

# Research and development in Canadian industry: Intellectual property, 2021

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Companies of all sizes and across all industries rely on patents, trademarks, and copyrights to protect their brands, research and development (R&D), creations and other intellectual property (IP). This protection allows companies to generate revenue through the selling or licensing of their IP, including intellectual property products, which can further strengthen their position in a competitive business environment.

Despite the complexities brought on by the COVID-19 pandemic in 2021, which included supply chain issues and higher inflation, businesses that performed R&D in Canada bought and sold IP at amounts that exceeded pre-pandemic levels in 2019 and record amounts in 2020.

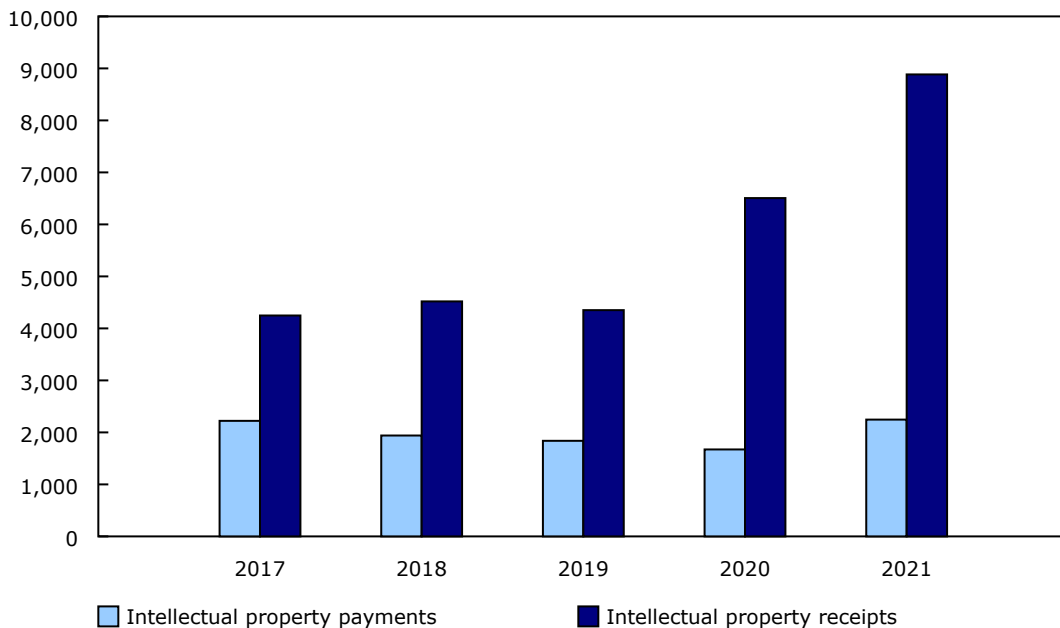
## Payments received for intellectual property remain integral to businesses in Canada

Payments and receipts for IP are comprised of transactions with parent, affiliated or subsidiary companies, and other companies, organizations or individuals. In 2021, businesses in Canada performing R&D generated more revenue for the use of their IP than ever before, as receipts rose 36.6% to \$8.9 billion. At the same time, payments for IP increased 34.3% to \$2.2 billion.

Since 2017, IP receipts have more than doubled, with the strongest growth occurring during the 2020-2021 pandemic period.

**Chart 1**  
**Receipts and payments for intellectual property, 2017 to 2021**

millions of dollars



Source(s): Table 27-10-0348-01.

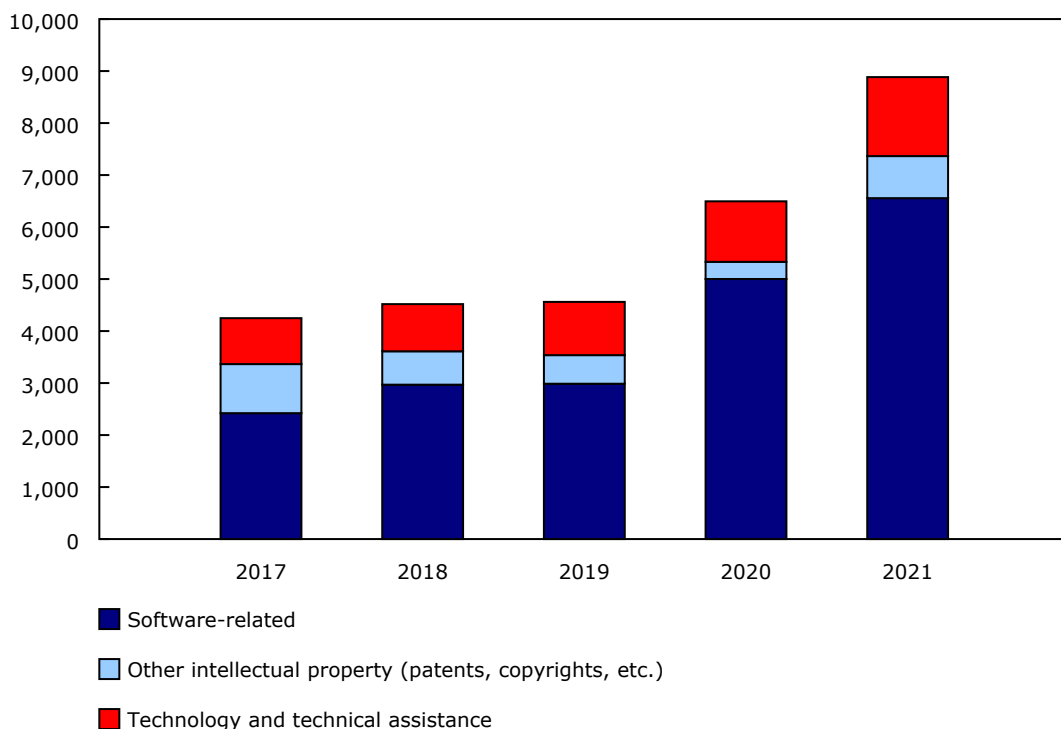


In 2021, \$6.6 billion in receipts for IP came from outside Canada. This represented nearly three quarters of all receipts, and a 37.6% increase over the previous year. This amount was more than double the \$2.7 billion received in 2017 and underscores the importance of international trade to IP creators.

The growth in receipts from within Canada was strong as well in 2021, up 33.6% to \$2.2 billion. Despite steadily increasing, domestically generated receipts have consistently been outpaced by foreign receipts and as a result, their share of total receipts has declined from over one third of all receipts in 2017 to just over one quarter in 2021.

**Chart 2**  
**Intellectual assets receipts by product type, 2017 to 2021**

millions of dollars



Source(s): Table 27-10-0348-01.

Of the \$2.2 billion spent on IP by R&D companies operating in Canada in 2021, \$1.0 billion of the payments were made within Canada. This was a 42.7% increase over the previous year. Payments outside of Canada increased by 28.2% to \$1.2 billion.

### Software receipts were a key driver in 2021

The increase in IP receipts in 2021 was driven mainly by software sales and leases. Compared with 2020, original software sales rose 30.9% to \$5.6 billion, while sales of packaged or off-the-shelf software increased by 35.3% to \$935 million. The strong rise in software-related sales occurred against the backdrop of the pandemic, which accelerated the digitalization of the daily lives of Canadians and the world over.

### Note to readers

The estimates do not represent all trade in intellectual property (IP) rights or informal technological assistance services in Canada.

These estimates of payments made and received for IP, software and technological assistance were derived from data collected from companies in the sample for the Annual Survey of Research and Development in Canadian Industry. Although the data come from a sample survey, the responses are self-representing and are not weighted for these particular variables given the volatile nature of IP-related activities. Therefore, the estimates represent IP commercial transactions only for the companies in Canada with research and development (R&D) activities that responded to the survey.

R&D-active businesses are companies in the sample for the Annual Survey of Research and Development in Canadian Industry that funded or performed R&D during the reference period or in the previous year.

Because of differences in the scope of surveyed enterprises, the data on international IP trade in this release are different and are not directly comparable with other Statistics Canada data on [international transactions in services](#).

### Intangible property

Newly created knowledge can be formally protected through registered IP instruments (patents; copyrights; trademarks; industrial designs; and integrated circuit topography designs). Other forms of intangible property include original software; packaged off-the-shelf software; databases with a useful life exceeding one year; and other technological assistance, industrial processes and know-how. Technology payments can be made to, or received from, affiliated or non-affiliated organizations within or outside Canada. These technology payments can be for IP licensing, consultation fees and one-time sales.

IP protection involves the disclosure and registration of an organization's ideas (often the result of R&D, such as new or improved products and processes) to confer legal rights on these disclosed ideas. This can facilitate their subsequent commercial exploitation through sales, licensing agreements and the provision of technological assistance to clients, while impeding others from unauthorized use.

### Affiliated

An organization that, directly or indirectly through one or more intermediaries' control, is controlled by, or is under common control with, another organization.

### Non-affiliated

An organization that does not control, is not controlled by and is not under common control with another organization, either directly or indirectly through one or more intermediaries.

**Available tables:** [27-10-0348-01](#) and [27-10-0349-01](#).

**Definitions, data sources and methods:** survey number [4201](#).

The new interactive dashboard "[Characteristics of research and development in Canadian industry](#)" ([71-607-X](#)) is now available.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; [infostats@statcan.gc.ca](mailto:infostats@statcan.gc.ca)) or Media Relations ([statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca](mailto:statcan.mediahotline-ligneinfomedias.statcan@statcan.gc.ca)).