

OECD report shows dramatic decline in patent quality

September 23 2011, by Bob Yirka

(PhysOrg.com) -- The Organization for Economic Cooperation and Development (OECD) has published its [Science, Technology and Industry Scoreboard for 2011](#) and one section shows that patent quality over the past 20 years has declined dramatically, mainly the authors say, due to excessive litigation by so-called non-practicing entities that seek to exploit patent laws. The result they say, is a glut of minor or incremental patent applications that add little to scientific progress.

The OECD, established in 1947 to run the post WWII Marshal Plan to rebuild Europe, is comprised of members from 34 countries worldwide. Its mission is to highlight and promote initiatives and policies that it believes will improve the lives of people around the world. To that effect, it conducts studies and produces reports that hopefully will help businesses and governments better plan their futures.

In their new report, the group finds that the quality of [patents](#) given in all of the countries studied has declined by roughly 20 percent during the period from the 1990s to the 2000s. The group measures patent quality by noting the number of [citations](#) the patent receives by other patents. Thus the report is saying that the number of new patents that wind up being cited by other new patents has declined, which means in essence, they are only generally useful to the original patent holders.

The problem it appears has come about due to the rise of non-practicing entities; groups that form for the sole purpose of applying for patents in the hopes of suing someone else who happens to use the same ideas,

rather than as a means for building an actual product; though not all of the rise can be attributed to such entities as [large corporations](#) have apparently become much more litigious as well. The end result is an overburdening of patent offices resulting in longer approval times for legitimate work and the delay of new and truly innovative and useful products.

The report also notes that patents for inventions from the U.S. Germany and Japan are the most often cited (together they hold 70% of the top 1% of patents cited), which they suggest says that it is in these three countries where the most innovative patents are coming from. But, they also note that these three countries are losing ground to China, India and the Nordic countries in Europe.

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