

Re: Alternative to Invention Patents

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On Sun, 27 Jun 2004 01:13:02 GMT, Richard Tanzer
<mr_reznat_@yahoo.com> wrote:

>I developed a method of conducting an auction. If I figure my time is
>worth \$25/hour as an inventor, I already invested about \$3000 in my time,
>materials, and transportation. I recently applied for a US patent on the
>invention. I wrote the application and I am prosecuting it myself.
>Figuring my time as a patent agent is worth \$50/hour, I will invest about
>\$5000 in labor. Additionally, it will probably cost me about \$2000 in
>patent office fees if I am granted a patent. In total, I will have
>invested about \$10,000 in direct expenses and labor before I am granted a
>patent. Of course only about 2/3rds of all patent applications are ever
>granted patents.
>
>If I understand your proposal, I would have to pay about \$4000 in patent
>office fees (because I am a "small entity," most of the fees are reduced
>by 50% relative to large corporations).

No, you would pay whatever fee you chose. But the total fees for your invention would be limited to 1000 times the initial amount you chose to pay. Of course, there would also be a minimum fee -- \$100, say -- to prevent nuisance claims.

>Assuming that I am granted a patent on my invention, I will then try to
>market the invention to E-Bay, Amazon.com, and similar businesses. The
>nature of the invention is such that it would require a well-entrenched
>internet business to make a profit off the invention. I'll make a guess
>that my marketing costs will be about another \$10,000 -- this would
>include developing and printing marketing literature, transportation,
>demonstrations, etc.

Wearing two hats (inventor and distributor) puts you in a somewhat different position, but I don't see any problem here.

>At this point, about 3 years from now, I will have invested about \$20,000
>in my invention and not yet have seen any return. It is quite likely that
>I will not be able to find a buyer for my invention and all I have is one
>more patent to show for my time and money. On the other hand, let's

sci.econ: Re: Alternative to Invention Patents

>suppose that I am able to sell Yahoo! or Microsoft or someone else on the
>invention. Perhaps I'll get \$500,000 (who knows?) for exclusive rights
>to the invention. O happy day!

>

>The only reason I would be able to sell my invention for \$500,000 is
>because it would give my customer *EXCLUSIVE* rights. They can advertise
>their exclusive auction system that no one else can copy.

I don't see this. If your system allows any user to make more money, why would any user require a monopoly on it? Granted, some people seem to like exclusivity for its own sake, but it is contrary to the purpose of making more inventions more available to the public.

>Ron, given your proposed system, anyone else could simply pay a few
>thousand dollars and use my invention.

No, you would set the fee, and they would only be able to use it for a year before paying the next year's fee (which both you and other users would be able to increase).

>Why would I be motivated to risk
>a substantial amount of money without a chance for a large payoff?

You would set the maximum size of the payoff. If you wanted a chance at a million, you'd pay a thousand.

— Roy L