

3. OVERVIEW OF THE 7TH EDITION

Now in its 7th edition, the U.S. Chamber’s International IP Index continues to provide an important industry perspective on the IP standards that influence both long- and short-term business and investment decisions. The Index is a unique and continuously evolving instrument. It not only assesses the state of the international intellectual property (IP) environment, but it also provides a clear road map for any economy that wishes to be competitive in the 21st century knowledge-based global economy. Large or small, developing or developed, economies from around the world can utilize the insights about their own national IP environments as well as those of their neighbors and international competitors to improve their own performance and better compete at the highest levels for global investment, talent, and growth.

Economies included

The latest edition of the Index covers 50 economies. Together, these economies represent both a geographical cross-section of the world and the vast majority of global economic output, contributing over 90% of global Gross Domestic Product.

As Table 1 shows, the Index includes economies from all major regions of the world and is truly a global measure.¹

Table 1: 7th edition Index economies by World Bank region

| Asia | Latin America and the Caribbean | Africa and the Middle East | Europe and Central Asia | North America |
|-------------|---------------------------------|----------------------------|-------------------------|---------------|
| Australia | Argentina | Algeria | France | Canada |
| Brunei | Brazil | Egypt | Germany | U.S. |
| China | Chile | Israel | Hungary | |
| India | Colombia | Jordan | Ireland | |
| Indonesia | Costa Rica | Kenya | Italy | |
| Japan | Ecuador | Morocco | Netherlands | |
| Malaysia | Mexico | Nigeria | Poland | |
| New Zealand | Peru | Saudi Arabia | Russia | |
| Pakistan | Venezuela | South Africa | Spain | |
| Philippines | | UAE | Sweden | |
| Singapore | | | Switzerland | |
| South Korea | | | Turkey | |
| Taiwan | | | UK | |
| Thailand | | | Ukraine | |
| Vietnam | | | | |

Source: World Bank (2018)

In addition to geographic diversity, the Index also contains economies from a broad spectrum of income groups as defined by the World Bank. Table 2 provides

an overview of all 50 economies sampled in the 7th edition of the Index according to income group as defined by the World Bank.

Table 2: 7th edition Index economies by World Bank income group

| Lower-Middle-Income Economies | Upper-Middle-Income Economies | High-Income Economies | High-Income Organisation for Economic Co-operation and Development (OECD) Members |
|-------------------------------|-------------------------------|-----------------------|---|
| Egypt | Algeria | Argentina | Australia |
| India | Brazil | Brunei | Canada |
| Indonesia | China | Saudi Arabia | Chile |
| Kenya | Colombia | Singapore | France |
| Morocco | Costa Rica | Taiwan | Germany |
| Nigeria | Ecuador | UAE | Hungary |
| Pakistan | Jordan | | Ireland |
| Philippines | Malaysia | | Israel |
| Ukraine | Mexico | | Italy |
| Vietnam | Peru | | Japan |
| | Russia | | Netherlands |
| | South Africa | | New Zealand |
| | Thailand | | Poland |
| | Turkey | | South Korea |
| | Venezuela | | Spain |
| | | | Sweden |
| | | | Switzerland |
| | | | UK |
| | | | U.S. |

Source: World Bank (2018)

What's new in the 7th edition?

New categories and indicators

As in the 6th edition of the Index, a significant new feature of the 7th edition is the addition of 6 new indicators, bringing the total number of indicators included in the Index to 45. (Indicator 25, regulatory and administrative barriers to the commercialization

of IP assets from previous editions has been removed and broken up into 3 new indicators.)

Consequently, the maximum possible score on the Index has also increased from 40 to 45.

Table 3 provides a summary of the 6 new indicators and the Index categories to which they have been added.

Table 3: New indicators added in 2019

| Index Category | New Indicator |
|---|---|
| Category 4: Trade Secrets and the Protection of Confidential Information | <p>1 new indicator:</p> <ul style="list-style-type: none"> - Protection of trade secrets (criminal sanctions) |
| Category 5: Commercialization of IP Assets and Market Access | <p>4 new indicators:</p> <ul style="list-style-type: none"> - Barriers to technology transfer - Registration and disclosure requirements of licensing deals - Direct government intervention in setting licensing terms - Tax incentives for the creation of IP assets |
| Category 7: Systemic Efficiency | <p>1 new indicator:</p> <ul style="list-style-type: none"> - Targeted incentives for the creation and use of IP assets for small and medium-sized enterprises (SMEs) |

The Annex at the end of this report fully defines and describes the new indicators. Below is a summary overview of each new indicator and what it seeks to measure.

The new indicator added to Category 4: Trade Secrets and the Protection of Confidential Information measures the existence of legislation that provides criminal sanctions for the misappropriation, improper acquisition, use, or disclosure of trade secrets or

confidential business information and the application of this legislation and effective access to these remedies.

The four new indicators added to Category 5: Commercialization of IP Assets and Market Access measure the presence of barriers and incentives for the commercialization and licensing of IP assets. These include barriers to technology transfer; registration and disclosure requirements of licensing agreements; direct government intervention in setting licensing

terms; and the existence of tax incentives for the creation and commercialization of IP assets.

The final indicator added to Category 7: Systemic Efficiency seeks to measure the extent to which a given economy's national IP system provides special incentives to small and medium-sized enterprises (SMEs) for the creation, registration, and use of IP assets. Examples of such incentives include fast-track registration procedures, reduced filing fees, and technical assistance targeting SMEs. This is a mixed indicator.