The Argument for Deregulation

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Abstract

There are a number of issues that must be raised when considering criteria for granting patents. For example, patenting a business model or a concept like one-click purchasing is unwise because these seem to be obvious and useful ideas that should be spread. When they are locked to one company for 15/20 years, that company will have a complete market monopoly, and despite mistakes they make in development, or unfair prices they might charge, the consumer would have no choice but to buy their products. In addition, in some cases, patents may reduce company response to consumer problems.

In an environment without patents, competition might be encouraged more strongly. In that case the consumer might be much more certain that they would receive the best product (or something close) and that their product would continue to develop. With a patent, a company might feel it has no reason to innovate.

Patents also fracture software areas more than they otherwise would be. If a company patents a look and feel, then a competitor will be forced to develop something substantially different. This will slow development of products by others, but more importantly, it will confuse consumers, who are constantly adapting to new programs

Indeed, it seems that the idea that a company will only innovate if they can get a patent is false. Companies develop new products everyday that they do not have patents for. Companies will continue to innovate because if they have a successful product, it could make them many times the amount of money they invested within the first year. Not allowing patents also forces companies to open up locked industries, and improve products that otherwise would have no competition.

Keywords : The Argument for Deregulation

A. INTRODUCTION

This proposal takes the opposite approach to government regulation for solving the problems in Intellectual Property in software development. Here we suggest that the government should not seek to regulate the computer market. Instead, companies should be allowed to compete free of patents, which might potentially foster increased competition, development, and standards in computer software.

There are a number of issues that must be raised when considering criteria for granting patents. For example, patenting a business model or a concept like one-click purchasing is unwise because these seem to be obvious and useful ideas that should be spread. When they are locked to one company for 15/20 years, that company will have a complete market monopoly, and despite mistakes they make in development, or unfair prices they might charge, the consumer would have no choice but to buy their products. In addition, in some cases, patents may reduce company response to consumer problems.

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One possible compromise solution would be to develop a new type of patent, a software patent, that could be obtained faster and less expensively than a regular patent, but that was more limited, especially in

time. A fair amount of protection might be one or two years. This way, companies that develop new ideas will have that idea protected long enough that they can get a head start on everyone else. Then the market would be opened to competition.

The proposal is not advocating an abandonment of all Intellectual Property rights. Copyright and trade secret laws would still be necessary in maintaining a fair system. But the abuses in the current system - Patents on one-click shopping, and on business models - need to be curtailed. Allowing these patents is not protecting innovation, it is curtailing competition.

B. CONCLUSION

There are a number of issues that must be raised when considering criteria for granting patents. For example, patenting a business model or a concept like one-click purchasing is unwise because these seem to be obvious and useful ideas that should be spread. When they are locked to one company for 15/20 years, that company will have a complete market monopoly, and despite mistakes they make in development, or unfair prices they might charge, the consumer would have no choice but to buy their

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