

Dynamics of companies

How much should society fuel the greed of innovators?

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This lecture proposes a critical assessment of both the theory and the empirical evidence on the role of appropriability and in particular of Intellectual Property Rights (IPRs) as incentives for technological innovation.

I will start with a critical discussion of the standard justification of the attribution of IPR in terms of „market failures“ in knowledge generation, arguing that it is based upon an incomplete or wrong picture of the dynamics of both technology and markets.

Next, I examine the recent changes in the IPR regimes and their influence upon the rates of patenting and the underlying rates of innovation.

The evidence broadly suggests that, first, IPRs are not the most important device apt to profit from innovation, and, second, their impact heavily depends upon industry- and firm-specific factors.

Finally, some directions for future research on the consequences of appropriability on industrial dynamics will be briefly outlined.

When? Thursday, 20 December 2007, 12.00 – 12.45

Where? ETH Zürich, HG D 1.1