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### **Delaware, Massachusetts, Minnesota, California and Connecticut Top State Rankings in International Patents, Says Kauffman Foundation Report**

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KANSAS CITY, MO -- 11/01/07 -- Delaware, Massachusetts, Minnesota, California and Connecticut top the list of states that are leaders in innovation as measured by international patent applications, according to a new study on U.S.-based global intellectual property creation released today by the Ewing Marion Kauffman Foundation.

The five states that have lagged the most in filing international patent applications are, in reverse order, South Dakota, Alaska, Arkansas, Hawaii and Mississippi, according to the study. The state ranking is based on the total percentage of international patent applications filed under the Patent Cooperation Treaty (PCT) per 100,000 workers for the years 1998 and 2006. Concluded in 1970, the PCT offers a means for inventors to safeguard their intellectual property in more than 100 countries with a single application.

Because of the higher level of sophistication and the costly and time-intensive application process for PCT patents versus those submitted only to the United States Patent and Trademark Office, PCT applications arguably represent some of the most sophisticated inventions originating in this country. An analysis of these applications, therefore, offers an opportunity to understand where innovation is happening, which organizations are driving innovative change, and the technical areas that are the focus of U.S. filings.

"Given the importance of global intellectual property protection to continued innovation and growth in the United States, an inquiry into trends in U.S. PCT applications offers a unique lens on technological change in this country and on the country's role in global intellectual property creation," said Robert Litan, vice president of Research and Policy at the Kauffman Foundation.

According to the study, while there was significant growth in the number of applications for international patents during the nine-year period, this growth does not appear to have occurred throughout the country. For example, Oregon, Vermont and North Dakota saw substantial movement up the ranking while Idaho and Louisiana witnessed dramatic movement down the ranking. In 1998, the number of patent applications filed per 100,000 workers in an individual state ranged from 1.3 to 55.6, with an average of 14.9. By 2006, the range grew from 1.3 to 82.1, with an average of 25.1. Delaware had the highest number of patents per worker in 2006, with 82.1 PCT applications per 100,000 workers, followed by Massachusetts and Minnesota.

According to researchers, it is important to note that while Delaware did not produce a very high number of patents in absolute terms, the state's small workforce generated the highest number of patents per 100,000 workers, a measurement used for comparison of competitiveness and innovation across state lines. Minnesota, a state with a moderate-sized workforce, produced twice the average of patents per 100,000 workers. The strong presence of Minnesota-based 3M Innovative Properties Company and Delaware-based DuPont & Company likely play a significant role in Minnesota and Delaware's leadership in applications per worker.

In other findings of the study:

- The vast majority of U.S. PCT applications were filed by industry. In 2006, 92.2 percent of PCT applications were filed by industry, representing a modest increase from 91.1 percent in 1998. California alone contributed almost one quarter of the U.S. PCT applications from industry, followed by New York, Massachusetts, Texas and New Jersey. 3M Innovation Properties, QUALCOMM Incorporated, Intel Corporation, Motorola Inc. and DuPont & Company were among the 25 corporations listed in the study as responsible for the greatest numbers of PCT applications.
- Universities and research institutions were responsible for only 8.9 percent of all PCT applications in 1998 and for 7.8 percent in 2006. Again, the states with the greatest number of university applications were California, Massachusetts and New York. Rounding out the top 10 were Texas, Florida, Maryland, Pennsylvania, Michigan, Illinois and Ohio. The University of California system contributed more international patent applications than any of the 25 universities listed in the study, followed by the Massachusetts Institute of Technology and Columbia University, with 4.4 percent and 2.7 percent, respectively.
- Industry and universities appear to seek patent protection in distinct fields of research. While universities have applied for more patents in biological-, testing- and chemical-related categories, the industry filings included more electronic and personal medical care patent applications.
- The number of U.S. PCT applications has increased. In the nine-year period from 1998 to 2006, the average percentage of PCT applications per 100,000 workers in the United States increased from 14.9 percent to 25.1 percent.
- While the United States share of PCT applications remains greater than that of any other country, overall its share of international PCT applications has decreased from 37.4 percent to 34.1 percent in the last four years as other countries have experienced more substantial growth.

"In a global economy in which growth is driven by innovation, global patent applications are just one of many important measures of progress and potential," said Vivek Wadhwa, lead researcher and a fellow with Harvard Law School and executive-in-residence at Duke University. "States competing for economic and productivity growth in today's economy will focus not only on fostering the innovation that directly precedes patent filings, but also on building the knowledge base of their citizenry and the infrastructure that will support development of entrepreneurial businesses."

Further information about the report can be downloaded at:  
<http://www.kauffman.org/item.cfm?item=928>.

## About the Kauffman Foundation

The Ewing Marion Kauffman Foundation of Kansas City is a private, nonpartisan foundation that works with partners to advance entrepreneurship in America and improve the education of children and youth. The Kauffman Foundation was established in the mid-1960s by the late entrepreneur and philanthropist Ewing Marion Kauffman. Information about the Kauffman Foundation is available at [www.kauffman.org](http://www.kauffman.org).

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