Patents 3.0: How to fix American Innovation

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http://inventorstartkit.com/inventor-process/
The real-world value of patent protection to innovators is a much-examined question. A series of studies conducted by several authors over a span of nearly 30 years (1957 to 1984) have asked whether inventors find patents useful for excluding imitators and/or capturing royalty income. The answer uniformly found: The patent grant is not useful for either purpose in most industries.

Eric Von Hippel - THE SOURCES OF INNOVATION
Stanford:
494 royalty generating patents
only 35 generate > $100k/yr

Universities That Turn Research Into Revenue, Forbes.com
Maureen Farrell, 09.12.08, 06:00 PM EDT
UC System

$3.04B research, $193m royalties

Universities That Turn Research Into Revenue, Forbes.com
Maureen Farrell, 09.12.08, 06:00 PM EDT
“Patent law encourages cumulative innovation, both by dangling the patent before the inventor as an incentive to invent in the first instance and by requiring him to disclose to the public his invention so that science can progress by building on the divulged knowledge”

Jeanne Fromer - Iowa Law Review, 2009
The origins of Patent Law

“[t]o promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries.”32
U.S. CONST. art. I, § 8, cl. 8
The origins of Patent Law

Disclosure of information about inventions stimulates productivity in at least two ways. First, it permits society at large to apply the information by freely making or using the patented invention after the expiration of the patent. Second, the disclosure can stimulate others to design around the invention or conceive of new inventions.

Jeanne Fromer - Iowa Law Review, 2009
Invention vs. Innovation
THE MOTHERS
OF INVENTION

WEASELS RIPPED
MY FLESH

RZZZZZ!
What is the difference?
What drives the economy?
What should we reward?
Patent System Rewards:

• 20 Year Monopoly

• Royalties taxed at Capitol Gains Rate
“History has shown that most technological change . . . comes through the small contributions of ordinary, anonymous workers and tinkerers”

Jeanne Fromer - Iowa Law Review, 2009
Patent System 1.0:

- 20 Year Monopoly
- Royalties taxed at Capitol Gains Rate
Patent System 2.0:
Fixing Existing Patent System?

• 20 Year Monopoly

• Royalties taxed at Capitol Gains Rate

• New: Let’s Require “Source Code” for all Inventions:
  • Mechanical Cad Files
  • Computer Code
  • Circuit Board files, etc
Patent System 3.0: 

Open Source Hardware Innovation Taxcredit

- Open Source Projects Qualify
- Innovation Income Tax Credit
Patent System 3.0: Open Source Innovation Reward (O-Sir! - family friendly name)

- Open Source Projects Qualify
- Innovation Income Tax Credit