CHAPTER 1
THE CHANGING NATURE OF INNOVATION AND INTELLECTUAL PROPERTY

1.1
INNOVATION AS THE DRIVING FORCE BEHIND ECONOMIC GROWTH AND DEVELOPMENT 23

1.2
THE SHIFTING NATURE OF INNOVATION 27
   1.2.1 Globalization of production and demand for innovation 29
   1.2.2 Increased investment in innovation 33
   1.2.3 Internationalization of science and innovation 36
   1.2.4 The importance of non-R&D-based innovation 42
   1.2.5 Greater collaboration in the process of innovation 43

1.3
SHIFTING IMPORTANCE OF IP 52
   1.3.1 Demand and the changing geography of the IP system 52
   1.3.2 Increased tradability of IP 60
   1.3.3 New collaborative mechanisms and IP intermediaries 66
   1.3.4 Emergence of new IP policies and practices 67

1.4
CONCLUSIONS AND DIRECTIONS FOR FUTURE RESEARCH 68
REFERENCES 70
# CHAPTER 2
## THE ECONOMICS OF INTELLECTUAL PROPERTY – OLD INSIGHTS AND NEW EVIDENCE

### 2.1 UNDERSTANDING IP RIGHTS AND THEIR ROLE IN THE INNOVATION PROCESS
- 2.1.1 How IP protection shapes innovation incentives
- 2.1.2 Trade-offs in designing IP rights
- 2.1.3 How IP protection compares to other innovation policies

### 2.2 TAKING A CLOSER LOOK AT THE PATENT SYSTEM
- 2.2.1 How patent protection affects firm performance
- 2.2.2 How patent strategies shift where innovation is cumulative
- 2.2.3 How patent rights shape the interplay between competition and innovation
- 2.2.4 The role patents play in technology markets and open innovation strategies

### 2.3 APPRECIATING THE ROLE OF PATENT INSTITUTIONS
- 2.3.1 What makes for sound patent institutions
- 2.3.2 How patenting trends have challenged patent offices
- 2.3.3 The choices patent institutions face

### 2.4 CONCLUSIONS AND DIRECTIONS FOR FUTURE RESEARCH

References

Page 19
CHAPTER 3
BALANCING COLLABORATION AND COMPETITION

3.1
COLLABORATING TO GENERATE NEW IP

3.1.1 What the available data says about formal R&D collaboration 109
3.1.2 Why firms collaborate for strategic reasons 114
3.1.3 How collaboration can improve efficiency 115
3.1.4 The complications that arise in joint R&D undertakings 116
3.1.5 How collaboration differs in the case of open source software 118

3.2
COLLABORATING TO COMMERCIALIZE EXISTING IP

3.2.1 Why complementarities require coordination 120
3.2.2 How firms collaborate in patent pools 121
3.2.3 Why patent pools are emerging in the life sciences 125
3.2.4 How firms cooperate to set standards 126

3.3
SAFEGUARDING COMPETITION

3.3.1 The type of collaborative R&D alliances that may be considered anticompetitive 130
3.3.2 How competition rules treat patent pools and standard-setting agreements 131

3.4
CONCLUSIONS AND DIRECTIONS FOR FUTURE RESEARCH 132
REFERENCES 134
DATA ANNEX 136