

**HOOVER INSTITUTION WORKING GROUP ON  
INTELLECTUAL PROPERTY, INNOVATION, AND PROSPERITY**



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**HOOVER IP<sup>2</sup> SUMMER TEACHING INSTITUTE**

*THE ECONOMICS AND POLITICS OF REGULATION*

**AUGUST 6–AUGUST 18, 2017**

**HOOVER INSTITUTION  
STANFORD UNIVERSITY**

**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 7**

Orientation and Introduction

(No readings)

**Tuesday, August 8**

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](#)

OPTIONAL:

Acemoglu, Daron & Joshua D. Angrist (2001). Consequences of Employment Protection? The Case of the Americans with Disabilities Act. *Journal of Political Economy*, 109(5), 915-957.

[SIPX Link](#)

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

[Web Link](#)

Causal Inference and Data Analysis—Mike Tomz

REQUIRED:

Coglianesi, Cary (2012). Measuring Regulatory Performance: Evaluating the Impact of Regulation and Regulatory Policy. *Organisation for Economic Co-operation and Development*, 37-47.

[SIPX Link](#)

**Wednesday, August 9**

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](#)

Patents, Economic History, and Development—Zorina Khan

REQUIRED:

Khan, B. Zorina & Kenneth L. Sokoloff (2001). History Lessons: The Early Development of Intellectual Property Institutions in the United States. *The Journal of Economic Perspectives*. 15(3), 233-246.

[SIPX Link](#)

Posner, Richard A. (2005) Intellectual Property: The Law and Economics Approach. *The Journal of Economic Perspectives*, 19(2), 57-73.

SIPX Link

**Thursday, August 10**

Economics of Industries—Wes Hartmann

REQUIRED:

Five Competitive Forces that Shape Strategy. *Wikipedia*.  
[Web Link](#)

Saloner, Garth & Victoria Chang (2006). Shimano and the High-End Road Bike Industry. *Stanford Graduate School of Business Case*, SM-150.  
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, Volume 6*. National Bureau of Economic Research.  
SIPX Link

OPTIONAL:

Bower, Joseph L. & Clayton M. Christensen (1995). Disruptive Technologies: Catching the Wave. *Harvard Business Review*, January-February 2005 Issue, 43-53.  
[Web Link](#)

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

**Friday, August 11**

Antitrust Economics—Alex Galetovic

REQUIRED:

Noll, Roger (2005). Buyer Power and Economic Policy. *Antitrust Law Journal*, 72(2), 589-624.  
SIPX Link

Muris, Timothy (2000). The FTC and the Law of Monopolization. *Antitrust Law Journal*, 67(3), 693-698.  
SIPX Link

OPTIONAL:

Adelman, Morris (1969). Comment on the H Concentration Measure as a Numbers Equivalent. *Review of Economics and Statistics*, 51(1), 99-101.

SIPX Link

Motta, Massimo (2004). Competition Policy: Theory and Practice. *Cambridge University Press*, 39-52 & 102-113 (Chapter 2 & Chapter 3).

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. *American Economic Review*, 106, 177-182

SIPX Link

OPTIONAL:

Muris, Timothy (2000). The FTC and the Law of Monopolization. *Antitrust Law Journal*, 67(3), 718-723 (section IVD).

SIPX Link

Galetovic, Alexander & Stephen Haber (2017). The Fallacies of Patent Holdup Theory. *Journal of Competition Law and Economics*, 13(1), 36-42 (sections VB and VC).

SIPX Link

### **Monday, August 14**

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*, 23(4), 811-835.

SIPX Link

Financial Regulation—Ross Levine

REQUIRED:

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

### **Tuesday, August 15**

Patent Law and Innovation—Lisa Ouellette

REQUIRED:

Lemley, Mark A., Peter S. Menell, Robert P. Merges (2016). “Patent Law” in *Intellectual Property in the New Technological Age*. Clause 8 Publishing, 10-18.

SIPX Link

Patent Asserting Entities/Financial Intermediaries—Stephen Haber and Noel Maurer

REQUIRED:

Haber, Stephen & Noel Maurer (2017). Patent Trolls or Patent Elves? Evidence from Publicly-Traded Patent Assertion Entities. Working Paper.

[Web Link](#)

### **Wednesday, August 16**

Innovation and the Environment—Noel Maurer

REQUIRED:

Maugeri, Leonardo (2013). The Shale Oil Boom: A U.S. Phenomenon.

*Bel-fer Center for Science and International Affairs, Harvard Kennedy School.*

SIPX Link

Jenkins, Jesse D. & Samuel Thornstrom (2017). Deep Decarbonization Of The Electric Power Sector Insights From Recent Literature. *Energy Innovation Reform Project.*

SIPX Link

Maurer, Noel & Richard Vietor (2013). Note on Wind Energy. *Harvard Business School.*

Web Link

Houser, Trevor, Jason Bordoff, & Peter Marsters (2017). Can Coal Make a Comeback? *Columbia SIPA, Center on Global Energy Policy*, 9-20 and 33-43.

SIPX Link

OPTIONAL:

Greenblatt, Jeffery (2015). Modeling California policy impacts on greenhouse gas emissions. *Energy Policy.*

SIPX Link

Frankel, David & Amy Wagner (2017). Battery storage: The next disruptive technology in the power sector. *McKinsey & Company.*

SIPX Link

Kilian, Lutz (February 2017). How the Tight Oil Boom Has Changed Oil and Gasoline Markets. *University of Michigan Working Paper.*

[Web Link](#)

Sivaram, Varun & Shayle Kann (2016). Solar power needs a more ambitious cost target. *Nature Energy.*

SIPX Link

## Tackling Environmental Problems—Severin Borenstein

### REQUIRED:

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

[Web Link](#)

Borenstein, Severin (2017). Creative Pie Slicing to Address Climate Policy Opposition. *Energy Institute at Haas, University of California Berkeley*.

[Web Link](#)

Borenstein, Severin (2017). What Do We Want From California Climate Policy? *Energy Institute at Haas, University of California Berkeley*.

[Web Link](#)

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

[Web Link](#)

## **Thursday, August 17**

## 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*, 62(2), 455-524.

[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)

## Commercializing Innovation—Scott Kieff

### REQUIRED:

Kieff, F. Scott (2017). Pragmatism, Perspectives, and Trade: AD/CVD, Patents, and Antitrust as Mostly Private Law. *Harvard Journal of Law & Technology*, 30(1), 97-122.

[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*, 8(1), 1-46.

[SIPX Link](#)

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*, 26(1), 215-243.  
[SIPX Link](#)