

Inspiring Tomorrow

2019 International IP Index

The 2019 U.S. Chamber International IP Index creates a roadmap for countries that aspire to foster economic growth and global competitiveness through stronger IP. Now in its 7th edition, the Index benchmarks the IP framework in 50 global economies.

The Index evaluates the IP infrastructure in each economy based on 45 unique indicators, which are critical to the growth of effective IP systems. The indicators span 8 categories of IP protection: patents, copyrights, trademarks, trade secrets, commercialization of IP assets, enforcement, systemic efficiency, and membership and ratification of international treaties.

Key Developments

IP was at the center of global trade disputes:

Ongoing IP challenges are at the heart of the current trade dispute between **China** and the U.S. The trade dispute brought much-needed attention to long-standing issues that create significant challenges for IP-intensive industries globally.

Developing countries are on the move:

Recognizing the benefits of robust IP protection, a number of developing economies implemented reforms to bolster IP protection.

- In Asia, **India's** score improved, climbing eight places in the rankings from 44th in 2018 to 36th in 2019. While broader challenges remain, the increase is a result of specific reforms that better align India's IP environment with the international IP system.
- In Latin America, the government of **Brazil** utilized programs and incentives to help SMEs create and register IP assets. In **Argentina**, the government introduced reforms to streamline the patenting process, increase international cooperation on IP, and bolster transparency and stakeholder engagement, increasing its overall score by 15% and its rankings from 46th in 2018 to 40th in 2019.



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Governments continue to undermine the reliability of patents:

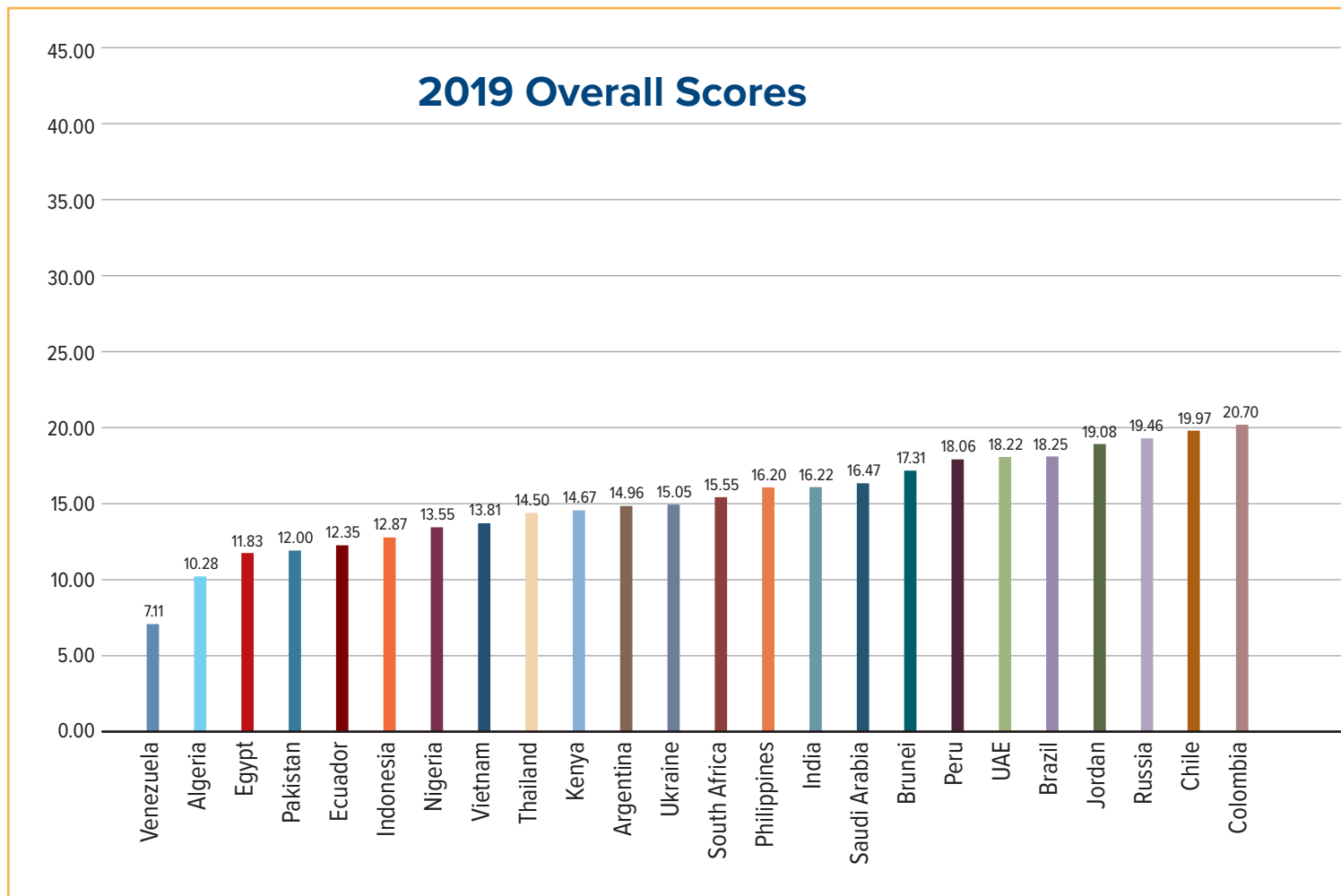
Several governments have undertaken measures that reduce the reliability of patents as a vehicle for return on investment.

- In Latin America, the governments of **Chile**, **Colombia**, and **Peru** are considering utilizing compulsory licenses on Hepatitis C medicines to address price concerns. Compulsory licenses undermine legal certainty and jeopardize the availability of future innovative medicines in the region.
- In **Russia**, the government issued a compulsory license on an innovative biopharmaceutical product as a mechanism to address economic concerns around the cost of medicines. In addition, the government continues to utilize localization requirements to further its industrial policy agenda.

USMCA raised the bar for IP in free trade agreements:

The U.S.-Mexico-Canada Agreement (USMCA) includes provisions to help harmonize and strengthen IP protection across North America.

- The agreement includes a number of provisions that lay the foundation for 21st century IP protection, including a 10-year term of regulatory data protection for biologics, more effective trade secrets protection, and stronger enforcement mechanisms against counterfeit goods, including those in-transit.



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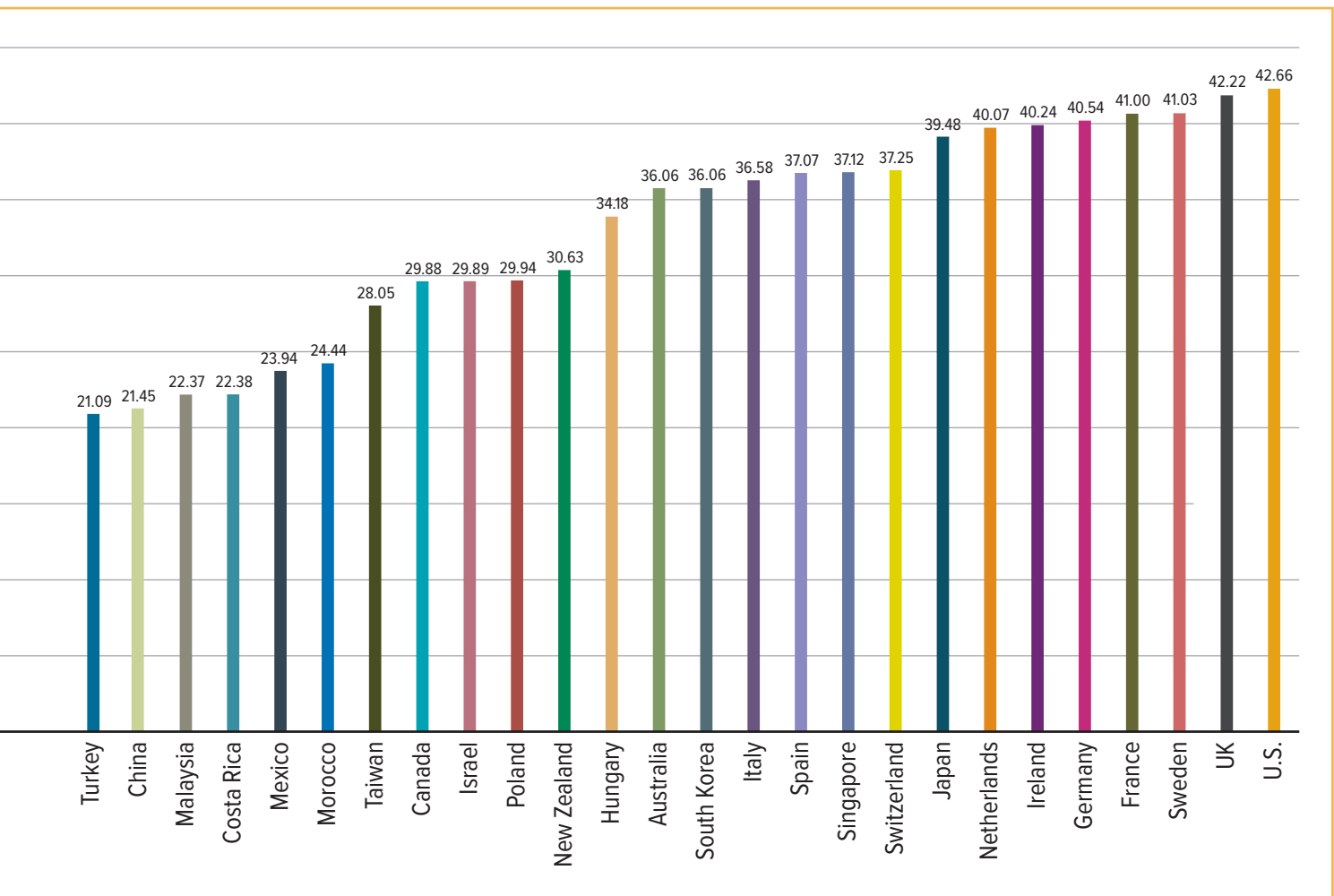
- As the U.S. looks to additional trade negotiations with the UK, Japan, and the EU, future agreements should address the areas where the USMCA falls short of the Index standard on indicators covering secondary liability, statutory damages obligations, and requirements for injunctive-style relief.

The U.S. Patent and Trademark Office introduced reforms to address patent uncertainty:

While the **United States** previously ranked 12th in patents due to ongoing unpredictability around the validity of patents, the U.S. is now tied for 2nd place alongside a number of EU countries and Japan. The improvement is a result of U.S. Patent and Trademark Office (USPTO) reforms, which should help to reduce unpredictability in the patent opposition system in the U.S.

Conclusion

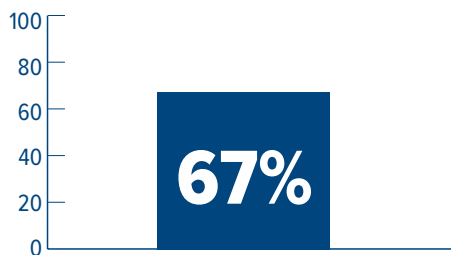
Starting from a low global IP standard, progress has been slow and inconsistent. Yet there are obvious green shoots, seen most clearly in the adoption of broader measures to improve the systemic efficiency of IP rights administration and the ability of IP owners to leverage their rights to finance innovative and creative activities. Notwithstanding continued political threats to undermine IP rights for populist purposes, there is evidence that the world is becoming an IP believer, inspired by the possibility of a better tomorrow.



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Economic Benefits of Improving IP Protection

Economies are
26% more competitive



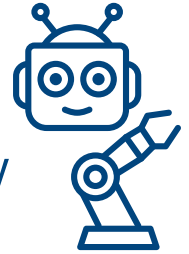
Share of workforce employed in knowledge-intensive sectors is 67% higher

TWICE

as likely to produce and export complex, knowledge-intensive products

55%

more likely to adapt to sophisticated, state-of-the-art technology



53%

more likely to employ **high-skilled and high-paid workers**



53%

more likely to experience **increased R&D activity**

30%

more likely to attract venture capital and private equity funds



Over 500 more high-value inventions

per million population

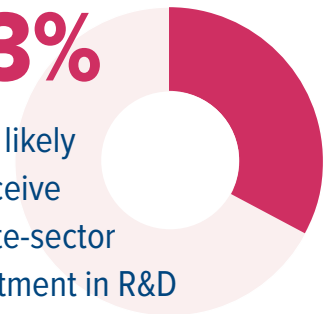


Over 4 times more

online and mobile content generated

33%

more likely to receive private-sector investment in R&D activities



39% more likely

to attract foreign investment



19 times more

early-phase clinical trials

