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Subject: Response to the public consultation on biotechnology

Towards a strategic vision of life sciences and biotechnology: consultation by the European Commission (COM(2001)454 final)

This response to the consultation questions on innovation and competitiveness is sent on behalf of Professor John Enderby, Physical Secretary and Vice-President of the Royal Society

As is true for all industries, a cheaper, efficient patent system would help innovative biotechnology companies do business in Europe. Some of the initial proposals for a community patent would have allowed wide geographic coverage yet achieved low costs through use of one, or at most three, languages; a single decision on validity pertaining to all Member States; and centralised jurisdiction. Negotiations on the community patent are proceeding and it now seems likely that these goals will not all be achieved. If these goals are not achieved, then even if the community patent is instituted, it may not be used by many applicants. Biotechnology firms, in particular, are more likely to choose the current system using the European Patent Office.

Changes in the patent system, as indicated in the consultation question, would facilitate the exploitation of inventions, but would not encourage other companies in Europe to use inventions.

As is also true for other industrial sectors, regulatory and fiscal systems could do more to encourage innovation cost-effectively. Greater tax incentives, for both research and development, would probably stimulate productivity to such an extent that the extra income from tax would outweigh that lost in incentives. Since development costs are such a high proportion of the total costs in much of biotechnology, it is particularly important that favourable regulatory and fiscal regimes apply to that phase of innovation.

Yours faithfully

John Enderby