



U.S. Chamber of Commerce
Global Innovation
Policy Center

2022 International IP Index

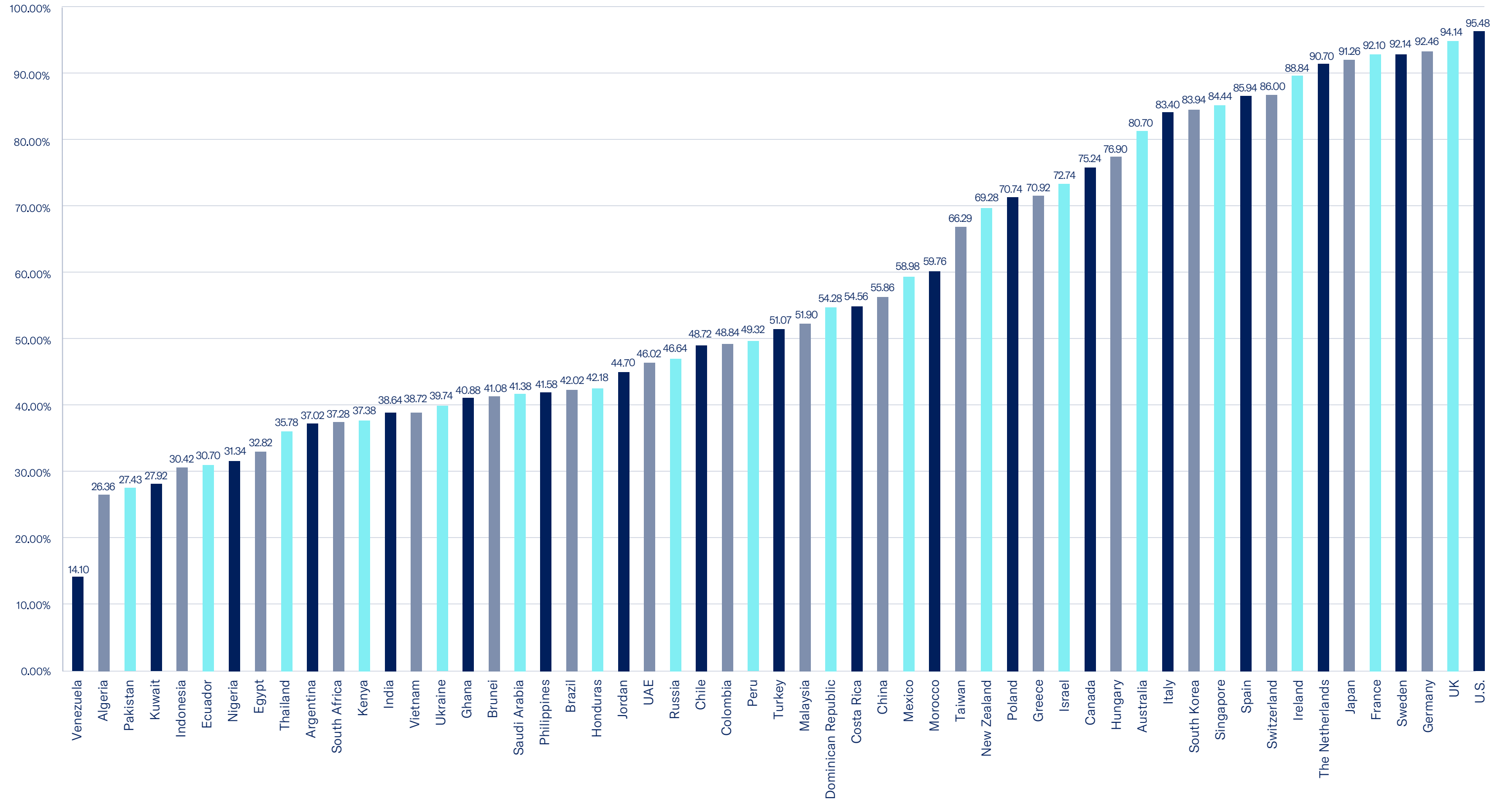
Compete for Tomorrow

Executive Summary





U.S. Chamber International IP Index 2022, Overall Scores, % Available Score





Executive Summary

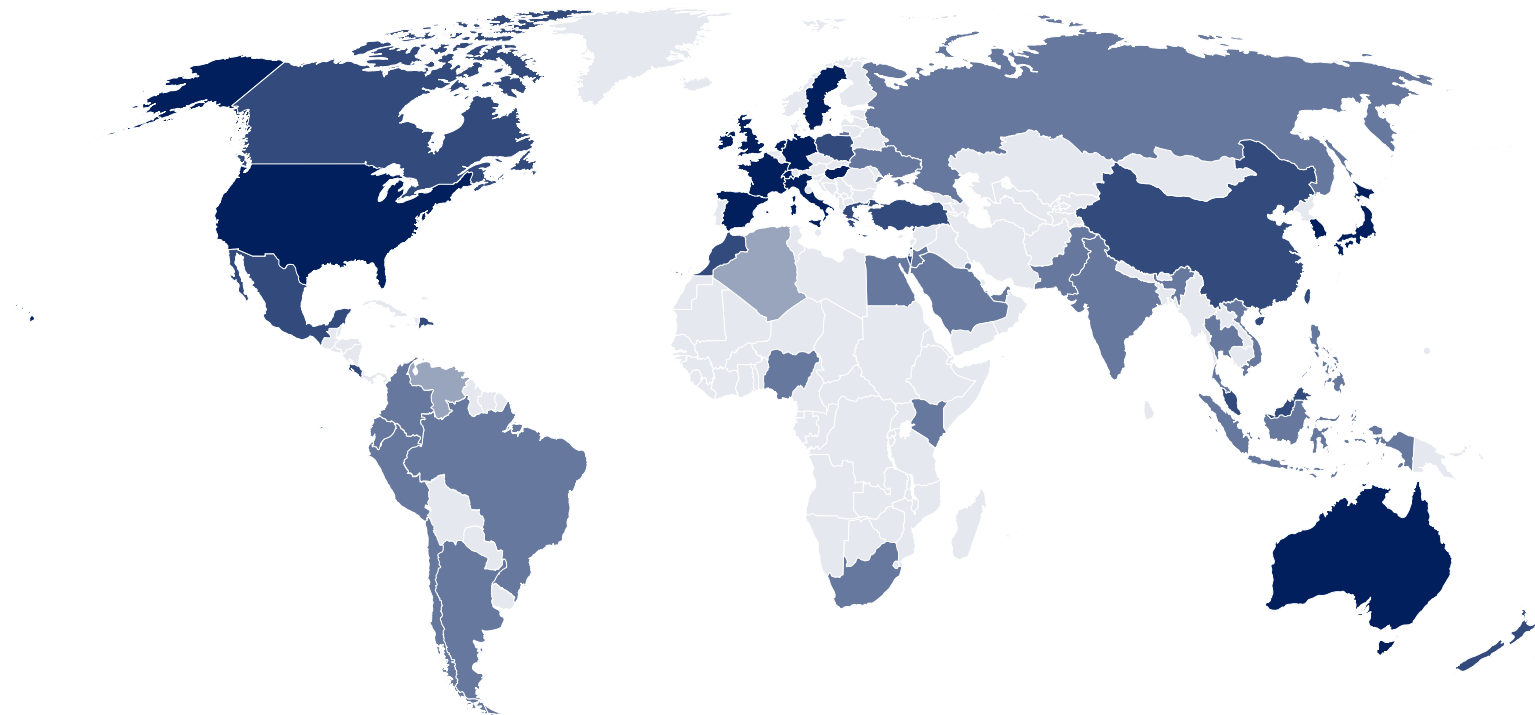
In 2021, COVID-19 continued to dominate our lives, jeopardize our health, and threaten to undermine our fragile economic recovery. While uncertainty around the pandemic persisted, intellectual property (IP) drove the development of innovative vaccines, therapeutics, and technologies that kept us safe, connected, and productive throughout the pandemic.

IP-driven innovation and creativity allowed the global community not only to survive—but to thrive—as we charted a course to the new normal. An effective IP system will be critical to ensuring the global community can continue to deliver the next generation of innovative and creative goods and services to compete for a better tomorrow.

Now in its tenth edition, the International IP Index benchmarks the IP framework in 55 global economies across 50 unique indicators. In 2021, Ghana and Honduras were added to the Index. The global pandemic clearly illustrated that innovation and creativity occur in an ecosystem, and the Index sheds light on the health of that ecosystem in global markets.

Geographic Coverage

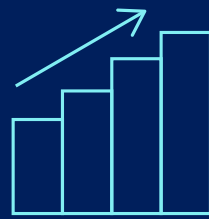
- | | | | | |
|--------------------|-----------|-----------------|--------------|----------------------|
| Algeria | Ecuador | Italy | Peru | Thailand |
| Argentina | Egypt | Japan | Philippines | Turkey |
| Australia | France | Jordan | Poland | United Arab Emirates |
| Brazil | Germany | Kenya | Russia | Ukraine |
| Brunei | Ghana | Kuwait | Saudi Arabia | United Kingdom |
| Canada | Greece | Malaysia | Singapore | United States |
| Chile | Honduras | Mexico | South Africa | Venezuela |
| China | Hungary | Morocco | South Korea | Vietnam |
| Colombia | India | The Netherlands | Spain | |
| Costa Rica | Indonesia | New Zealand | Sweden | |
| Dominican Republic | Ireland | Nigeria | Switzerland | |
| | Israel | Pakistan | Taiwan | |



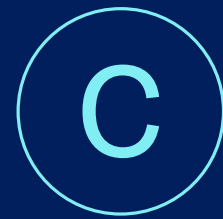
Overall Economy Scores



Key Findings



Both in 2021 and over the last decade, the global IP environment improved, though challenges remain in many global markets.



Historically, many Index economies have struggled to provide adequate copyright protection as the growth and scale of online piracy increased over the last decade. However, new tools to combat IP infringement online helped strengthen protection for IP owners.



Conversely, enforcement against physical IP-infringing goods has failed to keep pace with the increase in the volume of international trade in counterfeits over the last 10 years.



IP-intensive goods and services were critical to the global response to COVID-19.



Despite the critical role IP has played in response to the pandemic, some members of the World Trade Organization (WTO) have continued to push a proposal to “waive” international IP commitments.

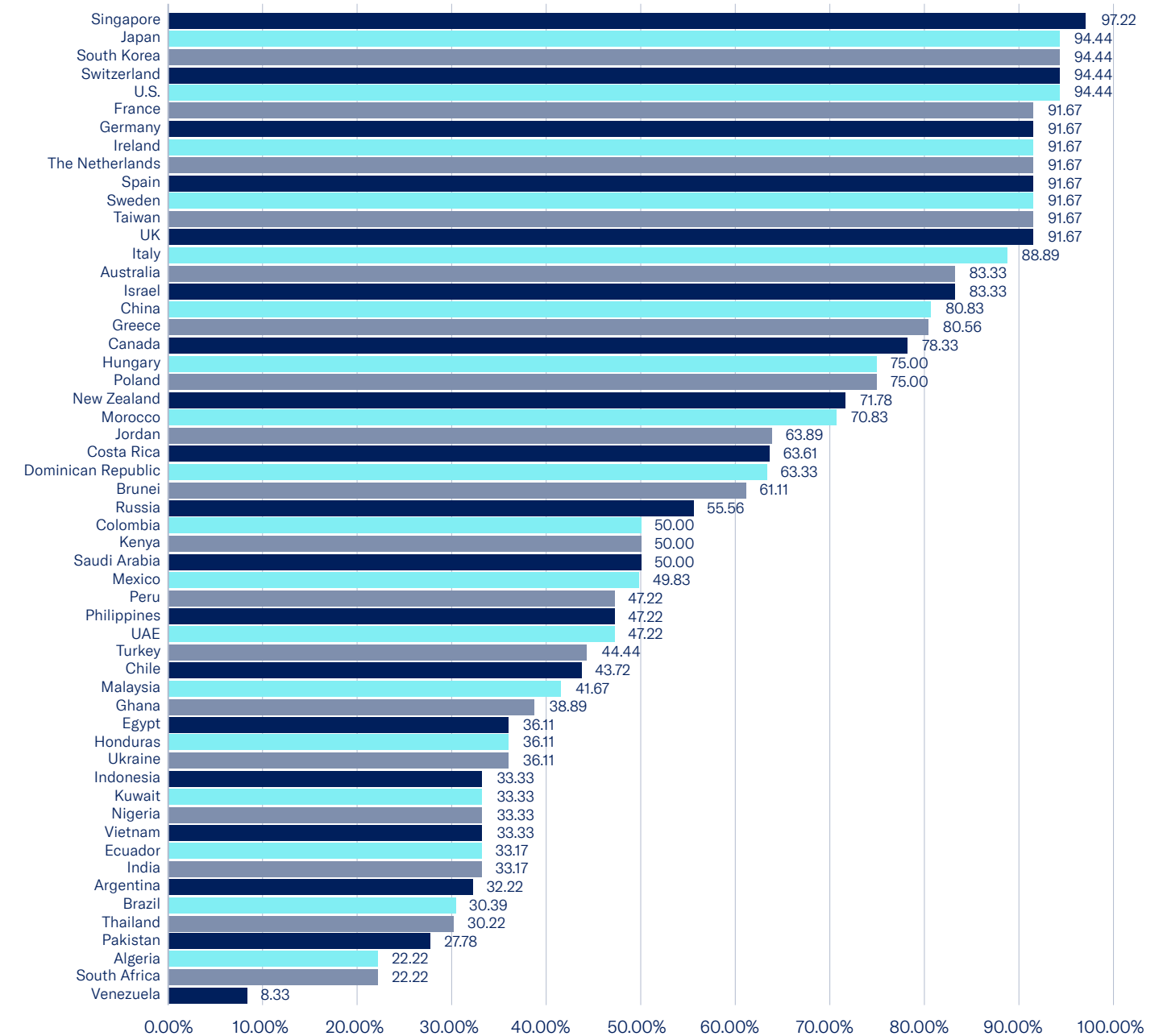
- Out of the 53 economies included in both the ninth and tenth editions, 45 economies saw a net improvement in their scores. **United Arab Emirates (UAE), Nigeria, and Peru** had the largest improvements in score at 4.04%, 3.91%, and 2.76%, respectively.
- Since the inaugural edition of the IP Index, the average score of economies has increased by 1.50%—from 55.72% in 2012 to 57.22% in 2022. The improvement was most pronounced in the patents and international treaties categories, signaling a growing understanding of ways patents drive innovation and the value of global harmonization on IP standards.
- However, the indicators included in the Index represent a gold standard for the protection and enforcement of IP rights. The global average remains less than 60%, illustrating there is still significant room to improve the framework for innovation and creativity in global markets.
- Economies of all levels of development—including the **EU, UK, India, Singapore, Russia, and India**—have utilized injunctive-style relief to disable access to infringing content.
- The use of injunctive-style relief has resulted in a real decrease in piracy. For example, in **Sweden**, survey results show that the number of respondents accessing copyright-infringing content fell from 21% to 14% following the use of these new enforcement tools.
- Over the last five years, the average score on this category has improved from 46.44% to 49.57%, an increase of 3.13%.
- In 2021, studies suggested that aggregated trade in physical counterfeit goods was valued at just under \$500 billion (USD) or 2.5% of global trade.
- Only 27% of 55 sampled economies provide customs officials with *ex officio* authority to seize suspected goods.
- Additionally, 29% of the 55 economies do not publish any statistics on actions taken by their customs authorities with respect to suspected IP-infringing goods.
- The vaccines, therapeutics, and technologies that have led the global community through the pandemic are the fruit of a pre-existing innovation ecosystem that relies on IP rights to enable allocation of resources, formation of partnerships, and transfer of technology on commercial terms.
- Effective IP rights facilitated hundreds of voluntary licensing agreements that allowed the rapid scale-up of global manufacturing. Data indicates that by June 2022, global vaccine manufacturing capacity will reach 24 billion doses.
- This proposal (if agreed and implemented) would waive many of the international IP commitments in the Trade Related Aspects of Intellectual Property Rights (TRIPS) agreement, which has never been fully or faithfully implemented by most WTO member countries.
- Any waiver of IP rights will impede ongoing and successful efforts to license and scale global production of safe and effective COVID-19 therapies and vaccines. As of January 2022, there were nearly 330 voluntary partnerships and collaborations among manufacturers facilitating the production of billions of doses of vaccines, and over 110 voluntary partnerships facilitating production of therapeutics, all supported by the contractual licensing of IP rights.
- Any move to roll back IP rules or their enforcement would inject uncertainty at an already challenging time, as well as impede ongoing and highly successful efforts to license and scale global production and distribution of safe and effective vaccines.



Patents

- Twenty-three economies achieved a score of 70% or more of the available score, and 31 economies in total achieved a score of 50% or more. The average score on the category is 59.92%, which is the third highest scoring category on the Index.
- While high-income economies scored well on the patent-related indicators, there continues to be a degree of uncertainty about the availability of certain patent rights.
 - » In the **United States**, uncertainty persists regarding patentable subject matter and patent nullity proceeding through the Patent Trial and Appeals Board (PTAB).
 - » In the **EU** and **UK**, there continues to be a high degree of uncertainty regarding the availability of patent term restoration as the supplementary protection certificate (SPC) export waiver exemption remains in force in all EU Member States (and the UK).
 - » In 2021, **Israel** similarly proposed new restrictions on biopharmaceutical patent term restoration through draft amendments to the Patent Law.
- In emerging markets, there was mixed progress in the patent indicators.
 - » While **Brazil** eliminated the prior consent requirement in the patent review process, the Brazilian Supreme Court revoked Article 40 of the Industrial Property Law that provides a 10-year term of patent protection.
 - » In **Russia**, new amendments to the Civil Code Part IV introduced new patentability restrictions and provided further powers to override granted rights related to patents, utility models, and industrial designs.

Category 1: Patents, Related Rights, and Limitations, % Available Score



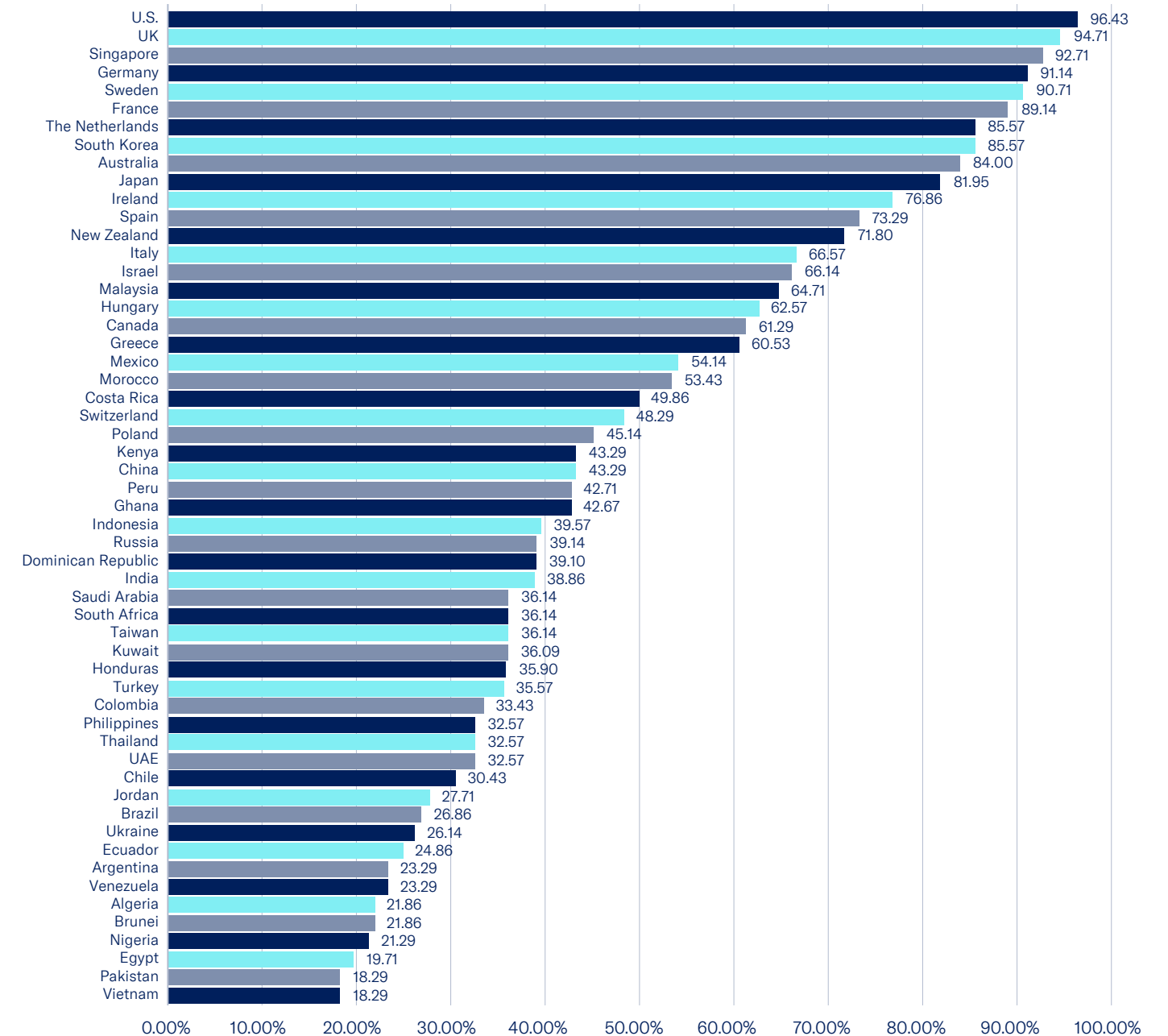


Category-by-Category

Copyright

- Regardless of income level, most economies in the Index have struggled to safeguard copyrighted and branded content online. While the majority of economies scored less than 50% on this category, there were continued positive developments to combat online infringement in 2021.
- Although rates of online piracy, signal piracy, and copyright infringement remain high in Latin America and Southeast Asia, a number of economies strengthened enforcement against copyright-infringing material online.
 - » The **Colombian** and **Peruvian** governments ordered Internet Service Providers (ISPs) to disable access to copyright-infringing material online in 2021. In Brazil, “Operation 404 Against Piracy” took coordinated action to shut down torrent sites and seize suspected copyright-infringing equipment and goods.
 - » In the **Philippines**, the national IP authority launched an enhanced online enforcement program to address the growing presence of counterfeit and pirated goods online. Likewise, in **Malaysia**, the Intellectual Property High Court held that the sale, promotion, or dissemination of set-top boxes constituted copyright infringement.

Category 2: Copyrights, Related Rights, and Limitations, % Available Score

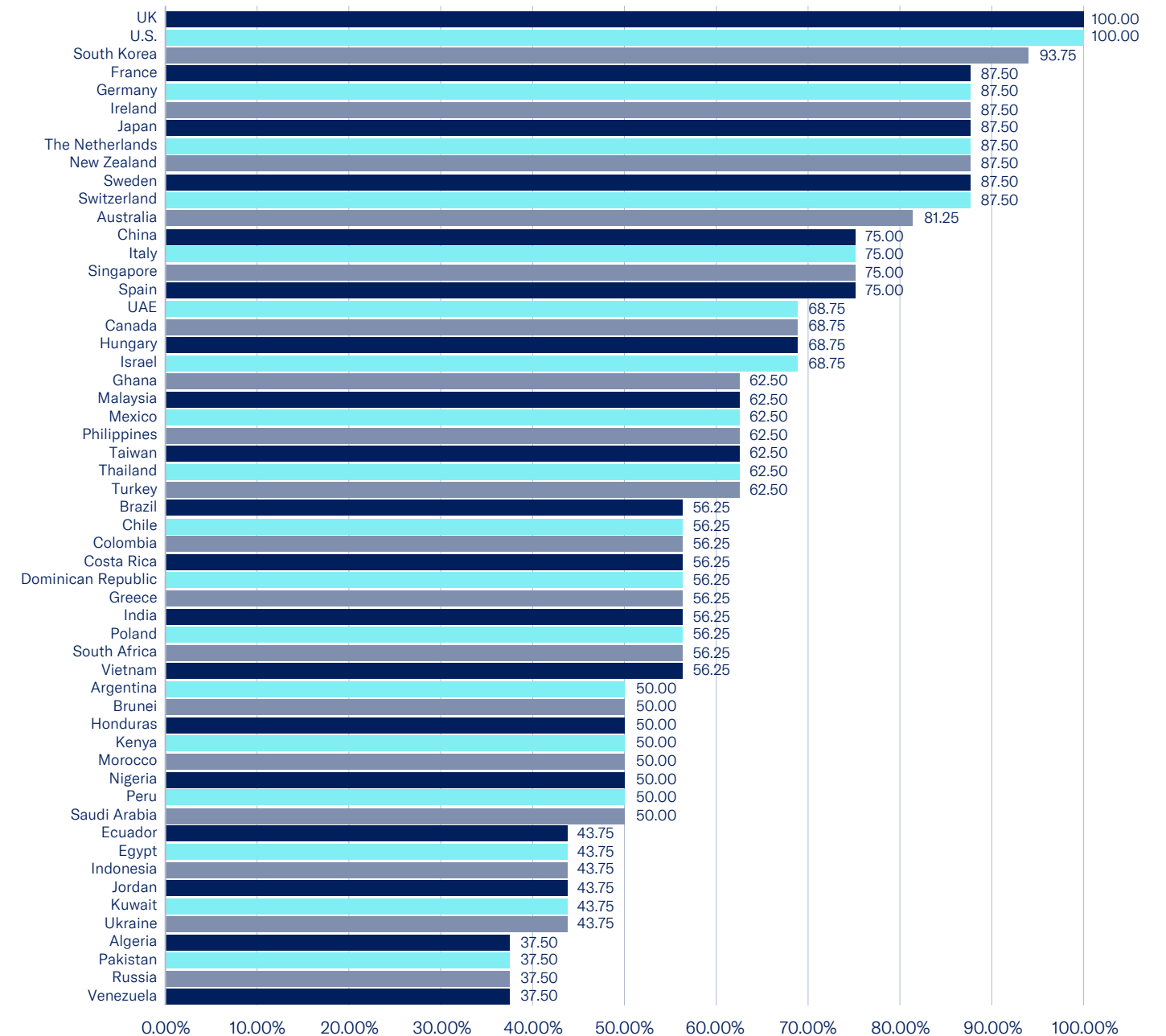




Trademarks

- Most economies sampled in the Index offer basic forms of trademark protection. Only ten of the 55 sampled economies failed to score 50% or more on this category. Overall, the average score on this category was 62.84%.
- While many economies lack the appropriate resources, technology, or mechanisms to combat the increased sale of counterfeit goods online, there were a number of positive developments in Southeast Asia and the Middle East.
 - » In **Thailand**, both the government and courts ordered ISPs to disable access to websites with trademark-infringing content.
 - » In the **Philippines**, the national IP office (IPOP HL) launched new partnerships to combat trademark infringement online, while the National Bureau of Investigation led a physical raid to seize USD 1.8 million of counterfeit goods.
 - » In the **United Arab Emirates (UAE)**, a new trademark law eliminates registration requirements for trademark licensing agreements, increases potential damages for trademark infringement, clarifies customs officials' authority to take *ex officio* action against suspected goods, and improves protection of well-known marks.

Category 3: Trademarks, Related Rights, and Limitations, % Available Score



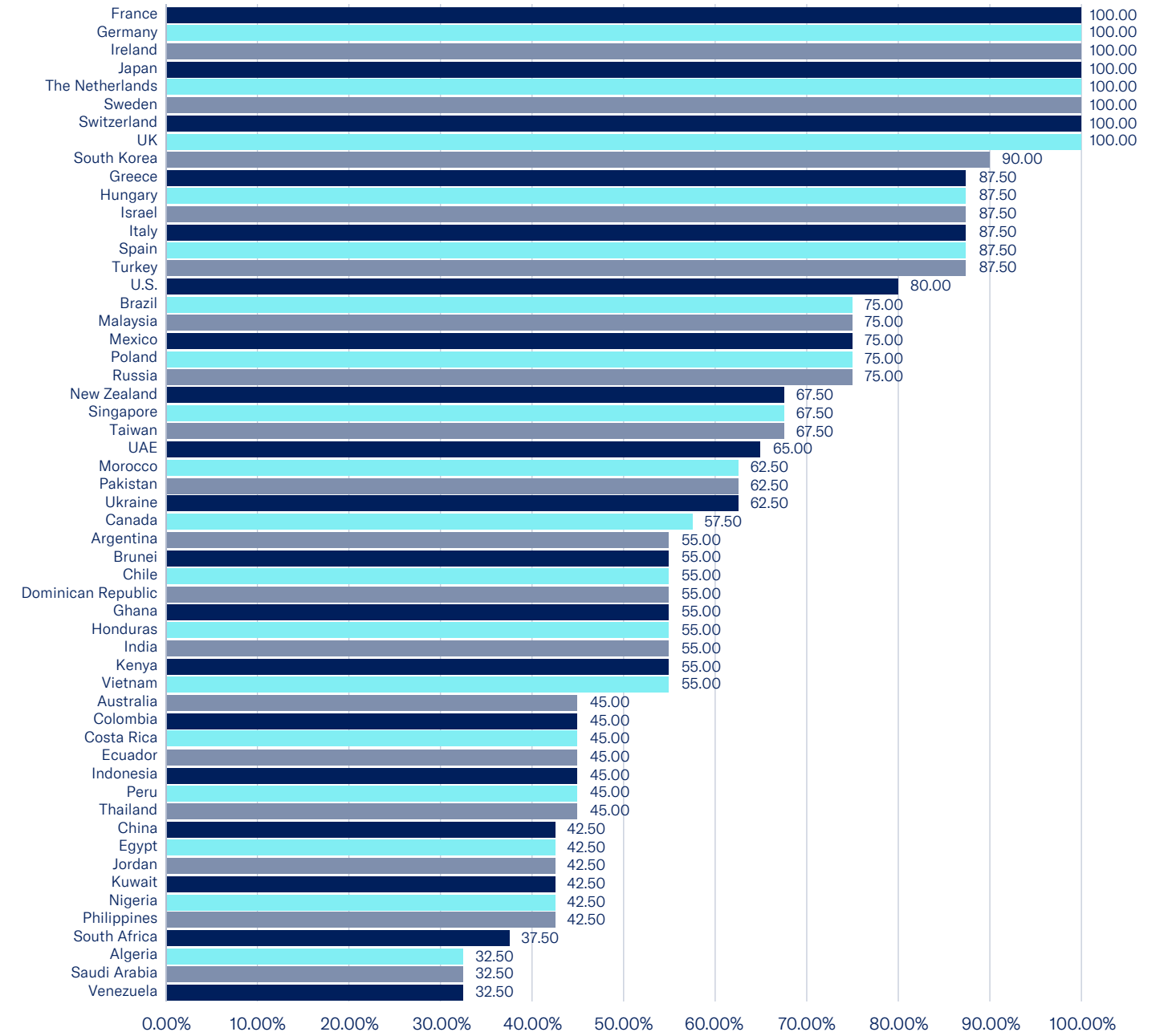


Category-by-Category

Design Rights

- Most economies included in the Index have some form of statutory law defining design rights and a term of protection for registered design rights. The average score on this category was 65.14%.
- Many economies are increasingly recognizing the importance of design rights to their national economy and reforming relevant laws and regulations accordingly.
 - » In **Chile**, the National Congress extended the term of protection for design rights to 15 years.
 - » In **UAE**, the new industrial property law extended the term of protection for design rights to 20 years.

Category 4: Design Rights, Related Rights, and Limitations, % Available Score

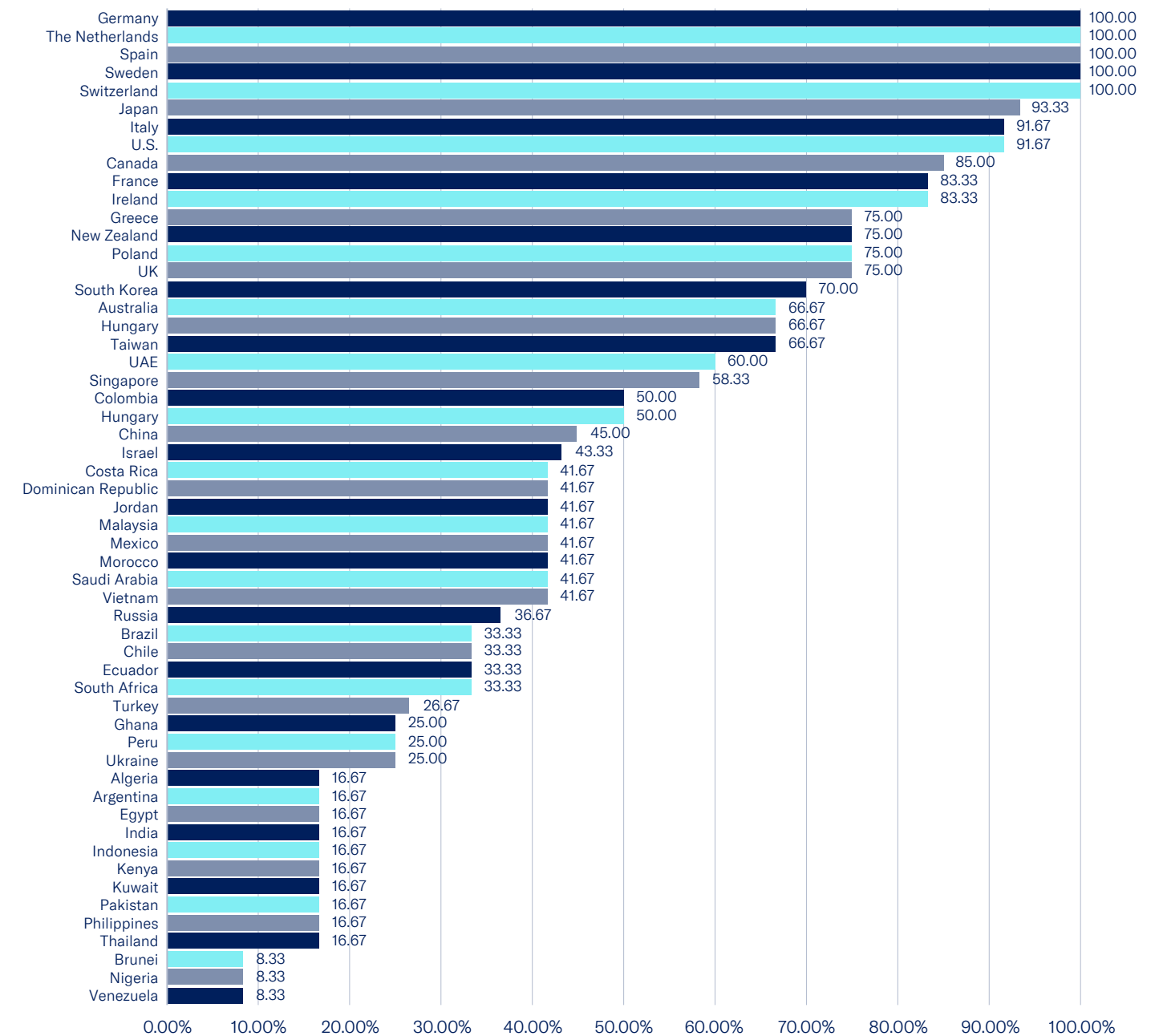




Trade Secrets

- Only 23 of the 55 economies included in the Index achieved a score of 50% or more on this category. The average score on this category is the weakest on the Index at 49.12%.
- While some economies in Latin America provide a term of regulatory data protection (RDP), the governments also limit the availability of the protection through conditions or carve-outs.
 - » In **Honduras**—a new Index economy in 2022—the five-year term of RDP is contingent upon marketing the biopharmaceutical product in Honduras.
 - » Likewise, in **Ecuador**, implementing regulations to 2016 *Código Ingenios* legislation include similar carve-outs.
- Despite the absence of trade secrets protection in many economies, some emerging markets, including **South Africa**, passed legislation to enhance protection. The Cyber Crime Act 2020 provides a clear avenue for the criminal prosecution of misappropriation and illicit accessing of trade secrets and confidential information.

Category 5: Trade Secrets and the Protection of Confidential Information, % Available Score



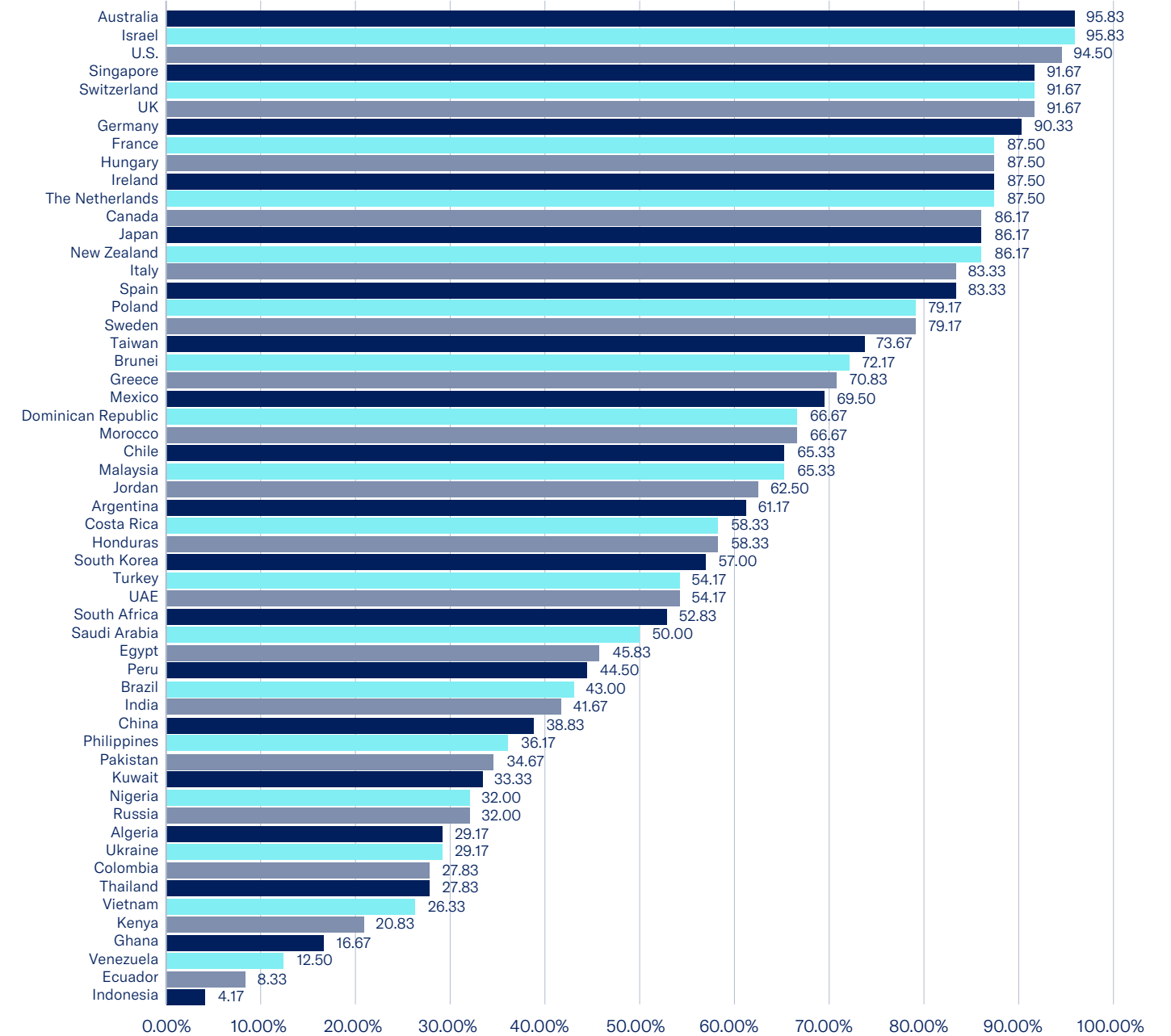


Category-by-Category

Commercialization of IP Assets

- Many of the economies benchmarked in the Index are introducing policies that make it more difficult to access their respective markets or commercialize IP assets. Of the 55 sampled economies, 20 failed to achieve a score of 50% or more, with a full 13 scoring 33.33% or less on the category. The average score on this category was 58.62%.
- IP rightsholders continue to face a myriad of barriers to market access in economies around the world.
 - » In **Kenya**, draft regulations outline a range of localization requirements where data processing must be a carrier in Kenya.
 - » Similarly, in **Turkey**, the Parliament passed amendments requiring social media providers to store data locally in Turkey.
- However, countries of varying levels of development took steps to strengthen the framework for commercialization of IP assets.
 - » In **Japan**, the government released a new guide to improve the framework for licensing standard essential patents.
 - » In **Jordan**, the government launched a series of programs to improve the technology transfer and commercialization environment through the creation of technology incubators and partnerships with local non-governmental organizations and the private sector.

Category 6: Commercialization of IP Assets, % Available Score



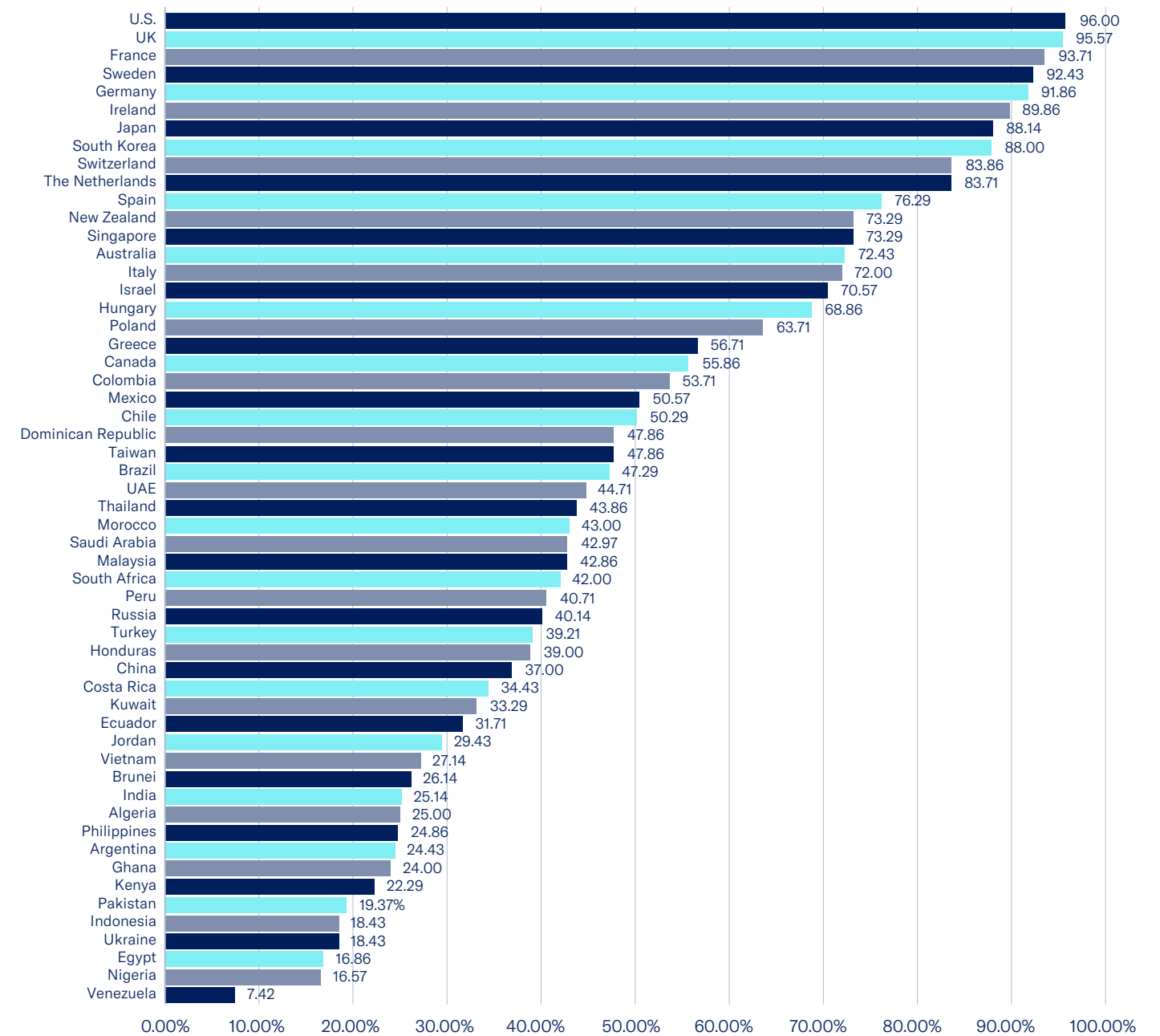


Category-by-Category

Enforcement

- As in years past, a clear majority of the sampled economies in the Index struggled in this category. Only 23 economies (41.89% of the sample) achieved a score of 50% or more on this category, and only 11 economies achieved a score of 75% or more.
- The average score in this category is one of the weakest on the Index, at 50.11%. However, there were some positive development in 2021.
 - » In **Chile**, the National Congress amended the Industrial Property Law to provide statutory damages and a minimum prison sentence for trademark infringement.
 - » In **Indonesia**, the Directorate General of Intellectual Property introduced new anti-counterfeiting and anti-piracy initiatives and provided greater transparency on cross-agency IP enforcement activity.

Category 7: Enforcement, % Available Score



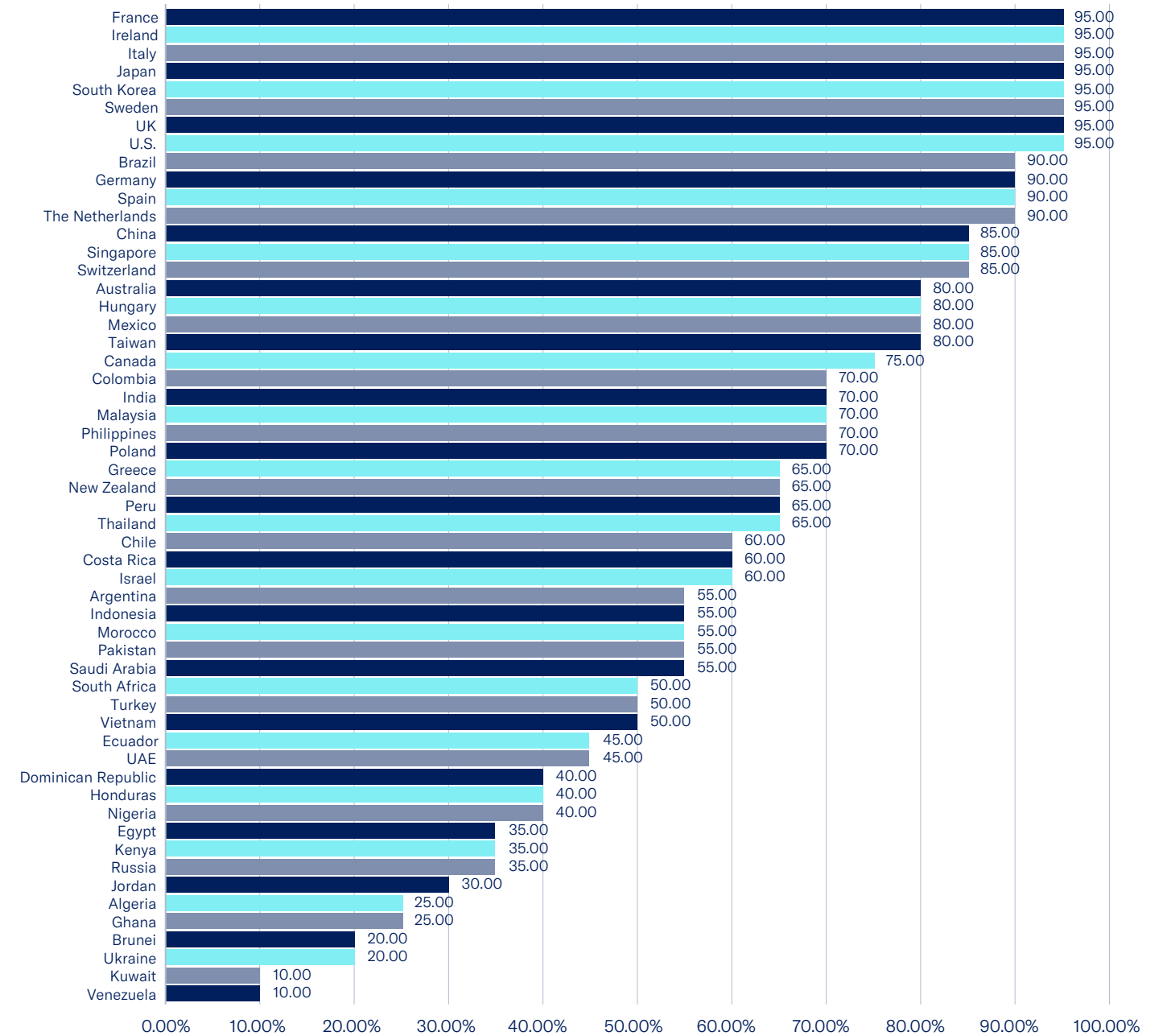


Category-by-Category

Systemic Efficiency

- The majority of sampled economies in the Index performed well on this category, with only 15 economies failing to achieve a score of 50% or above. Indeed, several economies with otherwise challenging IP frameworks, such as **Colombia, India,** and the **Philippines,** outperformed their overall Index scores on this category, achieving a score of over 70%.
- Overall, the average score on this category is one of the strongest on the Index, at 62.55%, with a series of positive developments occurring throughout 2021 in Latin America and the Middle East.
 - » The governments in **Brazil** and **Mexico** released studies on the contributions of IP-intensive industries to their national economies. In **Peru** and **Venezuela,** the government launched new programs to provide small and medium-sized enterprises (SMEs) with assistance managing IP assets.
 - » In **Saudi Arabia,** in a very positive move, the Saudi IP Authority took a centralized role in the enforcement of trademark infringement and created a new committee to coordinate the enforcement of IP rights more broadly across government agencies within the Kingdom.

Category 8: Systemic Efficiency, % Available Score





Category-by-Category

Membership & Ratification of International Treaties

- A large number of economies received a high score on this category: 22 economies achieved a score of 75% or more, with 14 economies achieving a score of over 96%. Overall, the average score is 61.43%.
- However, a surprisingly large number of high-income economies are not contracting parties to many international IP treaties included in the Index. **Kuwait, Saudi Arabia, UAE, and New Zealand** all achieved a score of 36% or less. However, each of these countries have acceded to international treaties not benchmarked in the Index.
 - » **Nigeria and Ghana** acceded to the International Convention for the Protection of New Varieties of Plants (UPOV), Act of 1991.
 - » **Pakistan and UAE** acceded to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks.
 - » While **Sweden** became a contracting party to the Convention on Cybercrime in 2001, Parliament ratified the treaty in 2021.
- In 2021, economies in Africa, the Middle East, and the EU had score improvement in this category.

Category 9: Membership and Ratification of International Treaties, % Available Score

