

**Supporting EU-US innovation collaboration:
reflecting on concerns and challenges
encountered by EU and US businesses**

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WHY ENCOURAGING EU-US BUSINESSES' INVOLVEMENT IN TRANSATLANTIC RTDI PROJECTS?

Benefits for businesses:

- Access to complementary scientific experience or expertise
- Access to new contacts in RTDI community, networking
- Ability to tackle more ambitious research problems together
- Access to new and wider sources of funding
- Access to special research infrastructures and specific materials
- Stepping stone to business development and export activity in the EU/US
- Business reputation
- Etc.



WHY ENCOURAGING EU-US BUSINESSES' INVOLVEMENT IN TRANSATLANTIC RTDI PROJECTS?

Benefits for society:

- **Development of innovative products/processes**

“Innovation happens when inventions are transferred to market”

Sinan Tumer, Boston workshop 20th June 2014

- **...innovation is important to tackle societal challenges**

EXAMPLE:

EU FP7 project **Sim-e-Child in the ICT field** with involvement of a US company to jointly **develop a grid-enabled platform for large scale simulations in paediatric cardiology**



EU-US businesses' involvement in transatlantic RTDI projects is already developed!

EXAMPLE:

US: A major international partner in EU RTDI funding programs



US organisations in FP7 Health

162 US organisations accounting for **196** participations and receiving **€ 52 million of EC contribution :**

70 Universities, 40 Research organisations

27 SMEs and 6 Industries = 33 US BUSINESSES and more than 14.8 millions € EU contribution

9 Foundations, 10 Other (International organisations, administrations, etc.)

Involvement of US businesses in FP7 projects as partner per domain

	Number of US businesses	Number of US businesses which received EC funding	Average EC contribution per US business
HEALTH	33	33	463 000 €
ICT	21	12	91 000 €

BUT

- **Businesses are far less represented than academic partners in transatlantic cooperation in the field of RTDI**
- **There is a need to better encourage businesses to cooperate, especially SMEs which are less used to international RTDI cooperation but strongly need innovation!**
- **Businesses reported barriers encountered in transatlantic RTDI cooperation, and policy-makers could act to enhance such cooperation**

We can always do better!
What exactly?



Businesses might experience barriers to transatlantic RTDI cooperation at different stages of cooperation:

Existing project idea but need for international partner(-s)

**Stage 1:
Collaboration team
identification**

**Stage 2:
Collaboration
project set up**

**Stage 3:
Collaboration
project
implementation**



Prior to any stages of cooperation:

AWARENESS

A general lack of awareness amongst businesses and especially SMEs of the potential advantages and benefits of collaborating with foreign entities (businesses, research centers, universities...)...

“SMEs are often lacking the will to collaborate in international consortia, a ‘pull factor’ is missing”. (SME from Europe)

...and lack of awareness regarding advantages to cooperate with EU/US entities in particular

“Communicating on the advantages of innovation in Europe is important” (SME from US)



Stage 1:
Collaboration team
identification

FINDING INTERNATIONAL PARTNERS

Many businesses face difficulties to find the right transatlantic partners, and identify appropriate and trusted project partners

Though ways exist:



B2Match.

LinkedIn

- There is a lack of knowledge, information and guidance on the existence and use of collaboration **partner search support tools and methods.**
- Is there **inadequate functioning** and content of partner search tools?

“Partner search tools focus mostly on precompetitive partnerships, are often EU or US-centric and have a cost” (RTI International, USA)

- And finding partners is always easier in neighboring countries



Stage 2:
Collaboration
project set up

FUNDING OPPORTUNITIES

EU-US businesses generally lack of opportunities for public financing when engaging in transatlantic RTDI cooperation

- Opportunities for public RTDI funding of EU-US businesses in respective programs lies essentially in the Health sector (H2020, NIH), though there are other cases of funding in the European programme H2020



Also a general lack of knowledge and awareness regarding existing funding opportunities for transatlantic RTDI projects amongst businesses



Stage 2:
Collaboration
project set up

ADMINISTRATIVE BURDEN

A high administrative burden can clearly discourage US and EU businesses' participation in respective funding programs, particularly amongst SMEs



Barrier frequently mentioned by industrial participants during the business workshop.

Cases of collaboration: “time spent on legal paperwork : need for samples of legal documents”.

“Why did it take 9 months to get those samples?”

SME from USA



Stage 3:
Collaboration
project
implementation

INTELLECTUAL PROPERTY RIGHTS

Different IPR regulations/customs on both sides of the Atlantic can prevent businesses from engaging in EU-US business cooperation

The process of agreeing a common definition of IPR rules for collaboration is often a sensitive one

Cases of collaboration: tests and analysis on compounds developed by a US company by a German university.

Different understanding.... "Is there any helpdesk?"



Stage 3:

Collaboration
project
implementation

BILAT  USA 2.0

DIFFERENT REGULATIONS

Different custom/ethic regulations on both sides of the Atlantic can prevent businesses from engaging in EU-US business cooperation:

Often there are **specific requirements** that must be met in order to enter markets in the EU and the US, and that can harm collaboration, notably in case of **need for trials**, or **transfer of materials** in research projects.

« In many cases, if some differences of regulations were known beforehand, this would have been helpful” . (EU and US SMEs)



Example: **REACH regulation** versus U.S. Environment Protection Agency (EPA)

Requirements: some chemicals such as *EDTA* allowed to be used in the US, but cannot be used in the EU under REACH.



EU AND US BUSINESSES FACE COOPERATION CHALLENGES AND A LOT IS DONE ON BOTH SIDES TO OVERCOME THOSE CHALLENGES:

in Europe

- spread over Europe on national (regional) level
- = European entities need to cooperate on this (transfer of good practices) and to answer at the EU level when needed

in the USA

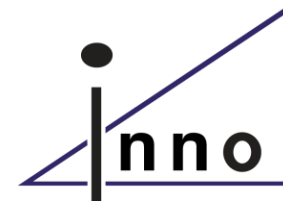
- Europe is composed of different markets, it is complicated to tackle all barriers on different markets

In any case there is room for policy action!



**Let's have discussion with businesses
now!**

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