

# PUBLICATION

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## USPTO Releases Patent Counts by Class by Year Report

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**The U.S. Patent and Trademark Office (USPTO) maintains annual statistics on patents issued across various technologies. Specifically, each year the USPTO's Patent Technology Monitoring Team prepares the Patent Counts by Class by Year Report, which includes the number of patents granted in more than 400 top-level U.S. patent classes.**

With respect to the oil and gas industry, the two classes which best reflect activity in the energy sector are Class 166 (Wells) and Class 507 (Earth Boring, Well Treating and Oil Field Chemistry). According to the most recent report, patent grants in Class 166 from 2009-2014 show a general growth trend, while patent grants in Class 507 during the same period do not suggest any clear trend, partly because of the relatively low numbers compared to Class 166:

	2009	2010	2011	2012	2013	2014
Class 166	693	1069	862	1074	1197	1423
Class 507	118	181	200	142	140	154

However, bearing in mind that grants typically lag behind filing dates by about two to three years, there appears to be much greater activity after the end of the 2008 recession. Given the current downward spiral of oil prices (below \$35 per barrel as of this post), one would expect to see a corresponding decrease in patent activity for 2015-2016 and beyond, barring some other global event(s) that may avert that trend. Historically, low oil and gas prices and a more challenging economy have motivated businesses in this sector to innovate. Whether that means finding more efficient methods to extract hydrocarbons, or developing more cost-effective equipment used at various points in the production process, creativity can result in greater profit margins. In addition, a slowdown in field activity sometimes brings with it an increase in research activity as researchers have more time to devote to R&D.

Therefore, even with a possible downturn in patent activity across the competitive landscape over the next few years, companies in the oil and gas sector would be wise to consider opportunities for expansion of their patent portfolios to protect such innovations in a less active market.