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Manchester 2016

# The Great IP Debate: Patents Harm more than Help

David K. Levine  
EUI and WUSTL

Session organized by Richard L. Hudson

Manchester 2016

## ***Harms of the Patent System***

- Monopolies provide less social value (well known – ignore)
- Existing patents discourage innovation
- More than you think

## ***Helps of the Patent System***

- Replaces secrecy (doesn't really – ignore)
- Possibility of getting a patent encourages innovation
- Less than you think




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# The Great IP Debate

Bruno van Pottelsberghe  
ULB - Solvay Brussels School

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1. The origin of patent systems : Natural Rights & Utilitarian Theory
  - Recognition & reward of **inventors**
  - **Under-investment in R&D**: Social return >>> private return
  - **Alternative to governments'** subsidies/tax incentives & inability to monitor / pick winners
2. Patents are a **necessary condition** in many industries (roads, financial system, primary education) 
3. **No convincing evidence AT ALL**: (which references?\* Which method? Which cases? Universities?)
4. **Fine-tuning**: QUALITY barely mentioned in literature, wrong KPIs, governance, bring society in

\* Acemoglu, Bottomley, Haber, Farre-mansa.....



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# The Great IP Debate

Willem Broekaert  
V-Bio Ventures

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1. Patents are not equally important to all industries, however, they are key to drive growth in those industries with
  - **high innovation costs**, and
  - **long time lag** from innovation to market
2. Patents contribute to **increased company diversity** in innovation-driven industries