

**Does Stronger Intellectual Property Rights Induce More Patents without
Complementary Environments?
Sung Jin Kang, Hwan Joo Seo,**

Using the number of patents for 20 years since 1980 as an approximation of innovation, this paper investigates the impacts of strengthening of intellectual property rights (IPRs). The estimation results suggest the following important implications. First, the isolated effect of IPR was not found. Second, if other complementary environments for innovation such as the stage of economic development, industrial structure, the degree of competition and social infrastructure are controlled, then IPR is significantly related with innovation. Third, even with consideration of the complementary condition, the innovation and strong IPRs were not shown to be positively correlated implying that some countries were positively affected while others negatively. Finally, the paper identifies the countries which show positive correlation between these two important variables.