

A key Directive that is currently awaiting adoption focusses on biotechnological inventions. This Directive seeks to harmonize patent protection for biotechnological inventions throughout the EC, thereby providing the legal certainty that industries require to develop products in the biotechnological field.

It is too soon to make a definitive judgement on how the Community's initiatives in this area will affect Canadian exporters. The significant presence of multinational enterprises (MNEs) could have a dampening effect on the potential for increased exports to the EC by Canada's domestic brand-name pharmaceutical industry. In contrast, however, given the greater acceptance, worldwide, of "generic" drugs, export opportunities may well increase for drugs of this type as well as for biologicals and diagnostics.

Within the EC, the preferred response to the "single market" appears to be an intense and rapid rise in merger and acquisition activity by non-EC suppliers. By forming joint ventures or partnerships with existing EC firms, these suppliers are attempting to obtain and to guarantee access to the EC market.

Telecommunications Equipment

To remove technical barriers to trade in telecommunications equipment and to ensure that the European telecommunications infrastructures serves European industry well, the EC has taken a number of initiatives on standards. These initiatives embody the dual approaches of "mutual recognition" (with certification where appropriate) and the harmonization of technical regulations and specifications where necessary or where standards do not currently exist.

The intent of the initiatives is to ensure that the supply of terminal equipment is not a monopoly of the public networks. Private suppliers from any member state are to be able to pursue this business. It is intended that procurement opportunities be open to all companies within the Community—that is, PTTs will no longer be able to ensure that a contract goes to a local supplier by demanding that a particular national standard be met. Furthermore, value-added suppliers are intended to have access to the networks in such a way that a true market in services is created.

Telecommunications Terminals

Regarding the certification of terminals for connection to the public networks, the EC Council adopted a Directive in 1986 (86/361, as published in OJL217/86) requiring that certification bodies in member states recognize, for certification procedures, the results of tests performed in other member states. In a second phase of this action, the EC Commission has proposed a Directive that would require mutual recognition of test certificates. That is, once certified for use with the public network in one member state, a product would automatically be recognized for use with the public networks of all member states.