

[Download This Paper \(Delivery.cfm/SSRN\\_ID2121937\\_code374861.pdf?abstractid=1393725&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2121937_code374861.pdf?abstractid=1393725&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN\\_ID2121937\\_code374861.pdf?abstractid=1393725&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2121937_code374861.pdf?abstractid=1393725&mirid=1&type=2)[Add Paper to My Library](#)Share:    

## To Be Financed or Not... - The Role of Patents for Venture Capital-Financing

*ZEW - Centre for European Economic Research Discussion Paper No. 09-003*

47 Pages

Posted: 23 Apr 2009

Last revised: 28 Mar 2013

Carolin Häussler ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=374861](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=374861))

University of Passau

Dietmar Harhoff ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=52512](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=52512))

Max Planck Institute for Innovation and Competition; Ludwig-Maximilians-Universität München; Centre for Economic Policy Research (CEPR)

Elisabeth Mueller ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=343616](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=343616))

Catholic University of Lille - IESEG School of Management

Date Written: 2012

### Abstract

In the presence of asymmetric information, economic agents need to communicate their quality to investors and other parties. While much of the literature focuses exclusively on signaling, we develop a conceptual framework that extends this view with elements of the literature on certification. We derive and test empirically several hypotheses using a sample of British and German companies that seek venture capital (VC). We find that patent applications – as signals from ventures – are positively related to VC-financing. Moreover, applications trigger institutionalized processes at the patent office, which can generate valuable technological and commercial information via search reports, citations and opposition procedures and thus affect VC-financing. Our results highlight the role of signaling, but additional information about venture quality is generated via an institutionalized certification process.

**Keywords:** signaling, certification, liabilities of newness, venture capital, patent system, biotechnology**JEL Classification:** G24, L20, L26, O30, O34[Suggested Citation](#) >[Show Contact Information](#) >[Download This Paper \(Delivery.cfm/SSRN\\_ID2121937\\_code374861.pdf?abstractid=1393725&mirid=1\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2121937_code374861.pdf?abstractid=1393725&mirid=1)[Open PDF in Browser \(Delivery.cfm/SSRN\\_ID2121937\\_code374861.pdf?abstractid=1393725&mirid=1&type=2\)](https://papers.ssrn.com/sol3/Delivery.cfm/SSRN_ID2121937_code374861.pdf?abstractid=1393725&mirid=1&type=2)

## 0 References

[Fetch References](#)

## 0 Citations

[Fetch Citations](#)

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve and enhance our site.

Do you have negative results from your research you'd like to share? [Cookie Policy](https://www.elsevier.com/legal/cookiepolicy) (<https://www.elsevier.com/legal/cookiepolicy>)

[Submit Negative Results \(https://www.ssrn.com/index.cfm/en/Negative-Results/\)](https://www.ssrn.com/index.cfm/en/Negative-Results/)[Cookie Settings](#)[Accept all cookies](#)

DOWNLOADS	1,803
ABSTRACT VIEWS	7,458
RANK	17,717

54 Citations

66 References

PlumX Metrics



([https://plu.mx/ssrn/a/?ssrn\\_id=1393725](https://plu.mx/ssrn/a/?ssrn_id=1393725))  
Related eJournals

European Finance eJournal ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=1504411](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1504411))

Follow



Corporate Governance & Economics eJournal ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=1344868](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1344868))

Follow



View more >

## Recommended Papers

An Empirical Look at Software Patents ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=461701&rec=1&srcabs=1393725&pos=1](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=461701&rec=1&srcabs=1393725&pos=1))

By James E. Bessen ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=44832](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=44832)) and Robert M. Hunt ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=161671](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=161671))

The U.S. Patent System in Transition: Policy Innovation and the Innovation Process ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=198989&rec=1&srcabs=1393725&pos=2](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=198989&rec=1&srcabs=1393725&pos=2))

By Adam B. Jaffe ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=39023](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=39023))

Don't Fence Me in: Fragmented Markets for Technology and the Patent Acquisition Strategies of Firms ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=475601&rec=1&srcabs=1393725&pos=3](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=475601&rec=1&srcabs=1393725&pos=3))

By Rosemarie Ham Ziedonis ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=254300](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=254300))

View more >

Feedback

Submit a Paper > (<https://hq.ssrn.com/submissions/CreateNewAbstract.cfm>)

SSRN Quick Links



SSRN Rankings



About SSRN



(<https://www.facebook.com/SSRNcommunity/>)

([https://www.linkedin.com/company/493409?](https://www.linkedin.com/company/493409?trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany_493409%2Cidx%3A0)

trk=tyah&trkInfo=clickedVertical%3Acompany%2CentityType%3AentityHistoryName%2CclickedEntityId%3Acompany\_493409%2Cidx%3A0

(<http://www.elsevier.com/>)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>)      Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)  
Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

All content on this site: Copyright © 2023 Elsevier Inc., its licensors, and contributors. All rights are reserved, including those for text and data mining, AI training, and similar technologies. For all open access content, the Creative Commons licensing terms apply.

We use cookies to help provide and enhance our service and tailor content.

To learn more, visit [Cookie Settings](#).



(<http://www.relx.com/>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)