EXECUTIVE SUMMARY

This report provides a factual overview of Non-Practicing Entity (NPE) related litigation and patent enforcement activities across the European Union (EU), including opposition actions filed before the European Patent Office (EPO). The findings are based on Darts-ip’s database of IP case-law. With information on more than 3 million cases worldwide, this database constitutes the largest IP case-law database in the world. The reported statistics are calculated from the set of all patent-related actions contained in the database which have had their first registered procedural event in an EU court or IP office between the 1st of January 2007 and the 31st of December 2016. The majority of cases are infringement, invalidity and opposition actions.

The overview reveals a marked year-on-year upward trend in the number of actions involving NPEs in the EU, with a dramatic increase in the last five years, primarily concerning Information and Communication Technologies.

• Between 2007 and 2017, the average annual growth rate of actions related to NPEs registered in the Darts-ip database was 19%.

• The five most active NPE company structures in the EU are based in the United States (US). They account for 60% of NPE-related litigation in the EU. Hundreds of NPE entities and affiliates are linked to major NPE company structures.

The steeper increase in NPE-related litigation in the EU over the last five years could be linked to recent legal changes in the USA, which may have resulted in a less appealing litigation framework for NPEs in that country.

The report finds that, in the EU, NPEs prefer litigating in Germany. During the 2007-2017 period, about one in every five infringement actions in Germany was NPE initiated. This may be due in part to the following reasons:

• Germany’s legal and judicial framework on IP enforcement is characterized by its bifurcated nature whereby infringement and invalidity actions are independently ruled in different courts.

• Germany has the lowest average procedure duration until a first instance court decision on infringement, with injunctions often being granted prior to completion of the invalidity action.
• Germany has a relatively high infringement win-rate for NPE plaintiffs when compared with other major EU jurisdictions.

• Germany is the largest technological market in the EU, and one of the major entry points for imported products.

Data on patent validity challenges also shows that patents being asserted or owned by NPEs in Europe are more often successfully invalidated than those patents being asserted or owned by non-NPEs. This suggests that at least some NPEs may make use of lower quality patents.

For the purpose of this report, NPEs are defined as legal organizations which own or benefit from patent rights but do not sell or manufacture goods or provide goods-related services, that are independent from companies that do sell or manufacture goods or provide goods-related services, and that take an active (offensive) assertion or litigation role as plaintiffs to enforce their patent rights. Sole inventors (individuals) and universities are not included.

Darts-ip is committed to providing the most comprehensive and complete report to date while maintaining a neutral and unbiased position on the topic.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>EXECUTIVE SUMMARY</td>
<td>2</td>
</tr>
<tr>
<td>INTRODUCTION</td>
<td>5</td>
</tr>
<tr>
<td>THE EVOLUTION OF NPE LITIGATION</td>
<td>6</td>
</tr>
<tr>
<td>SUMMARY OF NPE ACTIONS IN EUROPE</td>
<td>7</td>
</tr>
<tr>
<td>THE MOST ASSERTIVE NPEs IN EUROPE</td>
<td>8</td>
</tr>
<tr>
<td>THE MOST COMMON DEFENDANTS IN NPE INFRINGEMENT ACTIONS</td>
<td>9</td>
</tr>
<tr>
<td>INFRINGEMENT DEFENDANTS AND THEIR TURNOVER</td>
<td>10</td>
</tr>
<tr>
<td>COUNTRIES MOST AFFECTED</td>
<td>11</td>
</tr>
<tr>
<td>TECHNOLOGY TRENDS</td>
<td>12</td>
</tr>
<tr>
<td>ARE NPEs WINNING IN EUROPE?</td>
<td>13</td>
</tr>
<tr>
<td>INFRINGEMENT PROCEDURE DURATION</td>
<td>15</td>
</tr>
<tr>
<td>CONCLUSION</td>
<td>16</td>
</tr>
<tr>
<td>METHODOLOGY- DATA BY DARTS-IP</td>
<td>17</td>
</tr>
<tr>
<td>GLOSSARY OF LEGAL TERMS AND CONCEPTS</td>
<td>19</td>
</tr>
</tbody>
</table>
INTRODUCTION

While traditionally known as a US trend, patent lawsuits involving non-practicing entities (NPEs) are becoming a global matter as NPEs seek out courts where they can further monetize the value of their IP assets, using litigation as both leverage and means. Patent reform and new legislation in the US to reduce lawsuits brought on by NPEs could be motivating NPEs to turn to forums in Europe.

This report seeks to address the increasing industry feedback concerning the rise of infringement actions brought by NPEs against operating companies in judicial courts. The report has also been produced in response to the rise of new studies following this phenomenon, such as the report from the Joint Research Center of the European Commission (JRC) and other academic studies which have been published recently. These studies, unfortunately, tend to be lacking when it comes to data, and rely mostly on anecdotal evidence or very small samples of litigation concerning very specific courts or parties. This lack of actual data, in turn, may compromise the validity of some of the conclusions from those studies, and also affects the proper assessment of the NPE phenomenon.

With this report, Darts-ip aims to provide some of this much needed data. This is gathered through Darts-ip’s coverage of all major jurisdictions in Europe and around the world allowing for unprecedented data gathering and analysis.
**THE EVOLUTION OF NPE LITIGATION**

**FIGURE 1: EVOLUTION OF NPE RELATED LITIGATION**

Figure 1 shows an undeniable, growing trend of new NPE patent related actions over time. On average, during these 10 years, NPE-related litigation has grown about 19% every year, with an increased growth in 2014, 2015 and 2016.

The spike in the number of cases in 2014 is also noteworthy, as that year also happens to mark the first decline in patent litigation cases in the US since 2009. A number of changes occurred in the US during this time. The most significant of these changes is the America Invents Act (AIA) enacted in 2011 with its full effects in place in 2014. It also marks the year that the U.S. Supreme Court ruled on Alice Corp. v. CLS Bank International, a landmark decision that halted a number of software patents which happens to be an area where NPEs are frequently litigating (see Fig. 5).

The number of cases in 2017 constitutes an estimation. Data is still being collected from hundreds of courts, and needs to be verified, but so far, the data indicates that it will break the record as the busiest year for NPE related litigation in EU courts, with an estimated case count that is almost double what the EU saw for NPE infringement cases five years prior.
In patent infringement cases, the most common defense by alleged infringers is to claim the invalidity (or nullity) of the plaintiff’s patent(s). In the EU, this claim may have to be made at different courts (countries with such a system are commonly called bifurcated jurisdictions) or it may be made and decided upon in the same proceedings and court as the initial infringement action (also known as unified jurisdictions).

Alleged infringers may also attempt to challenge the validity of a patent through opposition actions before the patent granting authority. In the EU, this will occur before the national IP office or the EPO, as long as it is still within the time period allowed for oppositions.

This may explain why the data shows a dominance of infringement claims and validity challenges (invalidity actions and oppositions) in very similar proportions. Figure 2 shows that 56% of the actions involving NPEs are attempts to oppose and invalidate the NPE’s patents either before, during or after the infringement action is made.

A residual number of other actions related to NPEs was also identified. These often include actions concerning licensing terms or issues with ownership of patents rights.
## THE MOST ASSERTIVE NPEs IN EUROPE

<table>
<thead>
<tr>
<th>Rank</th>
<th>NPE</th>
<th>Corporate HQ</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Intellectual Ventures</td>
<td>US</td>
<td>19.18%</td>
</tr>
<tr>
<td>2</td>
<td>Marathon Patent Group</td>
<td>US</td>
<td>14.29%</td>
</tr>
<tr>
<td>3</td>
<td>Acacia Research Group</td>
<td>US</td>
<td>10.20%</td>
</tr>
<tr>
<td>4</td>
<td>PanOptis Patent Management (Unwired Planet)</td>
<td>US</td>
<td>8.98%</td>
</tr>
<tr>
<td>5</td>
<td>FORM Holdings (Vringo)</td>
<td>US</td>
<td>8.16%</td>
</tr>
<tr>
<td>6</td>
<td>SISVEL</td>
<td>IT</td>
<td>6.53%</td>
</tr>
<tr>
<td>7</td>
<td>France Brevets</td>
<td>FR</td>
<td>4.90%</td>
</tr>
<tr>
<td>8</td>
<td>IPCom</td>
<td>DE</td>
<td>3.67%</td>
</tr>
<tr>
<td>9</td>
<td>Tivo Corp. (Rovi Corp.)</td>
<td>US</td>
<td>3.27%</td>
</tr>
<tr>
<td>10</td>
<td>Xperi (Tessera Technologies)</td>
<td>US</td>
<td>2.86%</td>
</tr>
</tbody>
</table>

Table reflects the respective percentage of infringement actions filed by each NPE (parent company and/or its subsidiaries and affiliates), out of the total of NPE initiated infringement actions, within the period of 2013-2017, in the EU.

The top ten NPEs in Table 1 are ranked by the number of patent infringement actions filed in the EU for the past five years. It includes actions initiated by subsidiaries or affiliates of that same company group.

These ten NPEs account for over 80% of the total NPE initiated infringement actions in the EU. The top five on this list are based in the US and together account for over 60% of the total NPE initiated infringement actions in the EU alone.

The names used for the classification on this table are the names of the principal companies, although the counting and ranking includes any affiliates and subsidiaries.

During the development of this report, it was found that NPEs can have very complex structures with dozens or even hundreds of affiliates or subsidiaries.

A great deal of research has been done to track down these affiliates, but ownership (direct or indirect) of certain NPEs is difficult to ascertain, in particular concerning companies based in offshore financial centers.
## THE MOST COMMON DEFENDANTS IN NPE INFRINGEMENT ACTIONS

<table>
<thead>
<tr>
<th>Rank</th>
<th>Defendant Company</th>
<th>Percentage of NPE infringement cases</th>
<th>Percentage of NPE litigation relative to total patent litigation of the company in the EU</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Vodafone</td>
<td>7.8%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>2</td>
<td>ZTE</td>
<td>7.5%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>3</td>
<td>Huawei</td>
<td>6.9%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>4</td>
<td>Deutsche Telekom</td>
<td>6.5%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>5</td>
<td>HTC</td>
<td>6.5%</td>
<td>&gt;20%</td>
</tr>
<tr>
<td>6</td>
<td>Telefonica</td>
<td>5.3%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>7</td>
<td>LG</td>
<td>5.3%</td>
<td>&gt;80%</td>
</tr>
<tr>
<td>8</td>
<td>Samsung</td>
<td>5.0%</td>
<td>&gt;40%</td>
</tr>
<tr>
<td>9</td>
<td>Alphabet (Google)</td>
<td>3.4%</td>
<td>&gt;20%</td>
</tr>
<tr>
<td>10</td>
<td>Apple</td>
<td>2.8%</td>
<td>&lt;20%</td>
</tr>
</tbody>
</table>

**TABLE 2: TOP 10 MOST COMMON DEFENDANTS IN INFRINGEMENT ACTIONS BROUGHT BY NPES**

Every defendant in the table above also reflects litigation related to the parent company and/or its subsidiaries and affiliates. Table reflects percentage of infringement actions filed by NPES against the mentioned defendants from 2013 to 2017, and the weight of these infringement actions in the total patent litigation of those defendants in the EU.

The top ten defendants have been identified by ranking the companies based on the number of NPE infringement actions brought against each of those operating companies.

Vodafone has the largest percentage of NPE cases identified in the study with 7.8% of the total NPE cases in the EU involving this London-based telecom company.

In the lead are also US, Chinese, Korean, German and Spain based corporations all primarily associated with Information and Communication Technologies (ICT).

The rightmost column of Table 2 reflects the percentage of NPE initiated litigation relative to the company’s total litigation. Over half of the defendants have very little litigation involving operating companies where NPE litigation makes up 80% of their total litigation.
INFRINGEMENT DEFENDANTS AND THEIR TURNOVER

Figure 3 is a representation of all companies that have been the target of infringement actions by NPEs based on their turnover. These defendants have been ordered by annual turnover (from lowest to highest). One of the most evident conclusions is that NPE litigation is not restricted to large companies, or favors companies with any specific turnover range. In fact, NPE litigation targets companies with very different orders of magnitude in terms of annual turnover.

According to Figure 3, around 23.5% of all unique defendants have a turnover equal or less than 50 Million Euros, one of the criteria considered by the European Commission to classify a company as a Small or Medium Enterprise (SME). This 23.5% figure of SME defendants corresponds, however, to a relatively low number of cases. This is consistent with current industry concerns regarding the litigation practices of NPEs, namely the concept of “campaigning”, whereby an NPE will launch an infringement action concerning specific patent(s) against a large number of smaller companies at the same time.
COUNTRIES MOST AFFECTED

Germany appears to be the most affected country, with one in every five infringement actions being brought by an NPE. According to theoretical studies concerning NPE activity, and the data in this report, Germany’s unsurprising position may largely be due to some of the following factors: (1) It is a major European market with many of Europe’s largest companies, (2) has a bifurcated system which makes it more challenging for the defendant to invalidate the asserted patent(s) before an injunction has been granted (3) has the best patentee win rate in infringement actions [see figure 6] and (4) short infringement procedures durations [see Fig. 8].

Other venues, may be secondary or tertiary for a variety reasons. For example, it is notoriously expensive to litigate in UK courts.
NPEs are well known for being active in Information and Communication Technologies (ICT). These technologies account for 75% of the patents asserted by NPEs in the EU that have been identified and catalogued by Darts-ip (Fig. 5).

Figure 5 outlines the areas of technology where NPEs are most active and the evolution of the number of instances these technologies appear in infringement cases. Technologies are based on the International Patent Classification (IPC) Codes assigned by the respective patent offices when the patent application is received.

The IPC is a hierarchical system for classifying patents based on the areas of technology to which they belong. Darts-ip identifies the patents and the respective IPC’s involved in the case whenever possible.

This information does not necessarily reflect the industry where the patents are applied. It is not possible to follow cases by industry as technologies infiltrate various industries. For example, in the context of the Internet of Things (IoT), ICT technology can apply to industries like automotive, retail, agriculture, and security.

---

**FIGURE 5: EVOLUTION OF NPE CASES BY TECHNOLOGY**

Technologies reflect IPC classification of patents and not necessarily the industries where that patent is applied. Multiple IPC classifications can be assigned to the same patent, and multiple patents can be involved in one case which means multiple technologies will be counted for each technology field.

<table>
<thead>
<tr>
<th>Year</th>
<th>ICT</th>
<th>Instruments</th>
<th>Mech. Eng.</th>
<th>Chemistry</th>
<th>Other fields</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>70</td>
<td>11</td>
<td>3</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>2014</td>
<td>99</td>
<td>57</td>
<td>1</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2015</td>
<td>86</td>
<td>11</td>
<td>2</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>2016</td>
<td>130</td>
<td>5</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2017</td>
<td>53</td>
<td>12</td>
<td>5</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

2017 data is provisional and constitutes only a fraction of patents under litigation.
ARE NPEs WINNING IN EUROPE?

Infringement

<table>
<thead>
<tr>
<th>Country or Region</th>
<th>Non-NPE Plaintiff Wins (%)</th>
<th>Non-NPE Defendant Wins (%)</th>
<th>NPE Plaintiff Wins (%)</th>
<th>NPE Defendant Wins (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>39%</td>
<td>61%</td>
<td>44%</td>
<td>56%</td>
</tr>
<tr>
<td>Germany</td>
<td>66%</td>
<td>34%</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>41%</td>
<td>59%</td>
<td>52%</td>
<td>48%</td>
</tr>
<tr>
<td>Rest of EU</td>
<td>48%</td>
<td>52%</td>
<td>23%</td>
<td>77%</td>
</tr>
</tbody>
</table>

FIGURE 6: WIN RATE BASED ON FOUND INFRINGEMENT AND/OR IF INJUNCTIONS OR SANCTIONS WERE GRANTED

Outcomes of patent infringement actions, in the EU for the period of 2010-2017: favorable for the plaintiff (green) if infringement was declared, or injunctions or sanctions were obtained; favorable for the defendant (blue) if no infringement was declared, or no injunction or sanctions were applied.

An NPE’s business model is reliant on the monetization of acquired patents (or patent portfolios) through licensing, settlement amounts and litigation.

When it comes to infringement cases involving NPEs in the EU, Figure 6 indicates that NPEs are experiencing different rates of success depending on jurisdiction. An infringement action is considered successful if either injunctive relief (permanent injunctions) or compensation (damages) was granted by the court in favor of the patent owner.

In Germany, a country that traditionally has a higher win rate for patent owners, Non-NPE patent holders are winning infringement cases almost 15% more often than NPE patent holders. Even so, NPEs still manage to win more than half the infringement actions in Germany, which is, as seen above (Fig. 4), the country most affected by NPE related litigation.

The high invalidity rates that NPEs are experiencing in third-party challenges may be one of the reasons why they have a lower success rate on infringement claims in certain jurisdictions (see Fig. 7).
Opponents of NPEs will work hard to invalidate patents that are being or may be asserted against them. The data shows that they are somewhat successful in these actions (see Fig. 7). In the two largest venues for validity challenges (the EPO and Germany), patents are infrequently coming out of these challenges unscathed. This is also true when looking at the rest of the EU.

Comparing the validity outcomes of the NPE’s patents to the Non-NPE’s patents leads to another possible conclusion: that patents belonging to NPEs are being invalidated at greater frequency than Non-NPEs, which could indicate that the NPEs possess lower quality patents.

The bars in Figure 7 depict fully invalidated patents in green and partially invalidated (where certain claims of these challenged patents end up being removed or amended towards rendering a narrower scope of the patent) in blue. A successful invalidity decision shown in gray is only accounted for if the patent is declared completely invalid.

---

**FIGURE 7: VALIDITY RATES OF CHALLENGED PATENTS BELONGING TO NPES VERSUS NON-NPES AND/OR IF INJUNCTIONS OR SANCTIONS WERE GRANTED**

Outcomes of invalidity claims and opposition actions filed before courts and patent offices (in the EU, for the period of 2008-2017), based on whether the patent was considered completely valid (green), completely invalid and revoked or refused (gray), or valid with a narrower scope (blue).

*See Glossary – Validity challenges, for further details.*
Procedure durations may sometimes play a role in patent litigation, particularly when joined with other factors such as legal costs over time, or the possibility of obtaining an injunction as fast as possible. Figure 8 above compares the procedure duration in some of the major EU jurisdictions, showing both the average and the median duration of infringement actions from filing until the corresponding first instance decision on the merits.

Average duration time tend to be higher than median duration time due to exceptionally long-lasting cases, usually characterized by long stays of proceedings, in waiting for final decisions from other courts.

Plaintiffs in patent infringement cases can benefit from courts that move quickly from the first filing to an injunction, again making Germany an attractive venue with an average of 16 months to determine whether or not there is infringement. The UK and The Netherlands aren’t far behind Germany, but Italy with its notorious slow-moving system, almost triples Germany’s results.
CONCLUSION

The rise of NPE activity in the European Union is undeniable based on the data extracted and examined in this report.

The overview reveals a marked year-on-year upward trend in the number of actions involving NPEs in the EU, with a dramatic increase over the last five years, primarily concerning Information and Communication Technologies.

Between 2007 and 2016, the average annual growth rate of actions related to NPEs registered in the Darts-ip database was 19%.

The five NPE company structures most active in the EU are based in the United States (US). They account for 60% of NPE-related litigation in the EU since 2013. Hundreds of NPE entities and affiliates are linked to major NPE company structures.

- The steeper increase in NPE-related litigation in the EU over the last five years could be linked to recent legal changes in the USA, which may have resulted in a less appealing litigation framework for NPEs in that country.

From the data it is evident that in the EU, NPEs prefer litigating in Germany. During the studied period, about one in every five cases in Germany was NPE initiated. This may be due in part to the following reasons:

- Germany’s legal and judicial framework on IP enforcement is characterized by its bifurcated nature whereby infringement and invalidity actions are independently ruled in different courts;

- Germany has the lowest average procedure duration until a first instance court decision on infringement, with injunctions often being granted prior to completion of the invalidity action;

- Germany has a relatively high infringement win-rate for NPE plaintiffs when compared with other major EU jurisdictions;

- Germany is the largest technological market in the EU, and one of the major entry points for imported products.

Data on patent validity challenges also shows that patents asserted or owned by NPEs in Europe are more often successfully invalidated than patents asserted or owned by non-NPEs. This suggests that at least some NPEs may assert lower quality patents.
METHODOLOGY- DATA BY DARTS-IP

Darts-ip DATABASE

Darts-ip is an independent, privately owned database containing intellectual property cases from more than 3000 courts and patent offices across more than 70 countries. Our collection of case-law has been on-going for over 11 years. The information consists of court rulings and procedural information which are collected by and in possession of Darts-ip, stored in digital format on the Darts-ip server.

Since its creation, Darts-ip has made the best efforts towards the creation of the largest global IP case-law database in the world. In 2017, Darts-ip reached the milestone of having collected information on over 3 million cases worldwide (concerning all IP rights). Decisions are read and relevant information like the parties, patents, outcome, damages, legal summary, etc. is extracted and inserted in our database.

From this collection of hard data, Darts-ip extracts, compiles and analyses qualitatively and quantitatively all available information for the production of statistical reports and analytics.

The data in this report should, however, be considered a proxy as the completeness and availability of information varies by each country and jurisdiction’s limitations. Privacy laws that differ by country may prohibit the ability to get complete information, particularly in early procedural stages.

DATA PARAMETERS

The Darts-ip report on NPE related litigation in the European Union is based on collected court (and patent office) documentation from all EU Member-States concerning patent rights.

The statistics generated derive from collected information on patent related actions initiated within the European Union (E.U.), and which have had their first registered procedural event from the 1st of January 2007 until the 31st of December 2017. For a more accurate view of the current NPE panorama, certain graphs were based only on the time period from 1st of January 2013 until the 31st of December 2017 (“Top 10 NPEs”, “Top 10 Defendants”, “Most affected countries”, and “Technology Trends”).

NPE-related litigation refers to all actions that have been initiated by parties identified as NPEs as per the Darts-ip definition for the current report, as well as any validity challenges initiated against the patents owned by those NPEs.
How are NPEs categorized?

For the purpose of this report, Darts-ip considers Non-Practicing Entities (NPEs) to be independent organizations (legal entities) which own or benefit from patent rights but do not sell or manufacture goods or services associated with them (i.e., non-operating companies) and which have an active (offensive) assertion or litigation role as plaintiffs towards the enforcement of their patent rights.

This definition allows the focus to remain on assertion-focused non-practicing entities (NPEs), notwithstanding the fact that those entities may also have alternative monetization strategies, such as the development and licensing of technologies, which may or may not constitute their main source of revenue. Universities, academic institutions and sole inventors/individuals are excluded.

Darts-ip is aware than companies can be fluid in nature, scope and activity (namely through mergers and acquisitions), but that that fluidity can sometimes be just a temporary change that does not actually interfere, in the long run, with the application of the NPE identification criteria and its inherent monetization strategies.

Concerning this particular issue, when applying this definition Darts-ip will perform a qualitative observation of the behavior and/or strategy of a company. For instance, the recent acquisition of operating companies by NPE corporate groups, such as was the case with Xperi acquiring DTS and Phorus, or the acquisition of Tivo by Rovi, was not considered enough to place these corporate groups outside the scope of NPEs, considering their recent overall monetization and business strategy.

Part of the process also includes grouping related entities together for more accurate reporting. For example, Acacia activities will include St. Lawrence, Adaptix and approximately 200 other related entities all belonging to Acacia. Ownership is verified using company reports, and other reliable sources. In certain cases, ownership of NPEs could not be verified due to being based on financial offshore centers with less ownership transparency.

Darts-ip is committed to providing the most comprehensive and complete report to date while maintaining a neutral and unbiased position on the topic.
GLOSSARY OF LEGAL TERMS AND CONCEPTS

1st Instance – Original or primary court where the initial action was filed.

America Invents Act (AIA) - A United States federal statute passed by the US Congress on September 16, 2011, which eliminated interference proceedings and developed post-grant oppositions.

Bifurcated Jurisdictions - In a bifurcated jurisdiction the subject of the infringement and the subject of the validity of a patent must be decided separately before two different courts [See also unified jurisdiction].

Declaratory non-infringement actions – actions whereby the plaintiffs seek a declaration by the court stating that the acts of the plaintiffs do not constitute an infringement of a certain patent or utility model right owned by a third party.

First registered procedural event - The earliest procedural act registered in the Darts-ip case law database, independently of its nature (initial complaint, filing of a reply, scheduling of hearings, etc.).

Infringement action – actions whereby the rights conferred by a patent or utility model are asserted towards a declaration of infringement and/or injunctive relief (usually in the form of a permanent injunction) and/or compensation (usually through the calculation of damages) are sought.

Injunction - a judicial order that prevents the defendant in a patent infringement action to continue any acts (such as using, selling, importing, exporting, etc.) that infringe the patented product or process.

International Patent Classification (IPC) - The International Patent Classification (IPC), established by the Strasbourg Agreement 1971, provides for a hierarchical system of language independent symbols for the classification of patents and utility models according to the different areas of technology to which they pertain (www.wipo.int).

Invalidity actions – actions whereby the plaintiffs seek a declaration by the court that the targeted patent or utility model is invalid, for not being in accordance with the applicable legislation concerning the granting of patent rights.

Non-Practicing Entity (NPE) - See “How NPEs are Categorized” under Methodology.

Opposition actions – Administrative actions before regional (EPO) or national patent offices that challenge the validity of patents owned or being applied by NPEs. Oppositions may be filed before (pre-grant) or after the grant (post-grant) of a patent, depending on the jurisdiction.
Other residual actions concerning patent and utility model rights exist in the database, although they represent a negligible percentage when it comes to NPE-related litigation. Such actions may include litigation over licensing contracts and FRAND terms, adequate compensation in favor of employees, ownership, inventorship, etc.

Patent related actions - Any action filed before judicial courts or administrative entities such as IP offices, which aims at asserting, challenging or exercising any right in relation to a patent or a utility model.

Small and Medium Enterprise (SME) – for the purpose of this report, all companies with a turnover equal or below 50 Million Euros were considered SMEs. Darts-ip acknowledges that turnover is not the only criterion that should be taken into account for the purposes of defining an SME, in accordance with EU recommendation 2003/361.

Unified jurisdiction - In a unified jurisdiction the subject of the infringement and the subject of the validity of a patent may be decided by the same court, in the same action or proceedings. This is often the case for infringement actions, which tend to result in a counter-claim for invalidity of the asserted patents. (See also bifurcated jurisdiction).

Validity/Invalidity – Status of a granted patent based on whether or not the claims of the patent are valid according to patent law. Patents considered completely valid, without any amendments to their scope have been classified as VALID. Patents considered invalid, and consequently revoked have been considered as INVALID. Patents maintained with a narrower scope (through the revocation of some claims, or the amendment of some claims) have been considered as PARTIALLY VALID.

Validity challenges – An invalidity claim or counter-claim raised in Court, or through an opposition action. In jurisdictions where such is possible (such as Spain, Italy, France, Greece, etc.), procedural claims challenging the validity of a patent that are only binding for the parties of that specific case and do not affect the actual validity of the patent towards third parties are not taken into account.
About Darts-ip

Darts-ip is data provider of intellectual property cases Worldwide.

Based in Brussels and privately held, Darts-ip is the largest known database of its kind in the world, with unsurpassed coverage of all major jurisdictions in the EU and all other regions of the world. With over 3 million cases gathered from more than 3,000 courts worldwide, Darts-ip is the authority in IP cases data. It is used on a daily basis by leading law firms, corporate counsel, and courts alike.

Darts-ip combines the efforts of machine learning and IP specialists to extract, compile and analyze, quantitatively and qualitatively, all available information in cases documents. This unique collection of information can be accessed through the Darts-ip case search web application and is also the basis for the production of statistical reports.

Darts-ip has released a series of reports over the years on Patent litigation activity in different regions of the world. The present report has been produced with partial funding from IP2Innovate, which is a coalition of large and small companies that create innovative products and services in Europe and collectively hold thousands of European patents, as well as European industry groups that represent 35 companies, advocating for a robust, balanced and flexible patent legal system in Europe that protects innovators against abuse, works in the public interest and rewards fairly innovators.