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COMMISSION OF THE EUROPEAN COMMUNITIES

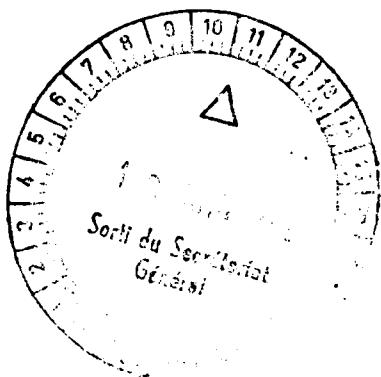
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Brussels, 15 June 1982

COMMUNICATION FROM THE COMMISSION TO THE COUNCIL AND PROPOSAL FOR A COUNCIL DECISION

concerning a plan for the transnational development of the supporting
infrastructure for innovation and technology transfer (1983-1985)

(submitted by the Commission to the Council)



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SUMMARY

At its Luxemburg meeting of 1-2 December 1980, the European Council has called "to improve the competitiveness of European products through better use of the possibilities of the common market" and, towards this end, "to examine how to remedy the fragmentation of markets and improve support for innovation and the dissemination of information". It has repeated its concern about the importance of innovation at its Brussels meeting of 29-30 March 1982.

The proposed plan for the transnational development of the supporting infrastructure for innovation and technology transfer is a first, significant element in the Community response to this request. It follows the strategic lines already laid down in the Commission reports prepared under the mandate of the 30th of May.

This plan will contribute to the Community-wide opening of the market

- by increasing the European cohesion between the institutions, organisations and services that have been developed in the Member States to provide interfaces between industry, research, financial institutions and other parties;
- by developing the resources to introduce a Community market perspective in their operations;
- by providing a vehicle for concertation and optimisation of national policies and measures in this field.

The Commission asks that the Council adopt the enclosed decision for undertaking this three-year plan for the transnational development of the supporting infrastructure for innovation and technology transfer.

A. INTRODUCTION

1. Stimulation of technological and industrial innovation

- 1.1. In its communication to the European Council of 26 November 1980 (1) "Innovation and Industrial Development", the Commission stressed the need to reinforce industrial innovation in the Community.

At its Luxemburg meeting of 1-2 December 1980, the European Council welcomed the Commission's reflections and sought better coordination of the actions of Member States "in order to improve the competitiveness of European products through better use of the possibilities of the Common Market". It asked the competent authorities of the Community "to examine how to remedy the fragmentation of markets and improve support for innovation and the dissemination of information".

- 1.2. For its part, the Commission responded to this request of the European Council in its report (2) under the mandate of 30th May 1980, proposing to base its strategy for innovation on further integration of the internal market. Moreover, in formulating its strategies in related fields, it has taken into account their relationship with and impact on industrial and technological innovation, particularly in its communications of 23 October 1981 "A Community strategy to develop Europe's industry" (3) and of 12 October 1981 "Scientific and Technical Research and the European Community" (4).

(1) COM(80) 755 final

(2) COM(81) 300 final

(3) COM(81) 639 final

(4) COM(81) 574 final

Finally, in its communication of 20 October 1981, "A policy for industrial innovation - strategic lines of a Community approach"(5), it summarised its views and formulated a certain number of proposals, making clear the need for parallel and coherent progress on several fronts, while recognizing that measures to promote innovation depend for their effectiveness on an improvement in the general economic climate and on their acceptance by society. Conversely, innovation is an essential key to economic recovery and social progress.

- 1.3. It is widely acknowledged that industrial and technological innovation requires, first and foremost, entrepreneurs capable of managing people, technology, money, markets and the interplay between them in the framework set amongst others by general investment conditions, information and social acceptance.

Combining these factors carries a risk for inventors, investors, buyers, management and workers alike. This risk cannot and should not be eliminated: it is inherent in the market economy. But it is up to the public authorities to create conditions reducing unnecessary risks that may hamper innovation while at the same time setting up the environment for justly rewarding the unavoidable risks.

- 1.4. Accumulated studies and experience clearly demonstrate that the Member States of the Community possess the essential ingredients for innovation. Their global financial and human resources in research are comparable with those of Japan or the United States; their industrial capacity

(5) COM(81) 620 final

remains one of the best in the world, although its technological dependence on these two countries is growing; of capital there is enough, but too rarely applied to productive risk-investment; the Common Market exists, but is not fully achieved; a strong entrepreneurial potential exists, especially in small and medium-sized enterprises, which could be an essential element in the relaunch of the Community's economies, if it were offered optimal economic and market conditions.

2. The Community dimension

2.1. Many measures, national and regional, private and public, have been taken to promote innovation, and especially to set up or improve mechanisms of communication, co-operation and information which bring together the producers of useful science and technology, investors, entrepreneurs and the commercial market. Over the last few years, this has brought about a remarkable expansion in organisations for the exploitation of the results of research, university-industry links, and information and advisory services of all kinds especially in favour of small and medium-sized enterprises. But these attempts have by no means always achieved the degree of success anticipated, particularly when limited means, particularly in the smaller Member States, have prevented them from increasing their efforts to conquer Community or world markets (6).

(6) It is estimated that, frequently, no single national market in Europe constitutes more than 5-10% of the market required to justify the investment decision necessary for a major technological innovation.

2.2. To improve the chances of success of these varied initiatives, the Commission proposes to the Council actions which will complement and optimise existing public and private efforts in the Member States by creating the necessary relationships and interactions across borders between those who conduct and support the process of innovation :

- the resource base for these operations would be considerably strengthened as regards know-how, competence and communication;
- new patterns of co-operation, mutual support and exchange of experience would be established;
- there would be a substantial increase in the Community-wide flow of the technical, financial, commercial and legal knowledge necessary for the proper management of innovation, with a strong multiplier effect;
- the intra-Community trade in technology would be truly facilitated.

The proposed actions would reduce unnecessary risks, enable Community innovators to profit fully from the dimension of the common market and the solidarity of the Community, and, finally, raise the awareness of the potential of innovation.

B. DETAILED PROPOSALS FOR ACTION

Having in mind these objectives, the Commission recommended in its communication to the Council of 20 October 1981 (7) a determined effort "to create a better interface between research and industry" at the European level and its intention "to work for a European orientation of national information, research exploitation and consultancy services and thus to strengthen the transnational innovation infrastructure which is essential for an efficient European market in innovation". Small and medium-sized enterprises, which play a prime role in the process of innovation, would be major beneficiaries of such an improvement.

A previous communication of the Commission of 31 December 1980, dealing with the exploitation and evaluation of the results of research (8) emphasizes the need to improve the interaction between research and the potential users of its results.

The Commission fully recognizes that the existing diversity of measures to promote innovation must be respected, to the extent that they comply with the limitations laid down in the Treaty. It is not proposed to harmonise these measures or to substitute Community measures but to complement them by adding the Community dimension and mutual support. Thus Community intervention will be limited to activities either carried out in association by partners from several Member States or having an incidence upon Community-wide operations or service activities.

(7) COM(81) 620 final

(8) COM(80) 889 final

This plan is one element in the Community strategy for industry, technology and innovation aimed at the creation of secure employment based on competitiveness and growth, having regard especially to small and medium-sized enterprises. If it is proposed to carry it out now, without waiting for other elements, it is because now is the time to start, unless one wants to see the gap between Europe and its main competitors widen beyond repair.

The plan is based on extensive investigations and wide consultations and contains proposals for action along three lines :

- (1) to render existing and developing organisations and services in this field more effective by facilitating their operations on, and their access to, the Community market; this transnational extension of structures in the Member States will be based upon flexible and dynamic mechanisms of liaison and co-operation;
- (2) to the degree necessary for the objective, to help meet the corresponding requirements in the training of people, in know-how and in technical and communication means;
- (3) to contribute to the general advance of methods used in this field by promoting, where beneficial, concertation, the exchange of experience and the development of pilot programmes in the Member States.

The actions to be undertaken will build upon what already exists in the Member States, so that the Community's support will be partial and complementary. Whenever a new initiative is taken, the Community's support will address the start-up phase, i.e. the establishment and the initial operation.

Certain of these actions will also complement the activities assisted through the quota and non-quota sections of the European Regional Development Fund and will provide a testing ground for new ideas which may later be included for assistance from the Fund in the less favoured regions of the Community. To ensure the necessary complementarity, the same actions will not be financially supported both by grant aid from the Fund and under this plan.

Chapter 1: European cohesion between existing innovation promotion organisations

In recent years, the Member States have promoted the creation of extensive infrastructures for innovation which are, however, mainly oriented towards national markets.

Since the fit between supply and demand improves as the basis on which matching is made broadens and since only perceived markets can justify the allocation of resources to innovation, there is a clear advantage in co-operation at the European level.

The Community's objective is to create the environment and promote the mechanisms for this co-operative broadening. Based on a large number of contacts, seminars and investigations, the following actions are proposed to set the stage for transnational co-operation between the different partners, to wit the entrepreneur in industry, the research institutions, the advisory services and intermediaries, the financial institutions and the public users of new technologies.

1.1. The industry/research interface

Research is performed in university, private and government laboratories and in national and regional institutions. No enterprise can aspire to interact efficiently with all of them, as no research institution can do with all firms. Thus, intermediary organisations for research exploitation have been set up in Member States to establish proper liaison between industrial and research partners and to prospect markets for applications of new technologies.

To facilitate the prospection of the wider Community and world, instead of mere national markets, the following actions are proposed :

- start-up support for the establishment of liaison mechanisms as a basis for mutual help in areas of common interest and as a platform for exchange of experience and information, transfer of technology and establishment of wider contacts. Support will be provided in particular for the basic structures of co-operation, such as necessary secretariats, organisation of conferences, seminars or symposia, newsletters, etc.

- support for promotional actions for exploitation of new technology or market prospection inside and outside the Community, if undertaken in common by organisations from several Member States, in particular for participation and demonstration at trade exhibitions, innovation fairs, etc.

1.2. Technology and management advisory services

With growing awareness of the key role of innovative small and medium-sized enterprises for their economies, Member States have promoted the establishment of services, both public and private, specialised in providing management, technology and market know-how to new technology exploiting firms.

Community action is intended to help these services and their customers, now too often oriented towards national markets which are too limited for many segments of new technologies, to gain wider perspective, as regards the Community market, and eventually, world markets.

The following Community action is envisaged:

- start-up support for associations and "platforms of personal contact" (seminars, conferences) in order to establish "human" networks of relations between the services concerned. The development and promotion of professional associations at a European level should in particular help to fully establish the rules and reputation of the new professions of innovation brokers and advisers who increasingly play a key role in activating the technology/industry/market interfaces, together with the necessary establishment of European-wide information material of these associations, in particular newsletters, surveys of existing services, operating manuals, and specialised journals for such services including evaluation of market for publicly sponsored technology.

In case of necessity, the Community must be prepared to support :

- exchange of personnel of such services as the most efficient way to gain experience on other markets as well as to establish networks of mutual assistance;
- joint technological market exploration outside the Community with appropriate reporting and circulation of information on the results of such missions.

1.3. Venture finance operations

Preliminary experience gained from a multinational pilot scheme for the co-operation of venture capital companies still under way, reinforced by information gathered at

recently-held banking symposia (9), confirms that innovation financing still represents a gap in the financial services to enterprises in many regions in the Community. At the same time it has become clear that there exists a genuine interest among the parties concerned to co-operate on a European scale to promote the development of this type of finance, as well as to ensure more effective support of the transnational diffusion of innovations within the Community.

It is therefore proposed that the Community support

- the start-up of a Community-based association of financial organisations specialised in the financing of innovation. Such an association might act as a centre for exchange of experience and information in this specialised field, for the development of the methods of risk-assessment and financing used and also for the establishment of standards of conduct. It could, in particular, build on the experience gained during the pilot scheme just mentioned.

Specifically, as the occasion arose, the Community would also support

(9) "The role of the banker in industrial innovation", Proceedings of the symposium held in Luxemburg, 30 September and 1 October 1980; "Financing more innovation at less risk"; Proceedings of the symposium held in Luxemburg, 15-17 December 1981. Both published for the Commission of the European Communities by INFOBRIEF Luxembourg.

- the professional publications of such an association or permanent cooperation, in particular a current awareness service on technology and investment opportunities, and review reports on venture capital operations in Europe and the United States;
- the build-up of reference networks of experts and consultants able to advise on financial, technology and market assessment and to help with management problems. Such transnational networks established by association or co-operation could consist not only of traditional consultants, but also of venture managers, university and research personnel, and experienced but retired managers.

1.4. Interface between public users and innovative industries

A major objective of any innovation policy is the penetration by new technologies of public markets and the establishment of an effective interface between industry and public users. Although effective arrangements do exist in some high technology sectors, pilot initiatives and discussions have revealed the existence of some serious barriers to innovation as well as opportunities for overcoming them on a Community basis. A particular pilot initiative, viz. the setting up of the Standing Technological Conference of European Local Authorities (STCELA), has shown that these barriers fall into two main categories :

- the Community local authority market is highly fragmented and, by being made less so, its considerable demand pull could contribute significantly to industrial innovation;
- there is much scope for improving the exchange of new technical solutions to common problems, rather than reinventing them at great public cost.

It is therefore envisaged to support :

- further development of the basic structure of Community local authority co-operation in new technologies;
- initiatives aiming at orienting local authority purchasing towards innovation and on the analysis of their requirements for new or improved goods and services, particularly when the existence of a large market is crucial for success;
- technology exchange projects when techniques used by a group of local authorities can be adapted in other Member States, particularly when there is an industrial partner to meet the expanded need.

1.5. Additional exploration and promotion of further initiatives

Besides the scrutiny and screening of proposals forthcoming under the actions described in this plan, the consultative committee created in Article 6 should advise on support for further proposals and initiatives, whether suggested by the partners mentioned in the preceding sections, the buyers and users of new technologies or directly by the consultative committee itself. In other words, the Community must be ready for a flexible and quick reaction to new developments.

Chapter 2: Strengthening the foundations : people, know-how, communication.

While Chapter 1 covered the development of the transnation dimension of the interfaces between the partners in the process of innovation, the present chapter covers certain fundamental resources, which can be more effectively and economically built up in common.

2.1. Training in management of innovation and technology transfer

At present, education and training in the specialised profession of technology transfer and in management of innovation, where it exists, is limited in its European perspective.

The objective of the following Community actions is the training of key personnel in Community market aspects:

- to encourage suitable European higher educational institutions and organisations to offer special courses in this field. The Community will undertake and, conditional upon positive intermediate evaluation, continue the provision of limited support to students and teachers, covering course fees and living expenses during such training;
- to support the development of teaching tools on a European basis, where such development is the common effort of institutions in several Member States. In particular such material includes innovation case studies, model instruction modules, etc.

2.2. Joint support functions for the awareness and assessment of new technologies and potential markets

A vital function of the Community in the development of innovation interfaces and their transnational extensions should be the activation and pooling of the dispersed European potential for acquisition, analysis and evaluation of the full relevant information base where this is too costly and wasteful to acquire on a national basis, particularly in smaller Member States, or where the development of resources in common can substantially contribute to efficiency.

For this purpose, the following Community actions are envisaged:

- support for joint technology and market assessment studies, if undertaken in common by organisations from different Member States;
- encouragement of the opening of technology conferences normally organised on a national or regional basis, to European subjects and audiences ("Europeanisation" of conferences). Community support may cover the additional cost incurred by opening such conferences to a European technology, market or social perspective or, in particular, dissemination of national and Community research results, whether technology with short-term applications or key technologies with heavy impact in the medium and long term;
- the extension of and co-operation between "technology awareness agencies". The Community should act to stimulate the creation of a European "network" of specialised technology awareness services which would share the task of selecting and distilling technological information from

available research publications and ensure its availability to industry and especially to small and medium-sized enterprises throughout the Community, by all suitable means and notably via existing trade journals;

- the acquisition, analysis and dissemination of information to which access is difficult. Firstly, much of the knowledge base, be it technical, economic or commercial, necessary to promote and guide European innovation exists : it is only that some of the information is difficult to acquire and analyse. For example, the information accumulated in patents requires for its access a certain analytical technique and practical experience; other information exists in languages such as Japanese or Russian, not widely understood in the Community. Secondly, the assembly and processing of the proper body of existing information to solve a particular problem often requires a collective effort on the part of dispersed and highly specialised experts, which is a burden on and a barrier to innovation, in particular in the smaller Member States whose universities cannot cover all the fields of science and technology.

Finally, access to similar relevant information, even within the Community, is often limited by linguistic barriers, thus fragmenting the potential market for technologies. The preparation and dissemination of translations will therefore be encouraged;

- the establishment of an information exchange on as wide a scale as possible on available expertise regarding technology, markets, finance and public aids for innovation throughout the Community. The system will be developed in step with the transnational cohesion promoted under Chapter 1.

It will aim at providing information at European, national and regional level on contact points, in particular as regards research exploitation services, advisory and consultancy services, specialised financial services, collective research associations, producers and buyers of technologies, and on relevant automated information banks, of which EURONET-DIANE contains a number. An important function will also be to provide information on available aids within national and Community research and innovation programmes.

2.3. Access to patents and licensing markets

The protection of industrial property is an essential instrument for the creation of an appropriate environment for innovators and thus for stimulating innovation. If, however, this is to remain so, it must continually adapt to the ever-changing needs of technology, industry and society. In fact, wide consultations confirm that in spite of various attempts at modernising patent legislation, difficulties persist in the use of and access to patent protection, especially for small and medium-sized enterprises. These problems include questions of cost, intricacy of procedures, scope, public acceptance and use of the information contained in patents. Some of these difficulties will be greatly reduced when all the Member States have ratified the Luxembourg Convention for a Community patent. The Commission therefore hopes that this procedure be completed at a very early date.

Information gathered from informal contacts shows that the objective of the Community efforts must be to render the protection of industrial property rights more effective, as regards both research results and the multitude of product and process improvement arising from know-how many of which originate in small and medium-sized enterprises.

Therefore the following actions are proposed :

- to intensify the consultation and contacts with the parties concerned, in particular as regards the patent cost, the use of patent information and the criteria of industrial property protection. This will be done by organising expert discussions and by supporting surveys and studies;
- to complement what is already done in some Member States to promote the use of industrial property rights by inventors, particularly by developing methods for acquainting young engineers and scientists with this subject already during their education and training, and by spreading these methods throughout the Community;
- to promote the creation of an efficient common market for the licensing of technology. Up to now, the best fit between supply and demand in the licensing of technology has not been achieved in the Community, mainly because the small and medium-sized enterprises involved are either not very active or still consider their own country and not the Community as the natural market for this trade. However, there are some initiatives for creating the necessary intermediary structures which could and should be expanded to cover the whole of the Community. Therefore the Community will promote the creation of concerted and transnational strategies for the exploitation of licenses and know-how with the objective of activating and better matching offer and demand at a Community level. To this end, the Community will promote the concertation of intermediary services and it will provide start-up support for transnational forms of co-operation.

2.4. Opening new channels of communication to accelerate market introduction of new products

In a number of areas, bottlenecks in communication and dissemination of information jeopardise the advantage of the larger Community market. On the one hand, this may happen because enterprises, and especially those of small and medium size, are not sufficiently aware of calls for proposals and public tenders in other Member States than their own, and even less of those in the United States or Japan. On the other hand, a firm aware of such opportunities may see its penetration effort hindered by the existence of diverging regulations, norms and standards, which persist in spite of Community efforts.

In both areas technical innovation infrastructure is lacking. Therefore, and in addition to the continued identification of these bottlenecks under the concertation procedures proposed in Chapter 3, it is proposed :

- to promote the timely and Community-wide diffusion of calls for proposals for new products, and in particular of public tenders. Developing new efficient media, or promoting a more intensive use of existing communication channels, such as Chambers of Commerce, is a key element for giving the Community and world markets their full weight in a firm's strategy for new product development. This is in particular true for the mainly small and medium-sized enterprises that have hitherto not attacked these wider markets;

- to establish an up-to-date awareness system on established regulations, norms and standards, particularly where divergences between these or ignorance of them may create unnecessary obstacles.

Clearly both actions will be most useful if carried out in conjunction with the actions proposed in Section 2.2. Together they will enhance the capacity of our enterprises, in particular from small Member States, to establish more new products in world-wide markets.

Chapter 3: Concertation of Member States and Community action

Individual Member States' governments have established a large number of programmes and measures to promote the interaction between research, the entrepreneur, finance and markets so as to stimulate industrial innovation.

While, on the one hand, the Community and the Commission have responsibilities, under Articles 92 to 94 of the EEC Treaty, for controlling state aids, in this area as in others, and while the Commission is working with experts of the Member States on a framework for such aids in the innovation field, the Community can, on the other hand, provide the platform to promote exchange of experience and information between Member States with the improvement in the activities and the eventual convergence of the programmes and measures as leitmotiv.

3.1. Exchange of information and experience

As concerns concertation, the establishment of the consultative committee defined in Article 6 of the decision will create a permanent forum for the exchange of information between Member States on national and regional measures which they have adopted or intend to adopt. The exchanges will allow a continuous comparison of methods and programmes and their evaluation as well as the development of concertation and cooperation between Member States where appropriate. These exchanges will also ensure the coherence of national actions with those proposed in this plan.

3.2. Inventories of programmes and measures

In this context, the Commission will undertake a continuous inventory of programmes and measures and undertake comparisons, to facilitate the discussion and exchange of information

between Member States. In particular, the Commission will establish a pool of studies relevant to industrial innovation and accessible to all. This pool may include studies undertaken by the Commission or made available by other parties on such subjects as innovation indicators (for Community, national or regional economies, sectors of industry, types of firms, individual enterprises), techniques of public intervention, new technology-based firms, innovation trend analysis, etc.

3.3. The introduction of new methods

In view of the urgency of improving programmes and techniques to promote innovation, the Community will encourage the use of new methods in national programmes, where they prove efficient, and provide for rapid dissemination of new programmes and methods and their evaluation to the Member States.

For this purpose, the following procedure is envisaged:

the Community may participate in the cost of programmes for developing innovation infrastructures undertaken by a Member State, or jointly by several Member States, if a such programme is accepted as a pilot programme by the consultative committee defined in Article 6 of the decision. The Community participation should in particular address the costs of monitoring and evaluating the effectiveness of the pilot programme. The Commission will provide for rapid dissemination of the results. This approach will, inter alia, both complement and prepare the establishment of efficient programmes for innovation promotion in regions qualifying under the European Regional Development Fund regulations or under the European Social Fund. To ensure the necessary complementarity, the same actions will not be financially supported both by grant aid from the mentioned funds and under the present plan. This measure is intended actively to promote the application, extension and spreading of "best-practice" programmes and techniques in both national and Community settings.

C. REQUIRED RESOURCES

The Community and the Member States spend substantial resources on research and development and on direct aids to innovation and industrial investment. Compared to these expenditures the budgetary requirements for carrying out the actions proposed in this plan are very modest. However, one can expect them to have an important multiplier effect, by promoting the interaction between the factors influencing the progress of innovation : manpower, technology, finance and markets.

In general, as stated before, the financial support by the Community will be limited and, more specifically, cover at most 50% of the cost of the actions and project. Whenever actions or projects can generate income without jeopardising their success, the financial support will be repayable in proportion to this income. This will be the case in most actions proposed in the field of information and knowledge dissemination, such as conferences, publications, etc.

Nevertheless, for some of the mechanisms proposed the full operating and management cost will have to be borne by the Community. This will be the case in particular for the concertation of Member States' action, for the preparation, management and evaluation of promotion actions as well as for the dissemination of results. Full funding may also be considered for the experimental initial phase of certain actions, when necessary to stimulate inadequate initiatives.

D. PROVISIONAL FINANCIAL SHEET

1983-1985

<u>Chapter 1: European cohesion between existing innovation promotion organisations</u>	<u>6.6 MioEcu</u>
1.1. The industry/research interface	1.8 MioEcu
1.2. Technology and management advisory services	2.4 MioEcu
1.3. Venture finance operations	0.9 MioEcu
1.4. Interface between public users and innovative industries	0.9 MioEcu
1.5. Additional exploration and promotion of further initiatives	0.6 MioEcu

<u>Chapter 2: Strengthening the foundations : people, know-how, communication</u>	<u>5.7 MioEcu</u>
2.1. Training in management of innovation and technology transfer	1.2 MioEcu
2.2. Joint support functions for the awareness and assessment of new technologies and potential markets	2.4 MioEcu
2.3. Access to patents and licensing markets	0.9 MioEcu

2.4. Opening new channels of communication
to accelerate market introduction of
new products 1.2 MioEcu

Chapter 3: Concertation of Member States and
Community action 2.7 MioEcu

3.1. Exchange of information and experience }
3.2. Inventories of programmes and measures } 1.2 MioEcu

3.3. The introduction of new methods 1.5 MioEcu

TOTAL (non-obligatory expenditure) 15.0 MioEcu

In order to permit partners to engage themselves seriously with the Commission, the allocated budget should be classified under "differentiated appropriations".

In addition, a request for an increase in personnel will be introduced in the framework of the budgetary procedure. This request will take the form of seven temporary posts (4A, 1B, 2C) for the duration of the programme.

PROPOSAL FOR A

COUNCIL DECISION

concerning a plan for the transnational development of the supporting infrastructure for innovation and technology transfer

(1983-85)

THE COUNCIL OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Economic Community, and in particular Article 235 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament¹,

Having regard to the Opinion of the Economic and Social Committee²,

Whereas, in accordance with Article 2 of the Treaty, the

of economic activities and continuous and balanced expansion throughout the Community;

Whereas the Heads of State or Government, meeting in Luxembourg on 1 and 2 December 1980, expressed the hope that efforts by the Member States in the field of industrial innovation would be better coordinated in order to improve the competitiveness of European products by making the best use of the dimension afforded by the common market; whereas they requested the competent authorities of the Community to examine ways of eliminating the fragmentation of markets and improving incentives to innovation and the dissemination of knowledge;

Whereas it is primarily up to undertakings to develop trade in technologies and to promote their exploitation;

Whereas, nevertheless, a resolute effort is required to promote interaction between technology, industry and the market at European level, so as to ensure that further economically viable innovations accrue from discoveries and inventions through utilisation of the advantages of scale afforded by the European dimension;

¹OJ No C

²OJ No C

Whereas the Member States have developed specialised services in the field of research exploitation, technology transfer, information, consultancy and financing;

Whereas these infrastructures are important for facilitating innovation, particularly in small and medium-sized undertakings;

Whereas the introduction of transnational mechanisms for liaison, co-operation, training and information would be crucial in optimising these national efforts;

Whereas the said mechanisms would provide wider access to such essential elements of industrial innovation as research, technology, capital and the market;

Whereas the Treaty does not provide the powers necessary to this end,

HAS DECIDED AS FOLLOWS :

Article 1

With a view to facilitating innovation in the Community, an initial package of measures designed to promote the transnational development of liaison and co-operation infrastructures and to provide incentives to trade and the exploitation of technologies is hereby drawn up, and is defined in Annex I.

Article 2

On the basis of continuous exchange and comparative assessment of experiences, Member States and the Commission shall ensure compatibility of the measures referred to in Article 1 with national and regional measures to promote innovation, in the manner provided for in Annex I, Chapter 3.

Article 3

The activities or projects described in Annex I shall be undertaken on the responsibility of the Commission or shall qualify for partial Community financing under the appropriations provided for in Article 5.

The following activities or projects may be eligible for consideration :

- activities or projects involving partners established in various Member States;
- activities or projects involving operations on a Community scale or services open to all Member States.

Article 4

The Commission shall disseminate in the Community, by the most appropriate means, the results of the actions undertaken pursuant to this Decision.

Article 5

The appropriations required for implementing this Decision are estimated at 15 million ECU over a period of three years commencing 1 January 1983 and are independent of additional manpower requirements. This amount constitutes an indication of the financial appropriations which will be entered in the general budget of the European Communities.

As regards the activities described in Annex 1, the Commission shall endeavour, especially in cases where it is involved with groups or partners with an interest, to share the costs of the operations, to recover a part of its outlay from any such revenue as may accrue and to limit its contributions to an initial launching period.

Article 6

Responsibility for implementing this Decision shall rest with the Commission, assisted by an Advisory Committee whose composition, duties and procedures are set out in Annex II.

The Commission shall keep the said Committee regularly informed of progress in the work.

The Commission shall present a detailed report each year to the Council and to Parliament.

Done at Brussels, ...

For the Council

...

...

ANNEX I

PLAN FOR THE TRANSNATIONAL DEVELOPMENT OF THE SUPPORTING INFRASTRUCTURE FOR INNOVATION AND TECHNOLOGY TRANSFER

Scope and definition of actions

Scope

The principal objective is to promote the rapid penetration of the Community's economies by new technologies as they become available, having regard especially to small and medium-sized enterprises.

The proposed actions will reinforce national structures working towards this end, in particular by adding the European dimension to the operations of existing national research exploitation, technology transfer, advisory and specialised financial services. The aim is thus to strengthen the transnational innovation infrastructure which is essential for an efficient European market in innovation.

Three principal lines of actions are envisaged :

- (1) to render existing and developing organisations and services in this field more effective by facilitating their operations on, and their access to, the Community market; this transnational extension of structures in the Member States will be based upon flexible and dynamic mechanisms of liaison and cooperation;
- (2) to the degree necessary for the objective, to help meet the corresponding basic requirements in the training of people, in know-how and in technical and communication means;
- (3) to contribute to the general advance of methods used in this field by promoting, where beneficial, concertation, the exchange of experience and the introduction of new methods in the Member States.

Descriptions of actions

The following actions are envisaged:

Chapter 1: European cohesion between existing innovation promotion organisations

1.1. The industry/research interface, in particular:

- a) start-up support for the establishment of liaison mechanisms;
- b) support for promotional actions for exploitation of new technology or market prospection inside and outside the Community.

1.2. Technology and management advisory services, in particular:

- a) start-up support for associations in order to establish "human" networks of relations between the services concerned, and also for the necessary back-up activities;
- b) support for exchange of personnel of such services as the most efficient way to gain experience on other markets as well as to establish networks of mutual assistance;
- c) support for their joint technological market exploration outside the Community.

1.3. Venture finance operations, in particular:

- a) start-up support for an association of financial organisations specialised in the financing of innovation;
- b) support for professional publications of such an association;
- c) support for the build-up of reference networks of experts and consultants.

1.4. Interface between public users and innovative industries, in particular:

- a) support, as long as necessary, for the basic structure of Community local authority co-operation in new technologies;
- b) support for orienting local authority purchasing towards innovation;
- c) support for technology exchange between participants.

1.5. Additional exploration and promotion of further initiatives

Invitation of proposals for further suitable innovation infrastructures and support for their implementation.

Chapter 2: Strengthening the foundations : people, know-how, communication

- 2.1. Training in management of innovation and technology transfer, in particular:
- a) encouraging suitable European higher educational institutions and organisations to offer special courses in this field;
 - b) support for the development of teaching tools for this purpose on a European basis.
- 2.2. Joint support functions for the awareness and assessment of new technologies and potential markets, in particular:
- a) support for joint assessment of technology and markets;
 - b) support for increasing technology awareness, by means such as co-operation between "technology awareness agencies" or giving a European scope to technology conferences normally organised on a national or regional basis;
 - c) support for the acquisition, analysis and dissemination of information on technologies and markets to which access is difficult;
 - d) support for the establishment of an information exchange on available expertise regarding technology, markets, finance and public aids for innovation throughout the Community.
- 2.3. Access to patents and licensing markets, in particular:
- a) support for the intensification of consultation and contacts with the parties concerned, in particular as regards the patent cost, the use of patent information and the criteria of industrial property protection;
 - b) support for complementing what is already done in some Member States to promote the use of industrial property rights by inventors;
 - c) support the creation of an efficient common market for the licensing of technology, by promoting the concertation of intermediary services and by providing start-up support for transnational forms of co-operation.

2.4. Opening new channels of communication to accelerate services, introduction of new products, in particular:

- a) to promote the timely and communitywide diffusion of calls for proposals for new products, and in particular of public tenders, by developing new efficient media or by promoting a more intensive use of existing communication channels;
- b) establishing an up-to-date awareness system on regulations, norms and standards.

Chapter 3: Concertation of member States and Community action

- a) intensification of the concertation and the exchange of information and experience within the framework of the consultative committee;
- b) comparisons and evaluations of programmes and measures;
- c) Community support for the advancement of programme methods.

ANNEX II

DUTIES AND METHOD OF PROCEDURE OF THE
CONSULTATIVE COMMITTEE PROVIDED FOR IN ARTICLE 6

- A. The Consultative Committee provided for in Article 6 has the following tasks:
- to aid the Commission in ensuring the proper functioning of the exchanges provided for in Article 2 of this Decision which must enable to voluntary concertation of the actions of the Member States to be achieved,
 - to contribute, through its opinions, to the proper management of the measures provided for in Article 1 of this Decision and in particular to the detailed definition of the activities and projects and to the selection of proposals likely to benefit from financial support.
- B. The Committee shall be composed of representatives nominated by the Member States. It can call upon the assistance of experts or advisers according to the nature of the action to be dealt with.
- C. The Committee shall be chaired by one of its members.
- D. The Committee shall draw up its own rules of procedure.
- E. The secretariat for the Committee will be provided by the Commission.