

THE OPEN INNOVATOR'S DILEMMA AND A MARKET FOR IDEARS

NISHIHARA, Yoichi*

Graduate School of Social Sciences, Hiroshima University

Abstract

A firm may not choose not to innovate despite having superior technology, because its rival can imitate it. This problem arises particularly in situations where a firm tries to procure an outside trade secret to innovate. It is found that if an intermediary who operates a market for ideas connects two industries where the same invention can be used, then innovations occur.

Keywords: Trade secret, Market for ideas, Intermediary

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*1-2-1, Kagamiyama, Higashi-Hiroshima City, 739-8525 Japan
E-mail: nishihara@hiroshima-u.ac.jp