

Gianluca Orsattati, Valerio Sterzi, “Do Patent Assertion Entities Harm Innovation? Evidence from Patent Transfers in Europe”, GREThA, April 2018

The recent upsurge of patent litigation cases initiated by patent assertion entities (PAEs) in the U.S. has led to an intense debate about their effect on innovation performances and on the IP system functioning. This paper contribute to this debate by providing original evidence based on the patenting activity of PAEs in Europe, a region where the patent assertion landscape is growing rapidly while the imminent introduction of the Unified Patent Court (UPC) and the unitary patent will upset the current schemes. Relying on data from the European Patent Office on patent transfers and patent citations, the results show that after a transfer occurs, patents transferred to PAEs receive significantly fewer citations. This suggests that producing companies whose business makes their technologies close to the ones acquired by PAEs may perceive an augmented risk of being sued. As a consequence, they reduce their innovative effort in fields populated by PAEs and this reflects into lower citations flowing towards PAEs' acquired patents.