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# PRESS RELEASE

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January 12, 1972

FOR IMMEDIATE RELEASE No. 2

## JOINT GERMAN-AMERICAN INDUSTRIAL RESEARCH PROJECT APPROVED BY COMMON MARKET

WASHINGTON, D.C., January 12 -- The Commission of the European Communities has agreed to exempt an American and a German company from Common Market anti-trust rules so they can undertake a joint research and development program.

Last week in Brussels, the Commission issued a regulation permitting Colgate Palmolive of New York City and Henkel of Dusseldorf, Germany to cooperate in the development of more efficient laundry soaps and detergents through establishment of a joint research company in Switzerland.

Under the Rome Treaty, agreements between enterprises which would prevent, restrict, or distort competition in the Community are prohibited. According to Article 85, Sec. 3 of the Treaty, however, when an agreement is likely to improve the production or distribution of goods or promote technical and economic progress, an exemption can be granted by the Commission.

The Commission's ruling extends for a five year duration and will require the two companies to meet certain obligations, including the equitable sharing of research results.

To protect further against any abuse of free competition, the two companies must keep the Commission informed on their licensing procedures

and the overlap of capital and personnel. Patents on new products developed by the joint research unit cannot be restricted in distribution by one of the companies to the disadvantage of the other or any individual member state.

The Commission has asked the Council of Ministers to authorize it to draw up a regulation which would specifically provide exemptions from the anti-trust law for joint research and development operations.

The Commission also approved:

- an agreement by six companies in Northern France to sell jointly canned vegetables abroad. The companies, grouped under the name "Société Anonyme de Fabricants de Conserves Alimentaires," has its base of operations in La Gorgue, France.

- a reciprocal supply and specialization agreement concluded between the Paris company "Société d'Optique, Précisions Electronique and Mécanique" (SOPELEM) and "Alngen und Co." in Dusseldorf, Germany. The two companies are involved with servo-control systems operated by hydro-electric power.

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