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China and intellectual property rights [Recurso electrónico]: a challenge to the rule of law / James A Brander, Victor Cui and Ilan Vertinsky

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 919-921

Abstract: China is not meeting its international obligations to protect intellectual property rights (IPRs), harming the innovation process in China and elsewhere. We review the benefits of IPR protection and discuss the magnitude and cost of China's IPR violations. We also emphasize that these violations undermine the international rule of law and impair China's legitimacy as a leader in evolving global governance institutions. We criticize the argument that China will endogenously improve IPR protection due to internal pressures from its domestic IP sector as the United States and some other countries did in the past. China's governance institutions are very different from those of the liberal Western democracies, past and present, as China has a weak internal rule of law, a fragmented governance system, and cultural traditions that favor collective over individual rights. As China's IP sector develops, its IPR governance regime might even be used as a strategic tool to further disadvantage foreign IPR holders. We argue that China should play a lead role in any international IPR reforms but that it must first establish legitimacy by meeting its current international IPR commitments. We conclude that other countries should take action to pressure China to meet its IPR obligations.

Journal of international business studies. -- 2017, v. 48, n. 7, september, p. 908-921

1. Intellectual property rights 2. Innovation 3. Rule of law 4. China

2

Deconstructing the liability of foreignness [Recurso electrónico] : regulatory enforcement actions against foreign banks/ Zheyang Wu and Robert Salomon

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 855-857

Abstract: It is widely acknowledged that foreign firms are at an institutional disadvantage relative to domestic firms operating in the local market. This "liability of foreignness" typically manifests as inferior performance for foreign firms relative to domestic competitors. Although myriad studies document the liability of foreignness, few demonstrate how individual host country institutions generate specific liabilities. In this study, we explore the regulatory liabilities that foreign firms face using a sample of 189 foreign banks operating in the United States. We find that regulators initiate more enforcement actions, on average, against foreign banks than they do against domestic banks. The effects, however, vary by regulation type and firm characteristics. For example, foreign banks are no more likely to receive risk-related sanctions, but far more likely to receive stakeholder-related sanctions. Foreign banks with higher quality of human capital and more host country experience are less likely to run afoul of all regulations. Foreign banks with more third country experience are less likely to receive risk-related sanctions, but more likely to receive stakeholder-related sanctions. The results highlight the contingent nature of regulatory liabilities, the role of information asymmetry versus regulatory bias in enforcement outcomes, and the liability-reducing effects of resources and capabilities.

Journal of international business studies. -- 2017, v. 48, n. 7, september, p. 837-861

1. Liability of foreignness 2. Regulatory risk 3. Subsidiary performance 4. Regulatory enforcement actions 5. Foreign bank subsidiaries

3

Dodging bullets [Recurso electrónico] : the heterogeneous effect of political violence on greenfield FDI / Caroline T Witte ... [et al.]

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 886-888

Abstract: The relationship between political violence and greenfield foreign direct investment is contingent on the type of violence, the characteristics of the investment-receiving sector, and the international scope of the investing firm. Analysis using a dynamic fixed effects model for a panel of 90 developing countries shows that nationwide political conflict is negatively associated with total and nonresource-related greenfield FDI, but not with resource-related greenfield FDI. The insensitivity of resource FDI to political conflict is explained by the high profitability of natural-resource extraction and geographic constraints on location choice. In the nonresource sector, the least geographically diversified firms are most sensitive to conflict. Other types of political violence, including intermittent violence in the form of terrorist acts and assassinations, or persistent but low-impact events, such as political terror, have no effect on the location choice decisions of multinational enterprises. These findings inform the strategies of multinationals with a nuanced and much-needed understanding of the effects of political violence and the risks it poses to their businesses.

Journal of international business studies. -- 2017, v. 48, n. 7, september, p. 862-892

1. Political violence 2. Foreign direct investment (FDI) 3. Political risk 4. Heterogeneity 5. Political conflict 6. Economic geography

4

An institution-based view of global IPR history [Recurso electrónico] / Mike W Peng ... [et al.]

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 904-906

Abstract: Leveraging the use of history to advance international business research, this article focuses on the crucial debate over intellectual property rights (IPR) between the United States and China. Ironically, during the 19th century the United States was not a leading IPR advocate as it is today, but was a leading IPR violator. Developing an institution-based view of IPR history, we identify three underlying theoretical mechanisms that help to explain IPR in the two countries – path dependence, long-term processes, and institutional transitions. We argue that both the US refusal to protect foreign IPR in the 19th century and the current Chinese lack of enthusiasm to meet US IPR demands embody rational responses to their respective situations. However, given long-term processes with intensifying isomorphic pressures, institutional transitions in favor of better IPR protection are quite possible. Finally, going above and beyond these two countries, we draw on the IPR history in over ten other countries to develop a more globally generalizable framework, which in turn contributes to the key question of how history matters.

Journal of international business studies. -- 2017, v. 48, n. 7, september, p. 893-907

1. Institution-based view 2. History 3. Intellectual property rights (IPR) 4. United States 5. China

5 Managing valuable knowledge in weak IP protection countries [Recurso electrónico] / Heather Berry

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 805-807

Abstract: Although knowledge assets provide multinational corporations (MNCs) with competitive advantages in foreign markets, it can be difficult for firms to protect their knowledge in foreign countries – especially countries with weak intellectual property (IP) protection. Building on and extending the knowledge management, institutional theory and expatriate literatures, this article explores whether home country expatriates can substitute for weak IP protection and drive an increase in more and more valuable knowledge transfers to foreign operations located in weak IP protection countries. Because of their ties to headquarters, knowledge of parent firm assets, priorities and routines, and activities in local operations, I argue that home country expatriates can transform the local operation to offer higher protection for parent firm knowledge in weak IP countries in ways that local managers cannot. The results from a comprehensive panel of US multinationals suggest that home country expatriates can substitute for weak IP protection, but that this effect is contingent on the manufacturing and knowledge capabilities of foreign operations for higher value parent firm knowledge transfers. Overall, this article extends our understanding of the global management and protection of knowledge by MNCs by exploring how organizational practices can buffer country-level institutional deficiencies for firm knowledge.

Journal of international business studies. -- 2017, v. 48, n. 7, september, p. 787-807

1. Knowledge transfer 2. Multinational corporations (MNCs) and enterprises (MNEs) 3. Intellectual property protection 4. Innovation 5. Patents 6. Knowledge value

6 Patent protection and the composition of multinational activity [Recurso electrónico] : evidence from US multinational firms / Olena Ivus, Walter G Park and Kamal Saggi

Este artículo se encuentra disponible en su edición electrónica. Su acceso electrónico es a través del enlace de 'Acceso al documento'

References: p. 832-833

Abstract: This article examines how patent protection in developing countries affects the technology licensing strategy of US multinational firms and the associated technology transfer flows. Strengthening patent rights lowers appropriability hazards and so reduces the firms' reliance on affiliated licensing as the more secure means of transfer (the internalization effect). However lower appropriability hazards also encourage the firms to increase the volume of technology transfer via licensing both within and outside the firm (the appropriability effect). Which effect prevails depends on the underlying technological complexity of the firms' product. We find that a strengthening of patent protection in the host country increases the incentive to license innovations to unaffiliated parties. While unaffiliated licensing rises among all firms, the volume of affiliated licensing falls among complex-technology firms but rises among simple-technology firms. The positive appropriability effect on affiliated licensing is strong enough among simple-technology firms that the entire composition of their licensing further shifts towards affiliated parties. The results are significant for recent work on the internalization theories of multinational firms and the interaction between firm strategy and the institutional environment, as well as for patent policy in the developing world, where access to knowledge is critical.

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1. International technology 2. Transfer 3. Licensing 4. Internalization 5. Appropriability 6. Intellectual property rights 7. Technological complexity 8. Imitation risk