

In Silicon Valley...

... There is a small Cartel of “Venture Capitalists” who like to call entrepreneurs in, examine their technologies in fishing expeditions, say “we can’t see any use for it”, copy the technology and launch it themselves; after black-listing the entrepreneur. That is their “playbook.” The New York Times released an article (<http://www.nytimes.com/2016/01/24/technology/larry-page-google-founder-is-still-innovator-in-chief.html>) describing how Google’s bosses covertly skulk around at tech parties in order to snatch technologies from unsuspecting entrepreneurs. The new start-up hopeful in Silicon Valley must watch for these Raiders with a cautious eye. Google, in fact, put their lawyer in charge of the U.S. Patent Office and spent nearly a hundred million dollars lobbying to try to “outlaw” small American inventors because Google is so afraid of eventually having to pay for all of the tech it poached. Here are some past tales of intellectual property poaching in the “word to the wise” category:

Inventors Who Changed the World and Got Screwed in Return

By [Karl Smallwood](#), [Mike Floorwalker](#)



As we've [discussed before](#), just because your hard work and perseverance led you to create something that changes the world, it doesn't mean that you'll get fame, fortune, or the slightest bit of recognition out of it. In fact, some inventors get so little credit that we completely forgot about them in our previous article, and since we really don't like angering the [ghosts](#) of people who could probably invent a way to punch us from beyond the grave, here they are.

#6. Siegel and Shuster, Superman's Creators



Robert Mora/Getty Images Entertainment/Getty Images

Jerry Siegel and Joe Shuster created Superman, the most famous superhero ever, perhaps with the exception of Spider-Man or that kid who changes the channel with his eyes in *X2*.



DC Comics

Superman can set a TV on fire with his eyes, which isn't as useful.

Debuting in 1938, Superman was an instant success. DC Comics soon followed up the "man in underpants punches criminals" concept with Batman, and that was it, there was no turning back: Siegel and Shuster's creation had started a multibillion-dollar industry that is still going strong today, spawning toys, T-shirts, and, oh yeah, some of the highest-grossing movies of all time.

Nice one, Siegel and Shuster!

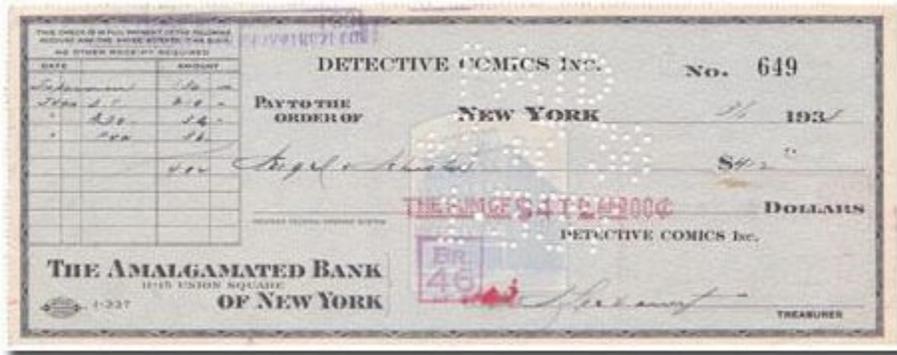


[Alan Light](#)

"Take it from us, kids: Work hard, change the world, and you too can see *absolutely no reward* from it!"

But Then They Got Screwed

"Nice one, Siegel and Shuster" is exactly what DC must have said, in a sarcastic tone, when the duo famously sold them all rights to Superman for a measly \$130, a check that's now ironically worth [hundreds of thousands of dollars](#).



The seller added \$1,000 for every tear this thing soaked up.

At the time, no one suspected that the guy in blue pajamas that they'd been drawing would turn into a cultural icon -- so when he did, and Siegel and Shuster continued getting squat, the pair embarked on perhaps the longest clusterfuck in copyright history.

The duo spent the better part of their lives unsuccessfully trying to reclaim some part of their creation, only to be rebuffed time and time again. While DC raked in billions from Superman alone, Siegel and Shuster lived the [lives of paupers](#). They were given a yearly pension in the late 1970s by Warner Bros. (which had purchased DC), but only because the studio couldn't afford the bad publicity with a Superman movie on the way.



"You're right, scrapping the costume is not going to help. Just pay them."

In 1999, three years after Siegel died, his family successfully won the rights to his half of his creation. A happy ending, right? Nope! This meant dick to Warner Bros., who still refused to pay them a penny, leaving them to fight in court for another 10 fucking years. And the superdickery continues: More recently, [documents disappeared](#) from Siegel's daughter's attorney's office and somehow wound up in the hands of Warner Bros. executives.

#5. Philo T. Farnsworth, the Farm Boy Who Invented Television



Getty

Philo Farnsworth, besides having the supreme honor of inspiring a *Futurama* character, was a serial inventor with a list of credited [patents](#) longer than his forehead.



[Utah State History](#)

And he had a HUGE forehead.

Among those patents was the one that made television possible: an "image dissector" that could capture images as a series of lines to be displayed electronically. If that isn't impressive enough for you, consider the fact that Farnsworth came up with the idea [at age 14](#), while growing up on a farm in Idaho, and first demonstrated it at 21, in 1927. If that didn't make you feel bad about yourself, it should have.

But Then He Got Screwed

When the young inventor applied for a patent at age 20, David Sarnoff of the Radio Corporation of America took notice. Radio had a pretty cozy spot at the center of the American living room at this point, and Sarnoff wasn't interested in letting that change. And if it did, then he would at least make sure that RCA would be the one getting rich from it.



[The David Sarnoff Library](#)

David Sarnoff: *Smug* magazine's Person of the Year, 1921-1967.

Sarnoff kept Farnsworth tied in a series of legal battles over the next decade using a number of bullshit tactics, like [hiring a Russian inventor to spy on him](#) or using said inventor's earlier patents (which they could never get to work) to argue that *he* had invented TV. At one point Sarnoff just said "Fuck it" and started making TVs without paying Farnsworth. RCA was eventually forced to pay him a one-time \$1 million licensing fee, but it wasn't worth the emotional stress that had left the man crippled.



And yet he looks so healthy.

Then the whole television business was put on hold when the '40s rolled around and the government told everyone to focus on building things that could kill Germans. The final blow came when Farnsworth's patents expired just as World War II ended ... and, what do you know, television sales skyrocketed. RCA, or anyone else for that matter, no longer had to even pretend to give a shit about paying Farnsworth for his invention.

It wasn't until 20 years after his death that the government decided that Farnsworth probably deserved some recognition. No shit.



[DC Pages](#)

Following Farnsworth's final wishes, his statue is about to insert something into Sarnoff's anus.

#4. Edwin H. Armstrong, the Father of FM Radio



American Stock Archive / Getty

When is the last time you listened to AM radio? Intentionally? The sound quality is so bad that most of the programming is reduced to things that already sound like shit, like conservative talk radio or a single, never-ending religious sermon in Spanish.



Getty

"Either way, I want to do the opposite of pray. Which is ... what, rape-arson?"

The much superior FM was invented by [Edwin Armstrong](#), who created a system to reduce interference across radio bands in the 1910s. He continued his lifelong vendetta against crappy sound in the '20s, when he came up with frequency modulation (FM) as a way to reduce static. We will now reiterate that he developed all this technology nearly 100 years ago, and it's still present in all modern radios.

But Then He Got Screwed

Things seemed to be going swimmingly for Armstrong for a while, but it was at this point that a remarkably smug asshole came into the picture.



[The David Sarnoff Library](#)

"Miss me?"

Yes, David fucking Sarnoff from RC-fucking-A proceeded to mess with the life of yet another world-changing inventor. Sarnoff had built his empire with AM radio, so he decided that if FM was the way of the future, then he'd do anything possible to pull a John Connor on that future. Since Armstrong wouldn't relinquish his patent, Sarnoff made sure that RCA not only stopped supporting the development of the new technology, but actively tried to stop it.

In 1937, Armstrong used money from his own pocket to build the [very first FM radio station](#). Another followed, then another, until by the mid '40s a string of stations known as the [Yankee Network](#) were busy convincing everyone of the superiority of FM, just by existing. And then it all stopped.



[Radio Magazine](#)

Armstrong was now forced to rely on his mutant telepathy.

In a dick move of epic proportions, Sarnoff [successfully lobbied the FCC](#) to move the FM band to a different place on the dial, from 42 to 50 MHz to 88 to 108 MHz. While there were somewhat valid technical reasons for this, a happy side effect for RCA was that it made all of Armstrong's stations instantly obsolete.

It took decades for FM radio to recover. In the late '70s, it finally surpassed AM, but Armstrong was long gone by then, having committed suicide in 1954 by jumping from the 13th floor of his office building, presumably screaming "FUCK SARNOOOOOFFFF" all the way down.



Pay respect to his memory by printing out this picture and drawing a dick on it today.

#3. John Walker, Inventor of the Match



Getty

About [500 billion matches are used every year](#) in the United States -- that's the kind of volume you can do when your product sets itself on fire with every use. Before the invention of self-igniting friction matches, people simply used sticks that caught on fire when you, y'know, put them near fire.



Getty

It was a bad system.

This changed when John Walker, an English chemist born in 1871, began coating sticks in a number of dangerous-sounding chemicals until he happened upon one that, when struck against a surface, erupted in flames. Other self-igniting matches had been tried before, but they were extremely impractical, by which we mean that a lot of people probably lost their eyebrows or worse using them.



And clearly, eyebrows were very important to this man.

Walker's invention caught on fire, both literally and figuratively, and we still keep matches around today, despite the fact that we've all heard of lighters.

But Then He Got Screwed

Walker, unaware of the potential of his invention, worked on these new "friction lights" for about a year, then promptly forgot about the whole thing and stopped selling them. People close to him implored Walker to [patent his friction light](#), since he'd just revolutionized the creation of fire and all. Walker declined, believing that his invention could better benefit mankind without a patent.

Others, however, believed that Walker's invention could better benefit mankind by making them rich.



Getty

"How does fire help humanity if it doesn't allow me to buy prostitutes?"

In 1829, another inventor named Isaac Holden independently came up with an improved version of Walker's friction matches. Like Walker, Holden [neglected to patent his idea](#) ... and that's where one Samuel Jones came in. Jones, realizing that Walker and Holden had effectively created one of the most useful inventions in the history of civilization and weren't making money from it, decided to do it on their behalf, because he was nice like that.

Almost immediately, Jones patented [the exact same thing](#) and began selling it under the name "Lucifers," because fuck it -- if you're gonna be evil, you might as well go to the source. Soon other brands began offering improved

versions of the same thing, all for a price, of course. It wasn't until they were all dead that Walker was credited for his invention, and Jones for being a douchebag.



Getty

"To Samuel Jones, the man who made the modern bar possible!"

#2. Stephen Foster, the Father of American Music



Getty

There are some tunes that you're just born knowing. If we somehow forced you to hum a melody right now, chances are that a great number of you would go with something like "Oh! Susanna":

Or "Camptown Races" (you know, the one that goes "doo-da, doo-da"):

Or maybe something more nostalgic, like "Old Folks at Home":

Man, can you imagine if all these songs had been written by the same guy, and that he'd been actively trying to get money from them? That dude would have been richer than Madonna and Bono combined.

Actually, all those songs and more *were* written by the same person, and he *did* try to cash in on them -- the keyword being "try."



Then "she" came around the mountain and snatched up all his royalties.

But Then He Got Screwed

In the 1800s, Stephen Foster wrote classics like "My Old Kentucky Home" and "Beautiful Dreamer" and [over 200 other songs](#). Foster was a professional songwriter before those existed. Seriously: The profession literally [did not exist](#) before Foster trailblazed it like a motherfucker.



Not many pop stars can pull off a bow tie.

Of course, the problem with being the first in his profession was that there were no such things as "enforcing copyright" or "not screwing over songwriters" back then. Today, Foster would have earned obscene amounts of money from "Oh! Susanna" alone, but in 1848, [he got exactly \\$100](#) for the rights to publish the sheet music, while the publisher made \$10,000 selling his work.

Even when Foster became a minor celebrity, he continued getting nothing but pennies for every copy of his work that was sold. For his dozens of hit songs, he saw around \$15,000 in royalties in his whole life. In the 1860s, he was dumped by his wife, who had probably had enough of sticking around with this dude who *wrote* like a rock star, and

drank like a rock star, but was not *rich* like one. He died at the age of 37 after hitting his head on a washbasin, with around 40 cents in his pocket.



Some of which were melted down to make this statue.

His contributions can't be overstated. Not only did he create most of the conventions of popular songwriting as we know them today, but he also demonstrated the need for intellectual property laws by getting repeatedly screwed.

#1. Gary Kildall, the Father of the Operating System

```
CD-ROM Device Driver for IDE (Four Channels Supported)
(C)Copyright Oak Technology Inc. 1993-1996
Driver Version      : U340
Device Name        : BANANA
Transfer Mode      : Programmed I/O
Drive 0: Port= 1F0 (Primary Channel), Slave  IRQ= 14
Firmware version   : ALPH

MSCDEX Version 2.25
Copyright (C) Microsoft Corp. 1986-1995. All rights reserved.
Drive R: = Driver BANANA unit 0
A:\>
```

Gary Kildall is one of the guys we have to thank for the fact that you don't need to be a genius to use the ultra advanced computer you are looking at right now to search for porn. Thank you, Gary.



[NNDB](#)

Thank you for the porn.

In 1973, Kildall made life a lot easier for nerds everywhere when he created CP/M, a groundbreaking operating system for microcomputers (which is what they called any computer smaller than a semi truck back then). The program became the industry standard for the next decade. This guy was basically Bill Gates before Bill Gates was Bill Gates.



Michael Ochs Archives / Getty

"It's cool, I'll just donate a bunch of money to charity someday when I'm all old and prune-faced."

But Then He Got Screwed

Of course, at the same time, Bill Gates was busy trying to become Bill Gates, and he eventually achieved that at Kildall's expense.

In 1980, IBM was getting ready to launch its first personal computer and needed an operating system to operate the shit out of it. They first knocked on Microsoft's door, but Microsoft wasn't really into the OS-making business at that

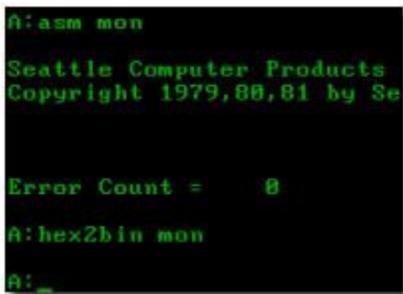
point, so they directed the IBM suits to Gary Kildall's company. However, [as nerd lore has it](#), Gary picked that day to go flying (he was an amateur pilot), blowing off IBM and his chance at history.



[DigiBarn Computer Museum](#)

Let he who hasn't blown off a corporate giant to go flying cast the first stone.

Accounts differ on whether Kildall met the IBM suits that day or not, but either way, the company went back to Microsoft, totally forgetting the whole "We don't make OS's here" part. Not one to miss out on an opportunity, Bill Gates turned to local programmer [Tim Paterson](#), who had built a CP/M clone he called QDOS (for "Quick and Dirty Operating System"), bought it for a paltry 50 grand, then turned around and sold it to IBM under the name PC-DOS.



The term "user-friendly" meant something very different back then.

PC-DOS, later renamed MS-DOS, was included in every computer IBM made, and, long story short, that's why roughly 90 percent of you are using Microsoft Windows right now.

Today, Kildall's name is [barely known](#), while Bill Gates will be a household name in the fucking 25th century. Most of Kildall's innovations ended up being credited to other people -- and he can't even defend himself, having died in 1994 after falling down in a tavern, which pretty much just seems like his luck.



Getty

Today's lesson is, if you're an inventor, wear a freaking helmet.

Karl Smallwood wrote a book (yes, a real one), which you can read [all about here](#). If you want to read words he's written for free, feel free to follow him [on Twitter](#). Mike Floorwalker has a [website](#) that's like ... whoa. Like, seriously, dude ... whoa.

The sure sign of a great idea is when some big gorilla steals it from you.

Robert William Kearns (March 10, 1927 – February 9, 2005) was an American inventor who invented the intermittent windshield wiper systems used on most automobiles from 1969 to the present. His first patent for the invention was filed on December 1, 1964.

Kearns won one of the best known patent infringement cases against Ford Motor Company (1978–1990) and a case against Chrysler Corporation (1982–1992). Having invented and patented the intermittent windshield wiper mechanism, which was useful in light rain or mist, he tried to interest the “Big Three” auto makers in licensing the technology.

But then he got screwed.

They all rejected his proposal, yet copied his idea and began to install intermittent wipers in their cars, beginning in 1969. march Abraham made the film: ” Flash of Genius” about him.

Preston Tucker was a car-crazy kid who hung around auto speedways and grew up to create an automobile—the Tucker—that was years ahead of its time. He was a man of pioneering spirit, ingenuity and daring, who revolutionized Detroit in the 1940s with his stunning “Car of Tomorrow.” It was streamlined, futuristic and fast—the car every American dreamed of owning, at a price most people could afford.

A man of endless enthusiasm, Tucker publicized his model all over the country to wild acclaim. He sold stock, set up a factory . . .

But then he got screwed.

...and then the auto industry launched a devastating anti-Tucker campaign in order to character assassinate, industrially spy on and sabotage his car. Francis Ford Coppola made a movie: “The Man and His Dream” about him.

Nikola Tesla helped established robotics, radar, remote control, and he helped expand ballistics, nuclear physics, and theoretical physics.

But then he got screwed.

Practically no one’s heard of him. Why? Because of a man named Thomas Edison, who is widely credited with the invention of the light bulb. Edison was an all-around pretentious ass, who totally tried to steal Tesla’s credit... which kinda worked, considering everyone remembers him and not Tesla.

Anyway, the two men had initially worked together — well, Tesla worked for Edison —and this is where Tesla was first screwed over by the man. Edison had offered \$50,000 — over a million bucks, adjusted for inflation — to someone who could fix his crappy and inefficient motors. When Tesla did (probably by staring them down until they worked harder), Edison wrote his deal off as a joke, and continued to pay Tesla \$18 per week. Keep in mind, Tesla was one of the most brilliant humans to have ever lived; it didn’t take long for him to flip Edison the bird and get his ass outta there to start his own company.

Soon enough, Edison’s electricity, direct current (DC) was competing with Tesla’s far superior electricity, alternating current (AC). Edison actually tried to discredit Tesla’s AC by having the first electric chair run on it; this was supposed to discourage people from putting it in their home. There are a few movies based on Nikola, one is: “The Prestige”.

THUS...

What do we learn from this lesson?:

- Non-disclosure agreements with investors mean nothing. Only discuss the “How It Can Make Money” part with investors and never discuss the “How it Works” part with anybody!
- Build it and try selling it yourself, first.
- File a patent on it before you tell a single soul about it. If you have told anyone except your patent lawyer, then the cat is out of the tube!
- If a big corrupt gorilla company steals your stuff and won’t negotiate, crash their company and file charges against them with every law enforcement agency in the world!

REGULATION

Politics

REGULATION

Small businesses claim US government stealing their ideas

By  Eric Shawn
Published December 17, 2013
FoxNews.com

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"They stole all my stuff and used taxpayer money to do it," John Hnatio, a Maryland small business owner, says of the U.S. government.

Hnatio claims the government has put his company, FoodquestTQ, nearly out of business by stealing his firm's software that was designed to be licensed to the Food and Drug Administration to monitor food safety.

The FDA "took our ideas, plagiarized my doctoral dissertation on which a patent was based, and then they infringed on our patent. The result was that it decimated our business," he adds.

Hnatio says his company has been left hanging by a thread. He has had to fire employees and says that the remaining three, including himself, are receiving no salary and have been forced to go on unemployment insurance.

"I have never seen anything like it," says Hnatio, who is a retired federal government official.

He says the FDA "duplicated exactly what we were selling to industry and they were giving it away for free...instead of

Small businesses claim US government stealing their ideas



By [Eric Shawn](#)

http://video.foxnews.com/static/p/video/app/embed/iframe/vod.html?video_id=2940493348001&fx=y&cparam=notitle

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"I have never seen anything like it," says Hnatio, who is a retired federal government official.

He says the FDA "duplicated exactly what we were selling to industry and they were giving it away for free...instead of helping small business commercialize their product, what we are seeing is a dragon, in the name of the U.S. government that is eating their own young."

FoodquestTQ is only one of numerous small businesses that accuse the government of stealing their intellectual property or trade secrets when they enter into contracts or research agreements with federal agencies.

"The government interceded, stole the technology and attempted to use this in classified programs," says Jim O'Keefe, the president of the small New Jersey technology company Demodulation. He has filed a \$50 million lawsuit against the U.S. government, accusing it of taking his firm's research.

Demodulation developed an advanced technology involving fiber coated wire, called microwire, which is thinner than a human hair. The company says its microwire can be used for a variety of national security applications, such as tracking drones, keeping tabs on soldiers on battlefields, transmitting information without a power source, and that it even has the ability "to render objects invisible to radar."

"It sounds incredible and impossible that the U.S. government is taking things from people," says Demodulation lawyer Sean Callagy. "We believe this is the greatest country in the world with the greatest justice system in the world but the U.S. government is not an eagle or a flag, but human beings. And human beings make mistakes."

The lawsuit accuses the Department of Energy and the National Nuclear Security Administration, among others, of illegally swiping the firm's information by "using microwire and Demodulation's trade secrets in its mission to gather intelligence."

It also says that the U.S. has even built "a secure facility for the production of microwire" on its own.

"There are classified reports showing the technology," declares Demodulation attorney Ben Light, who says that after the company "shared the secret sauce" about microwire with federal officials, they simply "took (the) wire."

The Department of Energy referred Fox News' requests for comment to the National Nuclear Security Administration, which did not respond to repeated requests for a comment about the company's allegations.

The Department of Justice denies Demodulation's charges in court filings.

Stuart Delery, an Acting Assistant Attorney General, wrote that while "the United States admits that it continues to conduct research regarding what is generally known as 'microwire,'" he says that the government did not act improperly.

The Department of Justice claims the government did not take any proprietary information or develop the microwire technology based on Demodulation's work, and that "none of the asserted patents have been infringed on by the United States."

Delery also pointed out that some of Demodulation's patents had expired.

"The only reason the patents expired is because Demodulation was driven out of business," responds the firm's lawyer, Light. "It doesn't affect the entire case because any infringement during the period when the patents were enforced is still compensable."

O'Keefe says the government denials are "an impossibility based on the evidence I have."

He is calling for "reform and legislation to protect us. I hope through our litigation we will be able to expose some of the problems."

It turns out that the government is routinely accused of similar wrongdoing and sometimes has to pony up.

The U.S. Army settled a case in November by paying \$50 million to a Texas company, Apptricity, which claimed the government took some of its software, which tracks military equipment from MRE's to troops, without paying for it.

The company's court papers said that the government "willfully infringed" on its copyrights, "failed to provide information" about what it did and was engaged in "actively concealing the Army's misappropriation of Apptricity software."

The complaint said the Army paid for using the software on five servers and 150 devices, but actually "copied and installed Apptricity software on at least 98 servers and at least 9,063 devices" without telling the company.

"I don't think there was malicious intent," Apptricity's founder and president Tim Garcia tells Fox News in the aftermath of the settlement. He says his company pursued its case by the "standard process through the Court of Claims."

There are numerous other companies that have filed similar actions at the Washington, D.C.-based court, which is the venue for legal claims against the federal government. Among them:

Liberty Ammunition, which is suing the government for allegedly infringing on its copyright for developing a lead-free "green bullet" after it worked on the invention with the Department of Defense.

Net Results, which claims that the Army infringed on its patent for a "mine detecting device" by giving out its design to six other government contractors.

In 2009, NASA was ordered to pay \$28.3 million to Boeing after the court found that the government infringed on the company's aluminum alloy patent.

In a noted case in 1999, the U.S. government paid then Hughes Electronics \$154 million in damages after a 30- year long legal battle found that the government illegally appropriated the company's satellite technology.

The U.S. Court of Federal Claims calls itself "the people's court," and says it is considered "the keeper of the nation's conscience." It is situated right across Lafayette Park from the White House.

"There is no reason to think it can't happen," observes New York University law Professor Jeanne Fromer, an intellectual property and copyright law specialist.

"The government can take patent rights, as long as they compensate for it. It is not dissimilar, in that sense, to notions of eminent domain."

"The government is a big sprawling place and there are lots of people acting in it. I think some of them act very nobly...but it's hard to say that everyone always does."

"We are hearing more frequently from companies about intellectual property theft by the government," notes John Palatiello, head of the Washington, D.C.- area lobbying group, the Business Coalition for Fair Competition, which is studying the issue.

"Companies are becoming more vocal about it."

Hnatio believes there is a troubling explanation for alleged government flinching.

"What we are seeing is a direct competition between the private sector and the U.S. government. The problem for small businesses is that they are simply being destroyed by their own government in spite of the fact that we hear politicians say all the time, that small business is important...it's extremely disturbing because it means we lose jobs, and it means we lose our competitive edge in the world. It creates a very dangerous situation for our national security."

Fox News repeatedly requested comment from the FDA regarding Hnatio's allegations about FoodquestTQ, but the agency did not issue a statement.

While the Demodulation case is expected to go to trial next year, Hnatio says he has been left without any money to hire a lawyer to go to court.

"From the time I was a little kid I dreamed of starting a business. But I do have to tell you that there is a grave danger to the American dream," he says.

Follow Eric Shawn on Twitter: @EricShawnonFox Becky Diamond contributed to this report.

<http://www.foxnews.com/politics/2013/12/17/small-businesses-claim-us-government-stealing-their>