



Northwestern Law

Searle Center on Law, Regulation, and Economic Growth



**Fifth Annual Conference on Entrepreneurship and Innovation:
U.S. Patent and Trademark Office (USPTO) –
Ewing Marion Kauffman Foundation
Conference on Intellectual Property
and Innovation**

Thursday, June 14–Friday, June 15, 2012 • Northwestern University School of Law



KAUFFMAN
The Foundation of Entrepreneurship

Fifth Annual Conference on Entrepreneurship and Innovation:

U.S. Patent and Trademark Office (USPTO) – Ewing Marion Kauffman Foundation Conference on Intellectual Property and Innovation

June 14–15, 2012 • Northwestern University School of Law • Rubloff Building Room #175 • 375 E. Chicago Avenue, Chicago, IL

The Searle Center on Law, Regulation, and Economic Growth presents the Fifth Annual Conference on Innovation and Entrepreneurship: U.S. Patent and Trademark Office (USPTO)-Ewing Marion Kauffman Foundation Conference on Intellectual Property and Entrepreneurship to be held at Northwestern University School of Law, Thursday, June 14, 2012–Friday, June 15, 2012. The conference will run from 9 a.m. on Thursday, June 14 to 3:15 p.m. on Friday, June 15. There will be a keynote address by James E. Malackowski, Chairman and CEO of Ocean Tomo, LLC, on Thursday afternoon. On Thursday evening, there will be a cocktail reception, dinner, and keynote address by Stuart Graham, Chief Economist, USPTO.

The USPTO and the Ewing Marion Kauffman Foundation are jointly sponsoring the conference. This conference is organized by Professor Daniel F. Spulber, Research Director of the Searle Center on Law, Regulation, and Economic Growth and Elinor Hobbs Distinguished Professor of International Business, Professor of Management Strategy, Kellogg School of Management, Professor of Law, Northwestern University School

of Law (Courtesy), and Stuart Graham, Chief Economist, USPTO, and Georgia Tech College of Management.

The goal of this conference is to provide a forum where economists and legal scholars can gather together with Northwestern's own distinguished faculty to present and discuss high-quality research relevant to intellectual property (IP) protection, innovation, and entrepreneurship.

This conference will be an important component of the Searle Center's expanded entrepreneurship and innovation focus. Conference participants will explore the connections between IP, innovation, and entrepreneurship through empirical and theoretical economic and legal analysis. This interdisciplinary conference will be composed of presentations by leading researchers in economics and law, and participating authors will have their papers formally discussed by leading thinkers in the field. In addition, the conference will draw audiences of academics in economics, law, and business, as well as legal and business practitioners, government officials, and public policy makers.

The program has been approved for **11.75 CLE credits** in the state of Illinois.

Registration

There is no registration fee to attend. Attendance for this conference is by invitation only. To receive an invitation, please send a message with your name, affiliation, and full contact information to Derek Gundersen at: d-gundersen@law.northwestern.edu.

The **Searle Center on Law, Regulation, and Economic Growth** at Northwestern University School of Law was established in 2006 to research how government regulation and interpretation of laws and regulations by the courts affect business and economic growth. Information on the Searle Center's activities may be found at: www.law.northwestern.edu/searlecenter.

Contact

For more information regarding this conference or other initiatives of the Searle Center please visit www.law.northwestern.edu/searlecenter, call (312) 503-1811 or send an email to searlecenter@law.northwestern.edu.

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Thursday, June 14

Presenters are indicated with an *

9 a.m. Registration and Continental Breakfast (Atrium)

10 a.m. **Welcome: Introduction to the Conference (RB 175)**

Max Schanzenbach, *Director, Searle Center on Law, Regulation, and Economic Growth, and Professor of Law, Northwestern University School of Law*; **Daniel F. Spulber**, *Research Director, Searle Center on Law, Regulation, and Economic Growth, and Kellogg School of Management, Northwestern University*; **Stuart Graham**, *Chief Economist for the United States Patent and Trademark Office (USPTO) and Georgia Tech College of Management*

10:10 a.m.– Session One: Licensing and Markets for IP

12:10 p.m. Chair: **F. Scott Kieff**, *The George Washington University Law School*

Trading and Enforcing Patent Rights

Alberto Galasso,* *Rotman School of Management, University of Toronto*; **Mark Schankerman**, *London School of Economics*; **Carlos J. Serrano**, *Department of Economics, University of Toronto*
Discussant: **Annika Lorenz**, *Technische Universität Berlin*

Patent Pools and Licensing Strategies Evidence from 20 U.S. Industries under the New Deal

Ryan Lampe,* *Department of Economics, DePaul University*; **Petra Moser**, *Department of Economics, Stanford University*
Discussant: **Annika Lorenz**, *Technische Universität Berlin*

Intermediaries for the IP market

Andrei Hagiu,* *Harvard Business School*; **David Yoffie**, *Harvard Business School*
Discussant: **Marcus Berliant**, *Department of Economics, Washington University in St. Louis*

Culture and Diversity in Knowledge Creation

Marcus Berliant,* *Department of Economics, Washington University in St. Louis*; **Masahisa Fujita**, *RIETI*
Discussant: **Daniel F. Spulber**, *Kellogg School of Management, Northwestern University*

12:10 p.m. Lunch (Atrium)

12:45 p.m. **Keynote Address: The Evolving IP Market: What's Happening Now and What Can We Expect Next**

James E. Malackowski, *Chairman and CEO of Ocean Tomo, LLC*

1:30– Session Two: IP and Commercialization of Inventions

3:30 p.m. Chair: **Stuart Graham**, *United States Patent and Trademark Office*

Adverse Effects of Patent Pooling on Product Development and Commercialization

Thomas D. Jeitschko,* *U.S. Department of Justice*; **Nanyun Zhang**, *Department of Economics, Towson University*
Discussant: **Junjie Zhou**, *Department of Mathematics, University of California, Berkeley*

Innovation Beyond Patents: Technological Complexity as a Protection against Imitation

Emeric Henry, *Department of Economics, Sciences Po Paris*; **Francisco Ruiz-Aliseda**,* *Ecole Polytechnique*
Discussant: **Junjie Zhou**, *Department of Mathematics, University of California, Berkeley*

Determinants of the Quality and Price of Innovative Industrial Products:

Evidence from the Disk Drive Industry

James D. Adams, *Department of Economics, Rensselaer Polytechnic Institute*

Discussant: **Reiko Aoki**, *Center for Intergenerational Studies, Institute of Economic Research, Hitotsubashi University*

Intellectual Property Contracts: Theory and Evidence from Screenplay Sales

Milton Harris, *The University of Chicago Booth School of Business*; **S. Abraham (Avri) Ravid**,* *Yeshiva University*; **Suman Basuroy**, *Price College of Business, University of Oklahoma*

Discussant: **Reiko Aoki**, *Center for Intergenerational Studies, Institute of Economic Research, Hitotsubashi University*

3:30 p.m. Break

3:45– Session Three: Patents and Sequential R&D

5:45 p.m. Chair: **Richard A. Jensen**, *Department of Economics, University of Notre Dame*

Patent Pools and the Dynamic Incentives to R&D

Vianney Dequiedt, *Université d'Auvergne*; **Bruno Versaveel**,* *EMLYON Business School*

Discussant: **Joaquin Poblete**, *London School of Economics, Managerial Economics and Strategy Group*

Sequential Innovation and Optimal Patent Design

Christian Riis,* *Department of Economics, Norwegian Business School*; **Xianwen Shi**, *Department of Economics, University of Toronto*

Discussant: **Joaquin Poblete**, *London School of Economics, Managerial Economics and Strategy Group*

Inventing-around Edison's Incandescent Lamp Patent:

Evidence of the Role of Patents in Stimulating Downstream Development

Ron D. Katznelson,* *Bi-Level Technologies*; **John Howells**, *Department of Business Administration-Management, Aarhus University*

Discussant: **Theresa Helena Veer**, *Technische Universität Berlin*

Are Licensing Agreements Appropriate Instruments to Cut Through the Patent Thicket?

Ralph Siebert,* *Krannert School of Management, Purdue University*; **Georg von Graevenitz**, *University of Munich*

Discussant: **Theresa Helena Veer**, *Technische Universität Berlin*

5:45 p.m. Cocktail Reception (Courtyard, weather depending)

6:45 p.m. Dinner (Atrium)

7:30 p.m. **Keynote Address: Economics at the USPTO**

Stuart Graham, *United States Patent and Trademark Office*

Friday, June 15

8 a.m. Breakfast (Atrium)

8:30 a.m. **Dean's Welcome**

Daniel B. Rodriguez, *Dean and Harold Washington Professor, Northwestern University School of Law*

8:30– Session Four: How Organizations Affect Innovation

10:30 a.m. Chair: **Leora Klapper**, *World Bank*

Why Are Some Regions More Innovative than Others? The Role of Firm Size Diversity

Ajay Agrawal, *Rotman School of Management, University of Toronto*; **Iain Cockburn**, *School of Management, Boston University*; **Alberto Galasso**, *Rotman School of Management, University of Toronto*; **Alex Oettl**,* *College of Management, Georgia Institute of Technology*

Discussant: **Carlo Menon**, *STI Directorate, OECD & Bank of Italy*

Ownership Structure of Vertical Research Collaboration:

Empirical Analysis from an Incomplete Contract Perspective

Sadao Nagaoka, *Institute of Innovation Research, Hitotsubashi University*

Discussant: **Carlo Menon**, *STI Directorate, OECD & Bank of Italy*

Subsidiary Entities and the Innovator's Dilemma

Kenneth Ayotte, *Northwestern University School of Law*

Discussant: **Julie A. Carlson**, *Federal Trade Commission*

State Governments as Financiers of Technology Startups: Implications for Firm Performance

Rosemarie Ziedonis,* *Charles H. Lundquist College of Business, University of Oregon*; **Bo Zhao**, *Stephen M. Ross School of Business, University of Michigan*

Discussant: **Colleen Chien**, *Santa Clara Law*

10:30 a.m. Break

10:45 a.m.– Session Five: Human Capital and Innovation

12:30 p.m. Chair: **John Howells**, *Department of Business Administration-Management, Aarhus University*

Who Are User Entrepreneurs? Findings on Innovation, Founder Characteristics & Firm Characteristics

Sonali K. Shah, *Foster School of Business, University of Washington*; **Sheryl Winston Smith**, *Fox School of Business, Temple University*; **E. J. Reedy**,* *Ewing Marion Kauffman Foundation*

Discussant: **Minyuan Zhao**, *Stephen M. Ross School of Business, University of Michigan*

The Long-term Impact of Business Cycles on Innovation: Evidence from the Massachusetts Institute of Technology

Pian Shu, *Massachusetts Institute of Technology*

Discussant: **Minyuan Zhao**, *Stephen M. Ross School of Business, University of Michigan*

R&D Competition: Information Sharing and Competition for Innovation

Ufuk Akcigit, *Department of Economics, University of Pennsylvania*; **Qingmin Liu**,* *Department of Economics, Columbia University*

Discussant: **Illoong Kwon**, *Graduate School of Public Administration, Seoul National University*

The Impact of Universities on Local Economic Development: The Growth of the Early PC Software Industry

Thomas Åstebro, *HEC Paris*; **Tom Cottrell**,* *Haskayne School of Business, University of Calgary*

Discussant: **Illoong Kwon**, *Graduate School of Public Administration, Seoul National University*

12:30 p.m. Lunch (Atrium)

1:15– Session Six: How Financing Affects Innovation

3:15 p.m. Chair: **Kenneth Ayotte**, *Northwestern University School of Law*

Venture Capital and the Diffusion of Knowledge

Juanita Gonzalez-Uribe, *Columbia University*

Discussant: **Arvids A. Ziedonis**, *Charles H. Lundquist College of Business, University of Oregon*

Does Going Public Affect Innovation?

Shai Bernstein, *Stanford Graduate School of Business*

Discussant: **Dennis Leyden**, *University of North Carolina, Greensboro*

Credit Supply and Corporate Innovations

Mario Daniele Amore,* *Copenhagen Business School*; **Cédric Schneider**, *Copenhagen Business School*; **Alminas Zaldokas**, *INSEAD*

Discussant: **S. Abraham (Avri) Ravid**, *Yeshiva University*

The Dark Side of Analyst Coverage: The Case of Innovation

Jie (Jack) He,* *University of Georgia*; **Xuan Tian**, *Kelley School of Business, Indiana University*

Discussant: **S. Abraham (Avri) Ravid**, *Yeshiva University*

3:15 p.m. Adjourn



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