



WORLD IP TODAY

THOMSON REUTERS INTRODUCES A NEW QUARTERLY REPORT

ANALYZING GLOBAL PATENTING ACTIVITY USING STRATEGIC INTELLIGENCE AND COMPETITIVE ANALYSIS INFORMATION FROM THOMSON INNOVATION, THE NEW STANDARD IN IP RESEARCH AND ANALYSIS



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GLOBAL PATENT ACTIVITY IN 2007

In recognition of the essential role patenting plays in the world's global economy, the Scientific business of Thomson Reuters has reviewed patent activity in 2007, analyzing it in relation to trends that have developed over the last five years. The following report gives a status update for innovation in the world's G8 countries (Canada, France, Germany, Italy, Japan, Russia, the UK and the U.S.) plus China and South Korea.



Overall, our findings show that global patent activity has grown steadily over the last five years with an increase of 21%. Although almost all countries have increased their publication of intellectual property, it is interesting to see that Japan's share of global patent filing has decreased while China's has increased, which could suggest that in years to come, China will overtake Japan, the current world leader for patents.

KEY STUDY FINDINGS:

- Global patent activity has grown by 21% between 2003 and 2006, with 2007 shaping up as another year of growth for patents.
- Japan is still the world's leading filer of patents, but continues to decline slowly. Its lead over the U.S. and China is eroding as their patenting activity increases.
- Academic innovations are at their highest ratio in China and Russia where they represent nearly 25% of total patenting activity.
- South Korea safeguards more inventions worldwide than ever before, while the U.S. has greatly decreased the number of patents it files across the key patent regions.

*Report compiled on the 31st of March, 2008. Estimates for yearly activities were used where the available data was incomplete.



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OBSERVATIONS

EVER INCREASING INNOVATION

As the patenting data for 2007 emerges, it looks like it was yet another good year for global growth. An analysis of patent data in *Thomson Innovation*, as shown in *Figure 1*, reveals that the yearly global output over the past five years has consistently increased in innovation, highlighting that today's belief in the importance of intellectual property is unwavering.

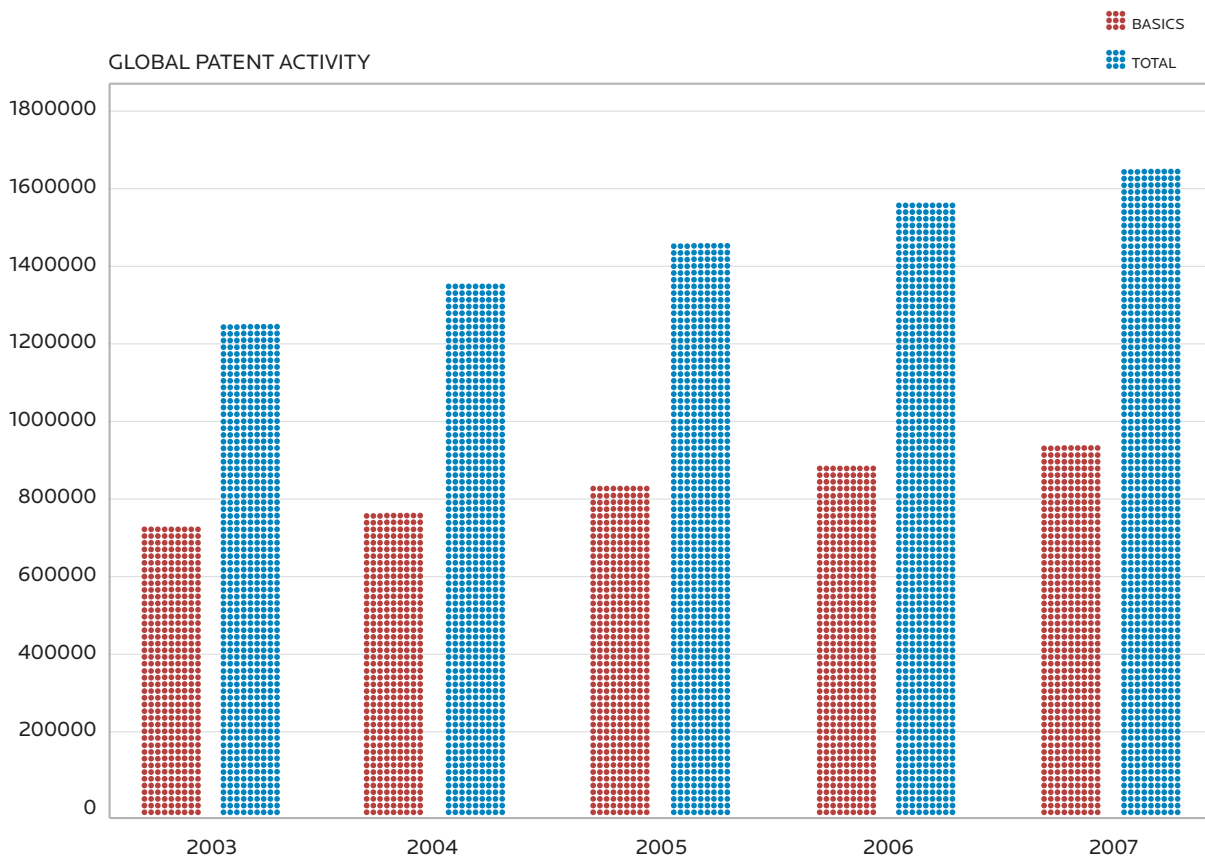


Figure 1

With a 16% increase between 2003 and 2006, the basic records (the first patent publication for a new invention recorded in DWPI) have not increased as rapidly as the total number of patents published worldwide, which have risen by 21% in the same period. The total patenting volumes include basic records as well as further protection sought in secondary countries. As aspects of each nation's economy and industry have become increasingly global, the importance of worldwide protection has continued to grow. This is reflected in the faster growth in the number of total patents compared to basic records as inventions are being protected in more and more countries over the years in line with the progression of globalization.

OBSERVATIONS

FROM WHERE IS THIS INNOVATION COMING?

In *Figure 2*, we look at priority countries for patents, which is the most reliable way of assessing the country of origin of the invention. Most countries show a steady increase in the publication of intellectual property in the last five years. Germany and the United Kingdom stand out as the main exceptions to this trend, with no real progression during this period. Conversely, China, South Korea and the U.S. have all experienced substantial increases. While growth in the volume of Chinese patents is increasing rapidly, the actual number of inventions originating from China still only ranks alongside Germany and Korea despite the substantial differences in population and GDP.

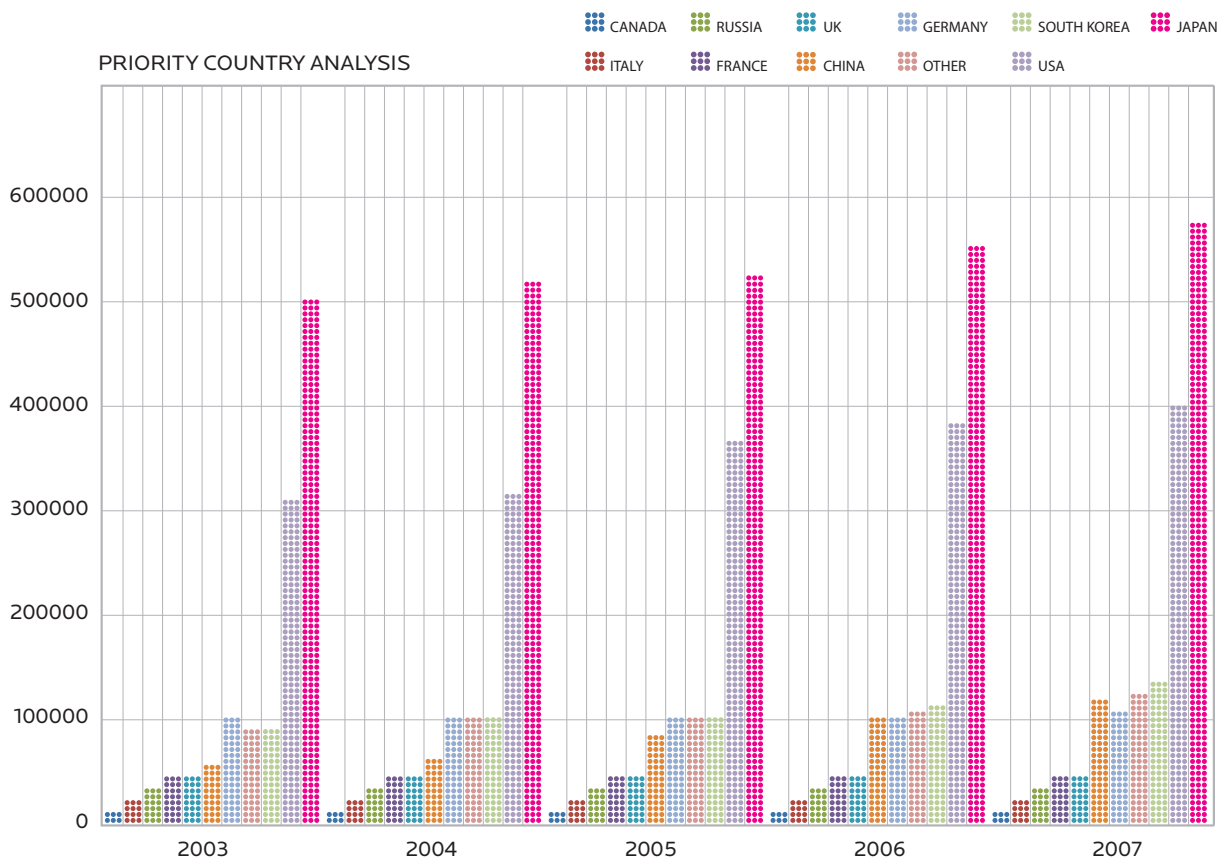


Figure 2

OBSERVATIONS

By representing each country as a percentage of the total global volume of patents in *Figure 3*, we can see that Japan has very slowly decreased its volume of patents. Over the same four year period, China has nearly doubled its volumes suggesting it will become a strong rival to Japan and the U.S. in years to come.

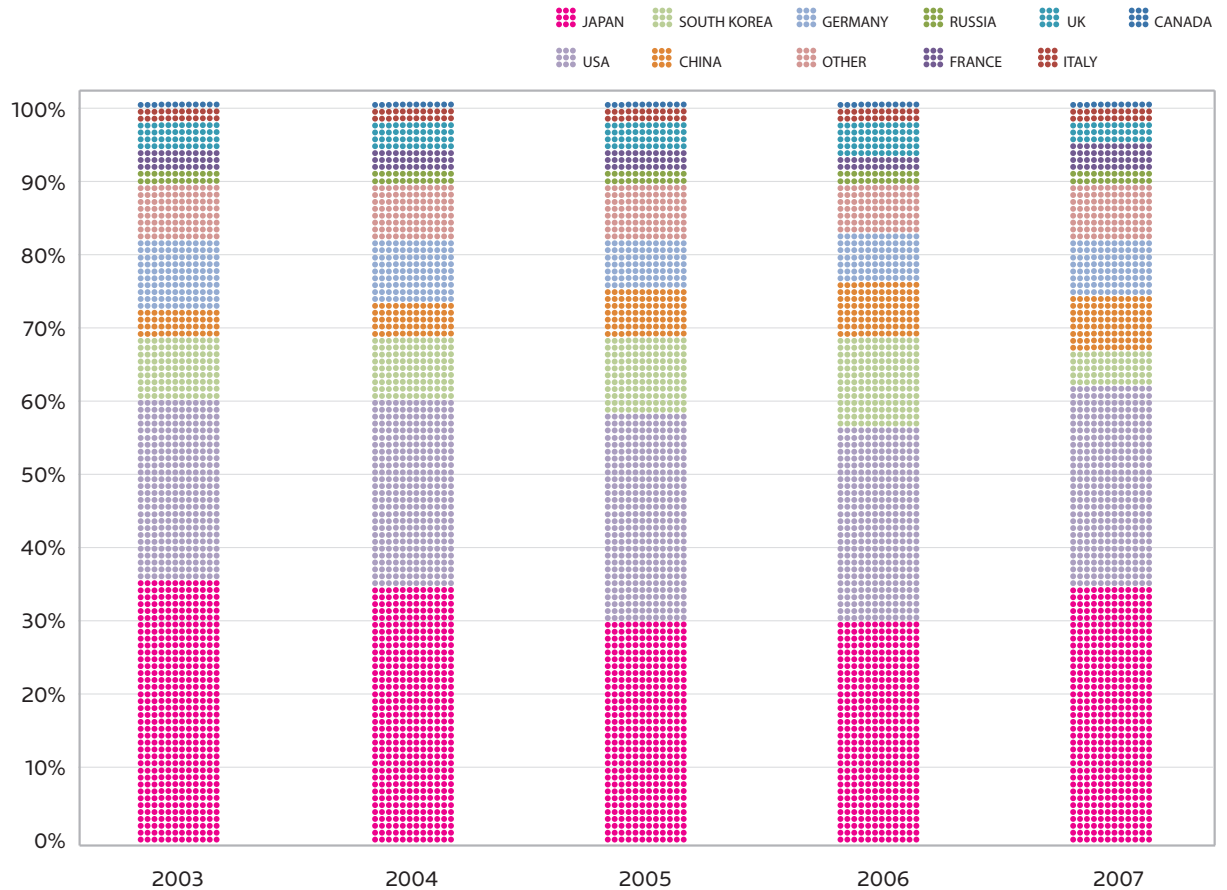


Figure 3

OBSERVATIONS

THE ACADEMIC SECTOR IS A PRINCIPAL DRIVER OF INNOVATION

Academia represents a key source of innovation in many countries, and for some, it constitutes a significant proportion of the national patenting activity. *Figure 4* shows the relative volumes as a percentage of the world's entire academic innovation and we can see interesting trends in both China and the U.S., with output from Chinese academic institutions increasing in importance while the U.S. is losing momentum.

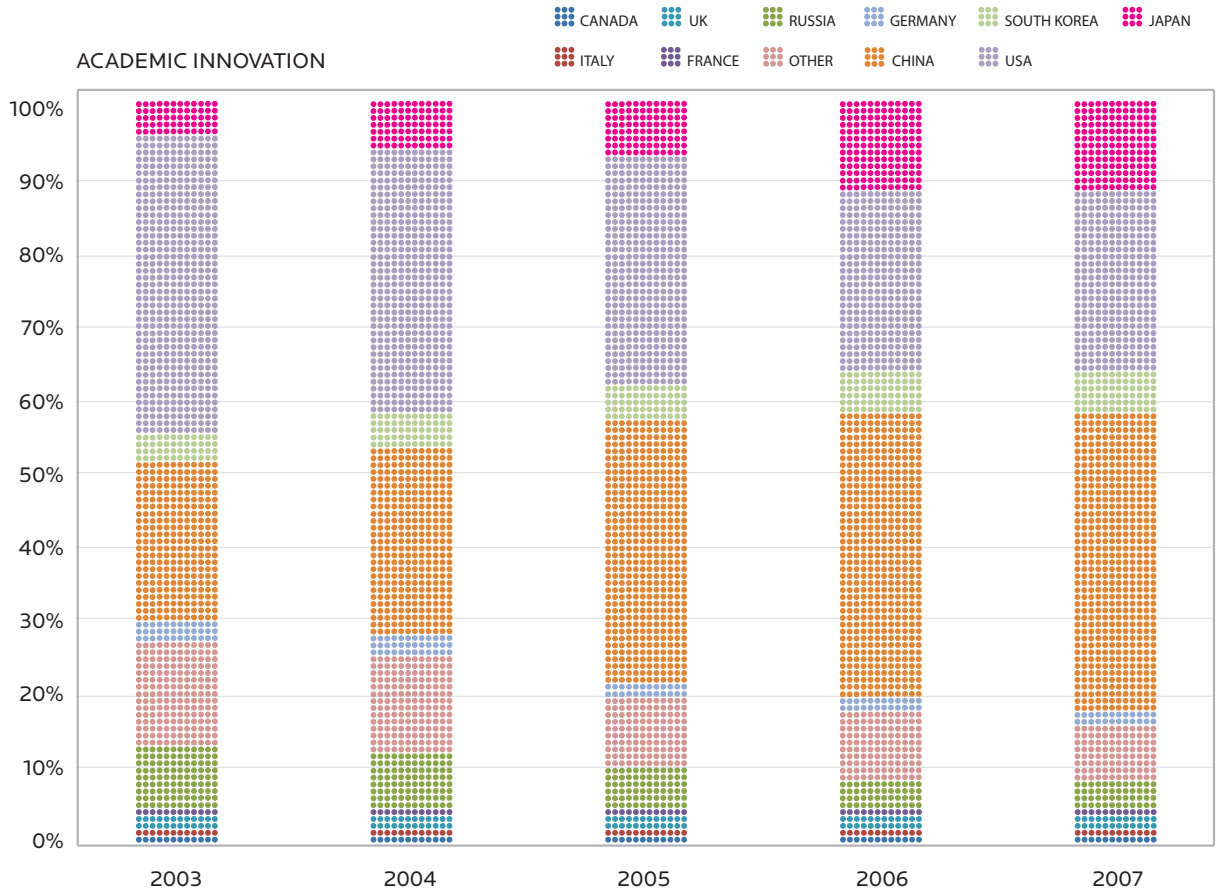


Figure 4

This is strong evidence of the Chinese Government's drive to strengthen its academic institutions. China's dominance in this field is particularly striking given the current lower total patenting volumes in comparison with the U.S.

OBSERVATIONS

If we combine both the academic and national patenting volumes, we can also show what percentage of a countries' output originated from its academic sector. From *Figure 5*, as expected, we see that China, more often than not, has the largest proportion of academic innovation.

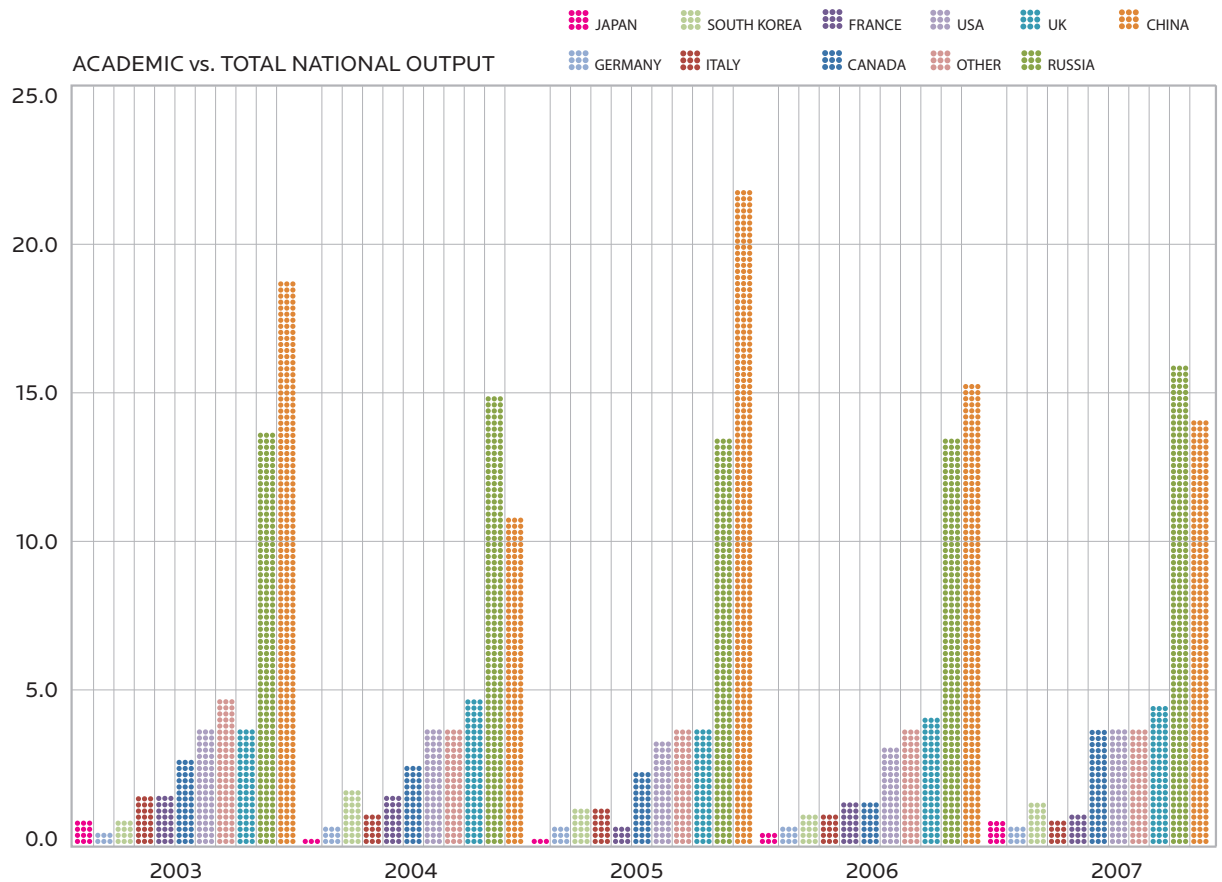


Figure 5

Interestingly, we find that Russia stands alone in competing with China and has even taken the top spot in some years.

OBSERVATIONS

PROTECTING INNOVATION: THE GLOBAL PERSPECTIVE

In *Figure 6*, we look at the number of innovations that are protected in the U.S., Japan and Europe. By analyzing them by country of origin, we can see which countries believe that it is important to protect their patents, not just in their own country but across the three key regions.

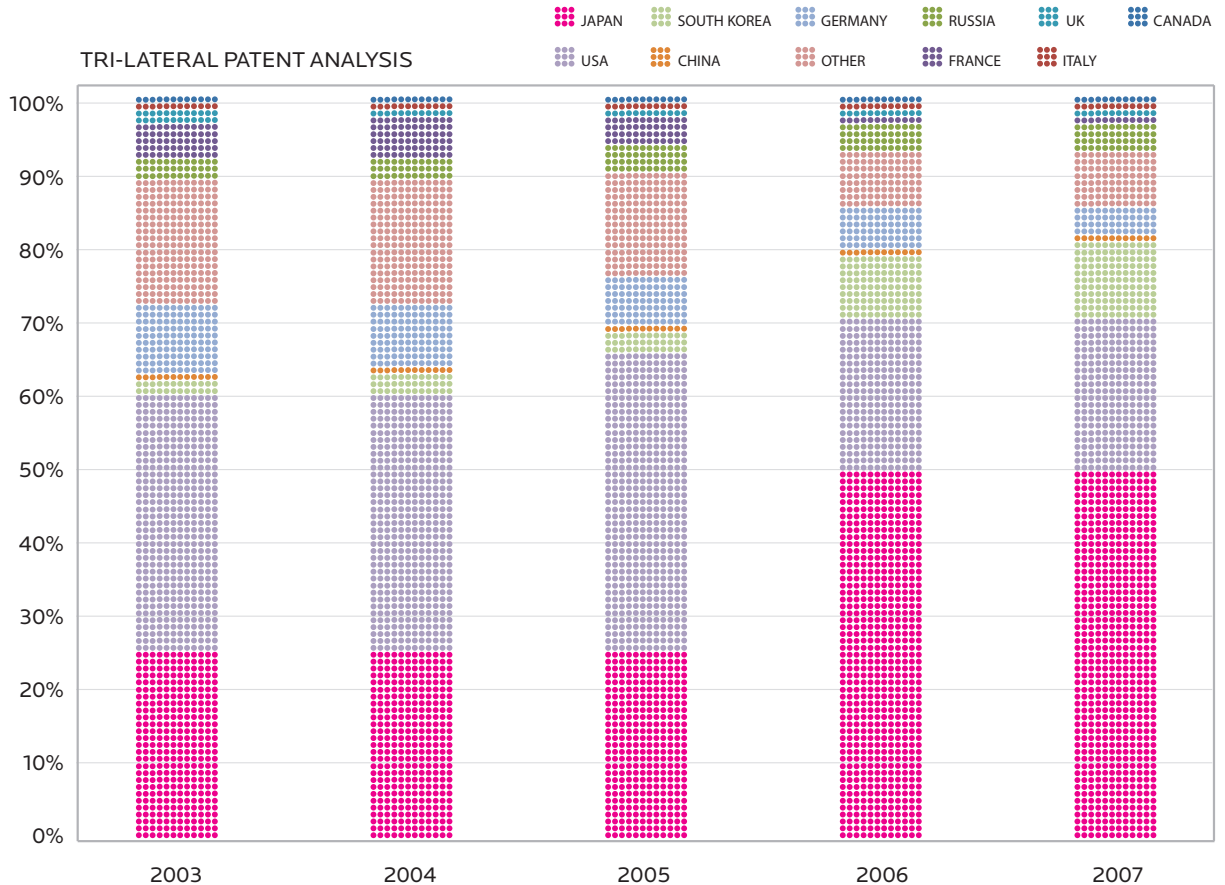


Figure 6

As we saw in *Figure 2*, South Korea is showing strong growth in yearly volumes, but *Figure 6* also reveals that the number of South Korean inventions published in Japan, U.S. and Europe is increasing. As well as South Korea increasing its global reach, Japan, while dropping in volume overall, is leveraging its inventions much more widely in 2006 and 2007. We also observe that the number of U.S. innovations being protected in Japan and Europe is decreasing.

CONCLUSION

Thomson Innovation analysis shows Japan has lost market share in terms of the global numbers of inventions. However, it is still in pole position for publication of intellectual property, with the U.S. and Korea its nearest rivals. The European countries examined in this report have neither increased nor decreased significantly in terms of innovation, and only Germany has appeared to be a contender, reaching fifth place in our examination of priority countries for patents. China has the greatest market share, in general, when it comes to patent output from academia, with Russia very occasionally beating it to the top spot.

METHODOLOGY

All records on *Derwent World Patent Index*® (DWPI) from 2003 to 2007 were analyzed, using *Thomson Innovation*. On DWPI, patents are organized in “patent families” therefore; one record equals a unique invention (not one record equals one patent). Academic assignees were derived from the Patent Assignee field using common abbreviations. 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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