

New York University – Leonard N. Stern School of Business

Fall 2013

**INNOVATIVE ENTREPRENEURSHIP, PROMOTING CREATIVE IDEAS, AND
DEALING WITH PATENTS**

ECON-GB.2365.01 (B30.2365); 3 credits

Monday/Wednesday, 1:30 PM – 2:50 PM

Professor William Baumol¹
Office KMC 7-98, (212) 998-8943
william.baumol@nyu.edu
Office Hours: Mon., 12:30 PM – 1:30 PM

Professor Dean Alderucci²
Office KMC 7th floor, (212) 998-0733
dean.alderucci@nyu.edu
Office Hours: Wed., 3:00 – 4:30 PM

This course will help you pursue innovative activities, with emphasis on the role of the patent system in bolstering the commercial prospects for such projects. Patents are the one aspect of the innovation process that can be taught—and one of the elements most necessary for preparing a prospective entrepreneur to monetize an invention.

The material covered in the course is designed to help students create and deliver innovative products and serve new markets. However, it is not our main purpose to provide a set of standard materials for you to master and memorize. Rather, the course will train students in the process of executing the innovative ideas that are the product of *their own* creativity.

Among other objectives, the course will seek to provide students with the following:

- A. Various (conventional and unconventional) strategies for developing and utilizing patents
- B. Use of the patent system for the protections it offers and avoidance of the pitfalls that threaten inventors seeking to protect their work

¹ William J. Baumol is the Harold Price Professor of Entrepreneurship, Academic Director of the Berkley Center for Entrepreneurship and Innovation, and Professor of Economics in the Stern School of Business at New York University; he is also senior economist and professor emeritus in the Department of Economics at Princeton University. Professor Baumol is a past president of the American Economic Association and is a member of the U.S. National Academy of Sciences, the American Philosophical Society, the Accademia Nazionale Dei Lincei (Italy), and the British Academy. He is the author of more than 80 books and over 500 articles published in professional journals.

² Dean Alderucci is an adjunct professor in the Stern School of Business at New York University. He teaches courses in innovation and patent strategy and runs the Innovation Lab of the Berkley Center for Entrepreneurship and Innovation. He was previously the founder and Chief Operating Officer of the Innovation Division at Cantor Fitzgerald, a global financial services company. He was also the Chief Counsel and Senior Vice President of Intellectual Property Strategy at Walker Digital, an innovation think tank and business incubator. He is a registered U.S. Patent Attorney, a Solicitor of the Senior Courts of England and Wales, and an inventor on over 100 granted and 250 pending U.S. patents.

- C. Skills in the preparation of written documents for patenting and promoting an innovation
- D. Techniques for estimating the potential commercial value of an innovation

GRADING³

Grades in the course will be based, in part, on students' drafted patent applications and related oral presentations. There also will be a conventional midterm exam on patents, with sample questions provided in advance. Before the midterm is distributed, the class will vote to determine what weight, if any, the midterm's grade should be given in the final grade for the course.

READING MATERIAL

There will be some suggested readings, in addition to the works listed below.

- Baumol, W. J., *The Microtheory of Innovative Entrepreneurship*, Chapters 1-4, 8 **(provided in class)**
These chapters describe the role of innovative entrepreneurs in promoting economic growth.
- Case Study: Priceline.com **(provided in class)**
- Case Study: Stac Electronics **(provided in class)**
- Case Study: Michelson Surgical Devices **(provided in class)**
- Case Study: Spare Change Upsell **(provided in class)**
- Christensen, Clayton, *The Innovator's Dilemma*, Chapters 2, 7, 10 **(on reserve, Bobst Library)**
This book questions whether an individual or small firm can hope to create a product that eluded a large incumbent firm. It argues that large firms are actually at a disadvantage in identifying certain opportunities for rewarding innovation because standard management practice tends to drive established firms to avoid disruptive technological change.
- Porter, Michael, *Competitive Strategy*, Chapters 1-3, 10, 16 **(on reserve, Bobst Library)**
This book provides a framework for analysis of the competitive activities of innovative firms. It argues that while an entrepreneurial enterprise has strengths that many other firms do not possess, incumbent firms also possess advantages over entrepreneurs that should serve as cautions to the latter.

³If you have a qualified disability and will require academic accommodation during this course, please contact the Moses Center for Students with Disabilities (CSD, 998-4980) and provide us with a letter from them verifying your registration and outlining the accommodations they recommend.