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EXECUTIVE SUMMARY

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**Understanding the role of IP protection in UK
firms' growth, productivity and innovation
1998-2016: Patents, trade marks and registered
designs reconsidered**

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Based on new intellectual property (IP) protection histories for around 110,000 UK firms from 1995-2018, we examine the contribution of UK registered patents, trade marks and registered designs to growth, productivity and innovation outcomes. Our analysis builds on prior research on the appropriability problem which reflects the ease of imitation and the difficulty for firms to maximise the returns to their innovation investments. We develop two new matched databases linking the Business Structure Database (1998-2018) and the IP protection histories, and the UK Innovation Survey (2002-2016) and the IP protection histories. For the first time, we are able to include registered designs in these datasets. Our analysis based on data on 1.1m firms emphasises the strong sectoral differences in the use of IP protection mechanisms, and for the most IP-intensive sectors, suggests a positive association between IP protection and growth and productivity. This relationship is most consistent for productivity. Using survey data for around 58,000 observations, we find strong causal registered design-to-innovation relationships but weaker, and generally insignificant, patent-to-innovation and trade mark-to-innovation relationships. Our results suggest the value of re-visiting a policy dialogue which is focussed on the patents-to-innovation relationship but plays scant attention to the value of design and specifically registered designs.