

7/1/2022

“IP Economy” ...2040

Why not us? Why not now?



INTERSECTION

Why not Us? Why not Now? Kyiv & ... Sister Cities

“If anything imaginable is possible, if there are no constraints whatsoever, what would be the nature of a trustworthy organization to... effectively facilitate the fair exchange of intellectual property including trade secrets in a virtual world?”

Dee Hock, VISA founder

What is the public good that justifies a \$240,000,000 investment...?

Are we a voice for what was or what might be...?

Most of us live within a defined period of history. Only some live in a transition-point of history. Our time is such a time! A season of crossover exists! A SHIFT of history...an INTERSECTION of forces that will shape the 21st century America and the global economy!

When historians write about the first half of the 21st century, *The Consortia* could be recognized as a catalyst that has shaped America's future for the global “Intellectual Property Economy.” Historians could see this as a turning point that shaped all that follows.



WHICH SANDCASTLE?

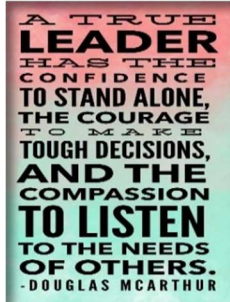
Movements large and small are building sandcastles alongside the ubiquitous digital highway. Dreams and visions are cast in the shape of a sandcastle only to be washed away with each recurring tide or impending storm. But among the grand and magnificent sandcastles on the beach are a few that will withstand the incessant beating of the surf and tide. But which sandcastles should we invest in for the 21st century?

Futurists are clear. The future is still **not** set. Then why all this fuss? Are there any real opportunities? Where are they? In the infamous words of the frustrated little ole lady on the Wendy's fast-food restaurant commercial, "Where is the beef?" Great fairy tales & fake news alone do not make viable investments. Focusing exclusively on symptoms will **not** produce the desired results...underlying causes must simultaneously be addressed by a generation committed to making a difference and shaping the 21st century.

During the late-20th century, America played a major role in shaping the “Consumer Economy” and the “Information Economy.” Is now the time to accelerate our role in shaping a 21st century “Intellectual Property Economy” along with a distinctive brand for Ukraine...The “IP” Corridor. But how...?



Unprecedented Choices...



Unprecedented Decisions:

Walmart has been a leader in shaping the 20th century consumer economy. For example, Walmart's success has also impacted the social and economic culture of Northwest Arkansas. Sam Walton decided to require Walmart suppliers to have residential staff in Northwest Arkansas...an unprecedented requirement. Henry Ford decided to increase the income for his employees from \$2/day to \$5/day so that they could buy one of his automobiles. That decision was also unprecedented but eventually led to the 1st educated middle-class majority in a modern nation. What is the unprecedented decision that could reshape Ukraine's role in the global economy?

Complicated & Overwhelming Choices:

We have choices to make that could set the cornerstone for Ukraine's role in a *next economy* for the 21st century. The fork in the road exists. Experts envision where one path leads; however, it is possible to also pursue simultaneously a less obvious alternative that could shape Ukraine's role in the *next economy*. Existing consultants will focus on benchmarking and replicating success stories...often too small a vision.



Nexus: A Confluence of Forces

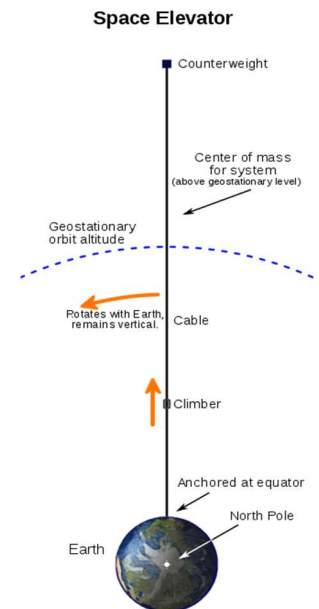
nexus

The 20th century agricultural economy was shaped by forces that included...plant genetics, insecticides, mechanization, rural electrification, etc. The 20th century industrial economy was shaped by forces associated with the decade's long industrial revolution in Europe. For example, a labor force migrating from production farming, public education, the assembly line, engineering innovations, etc. The knowledge economy's forces shaping Silicon Valley included...

- Silicon transistor replaces vacuum tubes 1956
- The personal computer, i.e., Osborn in 1981
- Macintosh & Windows graphic interface...1982
- Internet browser...Mosaic in 1993

A Worthy Vision...The Next Age

Are invisible forces laying the foundation today for a vision worthy of the 21st century? As late as 1970, few if any, prognosticators envisioned the information economy. Even Bill Gates in the early 1990's was skeptical regarding the impact of the WWW. Steve Jobs, when confronted with a multi-function phone concluded, "It would never be successful." How could these innovators not see our future reality? Are there visions worthy of investment today, e.g., Google's Space Elevator?



*What is the adjective that will replace the "Information Economy" by 2040?
The city/nation that shapes a new 21st century economy will thrive just like
Detroit from 1910-1945, Boston's 128 from 1940-1990 and Silicon Valley from 1970-2020?*

The Intellectual Property Economy (IP) for 2040

Intellectual property in the form of patents and trade secrets served as the foundation for many major corporations and wealth in the 20th century. Aggregating and **integrating** patented intellectual property from public databases is necessary but **not** sufficient. **Entangling*** intellectual property from both visible patents and hidden reservoirs of intellectual property will produce startling and even unforeseen value-added commercial systems for both niche and large markets. Intellectual property and **refined outputs** are commodities to be bought, sold, & even stolen.

*Entanglement is the fact that you cannot separately and independently predict what the observational outcome is going to be for the electron and the positron.

How risky is casting a VISION leading to a VOICE for Ukraine as an international destination for intellectual property in the 1st half of the 21st century? Unlike past benchmarking and vision casting, could Kyiv with a population approaching three million leap-frog other European cities with a modest investment compared with a Marshall plan for Ukraine's agricultural and industrial infrastructure? Could Kyiv and American sister cities become influential in the 2nd half of the 21st century?

The only difference...we will choose to remain invisible yet influential short term. According to David Halberstam in his book on the JFK administration, The Best and the Brightest, "There is an inverse relationship between visibility and influence." Much like previous generations, the results will speak for themselves in the 21st century.

To create and maintain a competitive advantage in the international "IP Economy," is there a viable point of leverage? For example, if Silicon Valley is to the "Information Economy" and what Route 128 was to the "Knowledge Economy," is there a distinctive underlying strategy that positions Kyiv and its sister cities as a thriving and sustainable economy?

- Does a proprietary database and clearinghouse for **entangled** patents and hidden intellectual property represent an untapped potential for both cities?
- Could they avoid catering to the venture capitalist and large product-markets around emerging technologies that ultimately are "flipped?"
- Or will it be value added products...lower prices...innovative logistics or something else?
- Should the screening criteria for intellectual property in Ukraine focus on organizing privately-held niche headquarters that redesign existing product-market but with annual markets under \$100,000,000 and scalable growth at 8%-12% from their profits.

21st Century Question: What are the skill-sets and character traits of the 21st century workforce required to sustain America and Europe as a leader of the 21st century IP economy?

If America helps Ukraine shape a 21st century "IP" Economy, will we also thrive?

21st Century Assumptions:

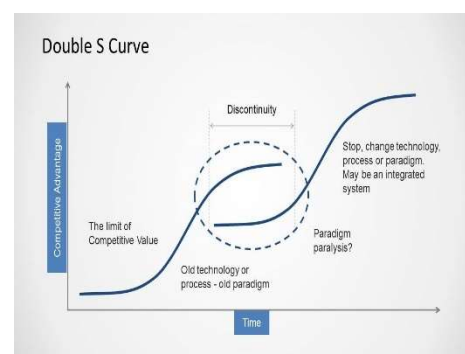
- Intellectual property and advanced manufacturing trade secrets are an innovative force.
- Tier I and Tier II suppliers for packaging, materials, sensing, etc., could be logical start-ups.
- Emerging Walmart suppliers could be incentivized to locate their headquarters in Ukraine.

Should Kyiv and an American sister city invest a portion of scarce financial and human resources into a new S-Curve? Could they help shape and influence the emerging 21st century "IP Economy." However, the best time to introduce a new S-Curve is...

when you are cash rich or in crisis!

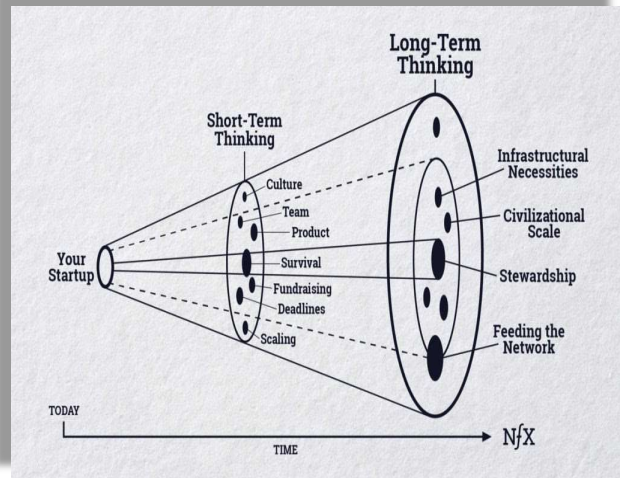
For example, could new or re-design **products** resulting from the **entanglement of intellectual property (IP) and industrial design** replace 20% of Walmart's products by 2030. Ukraine should **not** abandon production agriculture or its industrial infrastructure.

Distribution is still a major concern if not a barrier for traditional industries. However, two foci that might accelerate Ukraine's and America's economy as well as their impact on the 21st century IP Economy are **entangled intellectual property and product redesign**.



“International Destination”

Now are we ready to draft a **positioning statement**. A positioning statement is a compact, carefully worded expression of your **perspective** to drive a brand. The best ones are both *honest* — accurately describing who you are today — and a little bit *aspirational* —speaking to the destination that you want to become.



*Simon Sinek** in a 2019 video at Dubai's World Government Summit...*

“Responsible Leadership for Infinite Success” clarified and amplified what “perspective” means for leaders prepared to play the “INFINITE GAME.”

✓ **Just Cause** – A purpose that is greater than the individual. For example, in the early 1980’s Apple’s just cause was to create a device that would allow the middle class to have access to the same information available to large companies and wealthy individuals.

- ✓ **Trusting Teams** – Team members are given responsibility including the ability to make exceptions as well as fail without being fired. It is not just about following the rules.
- ✓ **Worthy Rival** – Apple and Microsoft were necessary and worthy rivals. In fact, when Steve Jobs returned to Apple in 1997, he called Bill Gates and told him that he needed \$30+ million to be invested by Mr. Gates for Apple to survive. Gates bought the stock and told the press that he made the investment because Microsoft needed Apple as a worthy rival.
- ✓ **Existential Flexibility** – When you have a vision or purpose beyond just making money it may become necessary to abandon a current product or approach for something better. It is less risky when you have an “infinite” purpose.
- ✓ **Courage to Lead** – This is a process, takes time and it is hard. We need leaders with a CAUSE and someone who will clear the path for our success long term.

*Long Now Foundation Chart @ www.longnow.org

**Simon Sinek, “*Responsible Leadership for Infinite Success*,”
<https://www.youtube.com/watch?v=hgErG3NHBvw>

Tier I & II niche supplier headquarters could be attracted to a city by importing and transferring integrated and entangled intellectual property as a commercial system...Does it really matter where the IP was created?

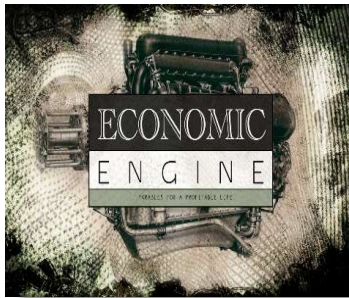
1. Walmart supplier HDQ’s license products, processes & access a scalable distribution system.
2. Product commercialization infrastructures, e.g., PARC for Xerox that commercializes IP.
3. Inventors/innovators/industrial designers who take technology and create products with IP.

**In the early 1980’s America had “the geeks.”
By 2000, the geeks had become America’s heroes.
Who are the 21st century equivalent of the geeks?
Are they the inventors & designers of 2020?
If they become our heroes, will we also thrive?**

Missing Link



Identification, Value Adding and Deploying Entangled Intellectual Property in the form of patents, trade secrets and the reservoir of non-patented technologies is a missing link. If MIT Professor Eric von Hippel's "Lead-User" research is valid, then Kyiv & Tulsa, Phoenix, Denver and Chicago220 could profit from an intellectual property clearing house as a missing link. Intellectual property abounds in over 100+ prestigious universities and government labs as well as garages across the U.S. It can be imported to any location. *The Consortia* is a destination and clearinghouse for intellectual property that SME manufacturing companies cannot afford to effectively create. There is a paradigm shift from the producer as the inventor to the lead-users according to the MIT Professor Eric von Hippel. See video https://www.youtube.com/watch?feature=player_embedded&v=cKcAcm5NDOI



Intellectual Property Logistics We are proposing a 501 (c) (3) income generating non-profit corporation. *The Consortia*, which would be a self-perpetuating clearinghouse as well as a proof of concept skunk-works for selected niche product-markets. Initially, a proportion of patents/products would be licensed or sold to manufacturers with the manufacturing capabilities to scale...not necessarily Blitz-Scaling. Bundling and transferring of intellectual property has been around for decades. In 1925, the Wisconsin Alumni Research Foundation www.warf.org was founded to steward the cycle of research, commercialization and investment for the University of Wisconsin System. Its current assets are in excess of \$2.5+ billion. In 2000, Intellectual Ventures Limited Partnership, was organized in Seattle by Nathan Myhrvold and Edward Jung with \$5.5 billion investment by corporations and two major university endowments. www.intellectualventures.com In 2001, Eli Lilly created www.innocentive.com as an on-line crowd-sourcing vehicle for technology and products.

***The Consortia* ...A Destination for deploying Intellectual Property:** Intellectual property in its value-added state is the fuel or accelerant that justifies a \$240,000,000-dollar initial investment shared equally by Kyiv & Tulsa initially. As a result, Kyiv and Tulsa should both become destinations for the identification, integration, transfer and licensing of intellectual property including trade secrets. *The Consortia* will help solidify their leadership position in the 21st century.

Drilling for Oil: Drill down to find invisible serial inventors in garages, lead-users in their workplaces, applied technologists at universities/institutes as well as owners at SME manufacturing companies.

Refining the Oil: Many patents are difficult to understand and don't involve a viable product-market alone. They need to be **integrated or entangled** with other patents to increase the value of a license.

Distribution of Gas: Intellectual property needs a customer base of existing manufacturing companies, i.e., 20% of the U.S.'s 330,000+ MFG companies with 50-500 employees or 52,800 companies could license value added products and manufacturing trade secret processes.

PowerPoint on The Consortia's Refining Process...IP Logistics: <https://xfactors.us/wp-content/uploads/2022/04/IP-Logistics-for-USA-Supply-Chains-11.pdf>

Manufacturing as a Percentage of GDP

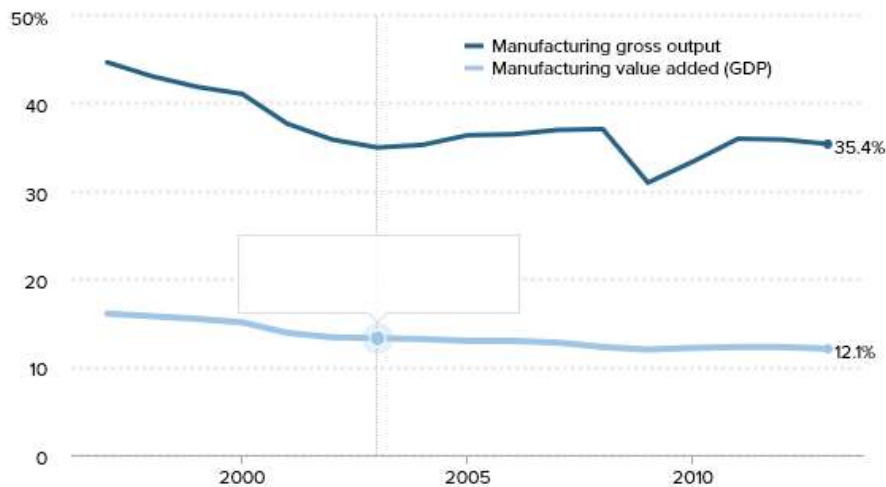
	1991	1997	2050
China	No Record	29%	30+%
Germany	24.9%	20.6%	22%
United States	16%	11.6%	20%

<https://data.worldbank.org/indicator/nv.ind.manf.zs>

Review CNN Interview with Jeff Immelt, former CEO of GE: (Start at 11:20 minutes into this interview on the U.S. economy and GDP): https://youtu.be/ZNS_u2-jEJE

Figure A below reports U.S. manufacturing's gross output and its value added as a share of overall national GDP for 1997–2013. Gross output (net manufacturing shipments) exceeded one-third of U.S. GDP in every year of this period except for the recession year of 2009.^[2] Thus, the manufacturing sector was responsible for more than one-third of all economic activity in the United States (35.4 percent of GDP in 2013) in this period.^[3] As a result, manufacturing's economic footprint is nearly three times as large as its share of direct economic output (value added) in 2013 (12.1 percent of GDP), and more than four times as large as its share of total U.S. employment (8.8 percent, as shown in Table 1).^[4]

Manufacturing Value-Add as a Percentage of GDP



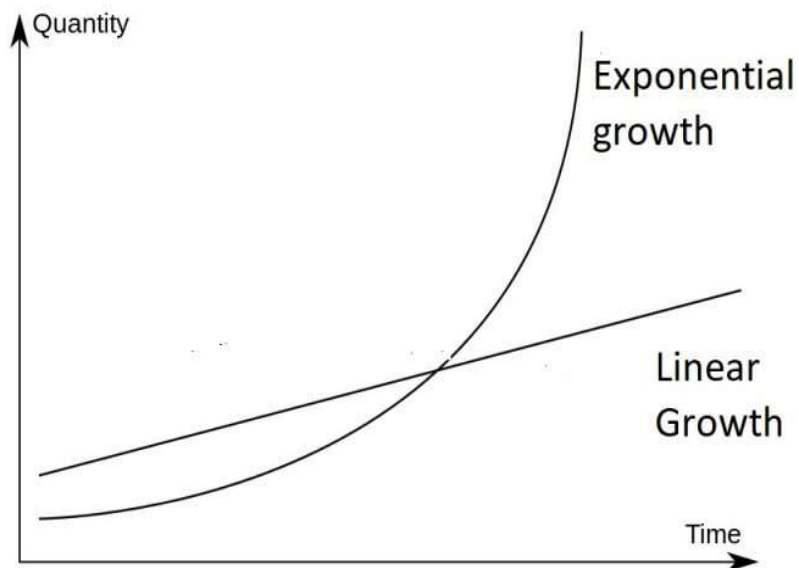
<https://www.epi.org/publication/the-manufacturing-footprint-and-the-importance-of-u-s-manufacturing-jobs/#epi-toc-5>

Take notice of the top blue line of the chart that reflects the added economic benefits and jobs from manufacturing jobs in the U.S. economy.

Intersection 2040



Given the fact that we are proposing and engaging a more sophisticated 21st century workforce around both integrated and entangled intellectual property as well as industrial design, **Intersection 2040** needs to have realistic performance expectations. Many times, projects are evaluated on the basis of a linear growth pattern. We believe that the scope of this project is represented more accurately by an exponential growth curve over the next 7-10 years. However, we will develop specific quantitative performance outputs for each segment as well as the whole. Between the 7th & 10th year, the project should cross the linear growth curve for positive cash flow.





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