

Majority of U.S. Patent Recipients Now Outside of U.S.



By Eric Sinrod,

Well, it finally has happened - the majority of U.S. patents granted in 2008 were to non-American companies. This is the finding, among others, contained in an annual patent compilation created by IFI Patent Intelligence.

While the compilation suggests that American dominance with respect to new U.S. patents may be receding, it indicates that flow of U.S. patent activity has not subsided, at least yet, notwithstanding the sour economy. Indeed, the United States Patent and Trademark Office (PTO) issued 157,774 utility patents in 2008, compared to 157,248 in 2007.

IBM still leads the pack in terms of patents issued (with a record of 4,186), but American companies only were awarded 49% of 2008 U.S. utility patents. Moreover, U.S. companies only hold four of the top ten places among new patent recipients, and only 12 of the top 35 places.

In contrast, Japanese companies hold five of the top ten places, and 14 of the top 35 places.

There were some American bright spots besides IBM. Microsoft was issued 2,030 new patents in 2008, up 24% over 2007. And Cisco was issued 704 new patents in 2008, up 21% over 2007.

Of course, quantity does not always translate into quality. Simply racking up patents does not necessarily create business advantage if the patents do not have true commercial and competitive value.

Even though the economy is down, it appears that companies still want to take the time and effort to secure patent rights. And, this could be even more the case during troubled times, as companies need to seek any potential competitive edge possible.

However, we cannot draw too many conclusions about the 2008 patent numbers relative to the economy yet. That is because many of the patents issued in 2008 were first sought a couple years earlier, before the market downturn. It may be more interesting to assess the flow of patents to

issue a couple from now, after patents have moved through the pipeline after the onset of the troubled economy.

In terms of sectors in which the largest numbers of U.S. patents were awarded in 2008, 4,430 patents were issued each in the semiconductor manufacturing and multiplex communications areas, and 2,990 patents were issued in the drug compositions area, with 2,680 patents issued in the biotechnology area. Perhaps this could be an indicator of greater future employment in these sectors. Stay tuned.

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