

## Connecting IP to innovation policies

### What are the key issues for IP policy in connection with innovation policy?

For IP policies to support innovation it is important to assess their potential contributions within the full set of innovation policies so as to understand which other policies are needed to complement IP policies. IP policies need to be articulated in a co-ordinated way among the multiple actors involved in innovation systems. This raises questions regarding the governance of the IP system, since these structures shape the extent to which co-ordination materialises. Other issues to be resolved are which priorities should be set among a range of policies and how policies can be made compatible and where trade-offs arise.

Questions to be addressed include the following.

- **Applicability.** Are IP policies suitable tools to support innovation performance for all actors in the IP system including SMEs and young businesses? (see [Characteristics of IP policies](#) [1])
- **Types of policies.** What types of IP policies are most important to impact innovation? Should priorities be given to certain types of IP or users? (see [Policy design for IP](#) [2])
- **Institutional coordination.** What institutional arrangements can help ensure the various actors of the IP system coordinate their policies for larger impacts on innovation? (see [Governance of IP systems](#) [3])

### What are the main characteristics of IP policies for innovation?

IP policies are a type of policy within the set of alternative and complementary innovation policies (see [overview of instruments for innovation in public policy and governance module](#) [4]). Their key characteristics must be understood to help decide where they can be most powerful and which complementary policies are needed to maximise their impacts (see [Characteristics of IP policies relative to other innovation policies](#) [1]).

#### Governance of IP systems

National IP systems are inherently complex as they cover a diverse range of legal, economic and strategic functions. For that reason, their management is increasingly shared among various institutions. Cooperation is critical at the top for IP systems to effectively contribute to innovation because different institutions in charge might be at cross-purposes with one another (see [Governance of IP systems](#) [3]).

#### Prioritisation, compatibility and trade-offs in policy design

Ensuring the legal and administrative conditions for IP holder are preconditions for IP to have a potential to operate to the advantage of innovation. However, policies targeted at stimulating use of IP systems by actual and potential users are often needed. Prioritisation of specific actors and/or sectors and/or types of IP is a more reasonable approach. Several trade-offs arise including the trade-off between static loss over dynamic efficiency which is at the heart of IP policy (see [Policy design](#) [2]).

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## What are the main policy implications of IP policies relative to other innovation policies?

Although the wide effects of IP policies can have made them an attractive innovation tool, they will not automatically provide the best outcomes. While a few innovative systems have developed a high quality IP system, many others have not. Only the combination with other contributions of IP systems to innovation be successful, are required. Only the combination with other contributions of IP

### Policy design questions

IP systems require adequate legal and administrative conditions in order to provide incentives for innovation. In addition, complementary policies must be implemented in order to support innovation. The context and trends in technology and development to best support innovation are key.

### Governance of IP systems

Coordination between bodies involved in IP policy can be achieved in various ways, including a single body for IP policy, a rule-based approach (all bodies follow similar rules) etc. The most

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- [1] <https://www.innovationpolicyplatform.org/content/characteristics-ip-policies-relative-other-innovation-policies?topic-filters=12234>
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