

Conclusions of the Project Workshop
Towards an EU-Russia Common Technology Market
(Novosibirsk, 5-6 October 2011)

The EU-Russia technology cooperation has been rapidly developing in recent years. It significantly contributes to improving the competitiveness of Russian and European companies, helping to accelerate economic growth through development and implementation of brand new technologies and products. To make fuller use of the cooperation opportunities, bold steps are needed in developing a common EU-Russia technology market, involving the elimination of existing barriers in this area and harmonisation of regulations relating to technology transfer. Based on their practical experience in the implementation of technology projects, the participants of the workshop proposed the following recommendations to this end.

1. Effective protection of and clear lines of authority over intellectual property rights are the cornerstone on which to build a common EU-Russia technology market:

- rules of protecting proprietary information for technology transfer (including through establishment of joint ventures) should be harmonised;
- scientific organisations and education institutions in Russia should be made eligible for managing intellectual property that has been derived with budget financing. In particular, they should have wider authority over the rights to use the results of intellectual activities (patents for inventions, utility models and industrial designs), including the ability to alienate, license and invest these rights in the equity of joint ventures formed by them. The budget losses that may result from such a decision will be significantly lower than the overall economic benefits due to the commercial engagement of intellectual property not currently in use;
- in today's Russia, intellectual property rights may not be used as collateral for bank loans. It would be appropriate to recommend that the Central Bank of Russia should include intellectual property in the list of assets accepted as collateral for bank loans based on an independent assessment of its value by professional appraisal companies;
- Russian rules of registration and protection of software and database property rights (in particular, the use of literature copyright criteria for software) do not meet modern standards adopted globally. These rules have to be brought in line with the EU standards, and registration process for software and databases needs to become significantly shorter for better protection of Russian software companies;
- frequent changes in legislation on intellectual property result in high uncertainty of the business environment for companies involved in technology cooperation projects. Developing solid legislation and improving law enforcement in the field of protection of intellectual property rights are the key prerequisites for of the technology market development.

2. Creation of a common technology market requires enhanced EU-Russia cooperation in the field of technical standards. In addition to fast harmonisation of existing standards and development of procedures for their mutual recognition, a permanent bilateral mechanism is needed for the development of technical standards for innovative products manufactured under

EU-Russia technology cooperation projects. In future, these standards could form the basis for drafting international standards in the International Organisation for Standardisation and the International Electrotechnical Commission (standards for electric and electronic products).

3. Today, the Russian and European companies involved in technology transfer face considerable challenges in cross-border transactions. The following measures will contribute to improving the situation:

- introduction of transparent criteria to identify dual-use technologies and goods, based on the Wassenaar Arrangement;
- appointment of a single body in Russia responsible for issuing export permits for relevant technologies, and ensuring the transparency of its work;
- customs exemption for goods (equipment, product samples, samples for clinical tests, etc.) moved across the border under technology transfer projects;
- developing the offset transaction practice in the field of technology transfer and establishing clear criteria for its implementation.

4. The lack of companies and experts in the field of technology commercialisation and new product introduction is a major drawback in the Russian technology market. The following solutions may be offered for this problem:

- attracting foreign companies and professionals (including by application of incentives provided by Skolkovo Foundation and the existing technology parks in Russia) to immediately meet the demand for the relevant competencies;
- establishing competency development centres through joint ventures and R&D centres. The costs associated with their establishment must be exempt from taxation;
- support (in the form of state co-financing of expenditures and facilitated visa procedures) for inviting foreign professionals to Russian universities to introduce training programmes related to creating the competencies in the field of technology commercialisation;
- experience of EU networks (including the Enterprise Europe Network) should be used to create efficient mechanisms for developing professional competencies in the field of new product introduction in Russia. To this end, it would be helpful to support self-regulating business organisations involved in dissemination of best practices and adaptation of European models of competency building to the Russian conditions.

The combined technology potential of the EU and Russia, based on creating a common technology market, is a powerful growth vehicle for both economies. A rapid resolution of existing problems in this field will contribute to further development of mutually beneficial technology cooperation and will be an important step towards an integrated EU-Russia Common Economic Area.