regard to its resolution of 12 October 2006 on future patent policy in Europe¹,
- A. whereas barriers that continue to hamper mobility of goods, services and the labour force persist in the single market, depriving European businesses of the scale necessary to capitalise on the investments in research and innovation,
- B. whereas innovative products and services require a mature and sophisticated consumer base and a market ready to adopt them, and whereas consumer confidence depends on and is encouraged by a robust consumer protection system,
- C. whereas a robust yet flexible regulatory environment for intellectual property rights is an indispensable precondition for the development and introduction of new products, services and solutions on the market,
- D. whereas a predictable legal framework for patent recognition, supplemented by an efficient dispute resolution system is a key element for safeguarding and protecting investment in new products and services,
- 1. Welcomes the Commission's Internal Market Review initiative, creating preconditions for a better assessment of its main deficiencies and the establishment of a road map for further steps, including measures to improve the regulatory framework and to relieve the administrative burden for European businesses; notes especially the disruptive effect on

¹ *Texts Adopted*, P6_TA(2006)0416.

the single market of different copyright levies in the respective Member States on electronic equipment, and regards the unblocking of the Commission communication concerning copyright levies as a priority;

2. Welcomes and supports the Commission's initiative to carry out an overall examination of the copyright acquis with a view to ensuring that the legal framework and its application keep pace with the development of new products and services, with particular regard to new digital services requiring a special approach to copyright clearance;
3. Encourages initiatives aimed at improving the overall European governance structure and particularly the intention of the Commission to assess Member States' reforms and policies by addressing the innovation system in its Annual Progress Report, and invites the Council to regularly assess the impact of national innovation policies on competitiveness;
4. Welcomes the Commission's proposal on the establishment of the European Institute of Technology (EIT) as an integrated partnership of science, education and business; emphasises, however, that a thorough analysis of the proposal is necessary, in particular in terms of the EIT's legal status, governance structure, patterns of financing and management of intellectual property rights;
5. Calls upon the Commission to capitalise on the results of the public consultation on new patent strategy launched in 2006;
6. Welcomes the Commission's initiative to prepare a more comprehensive strategy for intellectual property rights in 2007, which is aimed at, inter alia, improving and facilitating the circulation of innovative ideas;
7. Supports the Commission's objective of preparing a new regulatory framework for state aid to research, development and innovation along with the preparation of detailed guidelines for the design and evaluation of generally applicable tax incentives for research and development;
8. Calls on the Commission to establish uniform definitions for such terms as 'open standards' and 'fair, reasonable and non-discriminatory licences', and to promote the use of standards in such a way as to ensure a reasonable return on investment for owners of intellectual property, but without creating 'windfall' profits out of intellectual property in standards;
9. Calls upon the Commission to take further steps to promote the dissemination and use of the Handbook on pre-commercial and commercial innovation-oriented tendering and (public) procurement, and supports further initiatives directed towards relevant contracting authorities;
10. Calls once again on the Commission to conduct an in-depth study of the impact of intellectual property litigation on small and medium-sized enterprises.

PROCEDURE

Title	Putting knowledge into practice: A broad-based innovation strategy for Europe
Procedure number	2006/2274(INI)
Committee responsible	ITRE
Opinion by Date announced in plenary	JURI 29.11.2006
Enhanced cooperation – date announced in plenary	
Drafts(wo)man Date appointed	Jaroslav Zvěřina 29.1.2007
Previous drafts(wo)man	
Discussed in committee	27.2.2007 20.3.2007
Date adopted	11.4.2007
Result of final vote	+: 21 –: 2 0: 0
Members present for the final vote	Carlo Casini, Marek Aleksander Czarnecki, Bert Doorn, Cristian Dumitrescu, Monica Frassoni, Giuseppe Gargani, Lidia Joanna Geringer de Oedenberg, Piia-Noora Kauppi, Klaus-Heiner Lehne, Katalin Lévai, Antonio López-Istúriz White, Hans-Peter Mayer, Manuel Medina Ortega, Hartmut Nassauer, Aloyzas Sakalas, Francesco Enrico Speroni, Gary Titley, Jaroslav Zvěřina, Tadeusz Zwiefka
Substitute(s) present for the final vote	Adeline Hazan, Kurt Lechner, Marie Panayotopoulos-Cassiotou, Michel Rocard, József Szájer, Jacques Toubon
Substitute(s) under Rule 178(2) present for the final vote	
Comments (available in one language only)	...

PROCEDURE

Title	Putting knowledge into practice: A broad-based innovation strategy for Europe				
Procedure number	2006/2274(INI)				
Committee responsible Date authorisation announced in plenary	ITRE 29.11.2006				
Committee(s) asked for opinion(s) Date announced in plenary	ECON 29.11.2006	EMPL 29.11.2006	IMCO 29.11.2006	REGI 29.11.2006	CULT 29.11.2006
	JURI 29.11.2006				
Not delivering opinion(s) Date of decision	EMPL 22.11.2006	CULT 9.10.2006			
Enhanced cooperation Date announced in plenary					
Rapporteur(s) Date appointed	Adam Gierek 4.10.2006				
Previous rapporteur(s)					
Discussed in committee	28.11.2006	19.12.2006	30.1.2007	26.2.2007	12.4.2007
Date adopted	12.4.2007				
Result of final vote	+ 34 - 0 0 0				
Members present for the final vote	Jan Březina, Jerzy Buzek, Pilar del Castillo Vera, Jorgo Chatzimarkakis, Giles Chichester, Silvia Ciornei, Den Dover, Adam Gierek, Norbert Glante, David Hammerstein Mintz, Rebecca Harms, Mary Honeyball, Ján Hudacký, Romana Jordan Cizelj, Romano Maria La Russa, Pia Elda Locatelli, Angelika Niebler, Reino Paasilinna, Aldo Patriciello, Francisca Pleguezuelos Aguilar, Miloslav Ransdorf, Herbert Reul, Teresa Riera Madurell, Andres Tarand, Claude Turmes, Nikolaos Vakalis, Alejo Vidal-Quadras				
Substitute(s) present for the final vote	Etelka Barsi-Pataky, Avril Doyle, Françoise Grossetête, Mieczysław Edmund Janowski, Vittorio Prodi				
Substitute(s) under Rule 178(2) present for the final vote	Sharon Bowles, Manolis Mavrommatis				
Date tabled	26.4.2007				
Comments (available in one language only)					