The number of patents applied for and granted in China is commonly cited as evidence of China's rapid progression in promoting domestic innovation. The latest data from the *China Statistical Yearbook 2016* shows the number of patent applications surged from 1.63 million in 2011 to 2.80 million in 2015, and the number of patent grants also grew from 960,000 to 1.72 million within the same period. Internationally comparable data from World Intellectual Property Organization (WIPO) also suggest the same trend. This data shows that China had less than half a million applications for the direct and PCT (Patent Cooperation Treaty) national phase entries in 2011. That number increased to 1.01 million in 2015.

Some analysts suggest that presenting the absolute numeric increase only tells one side of the story - China is quickly producing many new patents, but they are not necessarily of high quality. There are disagreements on which metric best captures the real value of patents in a comparable way.

'Patents filed and granted abroad' may be a good yardstick. This refers to those patents filed at WIPO, directly or through national patent offices, in a country by a non-resident of that country. By filing in a foreign country, non-resident patent applicants can defend their intellectual rights in foreign countries with the full protection of the foreign country's law. Due to the cost involved in filing and protecting patents in another country, patent owners do not apply abroad if expect that their patents will not suffer real damage abroad. Conversely, the more likely the chances that the patent will have wide ranging applications, the more willing an owner will be to apply for a patent abroad.

**Figure 1** on next page shows the numbers of patents filed by Chinese residents in a foreign country and the numbers of granted patents each year. In both of the two areas, China experienced an exceptional rate of development from 2000 to 2015 - the number of patents filed abroad in 2015 was close to 40 times than of those filed in 2000, and the number of patent granted abroad grew more than 50 times. The same set of data on the patents filed abroad from U.S. residents show there is still a large gap between China's level of patents and the U.S. **Figure 2** shows the number of patents that U.S. residents apply annually. In 2015, U.S. residents applied for more than 230,000 patents in other countries, and received more than 112,000 approvals.
Figure 1: China’s Patents Filed and Granted Abroad (thousands)

Source: WIPO Intellectual Property Statistics Data Center

Figure 2: U.S. Patents Filed and Granted Abroad (thousands)

Source: WIPO Intellectual Property Statistics Data Center
On a positive note, the percent of Chinese residents granted approval has grown in the past years. Figure 3 illustrates the percentages between the two countries over the past 15 years, China's rate is gradually catching up to that of the U.S. It grew from 24.5% in 2000 to close to 40% in 2015, approaching the U.S. figure, which was around 50%. This number shows that the quality of China's patent applications abroad has improved steadily. A study conducted by the US Patent and Trademark Office in 2014 explains a similar trend, mainly that China's recent improvement in the quality of its patent applications in the U.S. is similar to the trajectory that Japan's and South Korea's patent applications had in the 1980s.

**Figure 3: Patent Filing Abroad: Percent of Grant to Application**

Source: WIPO Intellectual Property Statistics Data Center

**Additional Resources**


WIPO Intellectual Property Statistics Data Center.