

Entrepreneurship: What don't we know?

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Who are the entrepreneurs, and what do they do?

- An understudied aspect of the patent system:
The patent system is an ex post funding system, and that changes the nature of the innovation problem.
- A simple economic cut on this question is to separate roles: Roles in the innovation system include
 - have ideas for inventions
 - choose among ideas
 - fund the inventions
 - carry out the research.
- There is no reason to join these roles

Entrepreneurship and the Patent System

- What are inventors thinking?

The problem is a surfeit of good ideas and a deficit of funding : Isn't the problem obvious?

- What are patent scholars thinking?

Too much investment. The wrong investments.

Firms vie for opportunistic IP as opposed to good inventions.

Patent law gets the details wrong.

- Again:

The patent system is an ex post funding system, and that changes the nature of the problem.

What do VC's do?

- Who are the entrepreneurs:
Are the the VCs? The Inventors?
- Inventors
They give us money.
They steal our innovations.
We are not making deals with angels; this is a pact with the devil.
- IP Scholars:
Frankly, we don't have much of an answer to this, other than the give money.

What do VC's do? Some speculations

- Collect and Compare ideas

Is this a good thing?

Entrepreneurs

Not if I'm shut out!

Patent scholars:

Of course.

Why not get the best ideas?

- Query: Who has the best ideas?

Can entrepreneurs evaluate their own ideas?

What about group think?

Are there any dangers in the VC system?

- Is there a competition policy issue?

VCs cannot compare ideas unless they collect them.

VC's almost always fund projects in teams.

Is this a good thing? Are VCs competing?

Is there a competition policy issue?

Do the entrepreneurs have a point?

- The contribution of psychologists:

Is there a problem of group think?

- An empirical question:

What is the record of success on funding from different sources? Can we sort this out?