

Mr Matti Vanhanen
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Prime Minister of Finland
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THE PRESIDENT

Dear President,

UNICE warmly welcomes the decision of the Finland's presidency to make innovation policy a priority and to put it on the agenda of the informal meeting of Heads of State and Government in Lahti. We believe that these discussions need to be also mirrored and followed by concrete action and political commitment at the national level.

Innovation is a broad issue and as such a broad range of policies at the EU, the national and local levels have to be tuned to support it. A favourable policy framework for innovation includes, amongst others:

- An efficiently functioning, open internal market for goods, services, finance and people;
- Better regulation aimed at removing obstacles to innovation;
- A strong research and technology base, including more EU-level cooperation as well as increased R&D funding at EU and national levels;
- A high quality of education and training at all levels;
- An environment that is favourable of and encouraging for private-public-partnerships (PPPs), in particular between universities and enterprises;
- A workable, competitive IPR regime to protect and reward investments in R&D;
- A well functioning supply of risk financing, in particular for SMEs, and;
- Environmental policies that enhance innovation without threatening competitiveness.

One of the reasons the EU lags behind on innovation is the fragmentation of resources, activities and markets in Europe. To overcome this gap the EU needs to take decisive steps towards a much more open relationship between the public and private sectors. We need to reconsider and promote the concept of public-private partnership in innovation. This should include partnership in setting the agenda for education, research and other innovation supporting measures as well as running and financing these measures.

The European Technology Platforms (ETPs) and Joint Technology Initiatives (JTIs) to be set up under the Seventh Research Framework Programme, are both examples of public-private partnerships with great potential for successful collaboration and achievement of critical mass. With a view to sharing risk in striving for European strategic leadership, it is right to expect public sector commitment at the EU, the national and the regional level matching the financial commitments the business community has already made.

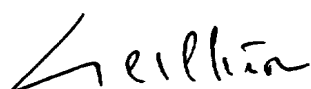
The proposed European Institute of Technology (EIT) in UNICE's view needs to concentrate on achieving excellence and a more effective combination of the three sides of the knowledge triangle: research, innovation and education. The EIT, its structure, management and topical focus should not under any circumstances be politically motivated or directed. UNICE supports the principle of an involvement of the private sector in the organisation and the setting of the strategy of the Institute. Its financial contribution will depend of the nature and the implementation of the research agenda. A connection should be ensured with the European Technological Platforms and with a joint technological initiative. We stick by our long stated view that financial resources allocated to the research or life long learning Framework Programmes and other innovation supportive initiatives should not be used to finance the establishment of an EIT.

A clearly defined and consistent policy to protect intellectual property is vital for Europe's innovation and competitiveness. It is necessary to further improve the current European patent system in terms of costs and legal certainty. High costs make access to the patent system complex and unappealing, particularly for SMEs. The rapid ratification of the London Agreement is key to addressing this question. Progress on the adoption of the European Patent Litigation Agreement (EPLA) is also essential. While we support the Community Patent, in principle, as a truly unitary instrument for the EU, the common political approach of March 2003 cannot constitute the basis for creating a Community Patent that can fully meet the needs of users for quality, cost-effectiveness and legal certainty. The use of English-only regarding the language regime for the Community Patent is the most cost-effective solution.

In conclusion I would like to restate our view that concrete action and political commitment at the European but also the national level is a prerequisite if Europe is to harness its innovation potential. UNICE will in due course present an extended paper addressing the issue of innovation more comprehensively.

I hope that you will find these comments useful and helpful in Friday's discussions.

Yours sincerely,



Ernest-Antoine Seillière