



## HOOVER INSTITUTION STANFORD UNIVERSITY

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### THE ECONOMICS AND POLITICS OF REGULATION Hoover IP<sup>2</sup> Summer Teaching Institute

#### Reading List

Please read each day's readings prior to the start of each lesson.

Note: If no page numbers are provided, please read the chapter/article in its entirety.

#### Monday, August 1

##### ORIENTATION AND INTRODUCTION

(No readings)

#### Tuesday, August 2

Thinking Like a Micro-economist—Latika Chaudhary

##### REQUIRED:

Friedman, Milton (1962). Chapter 2, "The Role of Government in a Free Society" in *Capitalism and Freedom*. Chicago: University of Chicago Press, 104-117.

[SIPX Link](#)

W, C. (2014). Why doing a cost-benefit analysis is harder than it looks. *The Economist*.

[Web Link](#)

Dubner, S. J., & Levitt, S. D (2008). Unintended Consequences: The Case of the Red-Cockaded Woodpecker. *New York Times*.

[Web Link](#)

Difference Between Evidence-based Policy Making and Policy-based Evidence Making—Alex Galetovic and Stephen Haber

REQUIRED:

Lemley, Mark & Carl Shapiro (2007). Patent Holdup and Royalty Stacking. *Texas Law Review*, 1991-2049.

[SIPX Link](#)

**Wednesday, August 3**

Economics of Industries—Wes Hartmann

REQUIRED:

Israel, Shel (2012). Why Apple Had To Release Its Terrible Maps App Now. *Forbes*.

[Web Link](#)

Porter, Michael E. (2008). The Five Competitive Forces that Shape Strategy. *Harvard Business Review*, 1-17.

[SIPX Link](#)

Saloner, Garth & Victoria Chang (2006). Shimano and the High-End Road Bike Industry. Stanford Graduate School of Business Case No. SM150.

[SIPX Link](#)

Competition and Innovation—Ronald Goettler

REQUIRED:

Gilbert, Richard (2006). “Looking for Mr. Schumpeter: Where Are We in the Competition-Innovation Debate?” in *Innovation and the Economy*, 6. National Bureau of Economic Research, Inc.

[SIPX Link](#)

Bower, Joseph L. & Clayton M. Christensen (1995). Disruptive Technologies: Catching the Wave. *Harvard Business Review*, 43-53.

[SIPX Link](#)

Ghemawat, Pankaj & Henricus J. Stander (1992). Nucor at a Crossroads. Harvard Business School Case 9-793-039.

[SIPX Link](#)

Brandenburger, Rachel (2011). *Promoting Innovation through Competition*. Speech presented at 2nd BRICS International Competition Conference in Beijing.

[SIPX Link](#)

OPTIONAL:

Christensen, Clayton, Stephen P. Kaufman, & Willy C. Shih (2008). Innovation Killers: How Financial Tools Destroy Your Capacity to Do New Things. *Harvard Business Review*, 1-8.  
SIPX Link

**Thursday, August 4**

Antitrust Economics—Alex Galetovic

REQUIRED:

Adelman, Morris (1969). Comment on the H Concentration Measure as a Numbers Equivalent. *Review of Economics and Statistics*, 99-101.

[SIPX Link](#)

Motta, Massimo (2004). Chapter 2, “Objectives and the Law, Market Power and Welfare: Introduction” (39-52) and Chapter 3, “Market Definition and the Assessment of Market Power” (102-113) in *Competition Policy: Theory and Practice*. New York: Cambridge University Press.  
Note: You may skip the grey boxes.

SIPX Link

OPTIONAL:

Motta, Massimo (2004). Chapter 1, “Competition Policy: History” in *Competition Policy: Theory and Practice*. New York: Cambridge University Press.

SIPX Link

Antitrust Economics: The Intersection of IP and Antitrust—Alex Galetovic

REQUIRED:

Cramer, Judd & Alan Krueger (2016). Disruptive Change in the Taxi Business: The Case of Uber. *NBER Working Paper*.

[Web Link](#)

Menell, Peter & Suzanne Scotchmer, (2007). Chapter 19, “Intellectual Property Law,” in Mitchell Polinsky & Steven Shavell, *Handbook of Law and Economics, Vol. 2*. New York: Elsevier, 1522-1526.

[SIPX Link](#)

**Friday, August 5**

Finance, Intellectual Property, and Innovation—Stephen Haber and Ross Levine

REQUIRED:

Haber, Stephen (2016). Patents and the Wealth of Nations. *George Mason University Law Review*.

[SIPX Link](#)

Financial Regulation—Ross Levine

REQUIRED:

Levine, Ross (2016). Finance, Opportunity, and Inequality. Working Paper.  
(Reading provided as attachment)

**Monday, August 8**

Patents and the Development of the US Economy—Adam Mossoff

REQUIRED:

Haber, Stephen (2016). Patents and the Wealth of Nations. *George Mason University Law Review*.  
[SIPX Link](#)

Lamoreaux, Naomi R., Kenneth L. Sokoloff, & Dhanos Sutthiphisal (2013). Patent Alchemy: The Market for Technology in US History. *Business History Review*, 3-38.  
[SIPX Link](#)

OPTIONAL:

Beauchamp, Christopher (2016). The First Patent Litigation Explosion. *Yale Law Journal*, 848-944.  
[SIPX Link](#)

Beauchamp, Christopher (2015). *Invented by Law: Alexander Graham Bell and the Patent That Changed America*. Cambridge: Harvard University Press.  
(Reading not provided)

Khan, Zorina B. (2014). Trolls and Other Patent Inventions: Economic History and the Patent Controversy in the Twenty-First Century. *George Mason Law Review*, 825-863.  
[SIPX Link](#)

Khan, Zorina B. (2005). *The Democratization of Invention: Patents and Copyrights in American Economic Development, 1790-1920*. New York: Cambridge University Press.  
(Reading not provided)

Khan, Zorina B. & Kenneth L. Sokoloff (2004). Institutions and Democratic Invention in 19th-Century America: Evidence from the 'Great Inventors.' *AEA Papers and Proceedings*, 395-401.  
[SIPX Link](#)

Khan, Zorina B. & Kenneth L. Sokoloff (1993). Schemes of Practical Utility: Entrepreneurship and Innovation Among 'Great Inventors' in the United States, 1790-1865. *Journal of Economic History*, 289-307.  
[SIPX Link](#)

Lamoreaux, Naomi R. & Kenneth L. Sokoloff (1999). Inventive Activity and the Market for Technology in the United States, 1840-1920. *NBER Working Paper*.

[Web Link](#)

Mossoff, Adam (2016). Patents as Commercial Assets in Political, Legal, and Social Context. *Tulsa Law Review*, 453-468.

[SIPX Link](#)

Mossoff, Adam (2015). Patent Licensing and Secondary Markets in the Nineteenth Century. *George Mason Law Review*, 959-971.

[SIPX Link](#)

Risch, Michael (2012). America's First Patents. *Florida Law Review*, 1279-1336.

[SIPX Link](#)

Khan, Zorina B. & Kenneth L. Sokoloff (1990). The Democratization of Invention During the Early Industrialization: Evidence from the United States, 1790-1846. *Journal of Economic History*, 363-378.

[SIPX Link](#)

## **Tuesday, August 9**

Patents as Commercialized Assets—Scott Kieff

REQUIRED:

Haber, Stephen H., F. Scott Kieff, & Troy A. Paredes (2008). On the Importance to Economic Success of Property Rights in Finance and Innovation. *Journal of Law & Policy*.

[SIPX Link](#)

OPTIONAL:

Epstein, Richard A., F. Scott Kieff, & Daniel F. Spulber (2012). The FTC, IP, and SSOs: Government Hold-Up Replacing Private Coordination. *Journal of Competition Law & Economics*.

[SIPX Link](#)

## **Wednesday, August 10**

Innovation and the Environment—Noel Maurer

Readings assigned by Noel Maurer:

REQUIRED:

Maurer, Noel (2007). *Filling the Empty Quarter: Saudi Aramco and the World Oil Market*. Harvard Business School Case 708-048.

[SIPX Link](#)

Cooley, Heather & Donnelly, Kristina (2012). *Hydraulic Fracturing and Water Resources: Separating the Frack from the Fiction*. Pacific Institute.

[SIPX Link](#)

Kosoy, Alexandre, Grzegorz Peszko, Klaus Oppermann, Nicolai Prytz, Noémie Klein, Kornelis Blok, Long Lam, Lindee Wong, & Bram Borkent (2015). *State and Trends of Carbon Pricing*. World Bank.

[SIPX Link](#)

World Bank (2016). *Putting a Price on Carbon with a Tax*. World Bank.

[SIPX Link](#)

California Independent System Operator (2016). *What the duck curve tells us about managing a green grid*. California ISO.

[SIPX Link](#)

Byrd, Stephen, Timothy Radcliff, Simon Lee, Bobby Chada, Dominik Olszewski, Yuka Matayoshi, Parag Gupta, Miguel Rodrigues, Adam Jonas, Peter J. Mackey, Paul R. Walsh, Mary Curtis, Roy Campbell, & Dimple Gosai (2014). *Solar Power & Energy Storage*. *Morgan Stanley Blue Paper*. Cooper, Mark (2014). *The Economics Failure of Nuclear Power and the Development of a Low Carbon Electricity Future: Why Small Modular Reactors are Part of the Problem, Not the Solution*. *Institute for Energy and the Environment*. Vermont Law School.

[SIPX Link](#)

Deutsche Bank Research (2014). *The changing energy mix in Germany*. Frankfurt: Deutsche Bank AG.

[SIPX Link](#)

Noel Maurer, Elena Corsi, Emilie Billaud, & Emer Moloney (2011). *Germany's Green Energy Revolution*. Harvard Business School Case N9-713-049.

[SIPX Link](#)

#### Tackling Environmental Problems—Severin Borenstein

##### REQUIRED:

Borenstein, Severin (2013). *Learning and Forgetting the Wisdom of Coase*. *Energy Institute at Haas*. Haas School of Business, University of California Berkeley.

[Web Link](#)

Fowlie, Meredith (2014). *Shipping Oil by Rail: A Modern-Day Problem of Social Cost*. *Energy Institute at Haas*. Haas School of Business, University of California Berkeley.

[Web Link](#)

Borenstein, Severin (2013). Bad Incentives for Green Choices. *Energy Institute at Haas*. Haas School of Business, University of California Berkeley.

[Web Link](#)

Wolfram, Catherine (2014). Will Smog in China Spur Climate Solutions? *Energy Institute at Haas*. Haas School of Business, University of California Berkeley.

[Web Link](#)

Borenstein, Severin (2013). Rate Design Wars are the Sound of Utilities Taking Residential PV Seriously. *Energy Institute at Haas*. Haas School of Business, University of California Berkeley.

[Web Link](#)

### **Thursday, August 11**

Classical Liberalism and the Regulatory State—Richard Epstein

REQUIRED:

Epstein, Richard A. (2010). The Disintegration of Intellectual Property? A Classical Liberal Response to Premature Obituary. *Stanford Law Review*.

[SIPX Link](#)

Epstein, Richard A. (Forthcoming). “The Basic Structure of Intellectual Property Law,” in Rochelle C. Dreyfuss & Justine Pila, *The Oxford Handbook of Intellectual Property Law*. Oxford University Press.

(Reading provided as attachment)

Student Discussion: How Should We Define the Boundaries of Regulation?—Stephen Haber and Victor Menaldo

REQUIRED:

Feynman, Richard. (1974). *Cargo Cult Science*. Speech presented at California Institute of Technology Commencement, Pasadena.

[Web Link](#)