

COMMISSION HEARING ON PATENT SYSTEM

CEFIC is a Brussels based organisation representing chemical federations and chemical companies in Europe. The chemical industry employs over 2 million people in the European Union and has worldwide sale of over 500 billion Euros. In order to maintain its competitive position and to meet consumer demand for new products the chemicals sector spends some 10 billion Euros annually on innovation.

With such an investment at stake CEFIC has a clear interest in the future of the patent system in Europe. As far as the characteristics of the system are concerned we are very supportive of one which is:

- of high quality in the sense that it grants patents only for genuine inventions,
- legally certain so that within it companies can properly manage their IP risk and
- accessible to all consistent with recognising the fact that patents are strong business tools which have to be treated seriously by both Patent Offices and Courts.

We are also very supportive of the European Patent Convention and the European Patent Office being at the

centre of such a system. Both are significant past political achievements which we doubt could be replicated today. And both have a track record of fully supporting innovation.

In particular the European Patent Office is a world class institution which needs to be fully supported by the Commission and Member States. The EPO's leadership must be given the mandate, autonomy and space to deliver high quality patents as efficiently as possible.

CEFIC therefore thinks that the present system is already close to any optimum that can realistically be achieved. That is not to say we are against change. But the case for change must be measured against a high threshold and on the basis of clear evidence that any change will on balance lead to improvements for all.

On the back of the present system, Europe has evolved a world class chemicals sector that needs such a system to have a sustainable future. We believe that when viewed objectively over the long term it has also balanced the needs of all stakeholders. Therefore any further development must

be based on carefully thought out evolution and not revolution.

In this context we strongly support both the London Agreement on translations and the European Patent Litigation Agreement. Whilst we also support the idea of a Community Patent, the system in its current form remains unattractive to us.

However we wish to remind the Commission that patents are only one part of the debate and CEFIC's interest is in having a system under which all IP rights support and enhance innovation. In particular for us the debate around confidential business information and the protection of data is equally as important as patents.

In recent years the various regulatory legislation around chemicals in the EU has led to a fragmented approach to this issue under which companies are finding it increasingly difficult to maintain the integrity of their trade secrets. We urge the Commission to take ownership of this issue and look into the concerns of users so that a balanced outcome can be built, and a general framework adopted.

Finally we would like to highlight the urgent need for a clear IP Policy for Europe which fully supports innovative European industry. Contrary to other regions of the world, for example Japan and the USA, the EU still lacks a coherent and clearly articulated approach in this area. We see this as a key task for the Commission going forward because IP is the linchpin of the process of innovation and is key to building a better future for Europe in the knowledge economy.