Subject: Addressing the problem of patent trolls in the EU

A recent report\(^1\) by the University of Bordeaux examined how some non-practising entities, also known as patent assertion entities or ‘patent trolls’, game the European patent system for profit. Dormant patent-troll companies with opaque ownership and almost no assets, commonly established in the UK, are used to acquire European patents. These companies often do not produce or sell anything, generate any revenues or pay taxes. Patent trolls use these companies, and the threat of an injunction, to extract excessive amounts from European innovators – in particular in Germany.

The tactics used by patent trolls clearly demonstrate that the European patent system is not optimised for innovative companies, but instead is more geared towards financial companies that exploit the system for pure financial gain.

In its Industrial Strategy\(^2\), the Commission announced the Intellectual Property (IP) Action Plan to assess the need to upgrade Europe's IP legal framework.

How does the Commission intend to address the problem of patent trolls gaming the European patent system in the upcoming action plan?

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