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Industry calls on upcoming EU Commissioner for Internal Market to bring greater balance to Europe’s patent legal system and adapt it to the digital age

Brussels, 1 October 2019

Ahead of the parliamentary hearing of the EU Commissioner-designate for the Internal Market Sylvie Goulard, the cross-sector industry coalition IP2Innovate sent a letter to the Commissioner-designate urging her to take steps as part of her mission to bring balance to Europe’s patent system to ensure it supports the region’s digital growth ambitions and enhances competitiveness in critical technology sectors.

Commission President-elect Ursula von der Leyen in her mission letter to Goulard asked her to “take a close look at [EU’s] intellectual property regime to ensure that it is coherent, is fit for the digital age and supports our competitiveness”. According to IP2Innovate, an effective and balanced patent legal system is an important prerequisite for Europe to be able to compete globally in the next frontier of technologies, such as blockchain and artificial intelligence. Unfortunately, the experience of IP2Innovate member companies, and many other European innovators, is that Europe’s patent system presently lacks this necessary balance, making it harder for companies to scale up and bring new products to market rapidly.

“In the digital age, products are increasingly complex, often covered by thousands of patents, which make them constantly subject to patent disputes”, IP2Innovate said in its letter to the Commissioner-designate. “Because the practice of many European courts is to issue automatic injunctions upon a finding of infringement, without considering a remedy that could be more proportionate, an accidental infringement of just one patent among many others can result in removing from the market a product necessary to access digital goods or services”.

According to IP2Innovate, this situation makes Europe more and more attractive to Patent Assertion Entities (PAEs), also known as “patent trolls”, who buy up patents only to assert them against innovative companies, including SMEs, and extract high settlement. These entities increasingly target the ICT-industry, central to growth and innovation across many industries.

Under the leadership of Commissioner-designate Goulard, IP2Innovate calls on the European Commission to take concrete steps to bring greater balance to Europe’s patent legal system to support the region’s digital growth ambitions and secure its competitiveness in critical technology sectors.

Read the full letter here.

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