

REPORT SAYS, IP PROTECTION IS A KEY TO ECONOMIC GROWTH AND JOB CREATION



The Commerce Department lays to rest any doubts about intellectual property being the number one contributor to the US economy. The report makes it official that IP contributes roughly one-third of the country's GDP and more than a quarter of its employment. This translates to \$5 trillion and \$40 trillion jobs that pay a significant wage premium over jobs in non-IP-intensive sectors. The Commerce Department said that more than 25 percent of all jobs in the United States were with companies that relied on 'patents, copyrights and trademarks.' This they said protected the products 'from competition and promoted investment.' According to the study released by the Economics and Statistics Administration and U.S. Patent and Trademark Office, 'About 27.1 million jobs in 2010 were in industries that rely heavily on intellectual property protections, and another 12.9 million positions were indirectly affected. The 75 industries deemed "IP-intensive" accounted for \$5.06 trillion, or about 35 percent of the gross domestic product in 2010.' The report found that workers in industries deemed intellectual property intensive earned \$1,156 a week on average in 2010, 42 percent more than those in other sectors. Rebecca Blank, deputy Commerce secretary, said today, "These good-paying jobs help support an economic security for America's middle class." Most companies limit their trade mark requirements to their names or logos, the study selected 75 companies that were thought to be more reliant, such as 'makers of electronics, medical devices, software, drugs, motor vehicles, consumer goods and movies.' Patent office Director David Kappos said, "The largest and most innovative industries in the U.S. rely on IP for global competitiveness. Strong intellectual property protection is "paying dividends in growth of the economy and growth of jobs." The report said that, U.S. exports of merchandise from industries that are intensive in intellectual property, including electronics and chemicals, increased about 53 percent, to \$775 billion, from 2000 to 2010, according to the report. They account for almost 61 percent of all U.S. goods exported. Imports from industries intensive in intellectual property increased almost 62 percent during the past decade, to \$1.34 billion in 2010. Thomas Donohue, the president of the U.S. Chamber of Commerce, said at a White House event announcing the report, "We must ensure that American IP-intensive industries remain confident that their copyrights, patents, and trademarks will be enforced." Although the report makes no policy recommendations it is expected that it will spark debate how best IP rights can be secured through legislation. Intellectual property is perceived to be the only way to allow American companies to compete in a global market. However, there are others who argue that draconian IP enforcement can stifle growth and innovation. Earlier anti-piracy legislation and cyber-security proposals had not been severely criticized for undermining civil liberties. "Innovation protected by IP rights is key to creating new jobs and growing exports," the report said. "Intellectual property is not just the final product of workers and companies—every job in some way produces, supplies, consumes, or relies on innovation, creativity, and commercial distinctiveness." U.S. IP enforcement coordinator Victoria Espinel said, "The future of America's economic viability rests squarely on our ability to protect American intellectual property."