

# Write-Up: Module 4

Started: Sep 16 at 10:19pm

## Quiz Instructions

MODULE 4

WRITE-UP

### About This Case Write Up

This assignment will cover the case(s) from the readings for this week. Note that the goal of the assignments is to practice using the theoretical material you've learned. For each question, think about how you can apply those tools. Please review the number of attempts, time limit, expectations outlined in the syllabus, and due date before starting this assignment.

#### Question 1

1 pts

Trevor Baylis' wasn't able to profit from his patents, but Myriad Genetics was able to profit from theirs. What was the difference between the products Trevor Baylis invented and Myriad Genetics' product that made Myriad's patent a VRIO resource and Baylis' not a VRIO resource?

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### Question 2

1 pts

For the remainder of the questions we'll move away from the Baylis and Myriad setting.

Consider a client that has been making a material called UHWDPE (Ultra-high-molecular-weight polyethylene) for hip replacements. Your client already has an exclusive license to a university patent on the process they use to make it. In other words, your client is the only company allowed to use the process. The process is cheaper than competitors' processes. Because the process was outlined in a scientific publication by the university researcher who came up with it, it is public knowledge how the process works. Would you expect your client to be making more money than competitors, the same, or less (all else equal).

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### Question 3

3 pts

Suppose a lot of different companies are making UWHDPE textiles to sell to outdoor equipment manufacturers to make jackets for the outdoor market. They each have a different patent on a different way of making the fabric. While the processes are different, they all result in making the product at roughly the same cost, and the end product is comparable enough that the jacket makers don't really care which process was used. Your client, the medical device maker from the previous question, is considering entering the outdoor textile market. Would you recommend that they do it? If yes, why? If not, why not?

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#### Question 4

3 pts

Another option your client is considering besides entering the outdoor textile market (they could do one, both, or neither) is to buy more patents in the medical device space they are already in. Buying patents is effectively like an auction with the patent being sold to the highest bidder. For one patent your client is considering, they think there would be 8-10 other bidders bidding against them. The bidders would all see comparable profit gains if they were the winning bidder who got to buy the patent. Would you encourage your client to bid on this patent? If so, how much would you encourage them to bid? (TIP: Think about how you can know how much a company could gain from this patent. You don't know

enough about the scenario to give a dollar amount, so it will be in terms of things in the question.)

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### Question 5

2 pts


In general, what are the features of the market for a patent that would determine whether you advise a client to bid to buy a patent? (TIP: When benefits are higher than costs is too broad an answer. What features of the market would lead you to expect that winning an auction would result in having gotten more benefit than the price one paid? The video on the concept of transaction value should help.)

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