

Commercial Value of Securing Patents on New Technologies

One often wonders whether getting a patent is likely to have a measureable impact on the future of a company. A recent study undertaken by a Census Bureau Research Team indicates that becoming a patent holder does tend to increase the value, productivity and output of a company: (1) sales of new products; (2) value added; (3) capital stock; and (4) employment.

According to the chart below, the percentage of companies that own patents in the listed industries is relatively low, but the economic impact these companies have on their respective industries is very high.

ECONOMIC ACTIVITY IN MANUFACTURING GENERATED BY PATENT HOLDERS

SIC	Industry	Percentage of Companies with Patents	Value Added to the Industry	Capital Stock	Employment
20	Food and kindred products	1.9%	60.5%	61.7%	48.1%
22	Textile mill products	3.7%	51.5%	56.4%	48.3%
23	Apparel and other textile products	0.9%	26.5%	34%	19.5%
24	Lumber and wood products	0.5%	29.4%	37.6%	20.2%
25	Furniture and fixtures	2.7%	42.6%	48.3%	34.3%
26	Paper and allied products	7.1%	77.2%	82.2%	70.6%
27	Printing and Publishing	0.5%	33.4%	35.3%	24.4%
28	Chemicals and allied products	9.2%	86.1%	88.1%	79.8%
29	Petroleum and coal products	7.0%	72.4%	84.2%	78.7%
30	Rubber and miscellaneous plastics	7.6%	59.8%	62.9%	51.3%
31	Leather and leather products	3.4%	40%	45.7%	33.3%
32	Stone, clay, glass, and concrete products	2.2%	53.8%	56.4%	44.4%

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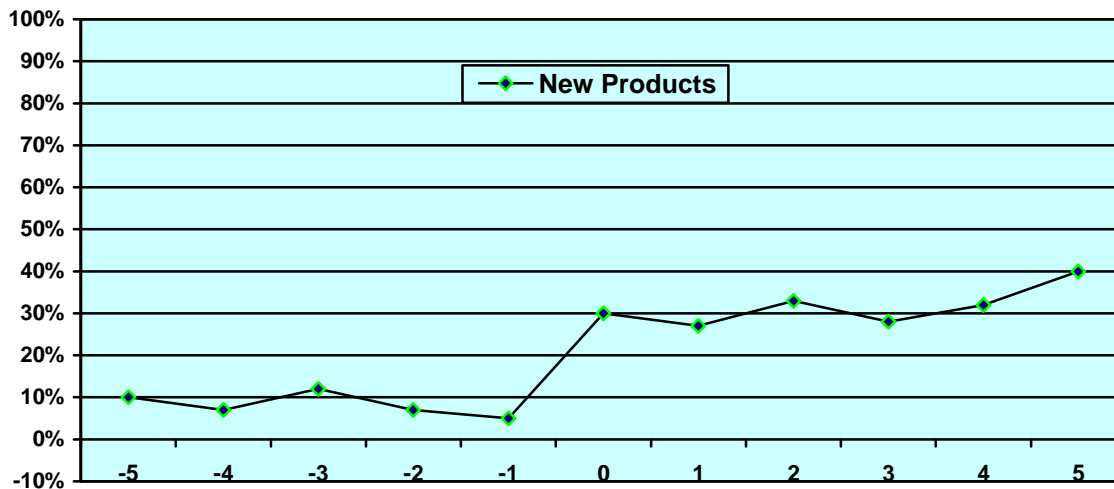
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33	Primary metal industries	6.6%	74.2%	80.3%	67.8%
34	Fabricated metal products	5.2%	48.7%	51.5%	41.3%
35	Industrial machinery and equipment	6.8%	72.5%	72.9%	60.5%
36	Electrical and electronic equipment	12.0%	77.4%	77.8%	67.5%
37	Transportation equipment	5.8%	90.3%	90.3%	85.2%
38	Instruments and related products	17.4%	86.8%	89.2%	81.3%
39	Miscellaneous manufacturing industries	3.8%	43.2%	51.2%	35.5%
	ALL INDUSTRIES	5.5%	59.3%	63.5%	52.2%

Even though they form a small fraction of companies by percentage, patent-owning companies appear to dominate economic activity. In as many as 11 out of 19 industries, the small number of patent-owning companies account for more than half the industry value added. On average, they account for more than 52% of all employment in manufacturing, and over 63% of all capital stock.

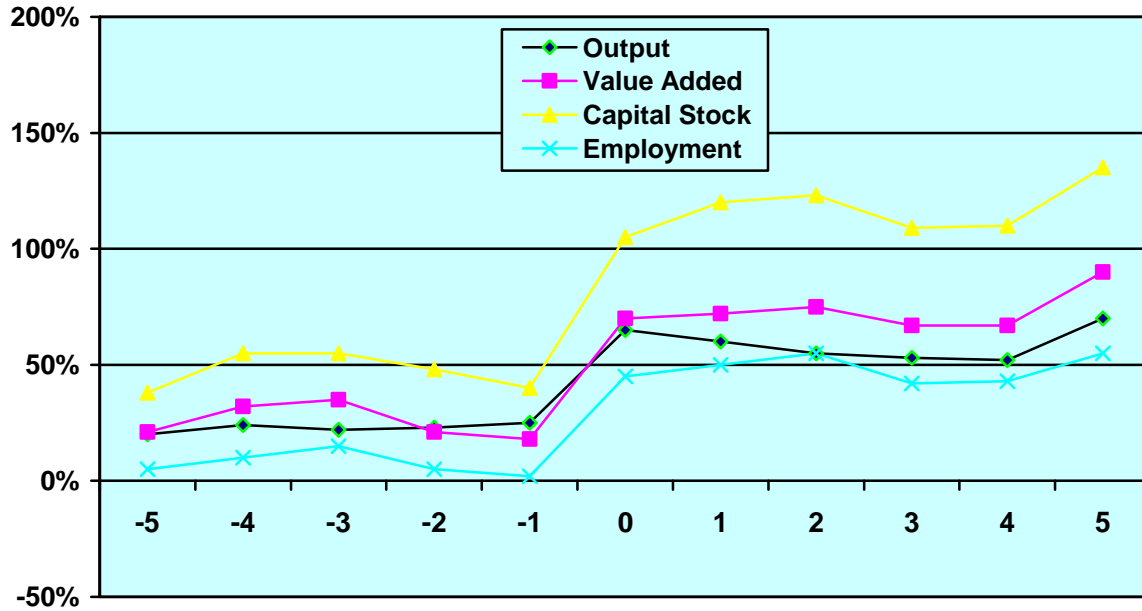
In industries such as transportation, chemicals and instruments, almost nine-tenths of industry value added can be attributed to the relatively few companies that own patents.

Another interesting statistic is the average **increase in the number of products for sale** after a company acquires a patent.



Years from Patenting

The **size** of a company will also tend to increase in terms of output, value added, capital stock and employment following the acquisition of a patent.



Years from Patenting

There is little doubt that patents are associated with company growth through new product innovations that increase the number of different products sold or extending an existing product line. Patent owning companies also tend to have a more skilled work force and are generally more capital intensive than non-patent owning companies. Patent ownership may be a reflection of the amount spent on R&D which leads to new products.

In conclusion, it would seem that patent-owning firms grow much faster than non-patent owning firms as reflected in the charts above.

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- 1) Attorneys with expertise in your field. Our attorneys hold advanced degrees in Chemistry, Microbiology, Electrical Engineering, Mechanical Engineering, Computer Science and Biotechnology. Our attorneys have also prepared hundreds of patent applications for filing at the U.S. Patent Office.

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- 2) Fast and responsive. We are always available to answer your questions about the patenting process and the latest status of your patent application.
- 3) We meet with Patent Examiners in person. Getting a patent allowed is a challenging process, but we offer a clear advantage over other firms by meeting with Patent Examiners in person during the prosecution of your application.
- 4) We offer comprehensive Intellectual Property services including, patent, trademark copyright, licensing and litigation services.
- 5) We offer customized consulting services. We can discuss the details of your patent(s) with your investors or other business partners to help explain the value of your new technology from a patent perspective.

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THANK YOU!

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