



Remarks to Asia Innovation Forum 2007

- Robert Cresanti
 - Under Secretary for Technology, Technology Administration, U.S. Department of Commerce
- Panel session on “Enabling Innovation through Policy Initiatives”
- U.S. perspective on markets, competition, and government roles in promoting innovation



Innovation as Pillar of National Economic Strength

- Knowledge-based innovation as key basis for future economic prospects
 - Simple in concept...
 - Productivity improvements
 - GDP growth
 - Economy wide importance

- The Changing Wealth of Nations
 - Prior centuries dominated by nations with superior industrial and agricultural capabilities
 - The Information Age rewards new competencies and strengths
 - Knowledge – ideas and people who generate them – the new coin of the realm



Innovation – Markets and Competition as Essential Drivers

- “Knowledge,” “invention,” “innovation” refer to different elements
- Private firms developing & profiting from commercially dictated innovations
- There are important, actions government can take to broaden, deepen, and hasten the cycle:
 - Strong national portfolio of R&D
 - Tech transfer
 - R&D partnering by government, industry, universities
 - Business risk taking (entrepreneurship)
 - Strong and supportive capital markets
 - Strong resources for science & engineering -- human and physical
 - Technologically literate citizen/consumer populations

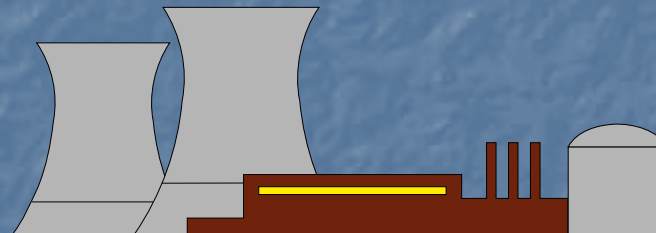
Key Role of Federally-funded R&D

- Federal support for early stage, high risk R&D (basic science)
 - According to NSF's latest statistics, R&D activities in the U.S. totaled \$312 billion in FY 2004. 19% basic research, 21% applied, 60% development.
- Federally funded R&D comes in two major forms
 - Extramural grants to universities, colleges, other non-profits (~ 35%)
 - Federal labs (~ 40%)
- Federal vs. industry
 - The federal government is the predominant provider of funds for basic research, 62%. It also supports 38% of applied research.
 - Industry supports about 54% of applied research and 82% of development – but only 16% of basic research.
- Enhancing private sector exploitation of federally-funded R&D results -- to yield innovative products, processes, services.

United States Patent and Trademark Office's Contribution to the U.S. Economy



Research & Development

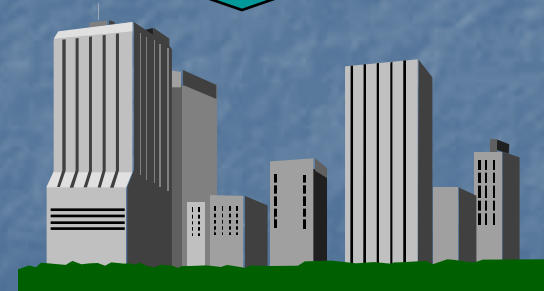


Industry, Business, Inventors

**Stimulating
Innovation and
Economic Growth
by Protecting
Investment**

**Quality Patents
and Trademarks**

**Patent &
Trademark
Applications**



USPTO

(After J. Housel, USPTO, March 29, 2007)

Principles of United States Innovation Policy

- U.S. economy emphasizes business competition, market forces, competitive access to capital for new ideas and innovation
- U.S. R&D system is highly decentralized: many public and private sector actors, many forms of government/university/industry (G/U/I) linkages, decentralized priority setting and resource allocation
- “Science to market” – Balance needs, incentives, resources for creative research enterprise AND private sector interest in developing and commercializing new ideas and technology
- Provide mechanisms for IP protection and technology transfer; address market failures where they exist
- Standard Setting