

PATENT LICENSING AND THE EMERGENCE OF A NEW PATENT MARKET

I.	INTRODUCTION	446
II.	BACKGROUND	448
	A. <i>Economic Landscape of the United States: The Shift to a New Idea Economy</i>	448
	B. <i>Current Outlook of the U.S. Patent Licensing Market</i>	449
	C. <i>The Patent Portfolio and Traditional Business Models in Patent Licensing</i>	451
	1. Broad Portfolio Model	452
	2. Deep Portfolio Model	452
	3. Patent Pool Model	452
	D. <i>Patent Trolls</i>	453
III.	ANALYZING THE ACTIVITIES OF THE PATENT LICENSING FIRMS FROM AN ECONOMIC VIEWPOINT	455
	A. <i>How Does the Patent Licensing Market Operate? A Closer Look</i>	455
	1. The “Patent Market”	455
	2. Inherent Problems in the Patent Market	456
	3. The Real Victims of the Troll Problem	458
	B. <i>Patent Licensing Firms</i>	459
	1. Patent Dealers Encourage Exchange	460
	2. Patent Dealers Make Patents More Liquid	460
	3. Patent Dealers Clear the Market	461
	4. Pressing Questions About Patent Licensing Firms	462
	C. <i>Criticisms Against Patent Licensing Firms</i>	463
	1. Do Patent Licensing Firms Hinder the Progress of Useful Arts?	463
	2. Do Patent Licensing Firms Spur Vexatious Litigation?	465
	3. Do Patent Licensing Firms Encourage Low Quality Patents?	466
IV.	JUDICIAL AND CONGRESSIONAL RESPONSE	466
	A. <i>The Magnitude of the Troll Problem</i>	467
	B. <i>Recent Supreme Court Cases</i>	468
	1. <i>MedImmune, Inc. v. Genentech, Inc.</i>	468
	2. <i>KSR Int’l Co. v. Teleflex Inc.</i>	470
	3. <i>eBay Inc. v. MercExchange L.L.C.</i>	472
	C. <i>Patent Reform Act of 2007</i>	475