

For example, if you look around at bottler markets, you'll find many markets where bottlers of Pepsi and Coke both make a lot of money and many others where they destroy most of the profitability of the two franchises. That must get down to the peculiarities of individual adjustment to market capitalism. I think you'd have to know the people involved to fully understand what was happening.

In microeconomics, of course, you've got the concept of patents, trademarks, exclusive franchises, and so forth. Patents are quite interesting. When I was young, I think more money went into patents than came out. Judges tended to throw them out—based on arguments about what was really invented and what relied on prior art. That isn't altogether clear.

But they changed that. They didn't change the laws. They just changed the administration—so that it all goes to one patent court. And that court is now very much more pro-patent. So I think people are now starting to make a lot of money out of owning patents.



Patent, Trademark, Exclusive Franchise

Patent: A grant made by a government conferring upon the creator of an invention the sole right to make, use, and sell that invention for a set period of time. An invention protected by such a grant.

Trademark: A name, symbol, or other device identifying a product, officially registered and legally restricted to the use of the owner or manufacturer. A distinctive characteristic by which a person or thing comes to be known.

Exclusive franchise: A right or license that is granted solely to an individual or group to market a company's goods or services in a particular territory under the company's trademark, trade name, or service mark and that often involves the use of rules and procedures designed by the company and services (as advertising) and facilities provided by the company in return for fees, royalties, or other compensation; also, a business granted such a right or license.