



SSO Rent-Seeking

William Fisher

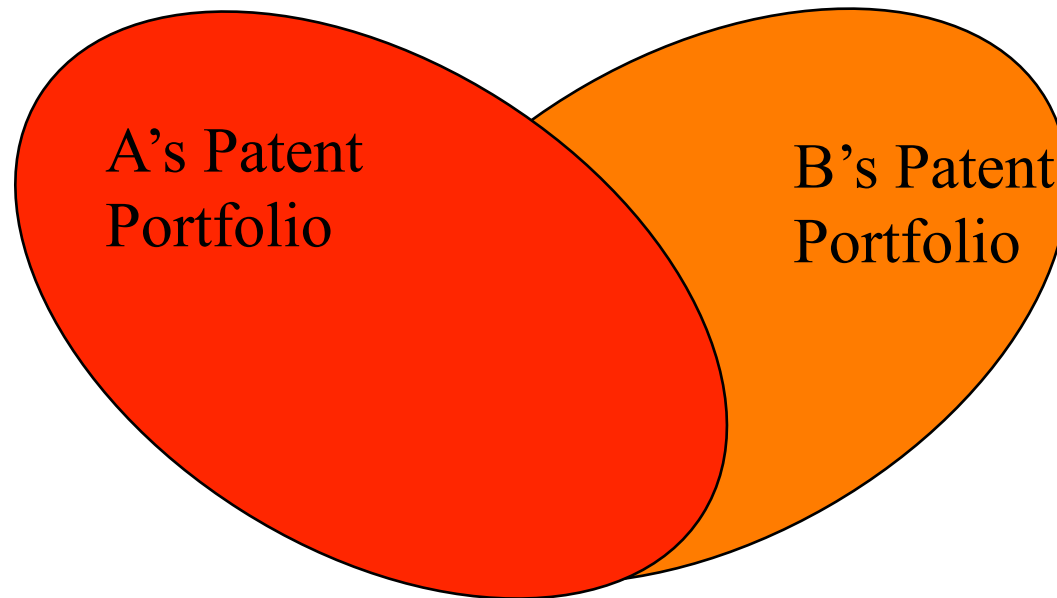
September 19, 2016

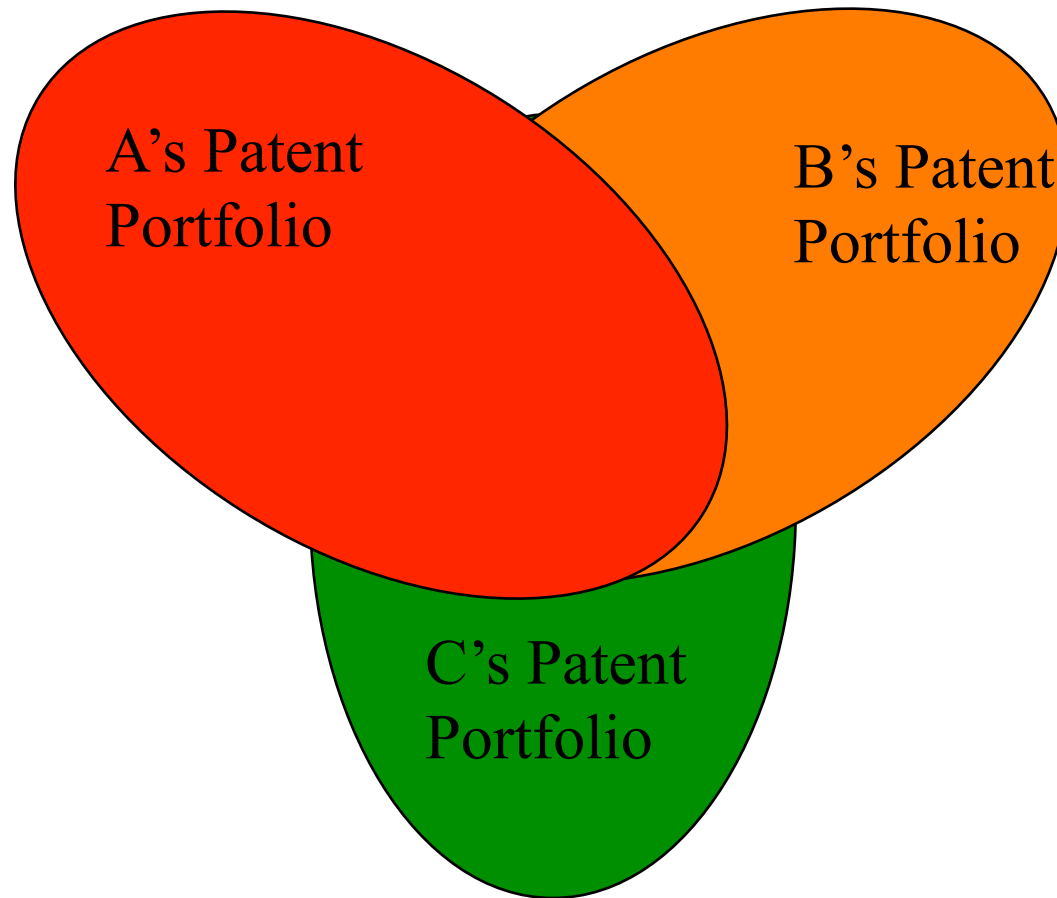


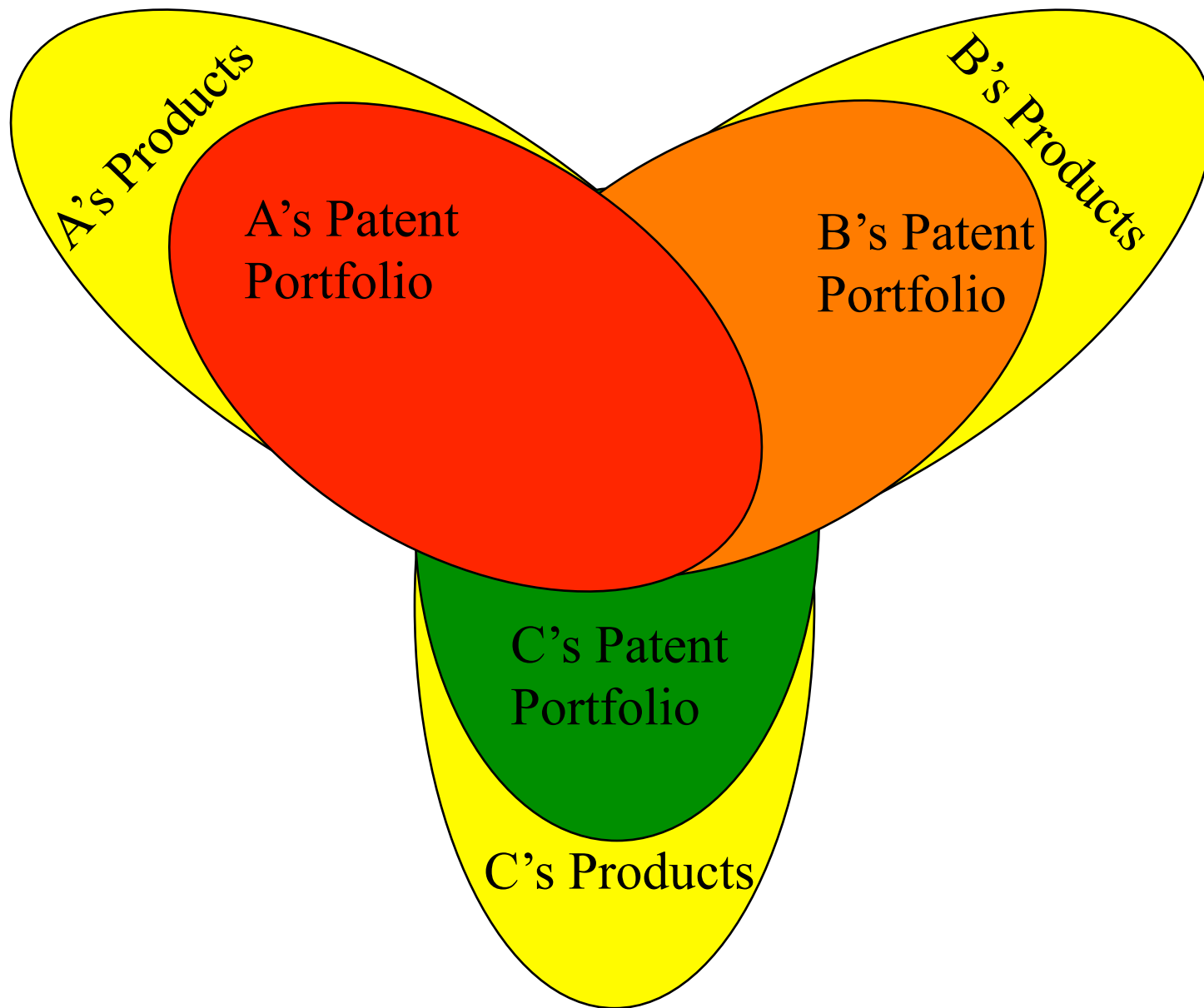
September 19,
2016

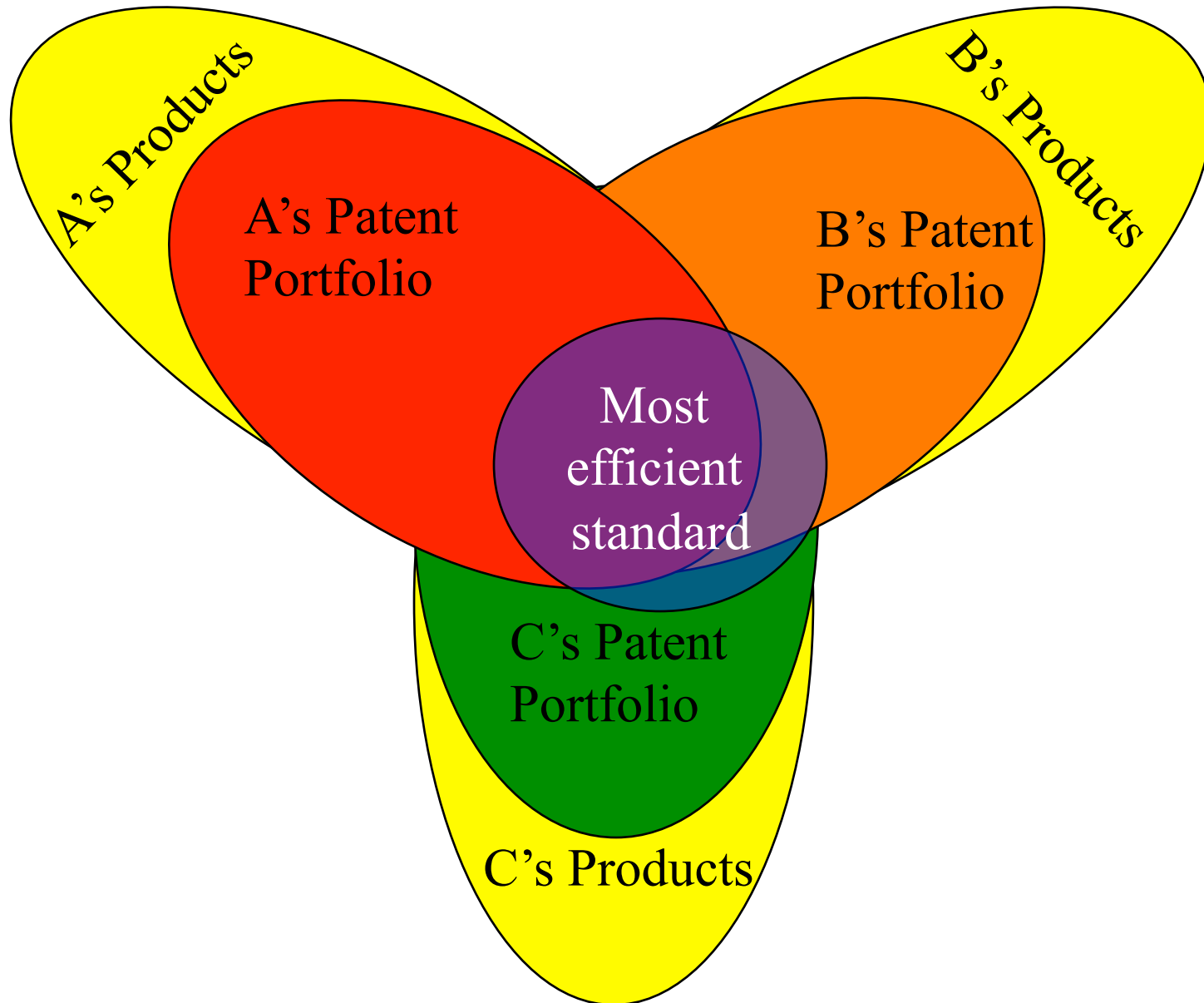


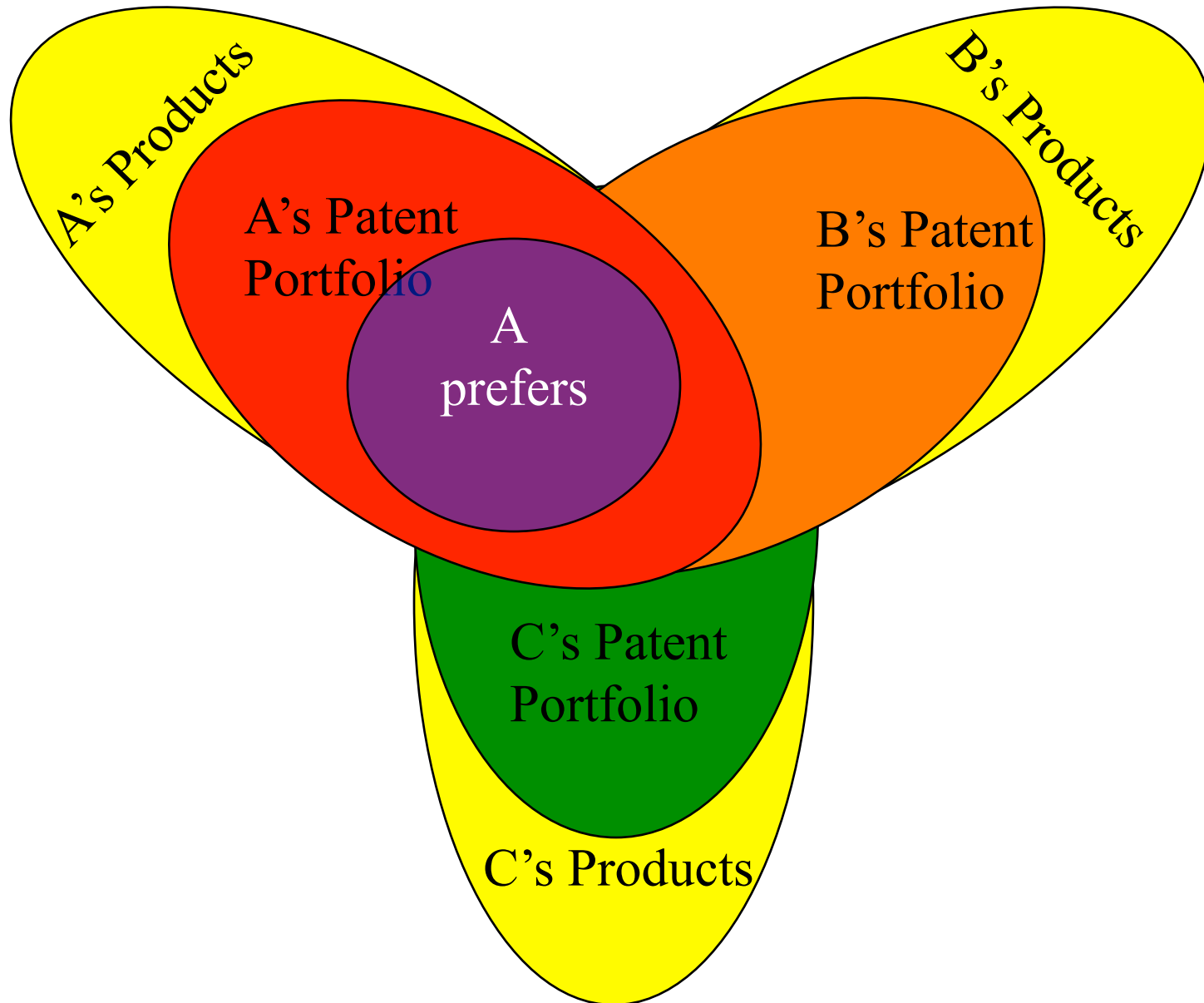
A's Patent
Portfolio

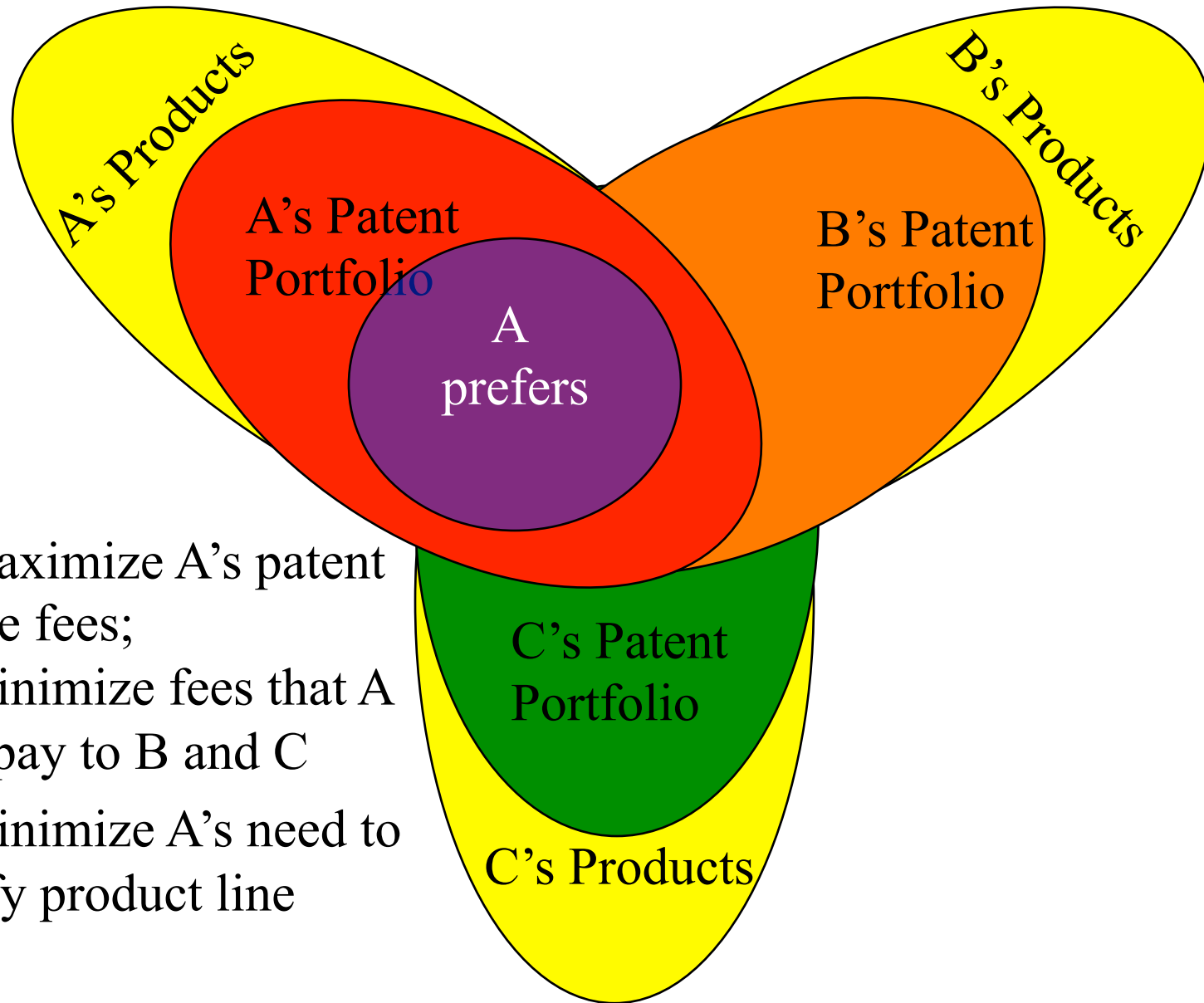




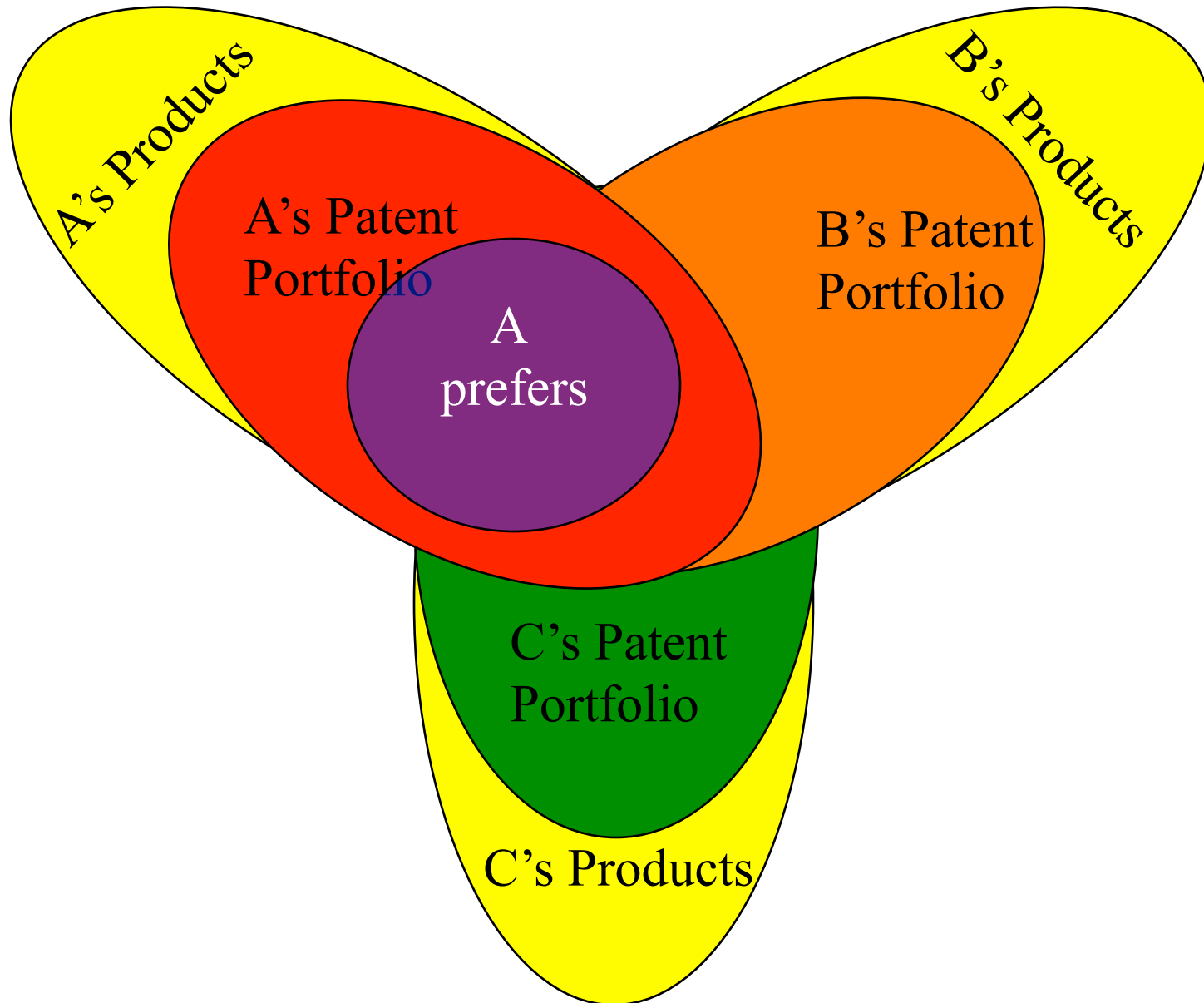


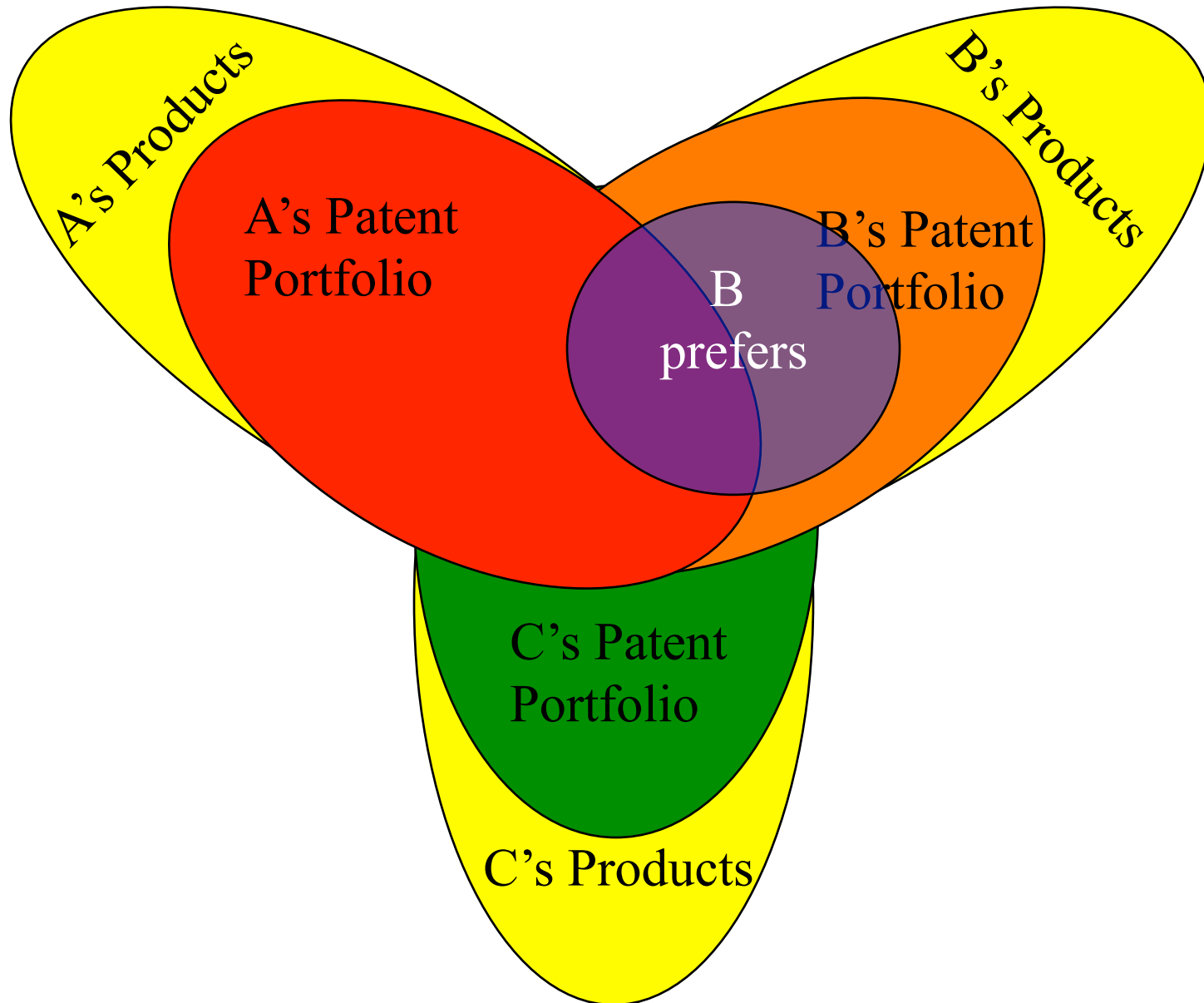


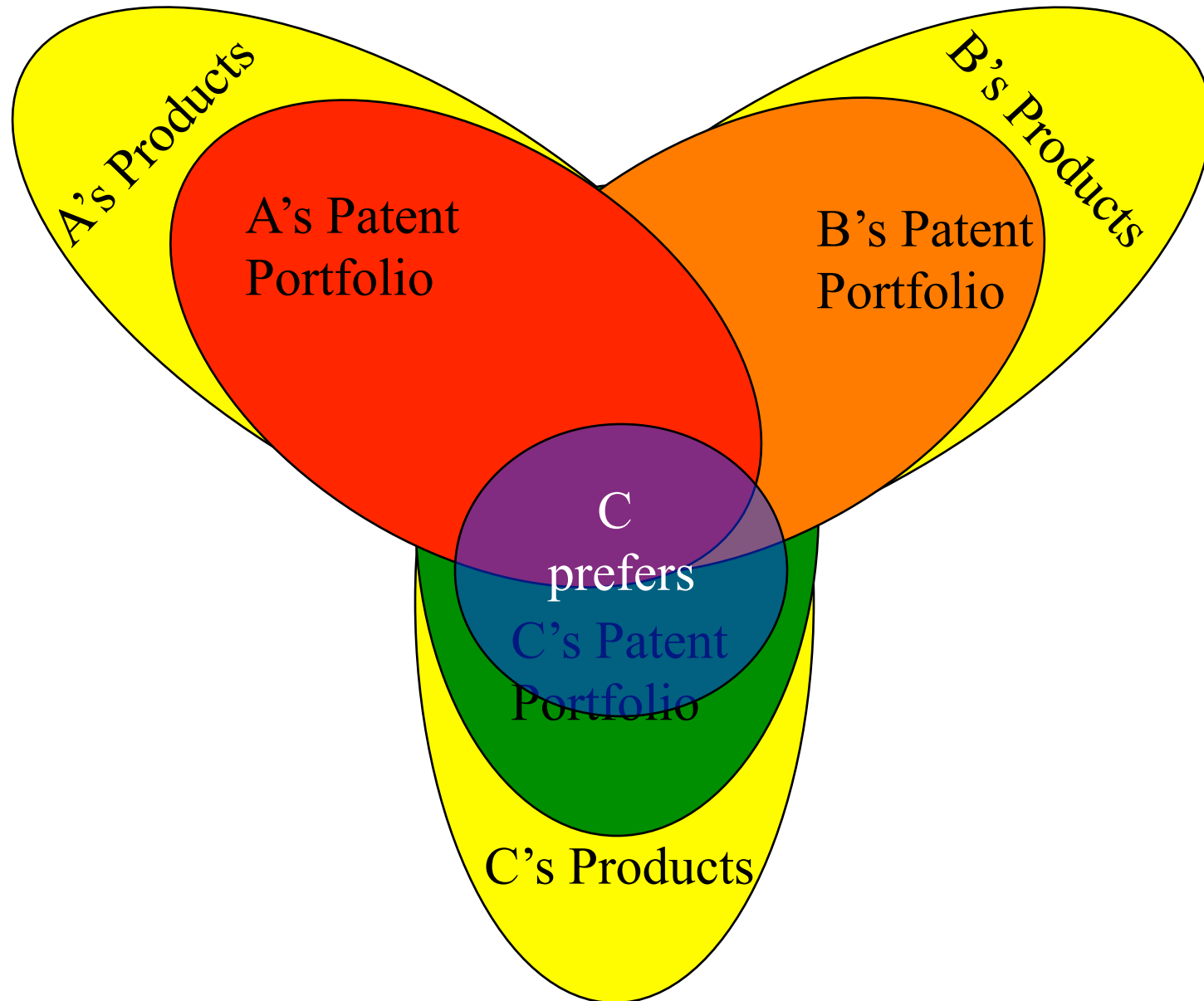


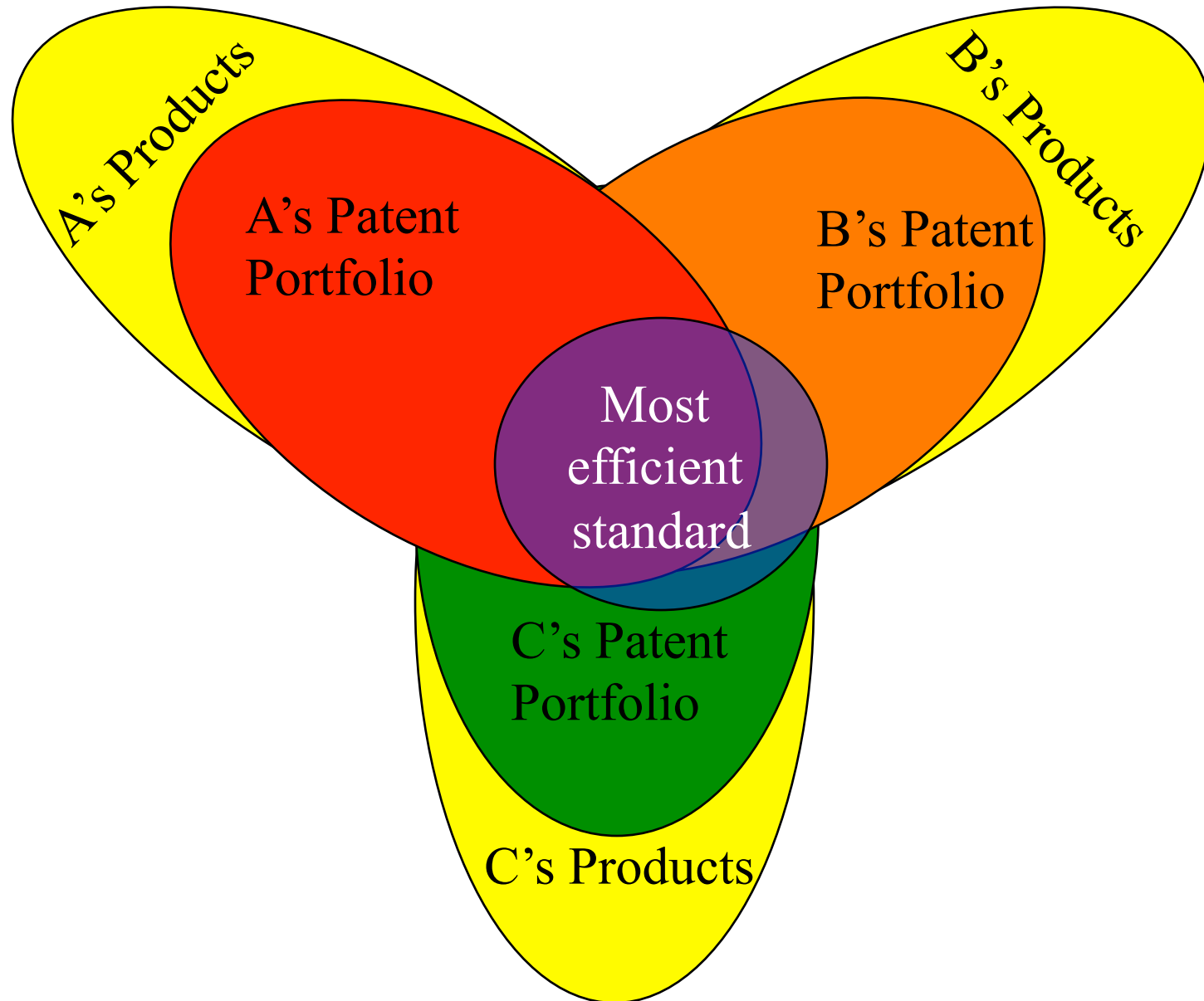


- (1) Maximize A's patent license fees;
- (2) Minimize fees that A must pay to B and C
- (3) Minimize A's need to modify product line











Impact on Social Welfare

- 1) Deviation between the most efficient standard and the standard eventually chosen causes welfare loss
- 2) Even in the absence of deviation, the struggle wastes social resources



Impact on Social Welfare

- 1) Deviation between the most efficient standard and the standard eventually chosen causes welfare loss
- 2) Even in the absence of deviation, the struggle wastes social resources

Both exacerbated by prospect of lucrative license fees