

## Organisation of IP systems

### How does organisation of IP systems affect how they support innovation?

The organisation of IP systems profoundly affects the availability, scope and effectiveness of IP rights, since the quality of the existing regime—and the actors' awareness of it—determine firms' benefits from IP-protected intangible assets and, in consequence, their use of the IP system. That is, if the organisation of the IP system lacks legal quality, then the IP system will neither incentivise investments in innovation nor contribute to innovation in other ways (see [Rationales of IP for innovation](#) [1]). For that reason, how the IP system is organized is critical for its support of innovation performance.

Moreover, the organisation of an IP system must make it attractive for a wide variety of actors. High costs of obtaining IP rights, and especially their enforcement, can be prohibitive for small and medium enterprises, as well as for start-ups. The fee system can also be an important way to support legal quality but should not create barriers to entry. Also, insecurity about the quality of the obtained rights may lead to lower attractiveness of the formal IP protection mechanisms.

### What are the key policy dimensions regarding organisation of IP systems and intellectual property rights?

Policy makers must answer the following policy questions in designing an IP system:

- What conditions have to hold for IP systems to incentive innovation? (see [Legal quality of IP](#) [2])
- How can IP examination procedures be set up in a way that they are more user-friendly and incentivise various types of applications from different user groups? (see [IP operations and procedures](#) [3])
- How can governments help ensure enforcement costs do not lead small entities such as SMEs to withdraw from using the IP system? (see [IP enforcement and litigation](#) [4])
- What are the fundamental competencies for managing innovations, their protection and commercialization? And how should they best be provided? (see [IP skills and training](#) [5])
- How can national IP systems be organised best from an institutional perspective in a way that they support innovation policy best? (see [Governance of IP systems](#) [6])

### What policies influence the organisation of the IP system in relation to innovation?

Within the context of the role of IP in innovation, public policy can support the legal quality of the IP system (see [Legal quality of IP](#) [2]) by seeking policy improvements in the following:

- IP law. Defining patentability criteria, patent examination guidelines (prior art searches), and patent proceedings in ways that best support innovation (see [IP law](#) [7]).

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- IP operations and procedures. Seeking improvements of patent examination processes to increase the quality of the examination without raising substantial additional costs (see [IP operations and procedures](#) [3]).
  - Enforcement and litigation. (1) Ensuring cost-effective mechanisms for IP dispute settlement; (2) Providing support for smaller firms in dealing with enforcement and litigation costs to enable a stronger level-playing field (see [IP enforcement and litigation](#) [4]).
  - International dimensions. Further improving the international IP framework through cooperation and the exchange of best practices (see [International dimensions of IP systems](#) [8]).
  - Strengthening IP skills and training by: (1) Organising public awareness campaigns via IP offices and other institutions; (2) Providing training, especially in the public research sector, on IP protection, valuation, and commercialization; and (3) Supporting specialised services to help firms identify suitable IP strategies for their businesses (see [IP skills and training](#) [5]).

## References

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- David, Paul A. (2006), “Does the new economy need all the old IPR institutions and still more?”, in Luc Soete and Bas ter Weel (eds.), *The Economics of the Digital Society*, pp. 113-51, Edward Elgar, Cheltenham, Northampton.
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