

INTELLECTUAL PROPERTY

Saving Lives, Creating Jobs, and Solving Global Challenges



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Intellectual property (IP) rights, embodied in patents, trademarks, and copyrights, are primary drivers of job creation and American economic growth. Today's global IP rights system is designed to incentivize individuals and businesses small and large to invest in innovation and creativity that enrich our lives. The dollars applied to research and development (R&D) fuel creative industries, which, in turn, lead to novel creations—from lifesaving medicines and environmentally friendly technologies to first-class entertainment, stimulate the economy, create jobs, and enhance American competitiveness.

In 2010, the World Economic Forum's Global Competitiveness Report ranked the United States No. 1 in innovation. Innovation has been responsible for about 80% of growth in the U.S. economy since World War II, all made possible by the American system of IP rights that fosters innovation and creativity. The Global Intellectual Property Center (GIPC) is working to champion IP rights as vital to creating jobs, saving lives, ensuring long-term economic growth, and generating breakthrough solutions to global challenges.

IP Drives U.S. Economic Growth

- In 2008, U.S. intellectual property companies in the manufacturing and nonmanufacturing sectors generated nearly \$7.7 trillion in gross output, accounting for 33.1% of total U.S. GDP.¹
- IP-intensive industries accounted for approximately 60% of total U.S. exports, rising from \$665 billion in 2000 to \$910 billion in 2007. During that time, American firms exported an annual average \$405.5 billion of IP-intensive products versus \$278.1 billion of non-IP-intensive products.²
- Industry spending on R&D in the United States accounts for approximately 72% of total R&D spending, totaling nearly \$1.2 trillion, an average of \$145 billion annually. Between 2000 and 2007, IP-intensive industries spent almost 13 times more on R&D per employee than non-IP-intensive industries did.³

IP Drives Jobs

- In 2008, IP companies employed slightly more than 19 million Americans. IP jobs include all educational levels, skill levels, demographics, and industrial sectors.⁴
- Census Bureau figures show that the number of IP-intensive production workers between 2000 and 2007 averaged 9.5 million, equal to about 65% of total employment in all U.S. tradable industries.⁵
- Between 2000 and 2007, the annual salary of all workers in IP-intensive industries averaged about 60% higher than the salaries of workers at similar levels in non-IP-intensive industries. Meanwhile, the annual salaries of low-skilled workers in IP-intensive industries averaged about 40% higher than those in non-IP-based industries.⁶
- IP is the backbone of businesses small and large. For example, the motion picture and television industry is a nationwide network of small businesses, comprising more than 95,000 businesses in total. More than 49,000 of these businesses are involved in film and television production, which include production studios as well as wardrobe companies. These businesses are largely small businesses: 93% employ fewer than 10 people.⁷

IP Helps Generate Breakthrough Solutions to Global Challenges

- Since 1990, scientists have discovered and developed more than 300 new medicines, vaccines, and biologics approved by the Food and Drug Administration (FDA) to treat more than 150 conditions. These new medicines treat a variety of illnesses, from infectious to chronic diseases and from diseases afflicting millions of patients to rare disorders affecting fewer than 200,000.⁸
- In 2010, research shows that 2,950 new medicines are under development compared to 1,800 in 1999. Without incentives to innovate, these potential lifesaving medicines may not have come into existence.⁹
- Software is one of the most indispensable and innovative tools of everyday life, promoting growth and progress in numerous ways—from improving health care to saving energy and bringing life to many of the household products we sometimes take for granted.
- Innovative agricultural companies are creating new products to help farmers produce more and reduce the environmental impact of agriculture. Further, important breakthroughs in green technologies, which depend on strong IP protections, will improve our energy independence and address global warming.



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1. Nam Pham, *Employment and Gross Output of Intellectual Property Companies in the United States*, NDP Consulting, January 2011.
2. Nam Pham, *The Impact of Innovation and the Role of Intellectual Property Rights on U.S. Productivity, Competitiveness, Jobs, Wages and Exports*, NDP Consulting, April 2010.
3. Ibid.
4. Nam Pham, January 2011.
5. Nam Pham, April 2010.
6. Ibid.
7. Motion Picture Association of America, *The Motion Picture & Television Industry Contribution to the U.S. Economy*, April 2010.
8. Pharmaceutical Research and Manufacturers of America, *A Decade of Innovation*, September 2003.
9. Pharmaceutical Research and Manufacturers of America, 2010 Industry Profile.