

## Localization of Knowledge Creative Establishments\*

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### Abstract

This study investigates the localization of the establishment-level knowledge creation by using data on Japanese patent database. Using distance-based methods, we obtain the following results. First, Japanese patent creations are significantly localized at the 5% level, with the range of localization approximately 80 km. Second, the extent of localization is stronger in more creative establishments in terms of number of patent creation and number of citations. These results suggest that the knowledge transfers have significant geographical frictions in especially for more creative establishments.

Key words: Knowledge spillover; Agglomeration; Micro-geographic data

JEL codes: R11

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