Trade Secrets Law and Corporate Disclosure: Causal Evidence on the Proprietary Cost Hypothesis*

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Compliance with Data Policy for the Journal of Accounting Research
September 2017

1. A description of which author(s) handled the data and conducted the analyses.

All authors were involved in the collection as well as the analysis of the data. The details of data handling and analyses are described below (see #2 in particular).

2. A detailed description of how the raw data were obtained or generated, including data sources, the date(s) on which data were downloaded or obtained, and the instrument used to generate the data (e.g., for surveys or experiments). We recommend that more than one author is able to vouch for the stated source of the raw data.

All data used in the study are from public sources, including 10-K Header Data (downloaded from http://www3.nd.edu/~mcdonald/10-K_Headers/10-K_Headers.html, March 2015), the inevitable disclosure doctrine adoption event dates (from Table 1 of Klasa et al. 2014, downloaded from http://ssrn.com/abstract=2439216, May 2014), Compustat Annual Data Files/Compustat Segment Files (WRDS access, March 2015; Additional variables in revision process: Jan 2016), National Establishment Time Series (NETS) Database (procured June 2016, accessed July 2016), IBES (WRDS access, March 2015), Thomson Reuter's 13F datasets (WRDS access, March 2015), U.S. Bureau of Labor Statistics (accessed March 2015), U.S. Bureau of Economic Analysis (accessed March 2015), U.S. Census data (U.S. Census website, accessed April 2016).

All authors vouch for the stated source of the raw data.

3. If the data are obtained from an organization on a proprietary basis, the authors should privately provide the editors with contact information for a representative of the organization who can confirm data were obtained by the authors. The editors would not make this information publicly available. The authors should also provide information to the editors about the data sharing agreement with the organization (e.g., non-disclosure agreement, any restrictions imposed by the organization on the authors with respect to publishing certain results).

All data used in this study are publicly available.

4. A complete description of the steps necessary to collect and process the data used in the final analyses reported in the paper. For experimental and survey papers, we require information about the instructions and instruments used to generate the data, subject eligibility and/or selection, as well as any exclusion criteria. The full set of instructions and instruments can be provided in the online appendix.

We describe our data in Section 3 of the published paper.

5. The computer programs or code used to convert the raw data into the final dataset used in the analysis plus a brief description that enables other researchers to use this program. The purpose of this requirement is to facilitate replication and to help other researchers understand in detail how the raw data were processed, the final sample was formed, variables were defined, outliers were treated, etc. This code or programming is in most circumstances not proprietary. However, we recognize that some parts of the code or data generation process may be proprietary, including from the authors' perspective. Therefore, instead of the code or program, researchers can provide a detailed step-by-step description of the code or the relevant parts of the code such that it enables other researchers to arrive at the same final dataset used in the analysis. In such cases, the authors should inform the editors upon initial submission, so that the editors can consider an exemption from the code sharing requirement. Whenever feasible, authors should also provide the identifiers (e.g., CIK, CUSIP) for their final sample. Authors should consult our FAQ Sheet on the JAR website for further details.

We use SAS/ STATA to convert the raw data and perform all analyses. The SAS and STATA codes in the folder "LLZ_JAR_Code" use the stated datasets in #2 as input and produces the final dataset used in the analysis. The file "FIRM ID" lists the firm GVKEYs of the final dataset.

6. An assurance that the data and programs will be maintained by at least one author (usually the corresponding author) for at least six years, consistent with National Science Foundation guidelines.

The authors will maintain all data and programs for at least six years.