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Long Term Dynamics of Firm R&D Investment in Plant Breeding under Plant Breeders Rights

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This study examines the dynamics of incentives for R&D firms to invest in the improvement of biotech varieties which are sold to differentiated farmers by competing with an existing generic seed in an oligopolistic market. We distinguish between the two types of innovation, in process and in product, and assume they positively affect the outcome of one another R&D investment. A number of propositions are drawn for policy purposes which could be tested with empirical analysis.

Keywords: PBR's, process innovation, product innovation, game theory.

Key words: Agricultural Knowledge Systems, Intellectual Property Rights, Toll-goods, Levy-funded, End-point royalty