

Understand and evaluate propension to innovation at the worldwide level: patents' role



Innovation can be considered as an essential driver of economic growth giving benefits to business, consumers, and the economy overall. Being innovative means increase own market positioning and keeping an advantage versus other players on the market. As innovation is related to Research and Development propension of a company, it's necessary to have the right tools to understand how a company is positioned and define the best approach.

Considering economic terms, innovation is related to the development and implementation of ideas and technologies with the aim to improve goods and services or make their production more efficient.

Starting with this perspective, one of the major benefits of innovation is linked to contributing to economic growth and in production is done in a more efficient way, an increase is expected.



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Top three innovation economies by region



Top three innovation economies by income group

High-income	Upper middle-income	Lower middle-income	Low-income
1. Switzerland 2. Sweden 3. United States of America	1. China 2. Bulgaria ↑ 3. Malaysia ↓	1. Viet Nam 2. India ↑ 3. Ukraine ↓	1. Rwanda ↑ 2. Tajikistan ☆ 3. Malawi ☆

↑↓ Indicates the movement of rank within the top three, relative to 2020, and
 ☆ indicates a new entrant into the top three in 2021.

* Top three in Northern Africa and Western Asia (NAWA) – excluding island economies. The top four in the region, including all economies, are as follows: Israel (1st), Cyprus (2nd), United Arab Emirates (3rd) and Turkey (4th).

* Top three in sub-Saharan Africa (SSA) – excluding island economies. The top five in the region comprise Mauritius (1st), South Africa (2nd), Kenya (3rd), Cabo Verde (4th) and the United Republic of Tanzania (5th).

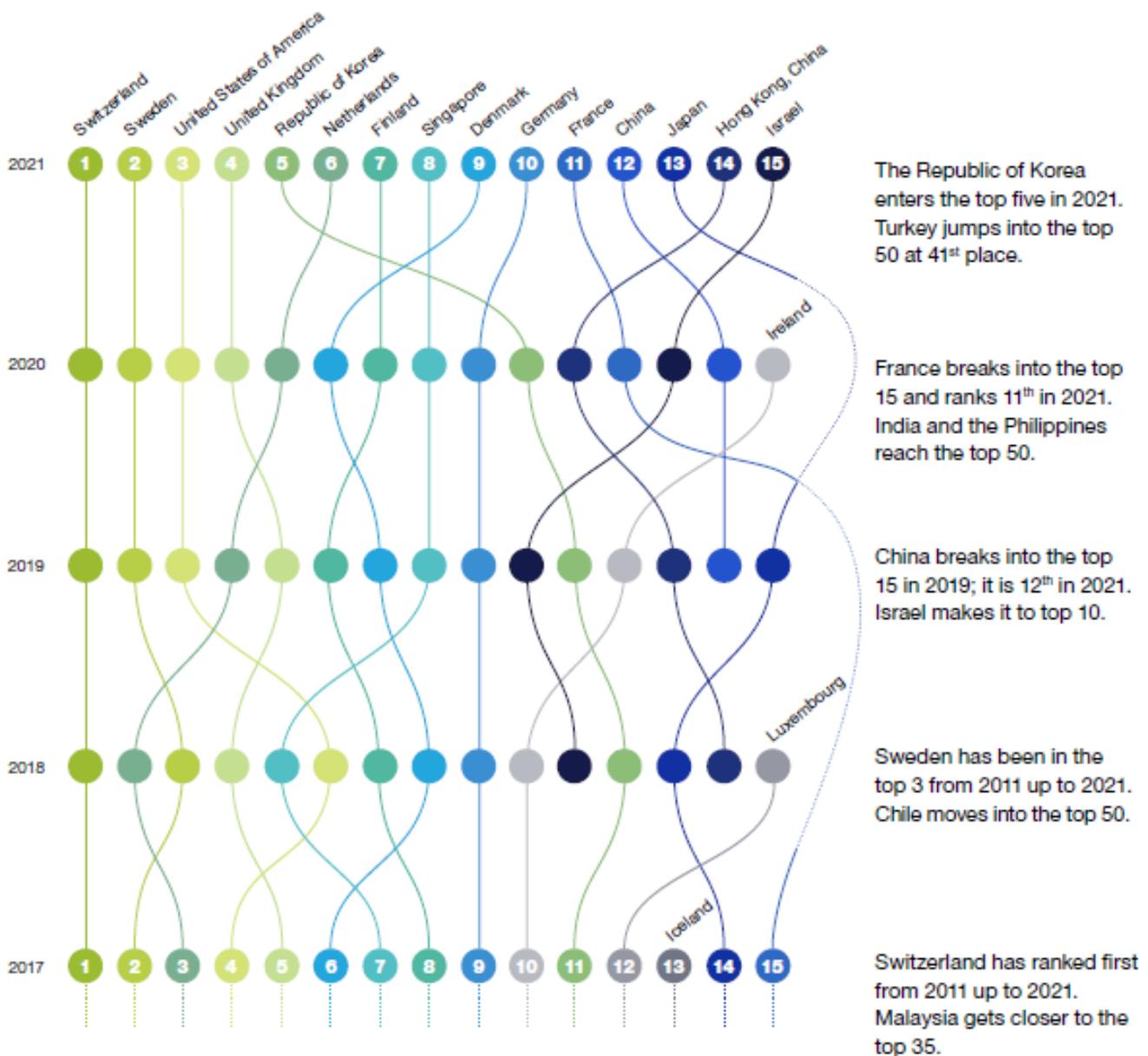
Source: Global Innovation Index Database, WIPO, 2021.

Notes: World Bank Income Group Classification (June 2020). Year-on-year GII rank changes are influenced by performance and methodological considerations; some economy data are incomplete (see Appendix I).

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Movement in the GII top 15, 2017–2021



Source: Global Innovation Index Database, WIPO, 2021.

Note: Year-on-year comparisons of the GII ranks are influenced by changes in the GII model and data availability.

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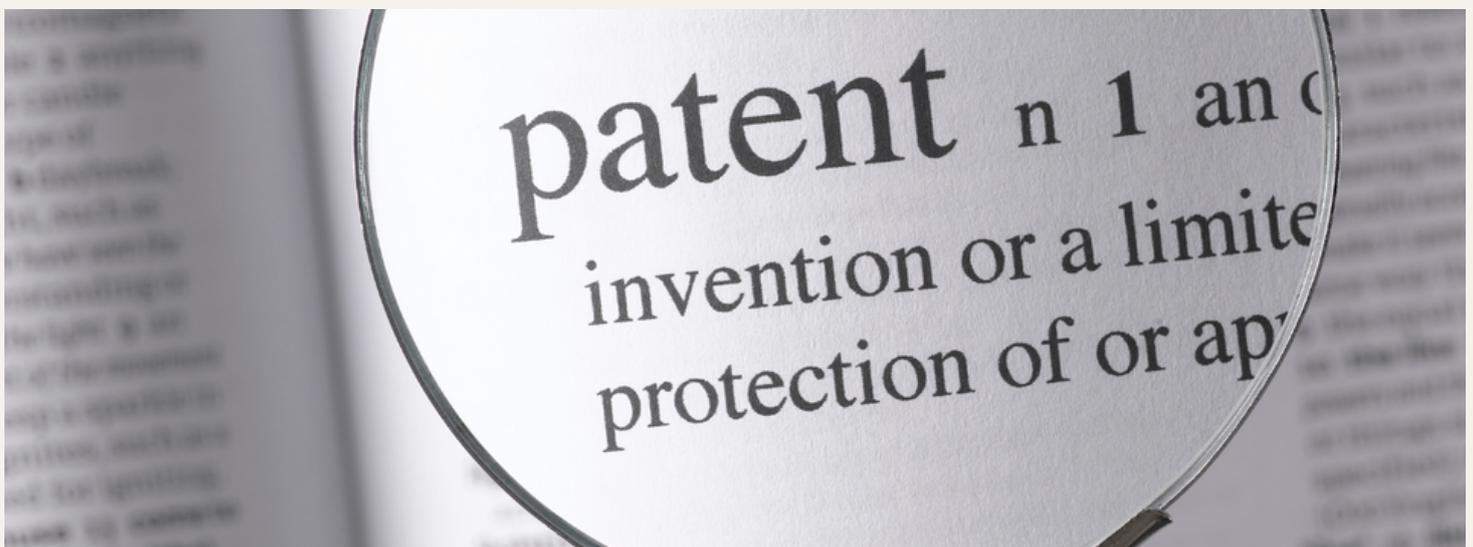
Intellectual property rights to protect innovations

To protect legally creators for original work, inventions, or the appearance of the product there are intellectual rights encouraging new creations.

Inventions are mandatory for innovation and it must be protected through patents protecting the interests of inventors. In fact, an individual or a company must control the commercial use of the invention preventing others from making, selling, retailing, or importing that technology. It means giving the opportunity for the inventors to sell, trade or license patented technologies with others who may want to use them.

When a new solution is available on the market, it's a benefit for all society, as it may enable to do something previously not possible. In addition, revenues generated from commercial success coming from patented new products makes it possible to finance further research.

New Patents stimulate economic and technological development, creating competition. There are other ways to protect inventions, such as copyrights, design rights, trademarks, and trade secrets, but the patent is the most effective to protect innovation



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What is a Patent?

A patent is an exclusive right granted to an inventor for a fixed time period. A patent excludes others from making, using, or selling the item in question for the duration of the patent's life. Once a patent has been granted to an inventor, they have the legal authority to prohibit others from making or selling the invention in the country where the patent was granted. To summarize:

- A patent provides an inventor with exclusive rights to the patented process, design, or invention for a certain period of time.
- For a business, patents are classified as intellectual property, a form of intangible asset.
- Being intangible, patents are difficult to value properly, but they still must be accounted for on a firm's balance sheet.
- Patents can be valued using a variety of methodologies depending on the type of patent and whether the patent is likely to produce future cash flows or not.

Inventions do not fall into three different categories:

- Laws of nature
- Natural phenomena
- Abstract ideas

It also requires that inventions that seek to be patented fall within one of three categories:

- Machines
- Human-made products
- Processing methods
- Innovation Criterion

The invention must be unknown. In other words, the invention cannot be one that has been shown to the public, and in addition that an invention will not be patented if the invention only differs from a previously patented invention by making obvious modifications.

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There are several types of patents:

- Plant Patent: granted to an inventor who has invented or discovered a new variety of plants.
- Utility Patent: granted to inventors who invent or discover any new and useful process, software or the machine, or any new functional improvement to an existing invention.
- Design Patent: protects an invention's ornamental design, improved decorative appearance, or shape.



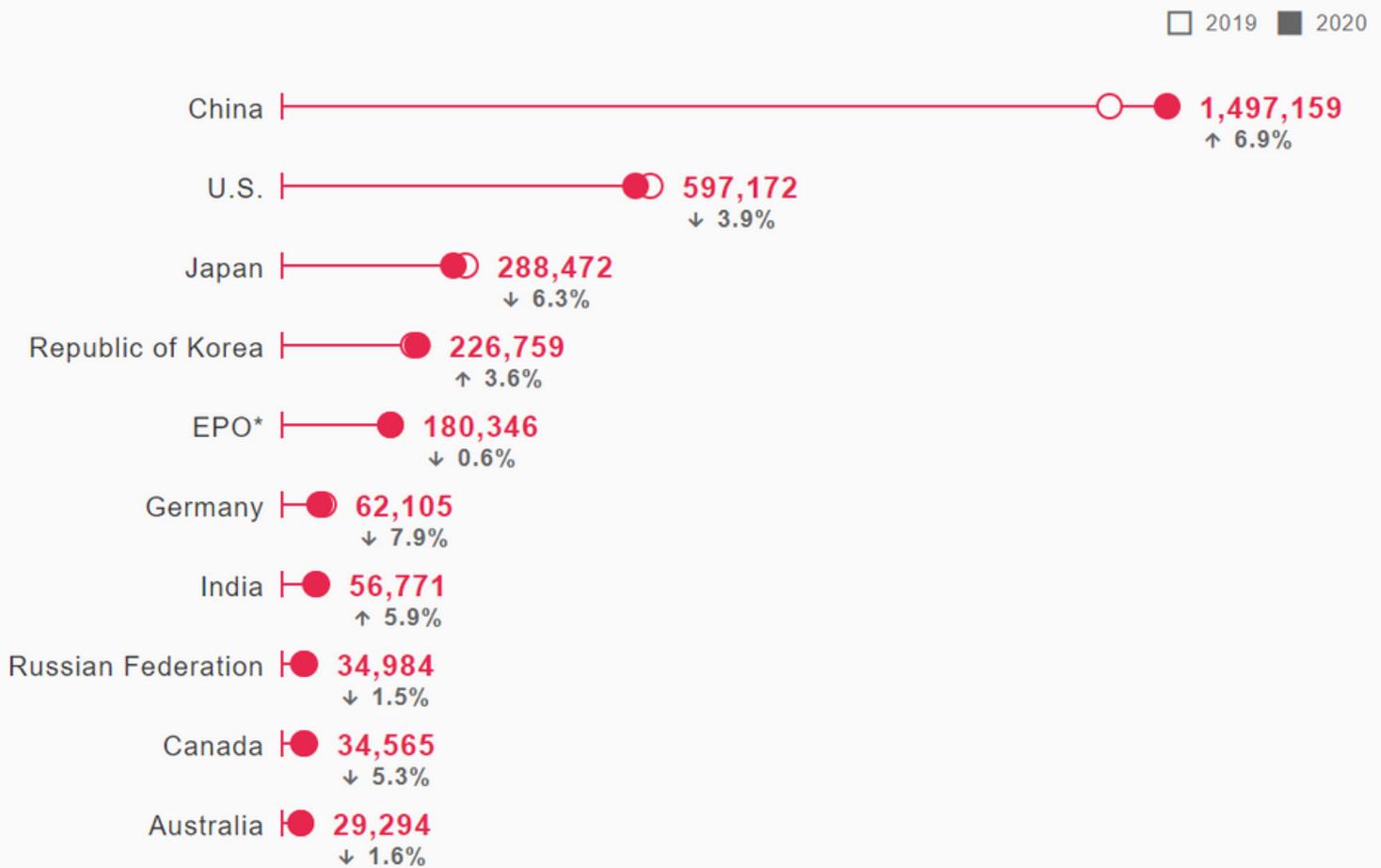
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PATENTS AND UTILITY MODELS ▾

Patent applications for the top 10 offices

WHERE WAS PATENT ACTIVITY HIGHEST?



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