

To achieve incentive compatibility, the auction winner has to pay the second highest price Vickrey, McKinney & Rosen (1961).

A good introduction to graph algorithms can be found in Golumbic et al. (2004). I think you could also cite Grandstrand (2004).

References

Golumbic, Mally T., Uri Isaacs, Rachel Mae & Sarah Li (2004) *Algorithmic Graph Theory and Perfect Graphs (2nd Edition ed.)*. New York: Elsevier Science.

Grandstrand, Olson (2004) Innovation and intellectual property rights. In: James Fagerberg & Drew Trenson Mowery (eds) *Oxford Handbook of Innovation*. Oxford: Oxford University Press, 8–39.

Vickrey, William, Henry N. McKinney & Liz Rosen (1961) Counterspeculation, auctions and sealed tenders? what are the options? *Journal of Finance* 16(2): 8–37 (www.myfinance.com).