

## Chapter 1

# INTRODUCTION

Intellectual Property (IP) refers to a variety of mechanisms that have been established for protecting "*creations of the mind*"<sup>1</sup>, including:

- Patents for invention
- Utility models
- Industrial designs
- Trademarks
- Geographic indications

to protect industrial innovations, and

- Copyrights

to cover literary and artistic creations.

This report focuses on industrial property rights and almost exclusively on patents for invention<sup>2</sup>. It is notable that the activity of patents for invention is recognized throughout the world as a useful indicator of innovative activity.

In order to obtain protection for their innovations, applicants for patents for invention may use the following types of granting procedures, or combinations of them:

- National procedures
- Regional procedures (for example, those created by the European, Eurasian, African, and Gulf region organizations)
- the International PCT procedure

Each country and region maintains its own patent procedures with the intent of encouraging innovative activities and optimizing the regional benefits of innovation. Enhanced international cooperation led to the establishment of different regional and international patenting procedures, but nevertheless patent law varies from country to country. The scope of an individual patent application can also differ according to locations. These factors limit the degree to which the patenting activity in different countries and regions can be directly compared.

The patent systems at all IP5 Offices are based on the first-to-file principle and follow the Paris Convention. This drives to a large extent the usage of the patent systems worldwide. A first patent application is usually filed to the local authority to protect the invention, followed within the one year priority period by subsequent applications to expand protection to other countries.

Separate references are made to "*direct*" applications filed under national and regional procedures and to "*PCT*" international applications in order to distinguish the two subsets of applications handled by the patent offices. While applications filed under national procedures are handled by national authorities, regional applications are subject to a centralized

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<sup>1</sup> See also, World Intellectual Property Organization, "*What is Intellectual Property?*", [www.wipo.int/about-ip/en/](http://www.wipo.int/about-ip/en/).

<sup>2</sup> Patents for invention are called utility patents in the case of the USPTO. These are different from utility model patents as explained in Chapter 6.

procedure and usually only after grant do they fall under national (post grant) regulations. International applications, filed under the PCT, are first handled by appointed offices during the international phase. About 30 months after the first filing, the PCT applications enter the national/regional phase to be treated as national or regional applications according to the regulations of each designated office.

In this report, patenting activities are presented for the following six geographical blocs:

- the European Patent Convention (EPC) contracting states (EPC states in this report) corresponding throughout the period covered in this report to the territory of the 38 states party to the EPC at the end of 2013
- Japan (Japan in this report)
- People's Republic of China (P.R. China in this report)
- Republic of Korea (R. Korea in this report)
- United States of America (U.S. in this report)
- the rest of the world (Others in this report)

The first five blocs are referred to, together, as the "*IP5 Blocs*". These blocs are referred to as blocs of origin on the basis of the residence of the applicant (throughout the report) or as filing blocs on the basis of the place where the patents are sought.

The contents of each of the report chapters are briefly discussed below. With the exception of some items presented in Chapter 6, all statistics relate to patents for invention.

Please refer to Annex 2 for explanations of many of the statistical and procedural terms used in the chapters. In addition, definitions of patent related terms can be found in the glossary located in the web version of this report<sup>3</sup>.

## Chapter 2 - The IP5 Offices

A summary of the recent developments in each of the IP5 Offices is presented. Definitions for budget item terminology appearing in the chapter are provided in Annex 1.

## Chapter 3 - Worldwide Patenting Activity

An assessment of worldwide patent activity is presented in this chapter. This covers not only patenting activity at the IP5 Offices but in the rest of the world as well.

There is some indication of the interdependence and importance of the major geographical markets. The total number of applications filed worldwide is presented in separate sections that use different methods for counting the applications. This is followed by a discussion of bloc-wise patent activity for applications and grants. Next, a description of inter-bloc activity is presented, firstly in terms of the flows of applications between the IP5 Blocs, and then in terms of patent families, where a patent family is a defined group of patent filings that claims priority to a single filing<sup>4</sup>.

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<sup>3</sup> [www.fiveipoffices.org/statistics.html](http://www.fiveipoffices.org/statistics.html).

<sup>4</sup> For a further discussion of patent families, see the term definitions in Annex 2.

Statistics are derived primarily from the WIPO Statistics Database<sup>5</sup>, as collected from each country and region.

#### Chapter 4 - Patent Activity at the IP5 Offices

This part of the report presents the substantive activities of the IP5 Offices and provides statistics on patent application filings and grants at the offices.

In the first part of the chapter, the statistics give insight into the work that is requested and carried out at the IP5 Offices.

Statistics are given for requests for patents with the IP5 Offices, including domestic and foreign filing breakdowns. Then, statistics are provided displaying the breakdown of applications by fields of technology according to the International Patent Classification (IPC)<sup>6</sup>.

Some comparative indication of the services that actually have been demanded may be seen in the statistics on granted patents. The numbers of grant actions by the IP5 Offices, broken down by the blocs of origin of the grants, are provided. The distributions of the numbers of grants per applicant are also described.

To illustrate the similarities as well as the differences in the granting procedures at the IP5 Offices, characteristics and statistics of the five patent granting procedures are given in the last part of the chapter. Work is not always performed at a comparable point in time at the various offices. Consequently, neither the number of applications filed nor the number of requests for examination is a perfect basis for a comparison of the offices.

#### Chapter 5 - The IP5 Offices and the Patent Cooperation Treaty (PCT)

In this chapter, the influence of the PCT on patenting activities is displayed through worldwide activities broken down by geographical blocs and IP5 Offices, particularly in terms of percentages of PCTs among international phase entries, national/regional phase entries, patent families and grants. As with Chapter 3, statistics are derived primarily from the WIPO Statistics Database, that is collected from each country and region. Statistics are also included to describe the PCT related activities of the IP5 Offices including activities as Receiving Office (RO), International Searching Authority (ISA), and International Preliminary Examining Authority (IPEA).

#### Chapter 6 - Other Work

This chapter is dedicated to the other activities that are not common to all of the IP5 Offices, as well as to work related to other types of industrial property rights. The information is a supplement to the information provided in the rest of this report.

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<sup>5</sup> This edition refers to general patent data as of March 2014, and to July 2014 for PCT international applications, [www.wipo.int/ipstats/en/statistics/patents/](http://www.wipo.int/ipstats/en/statistics/patents/).

<sup>6</sup> [www.wipo.int/classifications/ipc/en/](http://www.wipo.int/classifications/ipc/en/).