
 Download This Paper (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)

 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)
University of Passau

Dietmar Harhoff (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)
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)

Open PDF in Browser (Delivery.cfm/SSRN_ID2121937_code374861.pdf?abstractid=1393725&mirid=1&type=2)

66 References

1. J H Abbring , G J Van Den Berg
The nonparametric identification of treatment effects in duration models
Econometrica , volume 71 , p. 1491 - 1517 Posted: 2003
Crossref (https://doi.org/10.1111/1468-0262.00456)

2. G A Akerlof
The market for "lemons": quality uncertainty and the market mechanism
Quarterly Journal of Economics , volume 84 , p. 488 - 500 Posted: 1970
We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](#) (https://www.elsevier.com/legal/cookiepolicy)

3. G Albano , A Lizzeri
Strategic Certification and Provision of Quality

[Cookie Settings](#)

Accept all cookies

4. S Balachander

Warrenty signalling and reputation

Management Science , volume 47 , p. 1282 - 1289 Posted: 2001

Crossref (<https://doi.org/10.1287/mnsc.47.9.1282.9783>)

Load more

0 Citations

Fetch Citations

Do you have a job opening that you would like to promote on SSRN?

Place Job Opening (<https://www.ssrn.com/index.cfm/en/Announcements-Jobs/>)

Paper statistics

DOWNLOADS	1,837
ABSTRACT VIEWS	7,688
RANK	18,039

54 Citations

66 References

PlumX Metrics



(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)

Follow



Corporate Governance & Economics eJournal (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)

By James E. Bessen (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)

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)


By Adam B. Jaffe (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)


By Rosemarie Ham Ziedonis (https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=254300)


[Submit a Paper > \(https://hq.ssrn.com/submission.cfm\)](https://hq.ssrn.com/submission.cfm)

[SSRN Quick Links](#) 


[SSRN Rankings](#) 

[About SSRN](#) 

 [\(https://www.facebook.com/SSRNcommunity/\)](https://www.facebook.com/SSRNcommunity/)

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

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

 [\(https://twitter.com/SSRN\)](https://twitter.com/SSRN)

[\(http://www.elsevier.com/\)](http://www.elsevier.com/)

[Copyright \(https://www.ssrn.com/index.cfm/en/dmca-notice-policy/\)](https://www.ssrn.com/index.cfm/en/dmca-notice-policy/)

[Terms and Conditions \(https://www.ssrn.com/index.cfm/en/terms-of-use/\)](https://www.ssrn.com/index.cfm/en/terms-of-use/)

[Privacy Policy \(https://www.elsevier.com/legal/privacy-policy\)](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](#).



[\(http://www.relx.com/\)](http://www.relx.com/)

[\(https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true\)](https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true)