**Priorities for Research Agenda**

One understudied area of innovation research is the design of public institutions (and how these institutions interact) that shape patent policy and patent outcomes.

For instance, the role that Patent and Trademark Office play in shaping patent policy as well as how various incentive structures may distort its decision making has been understudied. Although the U.S. PTO is thought to be allowing too many invalid patents to issue, we have little compelling empirical evidence that any particular feature of the patent system actually induces the agency to over grant patents. While there is a substantial literature in economics bearing on the patent system, the administrative process by which patent rights are initially established has also received limited attention. That leaves some of the following open questions.

* How incentives of patent office’s shape patent policy and patent outcomes
  + How the patent office is funded and if funded by fees how the structure of the fee schedule may influence its behavior
  + How the visible metrics (such as backlog or production quotas) may influence the agency’s decision making
  + How the agency may structure examiner incentives in an effort to reach it goals
    - This may include the structure of examiner compensation system to favor production over quality
  + What role do mid-level managers and human resource practices play on affecting patent outcomes and patent policy
  + How does the Patent Office respond to resource constraints
  + How do various incentives of the agency have technology specific impact on patent outcomes
* What constrains the Patent Office from enacting meaningful change
  + Various interest groups as well as the strength of patent union may limit the agency’s ability to effectuate change
* Many believe the PTO is biased towards granting patents yet we have little compelling empirical evidence that this is the case
  + What features of the agency actually induce the agency to grant patents
  + Greater work cross-country comparison of patent office’s and various incentive structure (what can we learn from success stories in other nations)

More broadly, the optimal structure of public institutions to promote innovation has also been understudied. For instance, if we want to increase patent quality were should resources be directed. Should we focus on increasing quality at the Patent Office, increasing the use of post-grant review, or modify procedural rules during patent litigation.

There also needs to be a broader discussion of not just how patent institutions affect innovation but how traditional patent institutions interact with other institutions that likewise promote innovation, funding agencies, tax credits, etc.