



Why I love patents and copyrights

By Michael Kanellos

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Keith Richards in a near-death experience. Does TV get any better?

[Ocean Tomo](#), a Chicago-based company that holds [auctions for patents, copyrights and other intellectual property](#), will put a gem on the block in its next auction taking place in London on June 1: film footage of the Rolling Stones guitarist getting electrocuted during a U.S. concert in 1965.

"The Stones do not currently have this footage themselves; this particular piece of film lasts 10 minutes, with the electrocution scene occurring at the close, and lasting approximately a full minute," the catalog for the auction states.

The footage is part of a collection of film that is owned by Mark and Colleen Hayward and is being sold as a single lot. Other footage in the lot includes an early film of The Beatles playing in Blackpool, England, and some shots of Paul McCartney in 1966 yukking it up on a Learjet owned by Frank Sinatra.

TV stations pay around \$3,000 to broadcast about 30 seconds of footage from the Hayward collection.

The Haywards will also auction off a collection of photos of rock stars over the decades: The Clash, AC/DC and The Moody Blues. You'd have to go to the Konocti Boat Harbor to see some of those acts today.

It won't be all celebrity memorabilia at the intellectual property auction. Most of the lots involve chemicals (a formula for flexographic printing from Meat/Westvaco), wireless communications, medical devices (customized bone implants--a patent with a \$200,000-plus value), green technologies (an efficient way to incinerate waste from our pals at KusuKusu Industry), or electronics (anyone care for a gas composition sensor from Accentus?).

Despite early skepticism, the open auction concept for intellectual property is clearly gaining steam. In the company's April auction in Chicago, \$11.4 million worth of intellectual property was sold, including two lots that went for \$3 million and \$2.8 million each.

Although it's not a really popular sentiment these days, I think patents, trademarks and copyrights are simply fantastic and a primary, necessary driver of the world economy. Without them, the rapid pace of technological innovation around the world would slow to a crawl. And frankly, without them, most open-source projects would rapidly wither away: without an intellectual property behemoth like Microsoft to fight, what would be the point?

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Why all the frothy sentiment? Intellectual property provides one of the most dependable means toward wealth and independence in the world today. In the Dark Ages, one could obtain wealth by raising an army and burning someone else's kingdom to the ground. In the Gilded Age, those on the fast track had a secret weapon of success: they bribed state legislators to obtain canal and railroad contracts.

Unfortunately, those career options just aren't as viable as they once were. Instead, we have to invent stuff, and thus people should get compensated for the effort.

And it does take effort. Think of Larry Page toiling away on the early PageRank patents. Think of Mark and Colleen Hayward. Imagine all those evenings they had to spend listening to Donovan spout Celtic gibberish or helping get John Bonham out of hotel security custody during those years they amassed their photo and video collection. Surely some reward is in order.

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I actually came to this conclusion from the other end. Back in 2005, I set out to write a series of articles on patent trolls, so-called individuals who preyed on hardworking, industrious Americans with a file of flimsy patents.

What I found instead was a gray area. Nearly every so-called troll turned out to have a somewhat persuasive story. [Intellectual Ventures](#), a patent firm started by former Microsoft chief scientist Nathan Myhrvold, was staffed with fairly [renowned scientists](#) who didn't fit the profile of people trying to make a quick buck in court.

Another man, criticized as one of the most litigious people in the U.S., had a great explanation for his behavior. He had only sued people who had signed--and then violated--nondisclosure agreements. Two other guys I met, engineers from the Midwest, spent eight years of their lives attending meetings trying to license their invention to car manufacturers and getting stiffed. (Eventually, they sold their patents for over a million bucks.)

The most humorous encounter was the engineer at IBM Labs. He railed against patents and how people exploited them in court. I asked him if he had any. He did: three of them. Had he donated them to an open-source organization? Why no. They constituted, errr, tangible advances in science.

The difficulty in coming up with federal patent reform and the [uncertainty surrounding how some recent Supreme Court decisions will play out](#) show that striking a balance isn't easy. Copyright is the same way. Everyone likes to think that studio execs are evil incarnate. But when you steal movies, you're also whittling down the royalty checks for some old lady who had to make out with William Shatner in a bit role on *Star Trek*.

I have encountered many people who had strong, emotional reactions against patents and copyrights. Remarkably, though, few of them had ever been sued in court. And fewer still had ever written a book or cut an album. In short, they hadn't been hurt by so-called trolls, and they didn't own much worth pirating.

But if it makes you feel better, go ahead and reprint this for free.

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