



World IP Today

A Thomson Scientific Report on
Global Patent Activity from 1997-2006

In recognition of World Intellectual Property Day on April 26, 2007, Thomson Scientific has reviewed patent activity over the past ten years (1997-2006), highlighting patent output from the G8 countries (Canada, France, Germany, Italy, Japan, Russia, the United Kingdom and the United States) plus China and South Korea.

Overall, our findings show that global patent activity has increased by 72% since 1997. The United States and China have enjoyed impressive growth over the past decade while Japan has shown signs of slipping that could mean the beginning of the end to its current leading market share position.

Key Study Findings

- Global patent activity has grown by 72% over the past decade with a 34% increase in “unique inventions” or brand new inventions
- Since 1997, the U.S. and China show the most impressive growth with 145% and 470% increases respectively, encroaching on Japan’s still-leading position
- China dominates unique inventions by academia, with an eight-fold increase since 1997
- South Korea matures as an innovative nation and safeguards more inventions worldwide than ever before
- Despite China’s surge in patent activity, there is little focus on protecting Chinese intellectual property outside of China

Observations

Globalization Takes Hold on Patent Activity

Awareness of intellectual property has grown, particularly when looking at patent activity over the past decade. Figure 1 shows this trend by *DWPI* basic record (one record per invention) and by total patents (one record per patent) as held on the Thomson Scientific *DWPI* database.

Thomson Scientific's information suggests that countries have increasingly placed a great deal of importance on intellectual property. It is therefore likely that we will continue to see these levels of competition in the world patents market in the coming years.

Global Patent Activity

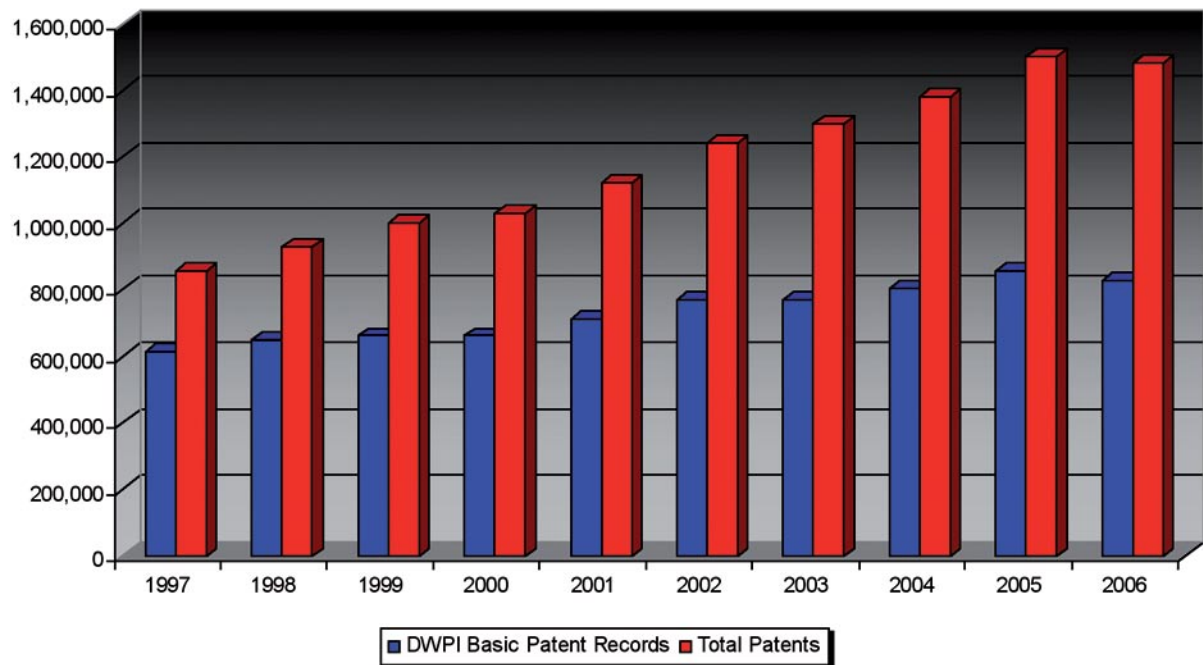


Figure 1

Figure 1 shows a 72% increase in patents over ten years however, the growth in actual unique inventions is just 34%. Since the number of unique inventions is not growing at the same rate as the number of patents, we can assume that a high percentage of these new patents are merely continuations of previous inventions.

As globalization continues to shape patent activity, corporations now recognize the need to protect their patent assets around the globe.

Who is Driving this Growth?

Figure 2 illustrates in which country an invention was first filed, typically meaning where it was also invented.

DWPI Basic Patent Analysis

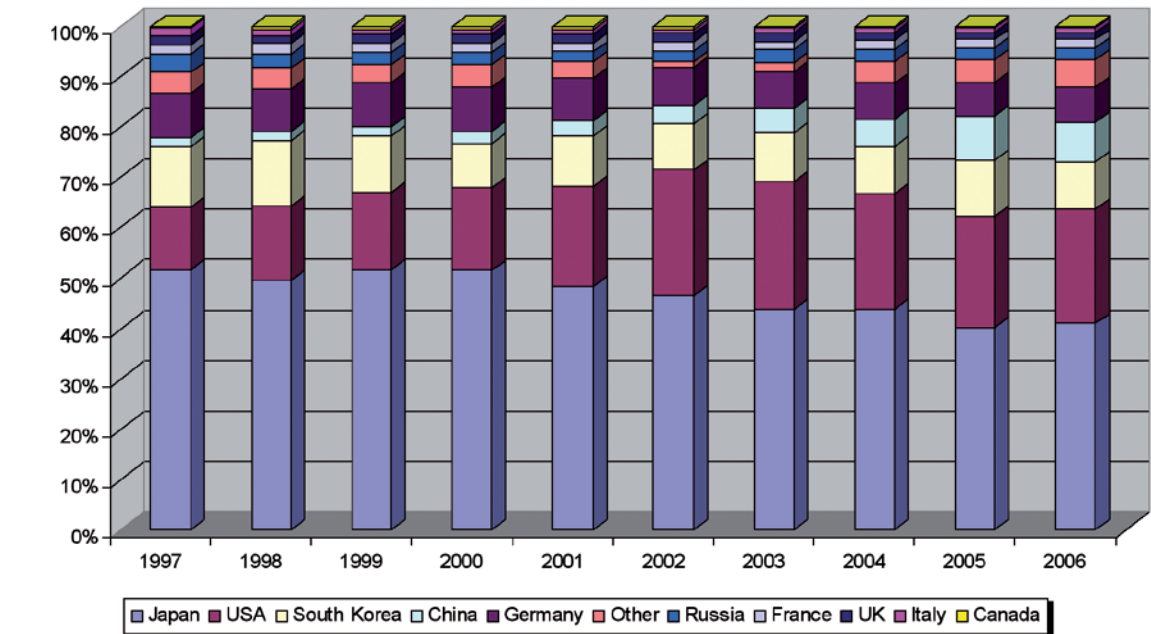


Figure 2

Figure 2 shows Japan gradually losing its dominant position in the global patents market while the U.S., China and other countries increase market share.

Where does Academia fit in?

Academia is a fundamental component to a country's innovation efforts. Figure 3 demonstrates that by analyzing academic assignees by "priority country," or inventions from a particular country where the invention is first filed and therefore where it is invented, we can see a trend over the last ten years.

Academic Assignee Analysis

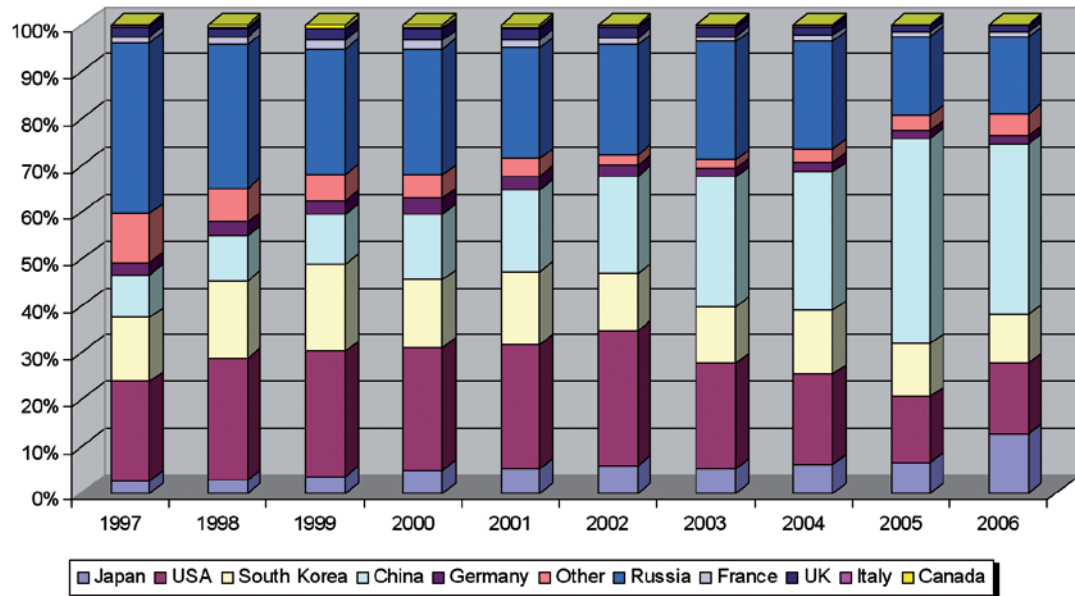


Figure 3

This figure highlights differences in individual countries' innovation strategies and shows the number of unique inventions with academic assignees has grown at nearly four times the rate of all unique inventions. China has the greatest market share when it comes to patent output from academia with Russia, the U.S. and Japan trailing behind.

Who Holds the Key Inventions?

There has been a great deal of focus on the growth of inventions by hundreds of percents coming out of China, but how does that output compare with the worldwide market? Figure 4 illustrates a tri-lateral patent analysis of the number of inventions that have been filed in Japan, the U.S. and Europe, grouped by priority country.

Tri-lateral Patent Analysis

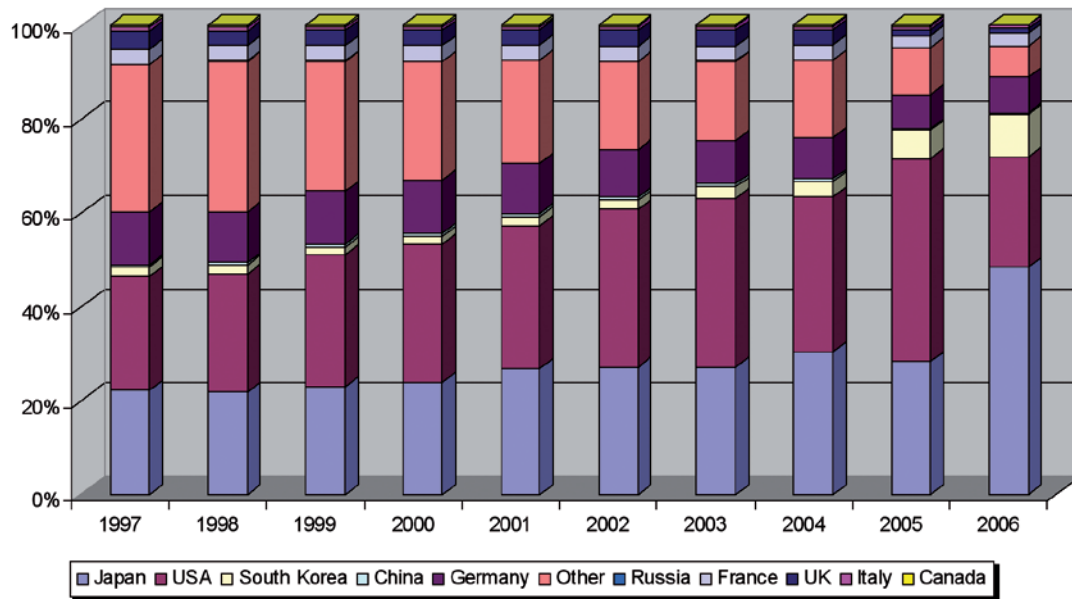


Figure 4

This graph shows South Korea maturing nicely as an innovative nation as well as protecting its inventions across the globe. Interestingly, China does not seem to place the same emphasis on protecting its intellectual assets outside its own country despite a huge surge in inventions. And although Japan is losing market share in terms of number of inventions, it still holds the majority of key inventions as defined by the tri-lateral analysis.

Conclusion

Thomson Scientific analysis shows Japan losing market share in terms of hard numbers of inventions. When tri-lateral analysis is applied however, it still holds the majority of the inventions. China is showing the most aggressive growth as it aims to establish itself as an innovation powerhouse, though the U.S. has also shown an impressive growth rate of 145% over 10 years. South Korea is maturing nicely as an innovative nation, as well as protecting its inventions across the globe. The number of unique inventions with academic assignees has grown at nearly four times the rate of all unique inventions. China has the greatest market share when it comes to patent output from academia with Russia, the U.S. and Japan not far behind.

Methodology

All records on Thomson Scientific's *Derwent World Patent Index*[®] (*DWPI*) from 1997 to 2006 were analyzed. On *DWPI*, patents are organized in "patent families" therefore, one record equals a unique invention (not one records equals one patent). Academic assignees were derived from the Derwent Assignee field using common abbreviations. The search strategy was 'pa=(univ or college or inst or acad)'. The tri-lateral analysis was derived through the searching of all inventions that have been filed in the U.S., Japan and Europe.

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