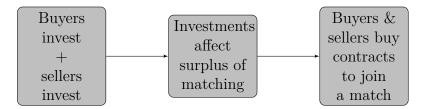
	Left	Right
Up	1,1	2,0
Down	0,2	2,2

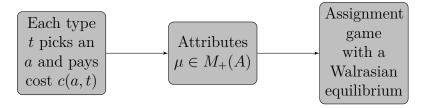
Stage 1: Investment

Stage 2: Competitive Market



Stage 1: Investment

Stage 2: Market



Software Developer

er		Don't Innovate	Innovate
eveloper	D 24 I 4 -	0	-1
Deve	Don't Innovate	0	0
are	Innovate	0	2 - 1
		-1	2-1
\mathbb{H}			





Matching Contract Buyer Payoffs $(0,0) \qquad -\tilde{p}^{i}(0,0)$ $(0,1) \qquad -\tilde{p}^{i}(0,1)$ $(1,0) \qquad -\tilde{p}^{i}(1,0) - \frac{1}{4}$ $(1,1) \qquad 1 - \tilde{p}^{i}(1,1) - \frac{1}{4}$

Seller Payoffs $\begin{array}{c} \tilde{p}^{j}(0,0) \\ \tilde{p}^{j}(0,1) - \frac{1}{4} \\ \tilde{p}^{j}(1,0) \\ \tilde{p}^{j}(1,1) - \frac{1}{4} \end{array}$