



EUROPEAN COMMISSION

MEMO

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## Justice for Growth: European Parliament paves the way for cross-border debt recovery and Europe-wide patent protection

Today, the European Parliament voted in plenary to back two initiatives by the European Commission that will cut red tape for companies and contribute to growth in the EU. The European Parliament voted to complete the legal framework for Europe-wide patent protection ([IP/13/750](#)) (523 votes for, 98 against and 7 abstentions), updating EU rules on the jurisdiction of courts and recognition of judgments (the so-called "Brussels I Regulation") and thus paving the way for the new European Patent Court to begin its work. Earlier today, the Parliament voted on the European Account Preservation Order ([MEMO/14/307](#)) (backing it with 597 votes for, 33 against and 37 abstentions) which will help businesses recover millions of euros that are currently lost each year in cross-border debts.

*"Today's votes send one clear message: Europe is simplifying procedures for companies and helping them save time and money. Small and medium-sized enterprises are the backbone of European economies – having an easy procedure in place for businesses to quickly recover outstanding debts across borders is crucial,"* said Vice-President Viviane Reding, the EU's Justice Commissioner. *"The same applies for Europe-wide patent protection. In order to boost innovation in Europe, businesses and entrepreneurs must know that they can have a swift decision on the validity of patents. Removing bureaucratic obstacles, extra costs and the legal uncertainty will make the EU's Single Market an even more attractive place to do business."*

### 1. Filling the legal gaps for unitary patent protection

The European Parliament today backed the Commission's proposal to complete the legal framework for a Europe-wide patent protection, updating existing EU rules on the jurisdiction of courts and recognition of judgments ([IP/13/750](#)). The legislation will also pave the way for a specialised European patent court – the Unified Patent Court – to take up its work once ratified by all Member States, making it easier for companies and inventors to protect their patents. The court will have specialised jurisdiction in patent disputes, avoiding multiple litigation cases in up to 28 different national courts. This will cut costs and lead to swift decisions on the validity or infringement of patents thus, boosting innovation in Europe.

**Next steps:** Ministers agreed on a general approach at the December Justice Council ([MEMO/13/1109](#)) last December. The European Parliament's Legal Affairs Committee (JURI) voted in favour of the compromise text agreed in dialogues with the European Commission and the Council of Ministers ([MEMO/14/101](#)) on 11 February. Following today's successful plenary vote, the proposal now needs to be formally adopted by the Council in order to become law. This is expected to happen at the Council meeting in June.

## **2. European Account Preservation Order: helping businesses recover millions in cross-border debts**

The European Parliament today endorsed the Commission's proposal for a Regulation establishing a European Account Preservation Order ([IP/11/923](#)). The proposal will help ensure that businesses recover millions of euros in cross-border debts by allowing creditors to preserve the amount owed in a debtor's bank account.

Around 1 million small businesses struggle to recover cross-border debts in the EU's Single Market. This equates to up to €600 million lost every year in debts that are unnecessarily written off. For small businesses it is often too difficult and expensive to pursue complex lawsuits in foreign countries. With the European Account Preservation Order debtors will be prevented from removing or dissipating their assets while procedures to obtain and enforce a judgment are ongoing. The Preservation Order will be effective Europe-wide and will greatly improve the prospects of successfully recovering cross-border debt.

**Next steps:** The European Parliament's Legal Affairs Committee (JURI) voted to back the Commission's proposal ([MEMO/13/481](#)) on 30 May 2013. Ministers endorsed the proposal in the Justice Council in March ([MEMO/14/155](#)). Following today's European Parliament vote in plenary, to become law, the Commission's proposal must now be adopted by Member States in the Council (voting by qualified majority), which is expected to happen in June.

### **For more information**

Homepage of Vice-President Viviane Reding, EU Justice Commissioner: <http://ec.europa.eu/reding>

Follow the Vice-President on Twitter: [@VivianeRedingEU](#)

European Commission – Civil justice policy: [http://ec.europa.eu/justice/civil/index\\_en.htm](http://ec.europa.eu/justice/civil/index_en.htm)

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