

Invitation to attend Brown Bag Seminar

THE EFFECT OF PATENTS ON PRICES

TUESDAY, 21 APRIL 2020 FROM 12:30-13:30

Anna Nussbaum Auditorium, World Trade Institute, University of Bern

Hallerstrasse 6, 3012 Bern, Switzerland

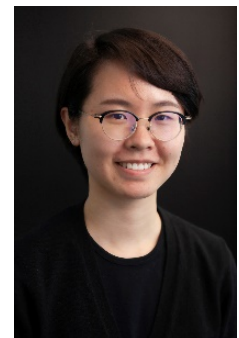
Abstract

The intellectual property rights play a pivotal role in safeguarding innovative activities. However, the debate over incentivization versus inefficiency of the patent system is not yet settled, and more research is needed on the costs and benefits of the patent system. In this paper, we aim to quantify the extent to which prices respond after products losing patent protection by exploiting exogenous variations in patent status. We then investigate the mechanisms that may explain such dynamics. We draw a sample of broadly defined consumer products from a novel database that links individual products to corresponding patents upon which they are built and make use of Amazon price history of those products.

Our findings show that, on average, patent expiry leads to a nearly 6% drop in product prices and that utility patents and valuable patents play a more prominent role in affecting prices. Our empirical evidence also suggests that the declines in monopolistic prices granted by patents are driven mainly by substitutable products on market and by competing firms providing such products.

Biography of the Speaker

Ling Zhou is a PhD candidate at the Chair of Innovation and IP Policy, École polytechnique fédérale de Lausanne, since August 2017. Prior to joining EPFL, Ling completed her undergraduate studies in Economics at Nanjing University and later obtained an M.A. in Economics from Simon Fraser University in Canada. She is also an alumna from the Gerzensee Study Center. Her research interests include economics of innovation, intellectual property rights, and applied econometrics.



Participation is free of charge.