

Preface

Collaboration between the European Patent Office (EPO), the Japan Patent Office (JPO), and the United States Patent and Trademark Office (USPTO) has proved to be successful in the area of patent statistics. The three Offices, that are commonly referred to as the Trilateral Offices in the patent community, have once again jointly produced the Trilateral Statistical Report (TSR). 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 generally about patent grant procedures. In order to do this, the report discusses background activities at each Office, reviews worldwide patenting activities and then compares the patent related work at the Trilateral Offices. The TSR supplements annual reports for each of the three Offices and also uses statistics that are collected by the International Bureau of the World Intellectual Property Organization (WIPO).

Applications for patent rights among the Trilateral Offices once again increased in calendar year 2007. Together the Trilateral Offices experienced a 2.4 percent increase in patent applications compared to 2006. The highest percentage growth was at USPTO, with total patent application filings increasing by 7 percent from 2006 levels¹. At the EPO, patent application filings increased by 4 percent, while at the JPO there was a decrease by 3 percent, continuing a recent declining trend. JPO had the highest proportion of domestic filings at almost 84 percent. The proportion of domestic filings at EPO was 49 percent and at USPTO was 53 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 Offices granted a combined total of 376 940 patents in 2007, which is stable compared to the 377 950 patents granted in 2006.

Various factors have influenced patent filing trends in the past. These include changes to patent rules and fees. For example, supranational systems such as those defined by 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. In 2004, the last constraint on designation choices in the PCT system was lifted and, unless applicants decide otherwise, all PCT member countries are now 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 designation 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. A brief overview of recent economic activity now follows.

¹ Prior to implementation of revised application rules in 2007, the USPTO experienced a sharp increase in application filings. As of this publication date, the rules are still being considered in the U.S. Federal Courts system.

According to the International Monetary Fund (IMF)², the global economy is caught between sharply slowing rates of growth in many advanced economies and rising inflation everywhere. The inflation problem has particularly concerned key commodities such as oil. World output in calendar year 2007 expanded by 5.1 percent over 2006 levels. This calendar year (2008), global economic activity continues to remain positive but output is expected to increase by only 4.1 percent. Growth is expected to decelerate significantly in the second half of 2008, before recovering gradually in 2009 to an expected 3.9 percent. The IMF believes that risks to their global outlook for growth are balanced around this revised baseline level.

There have been significant declines in stock market prices in 2008 for most countries. The corrections started with problems for parts of the real estate loans system in the U.S. But it also seems likely that the correction is a fairly natural one after several previous years of significant increases. Manufacturing industry accounts for most patent applications, so the relevant question is whether or not the contagion in the markets will be serious enough to seriously affect levels of industrial investment. 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. It seems likely that patenting will still show some degree of growth in 2008 before moving up faster in 2009. But this assumes that current market corrections do not lead to a major rout in the manufacturing sector.

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 innovate and 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. On the other hand, most major patent offices are concerned that the numbers of applications do not become so high that their quality is affected. In order to mitigate such effects, the Trilateral Offices are considering ways to share more of the outputs of their work in order to mitigate their high workload levels.

Strongly developing countries such as China and The Republic of Korea continue to record large growth rate increases in domestic patent filings. 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. All of these factors have a positive impact on worldwide patent growth.

The Trilateral 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

² www.imf.org/external/pubs/ft/weo/2008/update/02/index.htm

expectations and objectives of the public. The report is also available on the Trilateral Co-operation web site³. Material 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.

EPO, JPO and USPTO
With co-operation of WIPO

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³ At the time of editing, this web site was under revision.