

Innovation for a Safer World

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Op-Ed for World Intellectual Property Day



Where would we be without intellectual property protection and enforcement? Would we have mobile “KTV machines” in our pockets? Would we buzz around cities in electric vehicles? Would we have access to lifesaving drugs and medical devices? Every year on April 26 countries from around the globe come together to celebrate World IP Day, and reflect on how intellectual property (IP) encourages innovation and creativity and, in short, helps make this a better world to live in. Innovation is the engine of progress. It makes our lives healthier, safer, and more comfortable; it’s how we turn problems into solutions.

Innovative products are part of our daily lives – from the mobile phones we carry, to electric vehicles leading our clean energy solutions, to more productive crop yields, to the jet airliners that get us to our next business meeting or vacation. These innovations require a comprehensive IP framework to flourish. That’s because innovating requires confidence that the time, money, and dedication invested is protected. And the only way that innovators obtain that confidence is by knowing that they can prevent someone else from unfairly copying or taking their creations without permission.

The United States has become one of the world’s most innovative economies. But this was not by chance. It is because our IP system rewards innovators and creators and deters those who seek to copy or take what isn’t theirs. Through a combination of laws and regulations, transparent and predictable courts, focused law enforcement actions, and business-to-business collaboration to fight against IP infringement, innovators in the United States are positioned to flourish. IP-intensive industries account for over 45 million jobs in the United States – jobs that pay 46% more on average than those in non-IP intensive industries. These jobs are the backbone of our economy, not only accounting for almost 40% of U.S. GDP, but they also drive entrepreneurs and small and medium-sized enterprises to spur economic development at local levels.

A recent paper published by the U.S. Patent and Trademark Office’s Chief Economist found that patents help startups access capital, create more jobs, grow their sales, become more innovative, and attract greater investment. And all of this means better products and services for consumers around the world. But this isn’t possible if markets fail to protect IP. According to the International Chamber of Commerce, up to 2.4 million jobs and over \$100 billion in fiscal revenues were lost to counterfeiting and piracy in 2013. And these figures are set to double by 2022. We cannot ignore the impact of these illegitimate activities.

Here in China, it is all the more important to continue drawing more attention to the critical role that IP plays in all of our lives, and the need to provide an ecosystem that protects IP. Some amazing achievements have already been made. China’s patent office receives more patent applications than any other patent office in the world. Chinese courts hear more IP lawsuits than any other judicial system. Official Chinese government leaders are

developing policies that will further improve the laws and enforcement activities here. For example, just a few weeks ago Premier Li Keqiang said improving China’s own products “requires wider opening to and introduction of more advanced technologies and products from foreign countries, which of course means protecting IPR.”

But efforts cannot stop here. China can and must be a leader in this global fight. The OECD estimated global losses of more than \$461 billion, or 2.5 percent of world GDP, from counterfeiting. And if left unaddressed, this problem will only grow. This is due in large part to the growth of global e-commerce. Producers of fake products now have nearly instant access to an estimated 1.76 billion digital buyers. No matter if a buyer is located in Beijing, or Boston, or Botswana, he is now a target. This impacts us all, but most importantly it impacts innovation in China.

China has brought the world some great innovations, and no doubt could be the source of many of tomorrow’s great innovations. And each of us will reap the benefits when this happens. It falls upon each of us, as consumers of all types of IP-intensive products – from music and movies, to clothing and footwear, to mobile phones and computers, to medical products and safety equipment, and so much more – to insist that these products are legitimate.

Sure, that may cost us a little more, but the long-term benefits to our health and safety, our job prospects, and our economic future rests on it. So on this year’s World IP Day, let’s take a moment to consider everything that goes into those innovations that make our lives better and what we can do to protect that innovation.

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