

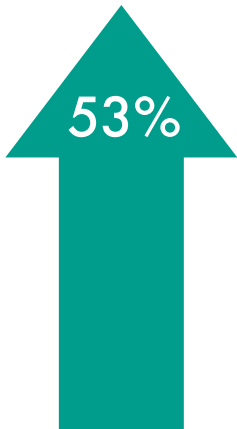
# U.S. POSITION AS LEADER IN INNOVATION IS UNDER THREAT

*Patents and Venture Capital Are Increasingly Moving Overseas*

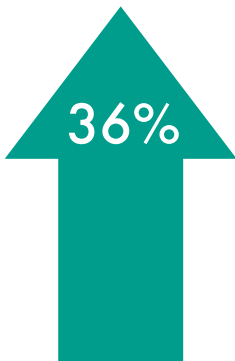
# Patents are Critical to Obtaining Venture Capital Investment and Startup Success

## Holding a Patent:

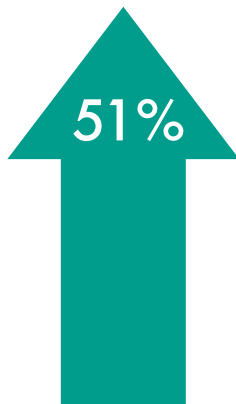
Increases probability  
of securing venture  
capital funding by 53%



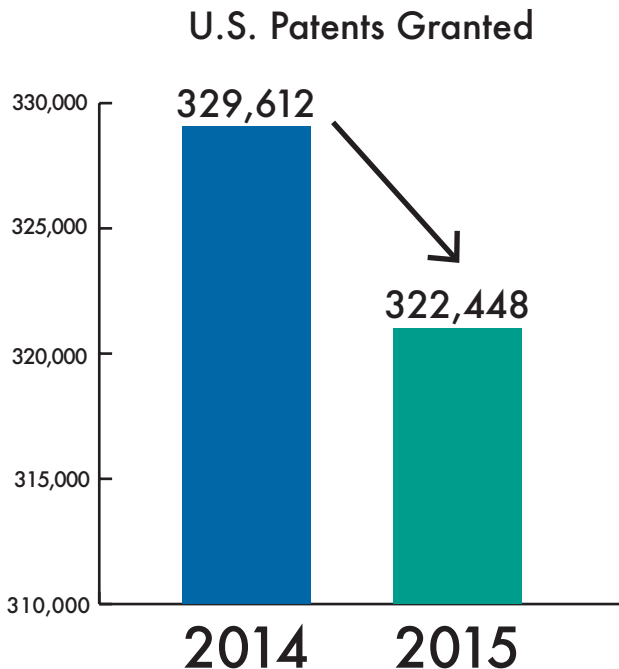
Increases startup  
employment  
growth by 36%



Increases startup  
sales growth by  
51%



# 2015 Marked First Decline in U.S. Patents Granted Since 2008



Note: Years are \*Fiscal Year

Source: U.S. Patent and Trademark Office, "2015 Performance and Accountability Report," November 13, 2015

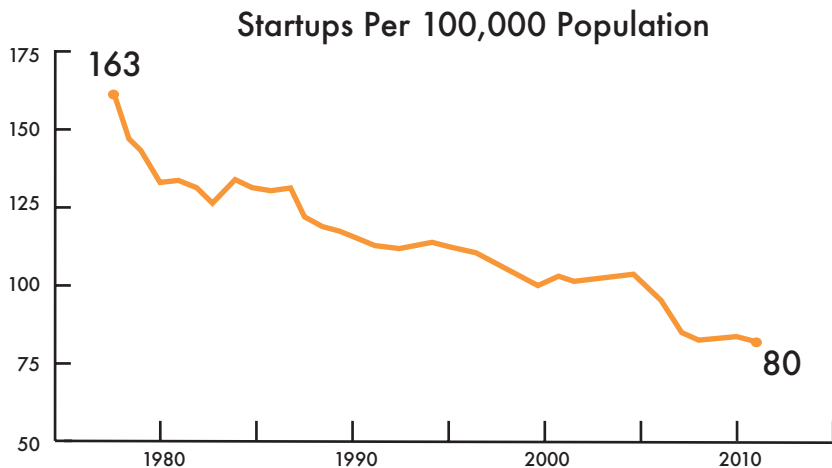
# Rate of U.S. Startup Formation Has Fallen to 2nd Lowest on Record

"[G]overnment data shows a decades long slowdown in entrepreneurship. The share of private firms less than a year old has dropped from more than 12% during much of the 1980s to only about 8% since 2010. In 2014 ... the startup rate was the second-lowest on record, after 2010..."

- Wall Street Journal, "Sputtering Startups Weigh on U.S. Economic Growth," Jeffrey Sparshott, October 23, 2016



# U.S. Startup Density Continues to Fall



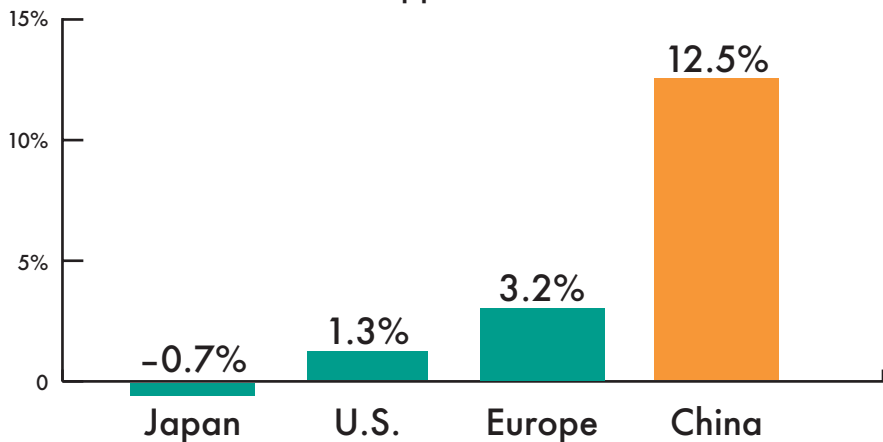
# China Far Outpacing U.S. in Patents Filed

"China's patent office received by far the most filings, clocking nearly one million of them outstripping the combined total of patents filed in runner-up countries the United States and Japan ... 'It is quite extraordinary the numbers coming out of China,' [WIPO Director General] Gurry said. This, he said, 'demonstrates a massive buy-in to the intellectual property system on the part of China. They are the number one users of it in the world.'"

- Agence France-Presse, "China Leads in Patent Application Growth," December 14, 2015

# China Leads World in Patent Application Growth

2014 Patent Application Growth



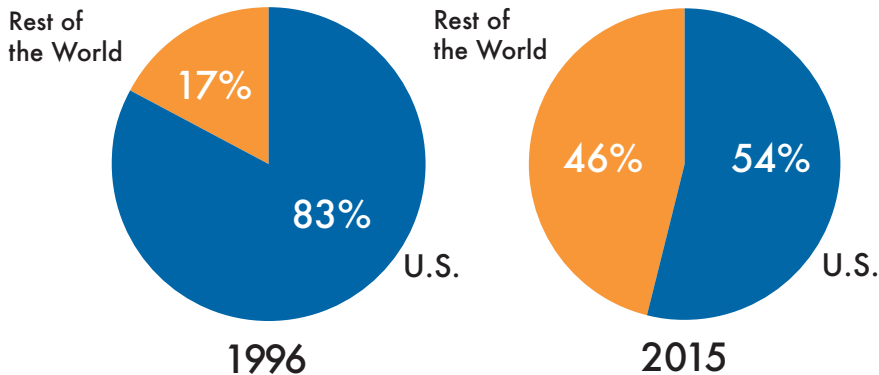
# Largest Venture Capital Investments Now Occurring Outside of U.S.

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

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

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

Share of Global Venture Capital

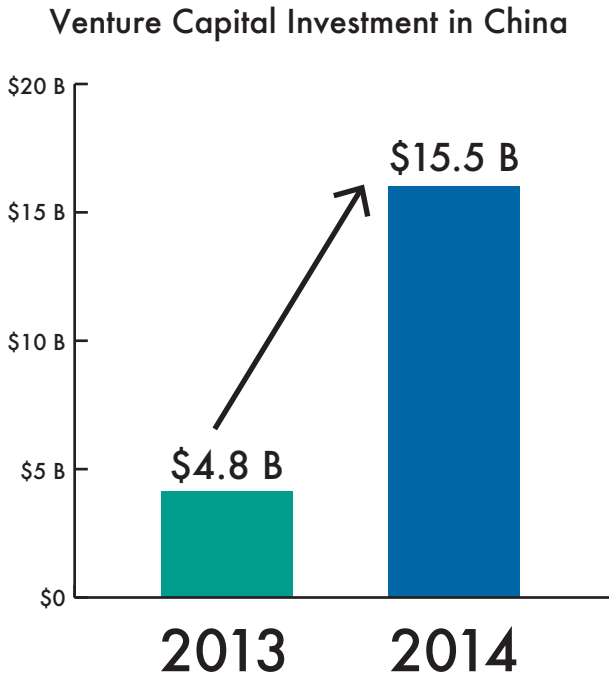


# China and India Have Doubled Their Share of Global Venture Capital

“China and India, the largest emerging markets for venture capital, [have doubled] their share of the global market in just a few years.”

- World Economic Forum, “What Countries Have the Most Venture Capital Investments,” July 28, 2015

# China Increased Its Venture Capital Investment by 223% in 2014



# 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.”

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



The logo for the Innovation Alliance features the word "INNOVATION" in white, uppercase, sans-serif font. A small orange dot is positioned above the letter "V", and an orange downward-pointing triangle is integrated into the letter "O". Below "INNOVATION", the word "ALLIANCE" is written in orange, uppercase, sans-serif font, with wide letter spacing. A thin orange horizontal line separates the two words.

# INNOVATION ALLIANCE

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