

**Hoover Institution Working Group on
Intellectual Property, Innovation, and Prosperity**



Hoover IP² Summer Teaching Institute

THE ECONOMICS AND POLITICS OF REGULATION

July 31–August 12, 2016

**HOOVER INSTITUTION
STANFORD UNIVERSITY**

Hoover IP² Summer Teaching Institute

Much of the research on which various reform proposals are based springs from an academic literature that is neither grounded in economic theory nor informed by the careful use of data. An analysis of the impact of incentives, trade-offs, interdependencies, market forces and competition, market failure, and externalities is often lacking in the academic training at law schools, public policy centers, and business schools. The Summer Teaching Institute on the Economics and Politics of Regulation is designed to equip young and aspiring policy makers with the methods of analysis by which scientifically sound results are obtained. The goal is not to train the students to be researchers but to provide them with the fundamentals so that they can read scholarly studies with an eye to their soundness.

When confronted with perceived market failure, policy makers' first instincts often are to create regulatory solutions. Every year, thousands of laws are enacted, regulations promulgated, and legal rulings made. But without having a firm understanding of what a market failure is and without taking full account of the adverse consequences that might arise from their attempts at remediation, these laws, regulations, and rulings sometimes result in needless and costly overhauls to the system and to the business environment.

Understanding the functioning of a complex system (such as the property rights system that structures the process of technological innovation) requires that appropriate bodies of evidence and analytic tools to assess them be drawn from multiple disciplines. If, similar to the Hippocratic Oath, the first principle of law is to "do no harm," a commitment to crafting public policy on the basis of the careful analysis of evidence is necessary.

The focus of the institute is to instill in the students the importance of a multidisciplinary approach applied to research about the institutions that govern the innovation ecosystem. Instruction about this ecosystem is divided into five modules: (1) Causal Inference and Data Analysis, (2) Competition between Firms and Antitrust, (3) Innovation and the Patent System, (4) Innovation and Finance, and (5) Energy and the Environment.

The Summer Teaching Institute is open to federal judicial clerks, congressional staffers, law school students and recent graduates, and public policy graduate students. At the teaching institute's concluding session, students make group presentations in which they can showcase what they have learned and apply the methods of inquiry presented during the course of the previous two weeks. The methods of inquiry are a set of best practices about how to craft a research question on the economics and politics of regulation and how to develop an effective research design to address that question.

Course Schedule
The Economics and Politics of Regulation

Summer 2016

Unless otherwise noted, all sessions take place in
Annenberg Conference Room, Room 105
Lou Henry Hoover Building
Hoover Institution, Stanford University

Monday, August 1

- 9:00 A.M. Orientation—Stephen Haber, Ken Hsu, Richard Sousa
- 10:00 A.M. Introduction and Program Overview—Stephen Haber, Victor Menaldo, Richard Sousa
- 11:30 A.M. Lunch
- 12:20 P.M. Stanford Campus Tour
Stanford Visitors Center, 295 Galvez St., Stanford University
- 2:00 P.M. Description of and Expectations for Student Group Presentations—Victor Menaldo
- 3:30 P.M. Classes end

Tuesday, August 2

- 9:30 A.M. Views from Hoover Tower observation deck
14th Floor, Hoover Tower
- 10:00 A.M. Thinking Like a Micro-economist—Latika Chaudhary
- 12:30 P.M. Lunch
- 1:30 P.M. Difference Between Evidence-based Policy Making and Policy-based Evidence Making—Alex Galetovic and Stephen Haber
- 4:00 P.M. Student Group Presentation Prep—Victor Menaldo
- 4:45 P.M. Classes end

Wednesday, August 3

- 8:45 A.M. Hoover Archives Treasures Tour
Room 110, Hoover Tower, Stanford University
- 10:00 A.M. Economics of Industries—Wes Hartmann
- 12:30 P.M. Lunch
- 1:30 P.M. Competition and Innovation—Ronald Goettler
- 4:00 P.M. Student Group Presentation Prep—Victor Menaldo
- 4:45 P.M. Classes end

Thursday, August 4

- 9:30 A.M. Group Photo
Hoover Tower Steps
- 10:00 A.M. Antitrust Economics—Alex Galetovic
- 12:30 P.M. Lunch
- 1:30 P.M. Antitrust Economics: The Intersection of IP and Antitrust—Alex Galetovic
- 4:00 P.M. Student Group Presentation Prep—Victor Menaldo
- 4:45 P.M. Classes end

Friday, August 5

- 9:00 A.M. Measuring Measurement Error—Russell Roberts
- 10:00 A.M. Finance, Intellectual Property, and Innovation—Stephen Haber and Ross Levine
- 12:30 P.M. Lunch
- 1:30 P.M. Financial Regulation—Ross Levine
- 4:00 P.M. Student Group Presentation Prep—Victor Menaldo
- 4:45 P.M. Classes end

Monday, August 8

- 10:00 A.M. Patents and the Development of the US Economy—Adam Mossoff
- 12:30 P.M. Lunch
- 1:30 P.M. Patent Trolls or Financial Intermediaries?—Stephen Haber
- 4:00 P.M. Classes end

Tuesday, August 9

9:30 A.M. Patents as Commercialized Assets—Scott Kieff

12:00 NOON Lunch

1:00 P.M. VC Roundtable: How Does the Patent System Work (or Not Work) for Them—Richard Sousa, moderator
Importance of protecting the intellectual property of startups—Eb Bright
Developing and protecting patents in emerging industries—Ali Torabi
Strategy for acquiring and incorporating intellectual property—Charlie Giancarlo
Licensing patents—Rod Cooper
International aspects of patent protection in the pharmaceutical-biotechnology sector—Deborah Martin

3:30 P.M. Classes end

Wednesday, August 10

10:00 A.M. Innovation and the Environment—Noel Maurer

12:30 P.M. Lunch

1:30 P.M. Tackling Environmental Problems—Severin Borenstein

4:00 P.M. Classes end

Thursday, August 11

10:00 A.M. Classical Liberalism and the Regulatory State—Richard Epstein

12:30 P.M. Lunch

1:30 P.M. Student Discussion: How Should We Define the Boundaries of Regulation?—Stephen Haber, Victor Menaldo, and Richard Sousa

4:00 P.M. Classes end

Friday, August 12

- 10:00 A.M. Student Group Presentation 1
- 10:35 A.M. Student Group Presentation 2
- 11:10 A.M. Break
- 11:25 A.M. Student Group Presentation 2
- 12:10 P.M. Student Group Presentation 4
- 12:45 P.M. Lunch
- 1:00 P.M. Student Group Presentation 5
- 1:35 P.M. Closing Remarks—Stephen Haber, Richard Sousa
- 1:45 P.M. Summer Teaching Institute ends

Course readings may be found at
http://hooverip2.org/wp-content/uploads/2016_Summer_Teaching_Institute_Readings.pdf