

## Preface

Since 1985, the European Patent Office (EPO), the Japan Patent Office (JPO), and the United States Patent and Trademark Office (USPTO), which are commonly referred to as the Trilateral Offices in the patent community, have been jointly producing the Trilateral Statistical Report (TSR). Collaboration between the Trilateral Offices has proved to be successful in the area of patent statistics. As one major player in the worldwide intellectual property (IP) activity the Korean Intellectual Property Office (KIPO) has now joined the Trilateral Statistical Working Group in their endeavour towards improved statistical cooperation. Moreover, this year is memorable because KIPO has become one of the joint producers of the report. EPO, JPO, KIPO and USPTO are referred to as “Four Offices” in this report and the TSR has expanded to become the “Four Office Statistics Report (FOSR)”.

This is an annual compilation of patent statistics. In addition to promoting a better understanding of the importance of patent rights in the world, the report explains each Office’s operations and informs about patent grant procedures. In order to do this, the report discusses background activities at each Office, reviews worldwide patenting developments and then compares the patent related work at the Four Offices. The FOSR supplements annual reports for each of the Four Offices and also presents specific statistics that are collected by the International Bureau of the World Intellectual Property Organization (WIPO) and as available in publications databases.

Applications for patent rights among the Four Offices slightly decreased in calendar year 2008. Together the Four Offices experienced a 0.1 percent decrease in patent applications compared to 2007. Only the EPO experienced a marked positive growth of 3.6 percent. At the USPTO, the total patent application filings in 2008 were almost the same as those in 2007. On the other hand, there was a decrease by 1.3 percent at JPO, continuing a recent declining trend, and a decrease by 1.1 percent at KIPO. JPO had the highest proportion of domestic filings at almost 84 percent. The proportion of domestic filings at EPO was 49 percent, at KIPO was 74 percent and at USPTO was 51 percent. In terms of fields of technologies, physics-related technologies represent the highest share at each Office, and textiles and paper technologies represent the lowest. The Four Offices granted a combined total of 478 064 patents in 2008, which is a 4.5 percent of decrease compared to 500 641 patents granted in 2007, mainly due to a big decrease in patents granted at the KIPO in 2008.

Various factors have influenced patent filing trends in the past. These include changes to patent rules and fees. For example, the supranational systems operating under the European Patent Convention (EPC) and the Patent Cooperation Treaty (PCT) have changed to a full open option system that allows applicants to delay their choice to proceed to the stage of full examination of their applications. The average numbers of designated countries per application in these systems have consequently increased in recent years. This has led to a higher level of demand for patent rights. All PCT member countries are automatically designated at the outset. The set of countries that is chosen still tends to be restricted later on when applicants have to formalize their geographical choice by paying fees as the application enters the national/regional phases of the granting procedure.

Economic activity is clearly a determinant of patenting levels. However, quantitative interpretation of worldwide patenting activity in terms of specific economic factors is not easy. Other factors, such as political and technological considerations, need to be considered as well.

The international financial crisis in 2008 has led to a global economic recession. There have also been significant declines in stock market prices in 2008 and the first half of 2009 for most countries. Manufacturing industry accounts for most patent applications, and innovation is highly dependent on investment capacity of companies.

According to International Monetary Fund<sup>1</sup>, “the global economy is beginning to pull out of a recession unprecedented in the post–World War II era, but stabilization is uneven and the recovery is expected to be sluggish. Economic growth during 2009–10 is now projected to be about ½ percentage points higher than projected in the April 2009 World Economic Outlook, reaching 2.5 percent in 2010. Financial conditions have improved more than expected, owing mainly to public intervention, and recent data suggest that the rate of decline in economic activity is moderating, although to varying degrees among regions. Despite these positive signs, the global recession is not over, and the recovery is still expected to be slow, as financial systems remain impaired, support from public policies will gradually diminish, and households in countries that suffered asset price busts will rebuild savings.”

Preliminary indications are that some declines in numbers of patent filings are taking place in 2009. But previous downturns in the world economy have usually led to very mild corrections in the upward path of patent demand, resulting in only small declines or static levels for no more than one year only.

Research and development (R&D) expenditures are often cited as a key measure of innovation. Innovation strategies of companies increasingly depend on global sourcing to sense new market and technology trends worldwide, as global competition has forced them to develop commercially viable products and services more quickly. Spending on innovation helps to increase the stock of knowledge, which fuels patenting. As IP continues to become more significant in a highly competitive global market, patents are increasingly being emphasized for a variety of business strategies, such as developing favourable partnerships and licensing agreements, capturing market share, participating in markets to trade patent rights and attracting capital for other new ventures. With a greater emphasis on patenting, there is an expectation that demand will follow, especially from countries with rapidly expanding economies.

Globalisation of markets and production continue to be key business trends. There is a continuing worldwide tendency to harmonise patent laws towards common international standards and to stimulate the flow of patent applications across borders. This has had a positive impact on worldwide patent growth over recent years.

The Four Offices hope that this report brings useful information to the reader. The Offices will continue to improve and to refine the report to better serve expectations and objectives of the public. The report is also available on the Trilateral Co-operation web site<sup>2</sup>. Material

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<sup>1</sup> “World Economic Outlook UPDATE”, July 8, 2009 ([www.imf.org/external/pubs/ft/weo/2009/update/02/index.htm](http://www.imf.org/external/pubs/ft/weo/2009/update/02/index.htm))

<sup>2</sup> [www.trilateral.net/statistics/tsr/2008.html](http://www.trilateral.net/statistics/tsr/2008.html)

can be freely reproduced in other publications but we request that this should be accompanied by a reference to the title and web site location of this report. An additional annex appears in the web version that gives a glossary of patent related terms, and there is also a file that contains statistics from the report over a greater number of previous years.

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