

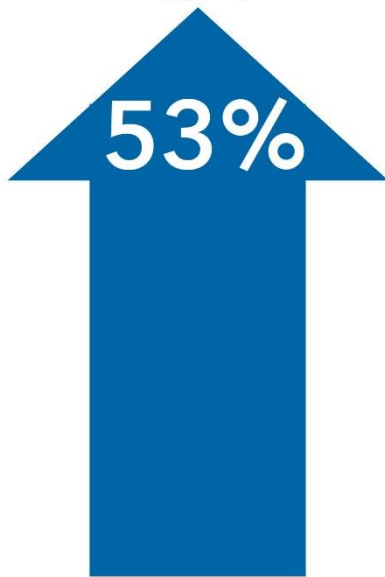
# U.S. POSITION AS LEADER IN INNOVATION IS UNDER **THREAT**

*Patents and Venture Capital Are Increasingly Moving Overseas*

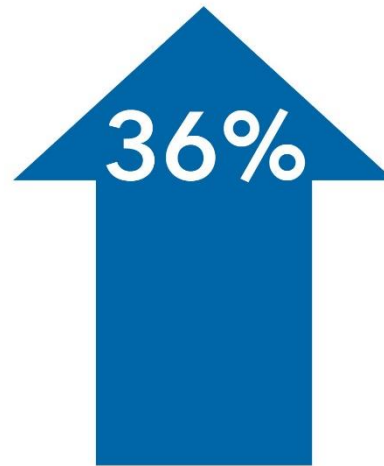
# Patents Are Critical To Obtaining Venture Capital Investment And Startup Success

## Holding a Patent:

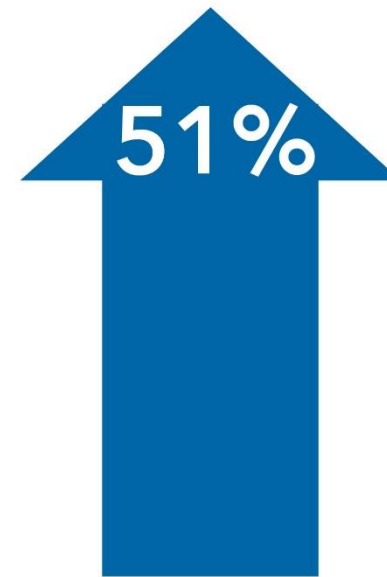
Increases probability of securing venture capital funding by 53%



Increases startup employment by 36%



Increases startup sales growth by 51%



# Rate Of U.S. Startup Formation Has Fallen To Alarming Lows

“...[S]tartup activity is well below the pre-Great Recession average...”

- U.S. Census Bureau, [Press Release on Business Dynamics Statistics Report](#), September 20, 2017

# China Surpasses U.S. And The World In Patent Applications

## International Patent Applications in 2017



# China Far Outpacing U.S. In Patents Filed

“The latest figures charting a rise in demand for intellectual property rights confirm a decade-long trend...China is increasingly amongst the leaders in global innovation and branding.”

- WIPO Director General Francis Gurry, “China Tops Patent, Trademark, Design Filings in 2016,” December 6, 2017

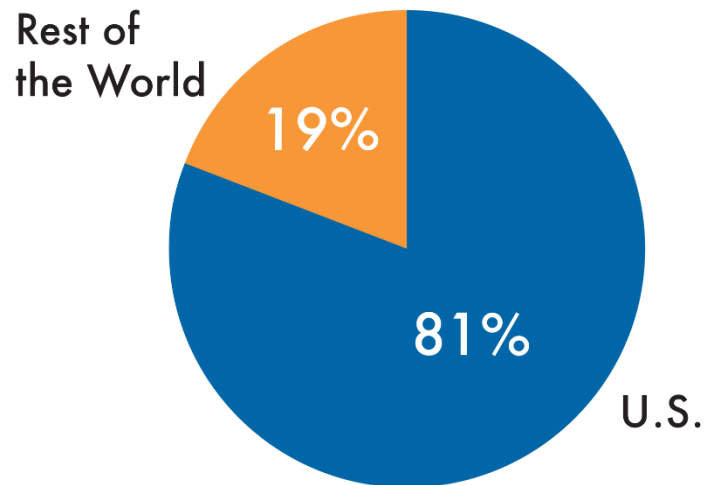
# U.S. Falls To 12<sup>th</sup> In Ranking Of Patent System Strength

## **CATEGORY 1: Patents, Related Rights, and Limitations**

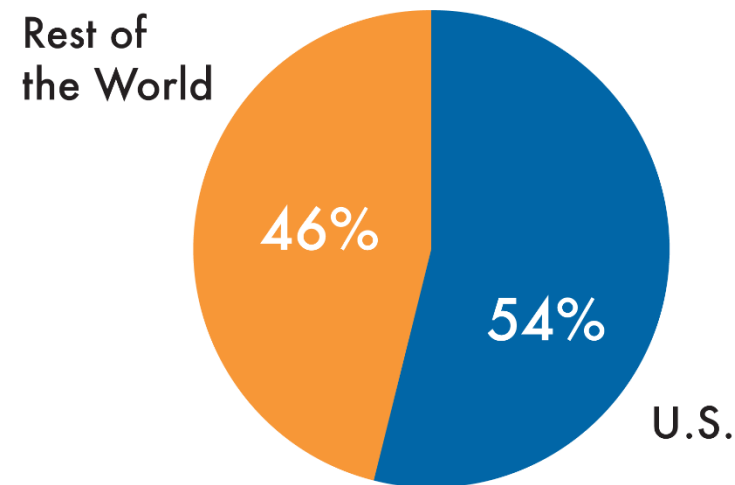
1. Singapore
2. France
3. Germany
4. Ireland
5. Japan
6. Netherlands
7. South Korea
8. Spain
9. Sweden
10. Switzerland
11. UK
- 12. United States** / Italy

# U.S. Share Of Global Venture Capital Has Fallen Dramatically

## Share of Global Venture Capital



2006



2017

# Largest Venture Capital Investments Now Occurring Outside Of U.S.

“Three of the last four years, at least half of the top ten largest venture investments in the world occurred outside the U.S.”

- Chair-elect Scott Kupor, National VC Association, Testimony before U.S. Senate Small Business Committee, July 14, 2016

# Largest Venture Capital Investments Now Made In China

## Ten Largest Venture Capital Investments in 2017

<b>1. Didi Chuxing</b>	<b>Beijing, China</b>	<b>\$9.6 B</b>
<b>2. Meituan-Dianping</b>	<b>Beijing, China</b>	<b>\$4 B</b>
3. WeWork	New York, NY	\$3 B
<b>4. Toutiao</b>	<b>Beijing, China</b>	<b>\$2 B</b>
<b>5. BAIC BJEV</b>	<b>Beijing, China</b>	<b>\$1.6 B</b>
6. Lyft	San Francisco, CA	\$1.5 B
7. Grail	Menlo Park, CA	\$1.2 B
8. Airbnb	San Francisco, CA	\$1 B
<b>9. Nio</b>	<b>Shanghai, China</b>	<b>\$1 B</b>
<b>10. Ofo</b>	<b>Beijing, China</b>	<b>\$1 B</b>

# U.S. Drops Out Of Top 10 In Global Innovation Ranking For First Time

2018 Bloomberg Innovation Index puts U.S. in 11th place, marking continued decline.

#1

2013

#9

2017

#11

2018

# It Is Time To Prioritize U.S. Innovation

“Innovative entrepreneurship is a global game. It is time to prioritize policies that support the American entrepreneurial ecosystem.”

- Chair-elect Scott Kapor, National VC Association, Testimony before U.S. Senate Small Business Committee, July 14, 2016



*innovationalliance.net*