

Facts About IP

March, 2009

Intellectual Property Drives Economic Growth

- U.S. intellectual property is worth \$5-5.5 trillion - more than the gross domestic product (GDP) of any other country. ("The Economic Value of Intellectual Property," *USA for Innovation*)
- According to the U.S. Patent and Trademark Office, intellectual property in this country is worth more than \$5 trillion - about twice the amount of the current federal budget. ("Monetizing IP: The Executive's Challenge," *Harvard Business School Working Knowledge*, 6/9/08)
- Intellectual property accounts for more than half of all U.S. exports, helping drive 40% of U.S. economic growth. (U.S. Department of Commerce)
- America is a net exporter of intellectual property, contributing \$37 billion to our trade balance in 2006. (Shayerah Ilias and Ian F. Ferguson, "Intellectual Property Rights and International Trade," *Congressional Research Service*, 12/20/07)
- Intellectual property theft's impact on the global economy accounts for \$500-600 billion in lost sales each year, or 5-7 percent of world trade. (World Customs Organization)
- Counterfeiting and piracy costs the U.S. between \$200-250 billion in lost sales each year. (Federal Bureau of Investigations)

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Intellectual Property Creates and Supports Jobs

- Intellectual property-intensive industries employ 18 million Americans.
- In FY 2007 alone, 467,243 application for patents were submitted to the U.S. Patent and Trademark Office, and 184,377 were issues. ("FY2007 Performance and Accountability Report," U.S. Patent and Trademark Office, 11/07)
- To put our intellectual property advantage in perspective, consider that over one-third of global IP filings in 2006 were owned by American firms. (Congressional Research Service)
- Jobs in intellectual property-intensive industries were expected to grow faster over the next decade than the national average. (Robert J. Shapiro and Nam D. Pham, "Economic Effects of Intellectual Property-Intensive Manufacturing in the United States," *World Growth*, 7/07)
- Counterfeiting and piracy have resulted in the loss of 750,000 jobs in the United States. (U.S. Customs and Border Protection)
- The auto industry could hire 250,000 additional workers if the sale of counterfeit auto parts was eliminated. (U.S. Federal Trade Commission)
- "Illegal software in California alone cost software vendors more than \$1.3 billion last year - the highest of any state, and higher than the national figure for 98 other countries. Lost revenue to a wider group of software distributors and service providers cost close to \$4 billion more, enough to hire nearly 16,000 tech workers. Furthermore, the lost state and local tax revenues in California would have been enough to hire more than 7,500 experience police officers." (Neil MacBride, "Software piracy: a lawless, digital version of the Wild West," *Mercury News*, 7/22/08)
- Movies, music and books created and copyrighted by American artists and writers are seen, heard, and read every day in every country and are responsible for nearly 5.4 million U.S. jobs.
- According to the Bureau of Labor Statistics, there were 357,300 people employed in the U.S. Motion Picture Industry in 2007. ("Entertainment Industry Market Statistics 2007," Motion Picture Association of America, 2007)
- Absent motion picture piracy, 141,030 new jobs would have been added to the U.S. economy. Of this total, 46,597 jobs would have been created in the motion picture industries while 94,433 jobs would have been added in other industries. ("The True Cost of Motion Picture Piracy to the U.S. Economy," Institute for Policy Innovation's Center for Technology Freedom, 9/06)

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Intellectual Property is Essential for Saving Lives & Consumer Safety

- "Of the 300 products on the World Health Organization's Essential Drugs List, virtually all came from the labs of the private sector, R&D-based pharmaceutical industry." That includes:
 - The 10 leading drugs for cardiovascular disease, an illness that kills three of every 10 people in the world.
 - The 10 leading drugs for mental illness.
 - The 10 leading drugs for respiratory diseases like asthma, which kills almost two out of every 10 people in the world. (Jeff Kindler, Testimony to the U.S. Senate Finance Committee, 7/15/08)
- The World Health Organization estimates that the prevalence of counterfeit pharmaceuticals ranges from less than 1 percent in developed countries to over 30 percent in developing countries, and over 50 percent from illicit Web sites.
- The Center for Medicine in the Public Interest estimates that counterfeit drug commerce will grow 13 percent annually through 2010. Counterfeit sales are increasing at nearly twice the rate of legitimate pharmaceutical sales.
- The Federal Aviation Administration estimates that 2 percent (or 520,000) of the 26 million airplane parts installed each year are counterfeit.