Gruner Institute for Law and Behavioral Research

and

Mills Legal Clinic
Stanford Law School
Juelsgaard Intellectual Property and Innovation Clinic

Workshop on Understanding Innovation
With the support of the

Ewing Marion Kauffman Foundation

MARCH 24, 2014
Stanford Law School
Neukom Building, Room N102
555 Nathan Abbott Way
Stanford University
Palo Alto, California
Co-Organizers

Monika Gruter Cheney
Executive Director, Gruter Institute for Law & Behavioral Research

Oliver Goodenough
Vermont Law School, Berkman Center for Internet & Society

Phil Malone
Juelsgaard Intellectual Property and Innovation Clinic, Stanford Law School

Julian Morris
Vice President of Research, Reason Foundation

Workshop Description
The Gruter Institute for Law and Behavioral Research and the Juelsgaard Intellectual Property and Innovation Clinic of Stanford Law School are collaborating to convene a one-day workshop of approximately 15 invited participants from across a disciplinary spectrum to engage in an exchange of knowledge with respect to the central question of understanding innovation. We will seek to examine innovation across different complex systems, including biological, economic, legal and technological. The goal is to use an interdisciplinary, comparative approach to improve our understanding of which ecosystems best facilitate versus hinder innovation.

The Intellectual Challenge
Innovation drives advances in human well-being. Economists, the business community and politicians are in rare agreement as they recurrently point to innovation as a primary cause of economic growth and societal progress. In a sense, “innovation” is everywhere. In addition to its frequent invocation in popular discourse, programs in “Innovation and…..” have proliferated widely; there are numerous journals devoted to innovation in general and to subtopics in particular; companies are instituting multi-step programs to foster innovation among their employees. Policy discussions abound about how a given law may effect innovation. Large firms and start-ups struggle to create just the right invention at just the right price to garner market share or build a new market.

And yet, innovation and the institutional conditions that help promote it remain inadequately understood. Just what is the “secret sauce” that unleashes this gift? Even the most expert scholars and practitioners recognize that there is much to be done in theorizing and modeling innovation and growth within fields and across fields and in creating the social and institutional frameworks that can foster these critical phenomena. In short, understanding and implementing innovation is still a work in progress.

While innovation in the human economic sphere may remain mysterious, there is considerable knowledge about how innovation occurs in a range of complex systems: evolutionary biology, law, economics, anthropology, and technology. By mining this systems-level understanding of innovation and growth, we will be better equipped to devise the legal regimes, economic policies, and business approaches that can foster productive innovation and growth. We believe that an interdisciplinary conversation across such disciplines, particularly when focused on specific use cases, can lead to real progress.
Workshop On Understanding Innovation

March 23rd

6:30 pm  Dinner – Menlo Grill at the Stanford Park Hotel
          100 El Camino Real, Menlo Park
          Welcome Remarks - Introduction to the Program

March 24th

Given the interdisciplinary nature of this conference, the diverse backgrounds of the participants and the rich discussion that we are seeking to foster, we ask the participants listed under each topic below to provide approximately 5 minutes of planned remarks. We understand that some will prefer speaking tools while others may speak less formally in providing their remarks; either approach is welcome. We will ask our moderators to keep us to time to ensure that enough time for discussion remains after the prepared remarks.

8:30 am  Introductions
          Monika Gruter Cheney, Oliver Goodenough, Phil Malone, Julian Morris

9:00 am  Insights from Biology, Economics and other Complex Systems
          Moderator: Andrew Torrance
          Douglass North, Erez Yoeli, Deborah Gordon, Terry Anderson

10:15 am  Break

10:30 am  Insights from Law and Policy
          Moderator: Julian Morris
          Mark Lemley, Orly Lobel, Geoff Manne, Phil Malone

12:15 pm  Lunch

1:00 pm  Theory and Modeling Possibilities
          Moderator: Anula Jayasuriya
          David Gilmour, Oliver Goodenough, Audrey Kindlon, Jared Konczal, Brian Mannix, Julian Morris

2:45 pm  Break

3:00 pm  Use Case Discussion: Regulation of Innovation in the Life Sciences
          Moderator: Monika Gruter Cheney
          Fred Dotzler, Peter Farrell, Anula Jayasuriya, Daria Mochly-Rosen, Andrew Torrance

4:15 pm  Targets for Further Interaction and Development
          Monika Gruter Cheney, Phil Malone

5:00 pm  Session ends

6:00 pm  Dinner – Il Fornaio Restaurant, Sala Bellini Banquet Room
          520 Cowper Street, Palo Alto
SAMPLE FOCUSING QUESTIONS

The following questions provide possible focus for discussions:

• What drives the behavior that underlies human creativity and innovation?
• What distinctions can we make between those innovators who are able to commercialize their inventions and those who are not?
• What arrangements – social, institutional and legal – might better capture existing creativity and help bring it to market?
• How do humans attain – and improve on – the rates of innovation seen in the highest growth economies?
• How do innovation and entrepreneurship lead to economic growth?
• What are the business and legal arrangements that can both adequately reward the creators of innovation and those who turn it into a profitable application?
• What are the costs of translating innovation into economic growth?
• What makes some kind of innovations “game changers,” and how can we best stimulate and support this kind of invention?
• What features of a given system determine its degree of receptivity to innovation?
  o Open vs. Closed
  o Low Barriers to Entry/Incumbents
  o Competitive Forces at Play
  o Contains Interoperability/Standards
  o Players Not too Comfortable/Complacent
  o Threat of Not Surviving Exists
  o Existence of both monetary AND reputational style awards
  o High Trust Environment
  o Measurement tools for evaluation of the “need” for innovation
• How can we best invest in projects that will provide not just academic answers to these questions, but dynamic “real world” applications as well?
Workshop On Innovation
March 24, 2014

Meeting Participants

Terry Anderson – Senior Fellow, Hoover Institution; PERC
Monika Gruter Cheney - Executive Director, Gruter Institute for Law & Behavioral Research
Fred Dotzler - Co-founder, De Novo Venture Capital
Peter Farrell - Founder and Executive Chairman, ResMed
David Gilmour - Managing Director, Blyth Capital Partners LLC
Oliver Goodenough - Vermont Law School, Berkman Center for Internet & Society
Deborah M. Gordon – Department of Biology, Stanford University
Anula Jayasuriya - Managing Director, India Life Science Fund, eXXXclaim Capital
Audrey Kindlon (by audio conference) – Program Director, National Science Foundation
Jared Konczal – Senior Analyst in Research and Policy, Ewing Marion Kauffman Foundation
Mark Lemley - Stanford Law School
Orly Lobel – University of San Diego School of Law
Phil Malone - Juelsgaard Intellectual Property and Innovation Clinic, Stanford Law School
Geoff Manne – International Center for Law & Economics
Brian Mannix - Regulatory Studies Center, George Washington University
Daria Mochly-Rosen – Chemical and Systems Biology; Bio-X, Stanford University
Julian Morris - Vice President of Research, Reason Foundation
Douglass North – Senior Fellow, Hoover Institution
Gerry Ohrstrom – Private Investor
Andrew W. Torrance - University of Kansas School of Law
Erez Yoeli – Economist, Federal Trade Commission