Question for written answer E-000317/2020 to the Commission
Rule 138
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Subject: Patent Assertion Entities (PAEs)

An effective and balanced European Intellectual Property (IP) system is necessary to enable European companies to innovate and compete globally. A faulty patent system leaves the entire single market vulnerable to abuse.

We are currently witnessing an increase in the number of Patent Assertion Entities (PAEs). PAEs are financial vehicles that do not produce or sell any products. Instead, they buy up patents with the aim of litigating against innovative companies, including SMEs, in order to obtain high settlement fees.

In 2018, Darts-ip reported an average annual increase of just below 20 % in PAE litigation cases between 2007 and 2017 1. This upward trend was particularly marked in the ICT industry.

On 16 January 2020, the Financial Times reported that a group of 35 companies had called on the Commission to take action against PAEs 2. This trend of abuse by PAEs is a cause for concern.

1. Does the Commission believe that sufficient safeguards are in place to protect the EU’s IP system from abuse by PAEs?

2. If not, what action does it plan to take?

3. How does it assess the proposal of the group of 35 companies, including new guidelines supporting the application of a proportionality requirement in patent enforcement by judges in EU courts?

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2. https://www.ft.com/content/26230960-37a7-11ea-a6d3-9a26f8c3cb4