



# Ibec policy brief

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## Ireland, IP & the European Innovation Scoreboard: Strong in innovation, modest in intellectual assets

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### Background

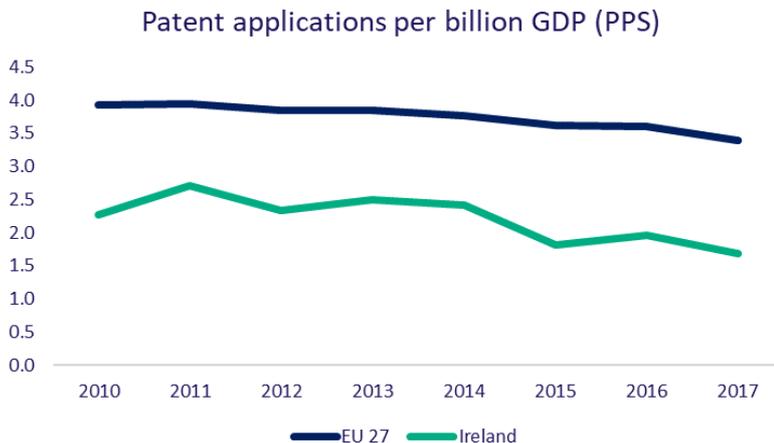
Ireland is a “strong” innovator, ranking 9th in the European Innovation Scoreboard 2020. It continues to perform above the EU average. This is the first scoreboard since the UK’s departure from the EU which has seen Ireland move up one place from 2019. Performance in innovation across the EU is assessed using 27 indicators across 10 Innovation dimensions.

For the third year in a row, Ireland is top in the EU for both the employment impacts and sales impacts of innovation. Ireland also performs well in the human resource, attractive research system and innovator indicators, having achieved overall scores above 120 percent of the EU average in each of these categories. Ireland scores particularly well on population with tertiary education, employment in fast-growing enterprises of innovative sectors, employment in knowledge-intensive activities, and international scientific co-publications.

### Ireland is underperforming in intellectual assets

Ireland as a “strong” innovator scores particularly well in SME innovator categories. This is not replicated in intellectual assets however, where Ireland performs well below the EU average. Intellectual assets, finance and support, and linkages are the weakest innovation dimensions for Ireland. Specifically, Ireland is failing in its Patent Cooperation Treaty (PCT), trademark and design applications; these are the indicators by which intellectual assets’ performance is assessed.

Figure 1.  
EU and Ireland’s PCT  
Patent Applications per  
billion GDP (PPS)



### Patents

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| <b>Patents cover</b>                   | An invention, which is a product or a process that provides in general, a new way of doing something, or offers a new technical solution to a problem.   |
| <b>Requirements for protection</b>     | Novelty, inventive step and industrial applicability.  |
| <b>Right and duration</b>              | Exclusive right to make, use and sell the patented invention for a set period, subject to the payment of annual renewal fees.  |
| <b>Where to obtain a patent</b>        | The Intellectual Property Office, national patent offices or the European Patent Office (EPO).   |
| <b>Patent Cooperation Treaty (PCT)</b> | PCT is the international patent system, which assists applicants in seeking patent protection internationally for their inventions. By filing one international patent application under the PCT, applicants can simultaneously seek protection for an invention in a large number of countries. |

It must be noted that generally, performance has decreased in intellectual assets (-7%-points), where an increase in trademark applications has been offset by declining performance in PCT patent applications and design applications. In Ireland’s case, an increase in design applications, has been counteracted by a declining performance in trademark and PCT patent applications. Luxembourg, an innovation “leader”, is the overall best performing country in intellectual assets; all Innovation “leaders” perform above the EU average. Malta, a “moderate” innovator, and Austria, a “strong” innovator, take up the other top 5 positions. Ireland, one of the “strong” innovators, performs well below the EU average. Three other “strong” innovators also perform below the EU average, Belgium, France, and Portugal. Bulgaria, a “modest” innovator, is performing at a level close to that of the EU average.



## Implications for Irish IP policy

There is a need to focus on Ireland’s core strengths. The State’s top performance in employment impacts and sales impacts of innovation, and in the human resource, attractive research system, and innovator indicators is noteworthy. Maintaining this strong presence in R&D and innovation is imperative, particularly by SMEs. Ireland’s performance in intellectual assets is stronger amongst multinational companies but weaker in terms of indigenous enterprise. Put simply, Ireland’s approach to intellectual property (IP) must be better integrated into the national innovation agenda.

IP development is key to the production of new knowledge which drives economic growth for incumbent and frontier firms. Ireland is a small, open economy which requires Irish businesses to be at the cutting edge to remain competitive. A renewed focus on innovation and the development of intellectual assets would allow Irish businesses to benefit from the resulting gains in productivity and acquire an advantage over international competitors.

Innovation 2020 (I2020), Ireland’s current strategy for R&D, science and technology prioritises the role of intellectual property as one of its five goals. Under this goal, I2020 commits to:

- Strengthen knowledge transfer for innovation;
- Promote more extensive commercialisation of public research;
- Seek to improve IP exploitation by Irish enterprise;
- Position Ireland’s IP framework to encourage innovation.

Progress is being made in terms of raising IP awareness and building IP capability and resilience at enterprise level. However, measuring progress of IP activity in firms has been delayed. This needs to be advanced to

allow the measurement of progress of IP activity in the firm base, which would allow a clear national picture to be formed in addition to the European Innovation Scoreboard in terms of intellectual assets. Businesses of all sizes will also benefit from improved patenting options and protection through Ireland’s participation in the unitary patent system. National preparations need to be reactivated.

## Conclusion

Ireland is a global hub with a global footprint and world class companies and clusters. There is a deep substance to our business model. We have now become a resource economy based on intangible assets. This resource is eminently renewable but requires a supportive environment conducive to creativity and generation of ideas. Overall, Ireland position as a “strong” innovator is confirmed by the European Innovation Scoreboard but we must continue to up our game when it comes to intellectual assets.

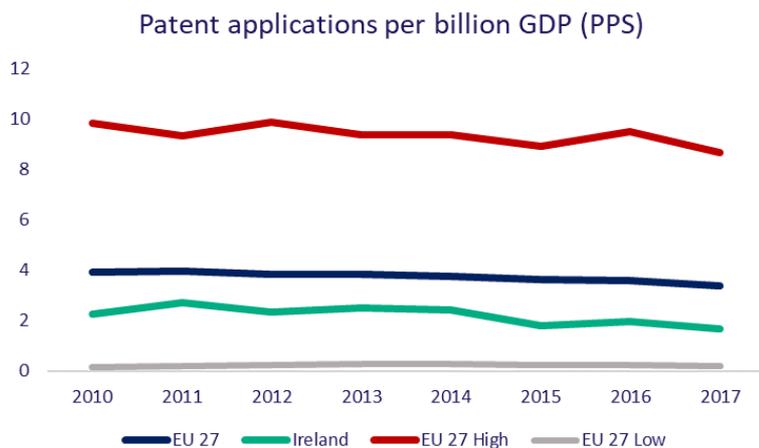
The country is an easy place to start a business but a difficult country in which to grow one. There is a correlation between IP ownership and high-growth enterprise. Focusing on the framework conditions for IP will help boost the competitiveness, resilience and innovation of Ireland’s enterprise base. Patents have become an increasingly important tool in the industrial policy toolbox. The ecosystem needs to support not only the creation of IP but also the management and exploitation of IP and the protection of IP.

## Recommendations

Government must:

- Ensure the framework conditions exist to support not only the creation of IP but also the management and exploitation of IP and the protection of IP.
- IP-related activities must be a key part of Ireland’s inward investment strategy.
- Raise awareness of the value of IP across the board, from the classroom to the boardroom, with special focus on entrepreneurs, start-ups and SMEs.
- Prioritise enterprise-level IP activities as part of a broader IP framework in the next national innovation strategy.
- Complete ratification of Ireland’s full and active participation in the Unified Patent Court so that the country does not lose out.

Figure 2. EU, Ireland and best and worst performing EU country for each year, PCT Applications per billion GDP (PPS)



### About Ibec Corporate IP Group

The Ibec Corporate IP Group is a network of IP-owning companies and in-house corporate IP professionals. It is primarily focused on the company side of IP rather than higher-ed or tech-transfer aspects. It serves as a forum for discussing upcoming and current developments in IP policy in Ireland and Europe, making contributions to consultations and policies that affects IP practitioners and professionals, and to address other issues and challenges facing businesses that create, own, and trade intellectual policy. Naoise Gaffney, Head of Patent Development at Intellectual Ventures, chairs the group.