



**IDEI-CEPR Conference on**  
*« The Economics of the Software  
and Internet Industries »*

*Toulouse, January 17-18, 2003*

• **CONFERENCE SCIENTIFIC COMMITTEE:**

Philippe Aghion  
Mathias Dewatripont  
Claude Crampes  
Jacques Crémer  
Marc Ivaldi  
Bruno Jullien  
Jean-Jacques Laffont  
JeanTirole

• **CONFERENCE SECRETARIAT:**

Florence Chauvet  
Christelle Fauchié

- <http://www.idei.asso.fr> -



**CONFERENCE VENUE :**

**CENTRE DE CONGRES PIERRE BAUDIS**

11, Esplanade Compans-Caffarelli  
(1<sup>st</sup> floor – salle Cassiopée)  
- 31000 Toulouse -

<http://www.centre-congres-toulouse.fr>

# Program

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**FRIDAY, January 17, 2003**

9:00 *Registration*

9:15 *Welcoming Address, Jacques CREMER and Jean TIROLE*

## **EMPIRICAL WORK**

**Chair: Jean Pierre FLORENS (IDEI)**

9:30 – 11:00 **Florian ZETTELMEYER** (University of California at Berkeley), F. SCOTT MORTON and J. SILVA-RISSO

*Cowboys or Cowards: Why are Internet Car Prices Lower?*

Discussant: **Frank VERBOVEN** (KUL and CEPR)

**Neil GANDAL** (Tel Aviv University and CEPR), S. MARKOVICH and M. RIORDAN

*Ain't it 'Suite'? Strategic Bundling in the PC Office Software Market*

Discussant: **Pierre DUBOIS** (INRA and IDEI)

11:00 – 11:30 **Coffee break** ☕

## **INTELLECTUAL PROPERTY**

**Chair: Michel LE BRETON (IDEI)**

11:30 – 13:00 **Jean TIROLE** (IDEI and CEPR) and J. LERNER (Harvard Business School)

*Patent Pools*

Discussant: **Philippe AGHION** (Harvard University, University College London and CEPR)

**Hal VARIAN** and C. SHAPIRO (University of California, Berkeley)

*The Adoption of Open Source vs. Proprietary Software*

Discussant: **Jacques CREMER** (IDEI)

13:00 – 14:30 **Lunch (salle Caravelle 2)**

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## **PATENTS, PIRACY, SECRECY**

**Chair: Emmanuelle AURIOL (IDEI)**

14:30 – 16:00 **James J. ANTON** (Duke University) and D.A. YAO (University of Pennsylvania)

*Attracting Skeptical Buyers*

Discussant : **Yossi SPIEGEL** (Tel Aviv University)

**Klaus KULTTI** (University of Helsinki), **T. TOKALO** (Bank of Finland) and **J. TOIKKA** (Helsinki School of Economics)  
*Secrecy versus Patenting*

Discussant: **Bernard CAILLAUD** (CERAS and CEPR)

**Jay Pil CHOI** (Michigan State University) and **S.H. BAE** (Michigan State University)  
*A Model of Piracy*

Discussant: **Paul BELLEFLAMME** (CORE and IAG, UCL)

16:00 – 16:30 **Coffee break** ☕

**ROUNDTABLE 1 – TWO-SIDED MARKETS**                      **Chair: David EVANS (NERA)**

16:30 - 18:30                      **Marshall VAN ALSTYNE** (University of Michigan)

**Michael KATZ** (University of California at Berkeley)

**Jean-Charles ROCHET** (IDEI and CEPR)

**Bruno JULLIEN** (IDEI and CEPR)

20:00                      **Conference Dinner – Restaurant « Le 19 », 19 descente de la Halle aux Poissons, Toulouse (see attached map)**

## **SATURDAY, January 18, 2003**

**ACCESS AND NETWORKS**                      **Chair: Gilles SAINT-PAUL (IDEI and CEPR)**

9:30 – 10:30 **Tommaso M. VALETTI** (Imperial College and CEPR) and **C. CAMBINI** (Politecnico di Torino)  
*Investments and Network Competition*

**Pedro PEREIRA** (Universidad Carlos III de Madrid)  
*Search and Destroy: Competition between Search Engines and Consumer Prices?*

**Hans Jarle KIND** (Norwegian School of Economics), **P. BARROS** (Universidade Nova de Lisboa), **T. NILSSEN** (University of Oslo) and **L. SORGARD** (Norwegian School of Economics)  
*Media Competition when the Audience Dislikes Advertising: A Theory of Vertical Alliances on the Internet*

10:30 – 11:00 **Coffee break** ☕

## BUYING AND SELLING ON THE INTERNET

Chair: **Marc IVALDI (IDEI and CEPR)**

11:00 – 12:30 **Bruno BIAIS** (IDEI and CEPR), **C. BISIÈRE** (IDEI-CRG) and **C. SPATT** (Carnegie Mellon University)  
*Imperfect Competition in Financial Markets: ISLAND vs NASDAQ*

Discussant: **Leonard WAVERMAN** (London Business School)

**Sara FISHER ELLISON** (MIT) and **G. ELLISON** (MIT)  
*Tax Sensitivity and Home State Bias in Internet Purchasing*

Discussant: **Lars-Hendrik ROELLER** (WZ Berlin and CEPR)

**Eiichiro KAZUMORI** (Stanford University) and **J. McMILLAN** (Stanford University and CEPR)  
*Selling Online Versus Offline*

Discussant: **Paul SEABRIGHT** (IDEI and CEPR)

12:30 – 14:00 **Lunch (salle Caravelle 2)**

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## PRICE DISCRIMINATION AND BUNDLING

Chair: **Jacques CREMER (IDEI and CEPR)**

14:00 – 15:30 **Glenn ELLISON** (MIT)  
*A Model of Add-on Pricing*

Discussant: **Xavier VIVES** (INSEAD and CEPR)

**Michael KATZ** (UC Berkeley) and **R.J. GILBERT** (UC Berkeley)  
*Should Good Patents Come in Small Packages? A Welfare Analysis of Intellectual Property Bundling*

Discussant: **Patrick REY** (IDEI and CEPR)

15:30 – 16:00 **Coffee break** ☕

## ROUNDTABLE 2 – INTELLECTUAL PROPERTY

Chair: **Mathias DEWATRIPONT (ULB and CEPR)**

16:00 – 18:00 **Bruce ABRAMSON** (Charles River Associates)

**James BESSEN** (Research on Innovation)

**Jay Pil CHOI** (Michigan State University)

**Josh LERNER** (Harvard Business School)

**Jorge PADILLA** (NERA and CEPR)

20:00 **Speakers' Dinner (by invitation) – Restaurant Le Bouchon Lyonnais, 13 rue de l'Industrie, Toulouse (see attached map)**