

## Abstract

*This thesis considers the possibility of transfer of technology between three firms that produce a homogeneous product and engage in Cournot competition in the presence of cost asymmetry between the licensors and the licensee. The licensors have the same cost of production whereas the licensee has a higher cost of production. It is shown that under both fixed-fee licensing and royalty licensing, the competition between licensors tends to drive down the fixed-fee or royalty to zero. Moreover, the licensors' post-licensing profit is lower than their pre-licensing profit whereas the licensee's post-licensing profit exceeds its pre-licensing profit. This study also discusses the possibility of transfer of technology between three firms when there is a cost asymmetry amongst the licensors. It is considered by a framework consisting of three cost-differential firms that are engaged in Cournot competition and produce a homogeneous product. It is shown that under fixed-fee licensing, the efficient firm licenses its technology only to the mediocre firm only if the mediocre firm's cost of production is relatively lower than the inefficient firm's cost of production. The efficient firm licenses its technology only to the inefficient firm only if there is scope for the mediocre firm to further sell its technology to the inefficient firm.*

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