**Intellectual Property**

74% of exports — or $1 trillion — are driven by American IP-intensive industries. **Source:** *Global Intellectual Property Center: “IP Creates Jobs for America,” NDP Consulting, May 2012.*

G20 governments and consumers lose $125 billion annually, including losses in tax revenue, from counterfeiting and piracy.

Intellectual property rights (IP rights) are not inherently valuable. Their value is the strategic advantage gained by excluding others from using the intellectual property. To be valuable, your exclusionary rights should be strategically aligned with your business objectives. Without a strategic alignment, you may be wasting your investment and missing opportunities to capture valuable market advantages.

The most valuable IP rights are those that provide a competitive advantage over your competitors and build equity in your brand. Whether your products provide unique functionality, improved efficiency or desirable aesthetics, the marketable value is in having your brand recognized as the exclusive source of these offerings.

We estimate that U.S. intellectual property today is worth between $5 trillion and $5.5 trillion, equivalent to about 45 percent of U.S. GDP and greater than the GDP of any other nation in the world.

The Organization for Economic Development (OECD) has estimated that counterfeiting and piracy costs companies as much as $638 billion a year, losses greater than the total GDP of all but 12 countries. Around the world, between 35 and 40 percent of all commercial, packaged software and musical recordings sold every year are thought to be counterfeit.

Among patented products that are more difficult to duplicate, such as drugs, electronics and semiconductors, the counterfeit rates are lower but substantial. The World Health Organization (WHO) estimates that at least six percent of the pharmaceutical sold worldwide every year are counterfeit, valued at more than $30 billion.