

# Social Development and IP

John H. Terpstra CTO jht@PrimaStasys.Com

#### Overview



- Business and IP
- Current Trends & Practices
- Four Market Phases
- Open Source, Standards and IP
- Software Market Genesis
- Open Source, Standards & IP
- Contrasted Standards Approaches
- The Great IP Divide

#### **Business and IP**



- IP is necessary to sustain business
  - Key differentiator with Identifiable Value
- But: Where should IP value be placed?
  - Product or Service
  - Strategies and operating methods
- Core Issue is sustainability!
  - Products and service can be copied
  - Strategies and Operating Methods are more secure

#### **Current Trends & Practices**



- Focus on products
  - The great IP "land-grab"
    - Register software patents for everything
    - Concern over long-term
      - Lock-out consequences
  - Why NOT Strategy of Market Maximization?
    - Protect the business NOT the Products or Services!
    - Businesses must innovate in selling methods
      - Services
        - Support
        - Product Updates

#### **Four Market Phases**



- Market Incubation
  - Uncontrolled Technical Development
  - Need to gain critical mass quickly
- Emerging Market
  - Emerging competition
- Technology Standardization
  - Competition at its peak
- Commoditization
  - Reach into broadest market base
    - Globalization

#### **Software Market Genesis**



- Early market -Software was given away to sell hardware
- Emerging Market
  - Custom built
  - Generics / Large Market
  - Commodity software / Larger Market
- Technology Market Still Embryonic
  - Stagnating due to IP lock-out

### Open Source, Standards & IP



- Software
  - Just a commodity
  - Community created around development
- Standards Essential
  - Enhance certainty
  - Create the "bigger picture"
- Knowledge (IP)
  - Unrestricted except to keep it that way!

## Contrasted Standards Approaches



- Commercial (as a Business)
  - Licensing or royalty basis
  - Government supervised and controlled
    - RAND requirements
- Community (Free)
  - Not compatible with commercial model
  - Demands community centric means of reaching agreement
    - Has worked so far for TCP/IP, Web, etc.

#### The Great IP Divide



- Limited specialist protected market players
  - Essentials
    - Cross-Licensing
    - Able to afford to be a player
    - Lock out low cost competition
- Community development
  - Effectively outlawed
    - No money to be in the game
    - No permission to practice
    - No longer able to participate in market development



How will this story end?

It's up to you!