

Minister of Commerce, Industry and Tourism presents the priorities of the Cyprus Presidency of the Council of the EU to the JURI Committee of the European Parliament

Brussels, 10 July 2012

Honourable Members of the European Parliament, Mr Chairman
Vice-Chairmen and members of the JURI Parliamentary Committee,
Ladies and Gentlemen,

My presence before the European Parliament and particularly the JURI Committee is part of the practice of briefings made by the Presidency of the Council on the priorities and the activities the Presidency undertakes to promote during its six-month term on the issues of Intellectual Property Rights and Company Law.

But beyond following customary practices, my presence here is a manifestation of my respect for the institution of the European Parliament and the crucial role it plays in making the EU more democratic, closer to its citizens and listening to them. Besides, the central message and basic effort of the Cyprus Presidency is a Better Europe, first and foremost, for its citizens.

Since the Lisbon Treaty came into force, the competences of the European Parliament have been broadened and now the Parliament is a co-legislator together with the Council. As the Presidency of the Council of the European Union, we declare our readiness to cooperate closely with the European Parliament, so as to promote successfully the dossiers we shall handle during the second half of 2012 in the fields of our competence concerning Intellectual Property Rights Law and Company Law.

In this initial intervention, I will outline concisely our basic policies and the specific issues we shall handle in the coming six months, as they have been agreed in the framework of the Trio Presidency.

Before proceeding to the presentation of the priorities of the Cyprus Presidency of the EU, I would like to congratulate all the members of the Committee, as well as the European Commission, and the Polish and Danish Presidency for all their efforts and for the progress achieved in the legislative initiatives and especially in reaching agreement on the package of Patents, which as is well-known has been discussed in the Community for three decades.

1. INTELLECTUAL PROPERTY LAW

Strategy Europe 2020 attaches great importance to the updating of the legal framework of Intellectual Property in the European Union, as it constitutes the indispensable prerequisite for enhancing the competitiveness of innovative industries in the EU. The aim of the EU is to achieve a single market of intellectual property. In this direction the two previous Presidencies of the

Trio, the Polish and the Danish, have worked together with you and the Commission for the adoption of the proposals concerning:

- The amendment of Directive 2006/116/EC on the term of the protection of copyright and certain related rights,
- Entrusting the Office for the Harmonization in the Internal Market (Trade Marks and Designs) with tasks related to the enforcement of intellectual property rights, including the assembling of public and private sector representatives as a European Observatory on Infringements of Intellectual Property Rights.
- The proposal for a directive of the European Parliament and of the Council on certain permitted uses of orphan works.

The immediate priority of the Cyprus Presidency in the next months is to finalize a very important package for the strengthening of the single market: the Package on Patents. We will work intensively so that member states may co-sign the agreement on the Unified Patent Court during the Competitiveness Council in October.

Everybody realizes that the signing of the Agreement will not be possible if the texts of the two relevant Regulations are not finalized. Despite the great progress made by the Heads of State and Government on the seat of the Unified Patent Court, the suggested deletion of Articles 6 to 8 of the “regulation implementing enhanced cooperation in the area of the creation of unitary patent protection” has caused delay in the adoption of this package.

It is important to note that the Council has not yet finalized its internal consultations concerning these suggestions. We have decided, before pushing ahead with our internal procedures, to give the necessary time margin in order to discuss this issue with you. At this point I would like to thank you for postponing the voting on this dossier at the Plenary, giving in this way time for the necessary consultations between the two co-legislative bodies.

I am sure, however, that we all realize that the balance of the decisions taken by the Heads of state is quite delicate. Reopening the agreement at this stage is a very unusual move and surely should not be seen as creating precedent. However, if there is a single issue that merits a small deviation from our customary procedures, certainly this is the one, as we have completed it after hard negotiations lasting 30 years.

We are confident that we can depend on the European Parliament too to show the same spirit of cooperation so that this dossier is successfully completed the soonest possible. By adopting the legal framework for the protection of the Unitary Patent, the European Union will become an equal competitor in the international arena in the fields of research and technology. The aim of our Presidency is to take the necessary measures so that we may have the first application for the Unitary Patent by the beginning of 2014.

An equally important issue is the management of intellectual property rights in a digital or other form which plays an important role in the way these intellectual property rights are made available to the public and the rights holders are compensated. The adoption of a directive which provides for uniform rules for the supervision of the management, transparency and effective control of collecting societies is a priority for the Cyprus Presidency.

We plan to examine in the Council the said proposal which, as we have been recently informed, will be issued by the Commission on July 11. This proposal, together with the question of Patents, is one of the key actions of the Commission and will be regarded as such by the Council. Five meetings of the competent Working Group have been scheduled to take place in the September- December period.

The updating and uniformity in the implementation of the existing rules on community trademarks is another issue that needs to be handled immediately at a European level. We have to take into account that the first regulation on the community trade mark was adopted in 1993, while the first directive on trade marks was adopted in 1989 and since then the Court of Justice of the European Union has developed a great number of jurisprudence on their interpretation. In this light, the need to review the existing legal framework is self-evident.

The Commission's proposals on the revision of the legal framework for community trademarks are expected to be submitted to the Council for discussion next September. We consider these proposals to be important, as the modernization of the national trademark offices and their procedures will in effect strengthen small and medium companies and the economy in general. Furthermore, it will make the legal framework governing them more concrete and effective.

Last but not least, is the issue of the uniformity of the European Union's position within the framework of the work of the Standing Committees of the World Intellectual Property Organisation. We believe that the European Union has an important role to play and a duty to guide discussions in the production of new legislation in the World Intellectual Property Organisation, within the correct legal framework. Emphasis will be given especially on the two treaties that are currently discussed relating to the protection of broadcasting organizations as well as to the limitations and exceptions for the visually impaired persons, or persons with special printing needs.

To this end, time has been scheduled for the examination of the various issues requiring coordination of member states of the European Union, within the context of the meetings of the Working Group on Intellectual Property Law.

2. COMPANY LAW

Company law and corporate governance are the cornerstones for a modern and dynamic economy. The continuous improvement and harmonization of the rules relating to company law and corporate governance contribute greatly to the improvement of the business environment. By making entrepreneurship more viable, companies will be in a position to compete successfully in global markets, contributing at the same time to economic growth.

Company law, includes inter alia, the disclosure of financial information and audit. Consequently it is imperative for the promotion of growth and the strengthening of the investors' confidence in the single market.

The proposal on the reform of accounting directives, aims at the simplification, clarity, and comparability of financial statements, and the transparency of financial transactions.

The preparation of financial statements has been recognised as one of the most burdensome regulatory obligations for businesses. The decrease of regulatory and administrative burdens, through the simplification of accounting rules and obligations for disclosure of financial information, is seen as necessary, particularly for small businesses. At the same time there is need for greater transparency in payments made to governments by extractive and forestry undertakings. The said proposal is one of the pillars of the Single Market Act.

I refer more specifically to the proposal for a Directive on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings, which repeals and replaces the Accounting Directives 78/660/EC and 83/349/EC.

This proposal will be a priority for the Cyprus Presidency and we shall work with a view to achieving an agreement with the European Parliament. We believe that time is ripe to proceed to negotiations between us with a view to adopting it at first reading.

We understand - and you have the general support of the Council- the strong views expressed in the Committee and more generally in the European Parliament on the introduction of transparency rules on the work of European undertakings active in the extractive and forestry sectors. At the same time, however, the overwhelming majority of member states are convinced that we should find a compromise formula that will preserve the balance between transparency and competitiveness.

We are looking forward to our constructive cooperation with the Chairman of your Parliamentary Committee and rapporteur Mr LEHNE, as well as to the shadow rapporteurs, but also with you, the members, so that at the end we may reach agreement at first reading.

At the same time, the Cyprus Presidency has set as its priority the promotion of Proposals on audit reform, aimed at strengthening the internal market for statutory audit, the improvement of the quality of audit work and the restoration of trust in

financial statements. Besides, this is a priority which has risen to prominence through the recent financial crisis.

We are awaiting with great interest the Draft Report of your Committee to be issued in mid -September and we are looking forward to close cooperation with the rapporteur and the shadow rapporteurs so that progress may be made on this important dossier.

Finally, as to the Proposal on the European Foundation Statute, I agree with the view that these Foundations are performing valuable work for the benefit of citizens throughout the European Union.

This work should be encouraged and the Foundations should be assisted in order to attract more funding.

The Proposed Council Regulation on the Statute for a European Foundation aims at the creation of a single European legal form. Its goal is to facilitate the establishment of foundations and the cross-border carrying out of their activities.

The Cyprus Presidency, in close cooperation with your Committee, will work hard to achieve maximum progress in this difficult dossier.

At this point, I would like to thank you for your attention and I am at your disposal for any questions.