

ACT contribution to EU consultation on The Future “EU 2020” Strategy

The Association for Competitive Technology (ACT) is an international advocacy and education organisation representing more than 3,000 innovative small and medium-sized enterprises (SMEs) in the information communication technology (ICT) sector from around the world, including some 1,000 members in the European Economic Area (EEA). ACT advocates an environment that inspires and rewards innovation. Its mission is to help members leverage their intellectual assets to raise capital, create jobs, and continue innovating.

For many years ACT has been an active participant in the EU debate on the Lisbon Strategy; in particular on innovation, intellectual property, IT and SME policies. ACT therefore welcomes this opportunity to respond to the European Commission’s consultation on The Future “EU 2020” Strategy.

ACT’s contribution provides policy guidelines to ensure that the European ICT sector contributes to the EU growth, innovation and competitiveness and benefits to European citizens and entrepreneurs.

Put entrepreneurship and innovation first

At the core of the EU 2020 Strategy must be a focus on encouraging entrepreneurship and innovation within the European society. Small and medium size enterprises represent 99% of all enterprises in Europe and are responsible for a large portion of the innovation and job creation in modern economies. This was the understanding of the drafters of the Lisbon Agenda and it holds true today. They identified that increasing levels of innovation, entrepreneurship and SME growth would lead to the growth of the European economy, while also serving to eliminate, or at least reduce, regional inequalities within Europe.

Following what many commentators called the “failure of the Lisbon Agenda” to make the EU the most innovative and competitive region in the world, ACT values the opportunity to set up new and more realistic targets and objectives for the EU 2020 Strategy. The development of an environment conducive to innovation can lead to the establishment of meaningful and concrete targets such as lowering the time it takes to register a company, lowering the cost and administrative burden of patenting an invention in the EU27, reducing national and EU red tape, etc. ***ACT believes that the EU 2020 Strategy should include goals that are focused on the “Habitat for Innovation and Entrepreneurship,” because improving the overall habitat will ensure the long-term sustainability of progress achieved under the strategy.***

Indeed, cutting red tape, easing employment conditions, improving the tax or the education system play a role as important as enhancing R&D investment to produce an environment conducive to innovation. In this respect, all EU policies need to be joined-up to deliver a true knowledge-based economy. These policy areas include:

- **Unified and simplified IP regime and labour policy**
- **Taxation and its role as an incentive/disincentive to entrepreneurial activity**
- **Budgetary priorities including education, university and industrial research**
- **Pro-enterprise culture that promotes entrepreneurship and celebrates success**
- **Harmonisation and integration of policy and regulatory environments**

See “Entrepreneurship Environments” Report @ <http://www.actonline.org/library/dreaming-of-eutopia.html>

Develop a strong intellectual property regime for innovation and growth

At a time of economic crisis, the limits of the current European economic model have been shown. To adapt to tomorrow’s challenges, the EU must fully embrace a knowledge-based economy.

ACT’s members are convinced that a strong, efficient and effective regulatory framework for intellectual property protection, in particular patent protection, lies at the very heart of the knowledge-based economy. This is all the more true for small- and medium-sized innovators, which have fewer ancillary advantages in a competitive market.

A strong but flexible industrial property rights system is a driving force for the knowledge-based-innovation, stimulating R&D investment and facilitating the transfer of knowledge from the laboratory to the marketplace. It is widely recognized that in order to facilitate innovative behaviour, there must be a system in place that allows innovators to protect their innovations.

To ensure that patents and inventions continue to benefit Europe’s innovative small firms, the patent system must be more accessible, patent quality raised, and the system harmonised across Europe.

Free the ICT sector potential

ACT values the vision drawn by the European Commission for the EU 2020 Strategy and strongly believes that the role of the ICT sector is preponderant in shaping the future EU society. Innovative solutions and services are already helping to deliver a more connected, inclusive and creative society. This trend will amplify over the next years as digital natives and the society at large will more and more rely on, contribute to and improve the information society.

The ICT sector will be a key contributor to the identified drivers of EU 2020; namely creating value by basing growth on knowledge, empowering people in inclusive societies and creating a competitive, connected and greener

economy¹. In this respect, the EU 2020 Strategy should ensure that the potential of the ICT sector is freed to benefit to the society as a whole.

Given the complexity and pace of technical developments in the ICT sector, regulatory intervention may easily hinder rather than enable innovation. It is therefore critical for public policies to respect the technology neutrality principle which allow all competitors to participate in the development, use and take up of the best technology. Often, technological competition and IP rights are better suited to encourage innovation. Therefore, a variety of technologies should compete and EU policies should not privilege one type of technology over another.

Conclusions

ACT welcomes the opportunity to present its views on The Future EU 2020 Strategy. In this context, ACT believes the current EU priorities should be to:

- Remove all barriers to innovation to free the innovative potential of European SMEs, companies and creators;
- Ensure a strong protection of intellectual property rights in order to foster EU innovation, entrepreneurship and growth of innovative SMEs;
- Remove the barriers for innovative SMEs to benefit from the internal market;
- Ensure fair competition for the best technology to be developed, used and awarded.

¹ As per page 4 of the Commission Working Document on The Future “EU 2020” Strategy, COM(2009) 647/3