

Patent Trolls

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Thesis

Are patent trolls a threat to innovation or a
necessity to evolving the market?

Outline

1. Patent trolls and their rich history
2. Some examples of patents
3. Analysis of core literature
 - a. THE MYTH OF THE PATENT TROLL - by mcdonough
 - b. Startups and Patent Trolls - by Chien
 - c. The Evidence Is In: Patent Trolls Do Hurt Innovation. - by Bessen
4. Discussing the effect patent trolls have on the market and small businesses
5. Summarizing both sides of the discussion

Background

What is a patent troll?

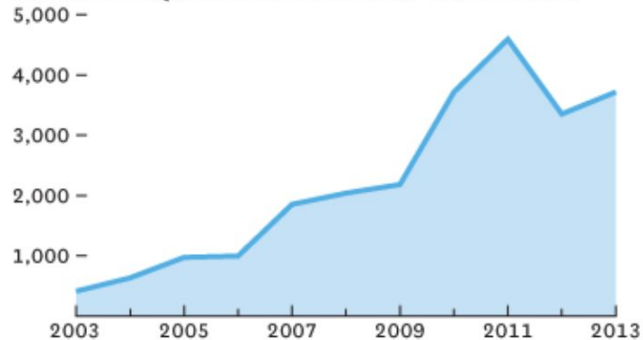
Patent trolls in computer science

Why are patent trolls so relevant now?

Litigation by Patent Trolls is on the Rise

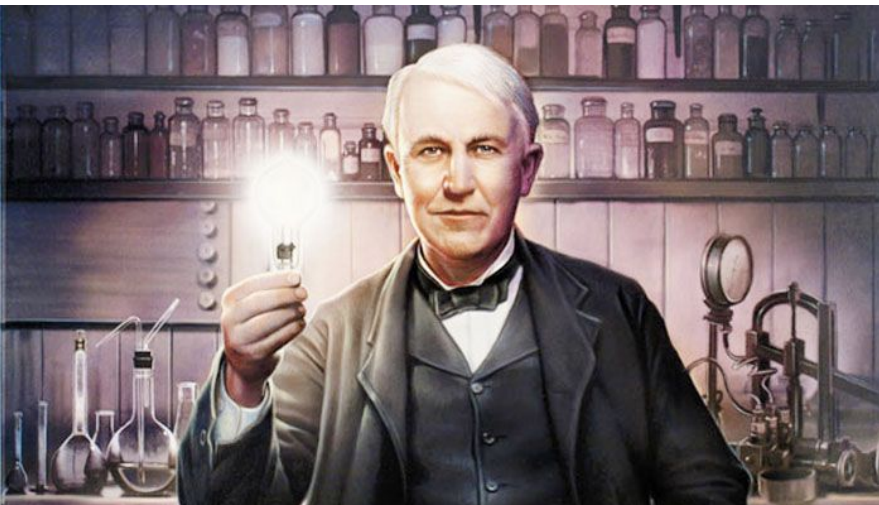
LITIGATION BY PATENT TROLLS IS ON THE RISE

NUMBER OF UNIQUE DEFENDANTS IN PATENT TROLL LAWSUITS



SOURCE PATENT FREEDOM

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History of Patent Trolls:

King of trolls: Thomas Edison

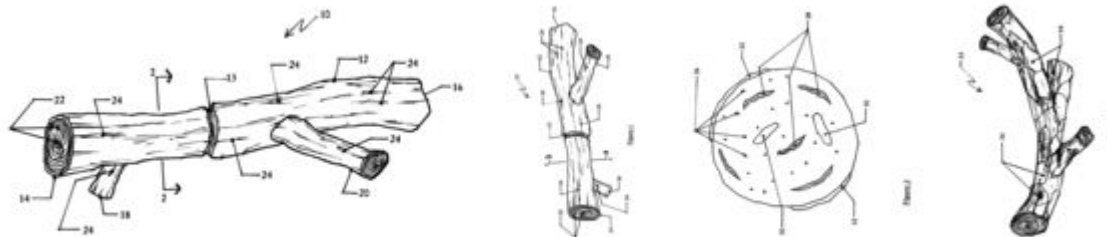
Patents in government and academia

Modern action to stop trolls

Background

Some patents:

- Making links in email clickable
- Buying stuff inside of an app
- Pull to refresh
- Amazons one click to buy
- Apples “a rectangle with round corners
- Non tech but great - a stick <https://www.google.com/patents/US6360693>



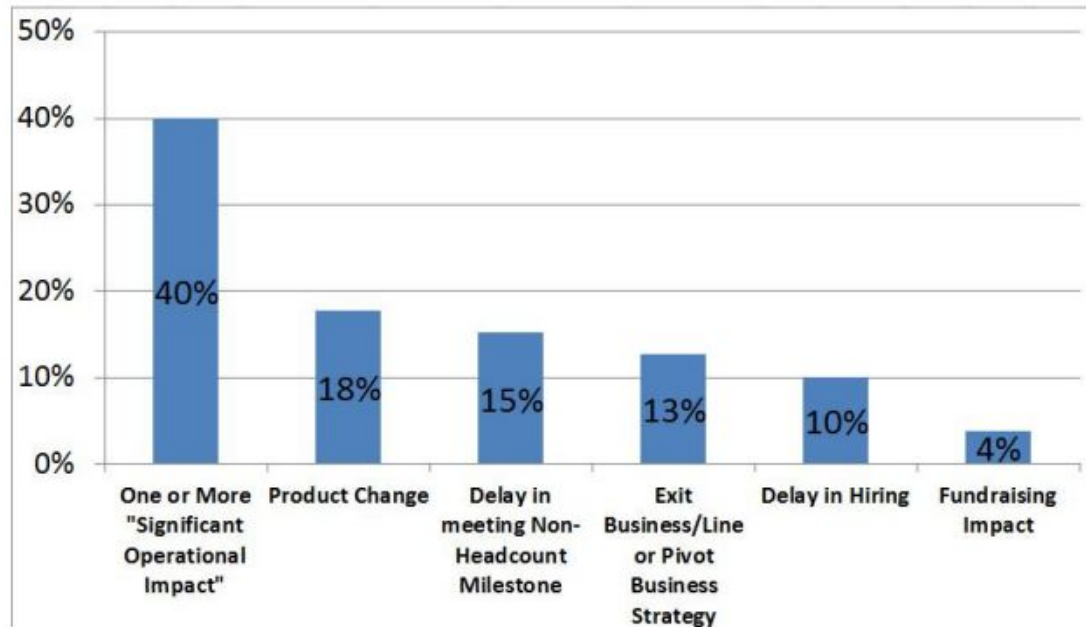
Analysis

- McDonough article
- The term “patent troll”
- Quality of patents
- Market for innovation
- Market without patent dealers
- Patent dealers altering the market
- Making the market more efficient

Analysis

- Cost on small companies
- Other impacts on small companies
- Benefits to small companies
- Small vs big companies

FIG 1: Distribution of “Significant Impacts” Resulting from a PAE Demand

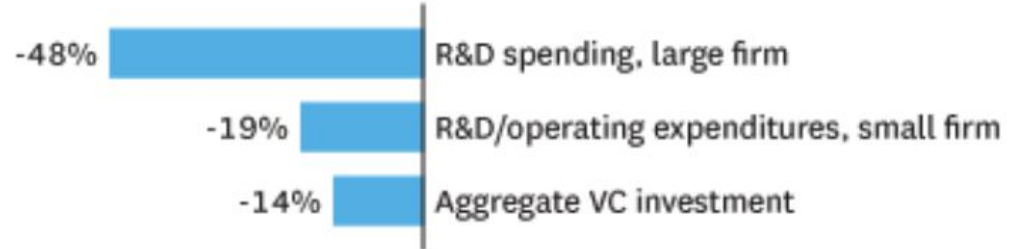


Analysis

- Evidence of harm
- Growth of litigation
- Cost of patent lawsuits
- Decline in venture investing
- Impact on R&D

Effect of Patent Troll Lawsuits on Innovation

EFFECT OF PATENT TROLL LAWSUITS ON INNOVATION



SOURCE RESEARCH BY CATHERINE TUCKER, ROGER SMEETS, LAUREN COHEN, UMIT GURUN, AND SCOTT KOMINERS;
ANALYSIS BY JAMES BESSEN

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Conclusion & Summary

- Patents trolls can have an extremely negative impact on small companies
 - Especially those who focus on R&D
- The amount of litigation by patent trolls as grown a lot over the past decade
- The term patent troll can be overinclusive
- Patent trolls can have a positive effect on the market.
- Would innovation improve or suffer without patent trolls?

References

Bessen, J. (2014, November 01). The Evidence Is In: Patent Trolls Do Hurt Innovation. *Harvard Business Review*.

Chien, C. (2012). Startups and Patent Trolls. *Startups and Patent Trolls*, (09), 12th ser., 01-35. Retrieved November 2, 2017

McDonough, J. F., III. (2007). THE MYTH OF THE PATENT TROLL: AN ALTERNATIVE VIEW OF THE FUNCTION OF PATENT DEALERS IN AN IDEA ECONOMY . *Emory Law Journal*, 56(07), 6th ser., 189-228. Retrieved November 02, 2017