

B. Federal Ownership of Intellectual Property Rights

Intellectual property is an important outcome of research and development. Its commercialization benefits the Canadian economy in many ways. But commercializing publicly-owned intellectual property can be difficult, either because no appropriate mechanism exists for transferring the technology from government laboratories into the marketplace, or because of a lack of agreement over the appropriate role of the public and private sector in commercializing these discoveries.

- 17. The Committee recommends that the federal government retain ownership of intellectual property developed or fully funded by it and that it develop clear guidelines for the management and control of intellectual property rights.**

FEDERAL GOVERNMENT SUPPORT OF BUSINESS RESEARCH AND DEVELOPMENT

Like many modern countries, Canada provides support for industrial research and development. The Committee believes that this support is important in order to improve the country's competitive position; however, the Committee is concerned that the level of support be appropriate and not excessive.

- 18. The Committee recommends that the federal government's financial support for industrial research and development be maintained at a level of 25% of total business expenditure on research and development.**

The ability of Canadian firms to compete effectively in the global economy will depend in part on the extent to which they develop their scientific, technological and marketing skills.

- 19. In the face of increasing global competition that is based on technological advancements, the Committee recommends that the federal government encourage the development of greater scientific, technological and marketing skills within the industrial sector of Canada.**

A. Pre-Competitive Research Consortia

Pre-competitive research involves significant risks. Many firms do not possess the resources to undertake such work on their own. As a result, attempts are made to form consortia to share the risk and subsequent benefits of this work. Witnesses have expressed concern that current tax provisions hinder the formation of pre-competitive consortia in Canada.