

PREFACE

Since the early 1980s, three key intellectual property offices in Asia, Europe, and North America have combined their efforts to better understand and harmonize procedures and activities with respect to patent protection. The three offices are the European Patent Office (EPO), the Japan Patent Office (JPO), and the United States Patent and Trademark Office (USPTO). These offices are commonly referred to as the Trilateral offices in the patent community. Collaboration among these offices has led to a number of achievements, including the production of the Trilateral Statistical Report (TSR).

The TSR is an annual publication of patent statistics that has been published since 1985. Besides promoting a better understanding of the importance of patent rights in the world, the purpose of this report is to facilitate an understanding of each office's operations and to increase general awareness about the patent grant procedures among the offices. This TSR is a compilation of statistics that supplements the annual reports of each one of the three offices and is also partially based on statistics from the World Intellectual Property Organization (WIPO) in Geneva. This report and an expanded annex are also available on the web sites of the Trilateral offices, which are listed on the back cover.

In calendar year 2003, patent application filings varied among the Trilateral offices. The EPO experienced the greatest annual percentage growth, with total patent application filings increasing by 9.7 percent from 2002 levels. At the USPTO, total patent application filings increased by 2.4 percent. Total patent application filings at the JPO declined slightly by 1.9 percent. As expected, most filings were of domestic origin at each office, with the proportions ranging from a low of about 50 percent at the EPO to a high of 88 percent at the JPO. In terms of fields of technologies, as defined by International Patent Classifications¹, physics-related technologies represented the highest share at each office, and textiles and paper technologies represented the lowest. The offices granted a combined total of 351,531 patents in 2003, which is 5.0 percent above the 334,733 patents granted in 2002, and it is an all time high.

From a worldwide perspective, the most current information available is from the 2002 WIPO Industrial Property statistics series. It is interesting to note that demand for global patent rights continued to increase at a double-digit growth rate in calendar year 2002. Based on provisional WIPO data, total demand in 2002 increased by 17.8 percent over 2001 and reached 14,752,666, which was a new record high. A large part of the total demand consisted of multiple country designations made via the Patent Cooperation Treaty (PCT)². PCT demand was 12,294,536 in 2002 compared to 10,011,805 in 2001. On average, 11.5 designations were made in each PCT application during calendar year 2002.

There are a variety of factors that have influenced patenting trends in the past. Economic activity is often cited as a key factor. However, interpreting worldwide patenting activity in terms of economic factors is not an exact science. Other important factors, such as political and technological considerations, also need to be considered. With this understanding in mind, a brief overview of recent economic activity is presented.

Once again, the global economy expanded in 2003, and over the last two years it has gained momentum. Business and consumer confidence continued to strengthen, and investment growth improved in almost all regions. According to the International Monetary Fund (IMF), world output in calendar year 2003 increased by 3.9 percent over 2002 levels. The growth rate in 2002 was also healthy at a 3.0 percent annual rate.

¹ IPC information is available at www.wipo.int/classifications/ipc/en/index.html

² Information on PCT is available at www.wipo.org.

This calendar year (2004), global economic activity is not only accelerating but broadening as well, with European countries expected to benefit more so than in the recent past. Output in the Euro area is expected to increase by 1.7 percent this year as compared to an anemic 0.4 percent last year. Growth in Asia will continue to be significant this year, especially in China and India where growth rates are expected to be 8.5 percent and 6.8 percent, respectively. In the United States, the economic outlook is also very positive, with a growth rate of 4.6 percent expected by the end of 2004. World output is expected to increase at a rate of 4.6 percent in 2004, and in calendar year 2005, the IMF is anticipating global output to continue growing at a 4.4 percent rate. Overall, the economic outlook remains positive despite some risks, such as surging oil prices that have recently reached record highs and could negatively impact the future.

There are many other factors that should be considered when examining patenting trends. In particular, measures of resources allocated to innovation-related activities and the perception of intellectual property in general are very important factors. Research and development expenditures are often cited as a key measure of innovation activity. On a global scale, R&D expenditures have continued to trend upwards, but at a slower pace. Spending on innovation helps to fuel patenting, as intellectual property continue to become more significant in a world with intensifying competition. Patents are increasingly being emphasized for a variety of business strategies, such as developing favorable partnerships and licensing agreements, capturing market share, and attracting new capital. With a greater emphasis on patenting, there is an expectation that demand will follow.

Globalization of markets and production continue to be key business trends. Countries are continuing to join the PCT and the European Patent Convention (EPC). This goes together with a tendency to harmonize patent laws towards common international standards. This has stimulated the flow of patent applications across borders. All of these factors together contribute to worldwide patent growth from year to year.

The Trilateral offices hope that you will find this report useful. The offices will continue to improve the report each year, and to help us better understand your requirements, a reader survey is attached at the end of this edition. Comments and suggestions on this joint publication would be greatly appreciated. Your input will help the Trilateral offices refine the report to better serve your expectations and objectives.

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