Top 150 “Customers”: Increasing Domination of the Patent System

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Overview

*Patent activity by a small number of companies has more and more come to dominate the United States patent system in the past decade.*
Increasing Concentration

- Within the coming decade it may be estimated that just 150 companies will account for 50% of all American patents granted, while just the top ten companies will soon account for 20% of all patents granted.
% of Utility Patents Granted to Top 300 Companies (1999-2008)

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EE/Software/IT vs. Pharma

• Patent activity has accelerated in the electronics/software/IT areas which completely dominate the Top Ten List of patentees, while even the automotive sector has greater patent activity than biotech and pharma:

• The Top Ten EE/IT/software companies typically patent 1500 to 4000 or more inventions per year, an order of magnitude more than the biotech/pharma industries which top out at about 400 patents per year.
Increasing Global Presence

- Six of the Top Ten companies are Japanese, while three are American (including No. 1 IBM) and one is Korean.

  American companies are shown in red.
  Japanese companies are shown in blue.

  Chinese (e.g. Taiwan) are shown in yellow
  Korean companies are shown in green.
  European companies are shown in purple.
  Australian are shown in turquoise.
Top Ten U.S. Patentees Virtually
Top Ten EE/IT/Software

- **1 IBM** 4169
- **2 Samsung** 4133
- **3 Hitachi** 2197
- **4 Canon** 2153
- **5 Microsoft** 2043
- **6 Intel** 1772
- **7 Panasonic** 1760
- **8 Toshiba** 1575
- **9 Fujitsu** 1475
- **10 Sony** 1461
Bio/Pharma: Small Numbers/Big Value

• Whereas the Top Ten in EE/Software/IT obtain from about 1500 to over 4000 patents each per year, in contrast the Top Ten bio/pharma patentees obtain an order of magnitude fewer patents ranging from 100 to just over 400 patents each per year.

• Bio/pharma is the only area dominated exclusively by American and European companies which are the only companies in the Top Ten List.
Top Ten Patentees (Bio/Pharma)

1. J&J 405
2. Genentech (Roche) 226
3. GlaxoSmithKline 171
4. Monsanto 169
5. Bristol-Myers Squibb 147
6. Merck & Co. 145
7. Pfizer 141
8. Wyeth 137
9. Sanofi-Aventis 102
10. AstraZeneca 100
10. Merck GmbH 100

Others: Schering 73; Allergan 71; Abbott Laboratories 67; Eli Lilly 63; Novartis 61; Amgen 58
The automotive industry

- Does patenting a better “muffler” help the auto industry?
- In the automotive industry – where cars are sold based upon every factor other than patents – more patents are obtained by the majors than in biotech and pharma:
Top Ten Patentees (Automotive)

1. Toyota* 1214
2. Honda 703
3. General Motors 510
4. Ford 336
5. Nissan 222
6. Hyundai 104
7. Daimler 97
8. BMW 73
9. Chrysler 59

(no other automotive company is in the Top 300)
Increasing Asian Presence

- Statistics also show the increased use of the patent system by Japanese and other foreign companies as major users of the patent system:
  - Six of the Top Ten companies are Japanese, while three are American (including No. 1 IBM) and one is Korean.
  - In the Top Ten foreign list, there are now also now Chinese (including Taiwanese) and Australian companies.
Top Ten U.S. Patentees (Domestic)

1. IBM 4169
2. Microsoft 2043
3. Intel 1772
4. HP 1422
5. Micron 1277
6. GE 1243
7. AT&T 820
8. Honeywell 774
8. Texas Instruments 774
10. Cisco 704
Top Ten U.S. Patentees (Japan)

- 1 Hitachi 2197
- 2 Canon 2153
- 3 Panasonic 1760
- 4 Toshiba 1575
- 5 Fujitsu 1475
- 6 Sony 1461
- 7 Seiko Epson 1219
- 8 Toyota* 1214
- 9 Fujifilm 863
- 10 Ricoh 851
### Top Ten (non-U.S./Japan)

1. **Samsung* (Korea)** 4133
2. **Siemens (Germany)** 1288
3. **Infineon (Germany)** 809
4. **LG Electronics (Korea)** 805
5. **Silverbrook Research (Australia)** 608
6. **Philips NV (Netherlands)** 584
7. **Hon Hai Precision Ind. (Taiwan)** 498
8. **Robert Bosch GmbH (Germany)** 416
9. **Taiwain Semiconductor (Taiwan)** 365
10. **Hong Fu Jin (Shenzen) (China)** 196
Companies indicated by an asterisk (*):
A company total indicated by an asterisk reflects the IPO total for the main company to which has been added totals from any related company not counted by IPO for as part of the statistics for the main company.

Comments and Further Information

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About this Presentation

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