25 Patent Litigation Statistics - High-Profile Feuds about Intellectual Property

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Patent litigation is the legal process that transpires when a patent owner of a particular invention sues another person or entity they believe is using their patent without permission. In an increasingly competitive business world where innovation is the name of the game, this type of litigation is both common and expensive. Patent litigation statistics reveal that these patent lawsuit cases last for years and cost millions of dollars.

But patent rights can offer substantial financial rewards, and for many, the legal process is worth the expense. As such, the accused party challenges the claim, arguing that the original patent should be deemed invalid.

Let's take a closer look at how some of these patent litigation cases play out on a global scale.

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Patent Litigation Statistics - Editor's Choice

- 2019 was the first year in which patent filings were in decline since the 2009 financial crisis.
- Despite the COVID-19 pandemic, patent applications grew by 4% in 2020.
- On average, there are between 5,000 and 6,000 patent case filings in the US per year.
- US courts awarded $4.67 billion in patent damages during 2020.
- The average cost for patent litigation processes is between $2.3 million and $4 million.
- Patent litigation cases take one to three years to get to trial.
- 95% to 97% of patent infringement lawsuits are settled out of court.
- Patent troll lawsuits grew 500% in the last decade.

Global Patent Filing Statistics

1. In 2020, China filed 68,720 international patent applications, the most in the world.

As the world's economic powerhouse and a leading technology and innovation hub, the US used to lead the global ranking in international patent applications. But by 2019/2020, China's decades-long economic growth began to translate into a high number of patents filed. And according to intellectual property facts, Beijing has since pushed the US into second place. The leading 10 countries by patent applications make up 89% of all patents filed worldwide.

2. 2019 saw the first decline in patent filings since the 2009 financial crisis.

Up until 2019, annual patent filings were steadily rising. But that year, the trend was reversed, and the number of yearly patent filings fell by 3% compared to the previous year. On the other hand, trademark and industrial design filing activity grew by 5.9% and 1.3% respectively.

Intellectual property statistics attribute the decline to a reduction in the number of Chinese patent filings. Without counting Chinese patents, the filings actually rose by 2.3% for the rest of the world in 2019.

3. Despite the COVID-19 pandemic, patent applications grew by 4% in 2020.

The economic meltdown brought on by the pandemic led to an estimated 3.5%

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patent applications filed through WIPO's Patent Cooperation Treaty or PCT rose by 4% in 2020, reaching a record high of 275,900.

4. The US Patent and Trademark Office issued 352,013 grants in 2020, marking a 0.68% drop from the previous year.

To gain greater insight into US intellectual property cases and statistics, it's important to look at the number of patent grants in the country. In 2020, 352,013 grants were issued by the USPTO, which is slightly lower than in 2019.

5. US patent applications rose by more than 18,000 in 2020, suggesting further increases in 2021.

Patent applications are on an upward trajectory in the US, with 413,176 patents filed in 2020 compared to 394,349 the previous year. While the number of grants was lower that year, it's still a good indicator that 2021 will also be a patent-rich year.

General Patent Litigation Stats

6. On average, there are between 5,000 and 6,000 patent case filings in the US per year.

The patent litigation process is a common occurrence in the US. According to data compiled by the Wilson Sonsini Goodrich & Rosati law firm, there are between 5,000 and 6,000 patent case filings in America every year.

7. In 2020, the number of US patent litigation cases rose for the first time since 2015.

Patent litigation filing statistics reveal that 2020 was the first year since 2015 in which the number of patent litigation cases in the US rose. Compared to 2018 and 2019, there were around 400 more US litigation cases in 2020.

8. The number of parties involved in patent litigation cases increased in 2020 by roughly 4,000.

The rise in patent case filings also saw an increase in the number of parties involved. Patent litigation statistics show a net gain of roughly 4,000 parties in 2020 compared to 2018 and 2019. Patent accusations also shot up by 3,000 between 2019 and 2020.

9. US courts awarded $4.67 billion in patent damages during 2020.

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Victims of infringements in intellectual property court cases are entitled to financial compensation. In high-profile cases involving large companies, especially in the tech sphere, the judiciary tends to award hefty damages. Patent litigation judgment data shows that US courts awarded a whopping $4.67 billion in damages throughout 2020.

10. The average cost for patent litigation processes is between $2.3 million and $4 million.

Not only are the damages awarded in patent litigation processes generous, but the processes themselves are immensely expensive. While the US legal system is infamous for its steep fees, patent litigation cases are some of the costlier procedures. On average, these costs range between $2.3 million and $4 million.

Patent litigation costs statistics for the US tell us that the claim construction portion for cases with less than $1 million at risk is at least $250,000. This cost jumps to $2.375 million for cases where $25 million or more are at risk. The entire trial will cost each party around $700,000 for cases with smaller potential damages, and for high-value cases, the costs are often higher than $4 million.

11. Patent litigation cases take one to three years to get to trial.

In addition to being costly, patent litigation cases can drag on for years, which further inflates legal fees. According to patent litigation facts, it often takes one to three years just for the case to get to trial.

12. 95% to 97% of patent infringement lawsuits are settled out of court.

Data shows that the overwhelming majority of intellectual property legal cases aren't settled by the courts. In fact, up to 97% of patent infringement lawsuits never make it to trial. The reasons are obvious - the huge costs and the amount of time these processes take often force the parties to reach a settlement early on. Patent litigation statistics on the cost of these processes show that a settlement is always the far more affordable option.

13. In 2017, the median damages awarded in patent litigation cases was $10.2 million.

The median damages awarded in patent litigation cases in the last few decades range from $1.9 million in 2010 to $17.4 million in 1999. In 2017, the courts awarded $10.2 million in median damages.

14. 77% of patent litigation cases between 2013 and 2017 were decided by juries.

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Intellectual property case statistics indicate that juries are playing an increasingly important role in settlements. Between 1998 and 2002, 42% of intellectual property infringement cases were decided by a jury. That percentage increased to 74% between 2008 and 2012 while continuing to rise further in the subsequent five years.

15. Juries tend to award significantly more damages in patent litigation cases.

Historically, there's been a huge disparity between the damages awarded by juries and judges. Juries tend to award significantly higher damages than judges. Between 2013 and 2017, the median bench award was $1.9 million, compared to $10.2 million awarded by juries. While the gap between the bench and jury narrowed slightly in recent years, it's still considerable.

Statistics on Patent Cases by District and Industry

16. US patent cases are concentrated in five venues.

In 2020, patent cases continued to be concentrated in just a few venues across the US. That year, five venues accounted for 62% of all patent litigation cases filed. The US District Court for the Western District of Texas overtook the US District Court for the District of Delaware as the venue with most patent cases.

17. The Western District of Texas had a 216% increase in the number of cases in 2020.

As the aforementioned intellectual property litigation stats show, the US District Court for the Western District of Texas hosted the highest number of patent cases in the US. This venue saw a 216% increase in the number of filed cases in the 2019-2020 period. The court handled a total of 803 cases, with 83% of them being assertions by Non-Practicing Entities or NPEs.

18. The high-tech industry comprises 65% of all patent litigation cases and 62% of all filings in the US.

As one of the more competitive markets, the high-tech industry is responsible for most of the intellectual property infringement cases in the US. Intellectual property litigation statistics from 2020 tell us that it comprised 65% of all cases (2,423) and 62% of all case filings (931).

19. US courts and the Patent Trial and Appeal Board saw 5,259 patent cases in 2020.

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In 2020, the number of cases brought before US courts and the PTAB reached a total of 5,259, marking a 12.5% increase from 2019. District courts litigated 3,744 patent cases, which is the highest figure since 2016, while the PTAB had 1,515 filings, the highest since 2018.

20. In 2020, the PTAB issued three times as many 314(a) procedural denials as it did in 2016.

Patent litigation trends reveal that discretionary denials at the PTAB rose steadily in recent years. This is probably due to the Board becoming more experienced at assessing whether a petition will ultimately be successful. However, one would expect this to translate into a bigger success rate for petitions that reach a written decision, which is not the case.

Patent Litigation Statistics by Company

21. Over 10,000 companies have been sued at least once by a patent troll.

Patent Assertion Entities or PAEs, often called patent trolls, are responsible for a huge number of patent litigation cases. One particularly alarming statistic tells us that more than 10,000 companies have been sued at least once by a patent troll.

22. Patent troll lawsuits grew 500% in the last decade.

Patent litigation statistics also show that the number of intellectual property rights cases initiated by patent trolls grew by 500% in the last decade. This points to a serious problem in this legal sphere where companies constantly have to fend off these costly attacks.

23. PAE patent litigations cost companies $80 billion annually.

Patent litigation cases initiated by patent trolls take a huge financial toll on companies. The cost of intellectual property litigation in such cases results in $80 billion in losses each year. Additionally, over 50% of businesses targeted by trolls make less than $10 million per year, potentially bringing them to the brink of bankruptcy.

24. Google was the top first-named defendant in 2020.

It comes as no surprise that tech giants are often named in patent litigation suits. First, they operate in extremely competitive niches, and second, they present a lucrative target for patent trolls. According to the patent litigation database of 2020, Google was the top first-named defendant with 42 mentions, followed by Microsoft (39), Samsung (36), and Huawei (31).

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25. WSOU Investments was behind 5% of all patent litigation cases in 2020.

WSOU Investments, an NPE, accounted for 5% of all litigation cases in 2020. Patent litigation data tells us that they were behind 187 cases brought to court that year. NPEs acquire the rights to a patent but don't actually use it.

Conclusion

The data tells us that both patent filings and patent litigation cases weathered the COVID-19 pandemic largely unscathed. Perhaps unsurprisingly, the tech industry is the most represented in patent litigation due to the highly competitive nature of that business and the amount of money involved.

Patent litigation costs as well as the length of these processes continue to rise. This makes them a very grueling affair for companies, which explains why most of these cases result in out-of-court settlements. This also gives power to the patent litigation strategy used by patent trolls, who continue to plague this legal sphere. PAEs still take a significant financial toll on the companies they sue, especially since it's often easier and cheaper for defendants to settle instead of going through the whole trial.

Frequently Asked Questions

Q: How many patent lawsuits end in settlement?

Q: How many patent cases are there?

Q: What percentage of patents are litigated?

Q: How much does IP litigation cost?

Q: How long does a patent infringement lawsuit take?

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