INNOVATION WEIGHING

W Against privacy

1. Eyyo no one cares >:(

W Against consumer happiness

1. Magnitude - We're talking real lives and real jobs here, not consumers having to spend another couple days waiting for their packages to arrive.

W Against jobs

1. [AFF] Magnitude - from case - new firms account for nearly ⅔ of new net job creation - 8 million jobs.
2. [NEG] Innovation is the better, big-picture link into jobs. Chowdhry of Forbes in 2018 explains the development of AI will create 58 million new jobs on net, which is a project big tech companies are largely behind the creation of. Indeed, Deloitte in 2017 found in a study of the U.K that automation has already eliminated 800,000 low-skilled jobs as a result of AI, but 3.5 million new jobs were created on net which paid nearly 13,000 more per year than the ones that were lost.

Alston Ghafourifar, Entefy, 9-7-2017, "Automation replaced 800,000 workers… then created 3.5 million new jobs," VentureBeat, https://venturebeat.com/2017/09/07/automation-replaced-800000-workers-then-created-3-5-million-new-jobs/

Here's an example. A Deloitte study of automation in the U.K. found that 800,000 low-skilled jobs were eliminated as the result of AI and other automation technologies. But get this: 3.5 million new jobs were created as well, and those jobs paid on average nearly $13,000 more per year than the ones that were lost.

Positive, worker-friendly outcomes like this illustrate a more complete range of possibilities for automation. Technology is changing the way we work — that's not in dispute. These changes can improve people's lives and lead to a more creative, intellectually engaged workforce. AI often means that employees can spend more time on complex tasks for which they are uniquely suited, like interacting with customers or brainstorming innovative new campaigns.

Amit Chowdhry, xx-xx-xxxx, "Artificial Intelligence To Create 58 Million New Jobs By 2022, Says Report," Forbes, https://www.forbes.com/sites/amitchowdhry/2018/09/18/artificial-intelligence-to-create-58-million-new-jobs-by-2022-says-report/#7ff11bbf4d4b

Machines and algorithms in the workplace are expected to create 133 million new roles, but cause 75 million jobs to be displaced by 2022 according to a new report from the World Economic Forum (WEF) called "The Future of Jobs 2018." This means that the growth of artificial intelligence could create 58 million net new jobs in the next few years.

With this net positive job growth, there is expected to be a major shift in quality, location and permanency for the new roles. And companies are expected to expand the use of contractors doing specialized work and utilize remote staffing.

A2 AI Racist

1. Big tech very aware/progressive - Amazon in 2019 shut down an algorithm they found was sexist bc of data they're feeding in

https://www.foley.com/en/insights/publications/2019/02/is-artificial-intelligence-sexist-and-racist

Last year, Amazon scrapped its machine-learning algorithm because it discovered it had a major problem—the artificial intelligence didn't like women. The machine-based learning tool was designed to analyze resumes and compare potential applicants to Amazon's current work force. The algorithm was designed to take 100 resumes and filter out the top five applicants.

The problem was that there is a pre-existing gender gap in software developer and other technical posts. Therefore, when the artificial intelligence tool analyzed the patterns in Amazon's hiring practices over the prior 10-year period, it taught itself to favor men over women. Amazon ultimately disbanded the tool.

A2 DOJ interp =/= resolution enforcement

1. In the squo, the DOJ is doing what we're doing right now - trying to decide whether or not the actions of the big tech companies warrants enforcement of antitrust regulation. And what the DOJ says is if they were to enforce antitrust, they would do it by shutting down these mergers and acquisitions. This is definitely a fair interp of the resolution.

FRONTLINES AFF

FRONTLINES INNOVATION CASE

A2A2/W Concentrated industries have more innovation

1. They're citing a study that measures innovation by the number of citations a patent gets, which actually just measures -
    a. 1) How old the patent is

    b. 2) How notable the engineer/the company putting forth the patent is
2. Turn - Patents that get cited more tend to be in areas of tech that are already well explored/a ton of people are working on them which is why there is so much cross referencing - to be truly innovative, i.e. to create new fields that people didn't think could exist prior, you're probably going to make a product that doesn't get a lot of citations at first.
3. Weighing - Prefer our Otto study because it evaluates innovation using actually useful markers of innovation, quantifying improvements in functionality, architecture, external interactions, user interactions, and cost - actually evaluating the patent instead of looking toward citations.

A2A2 Startups want a buyout

1. Delink - If it were true that they just bought them up and that was an incentive for innovation then we'd see more startups being created, especially as the rate at which these big companies engage in M+As going up, but that's just not the case.
2. At formation, companies think in terms of what can make a marginal improvement to like Gmail instead of what could shake up the industry because the non-threatening bet gets bought out.

A2A2 VC want a buyout

1. VentureBeat in 2018 writes that because technologies have become cheaper, starting a business "no longer requiring major capital outlays for their development." That's why she concludes that in the current economy "Venture capital has become less relevant than ever to startup founders."

https://venturebeat.com/2018/08/07/what-silicon-valley-still-gets-wrong-about-innovation/
Many would-be entrepreneurs believe they can't start a company without VC funding. That reflected reality a few years ago, when capital costs for technology were in the millions of dollars. But it is no longer the case.

A $500 laptop has more computing power today than a Cray 2 supercomputer, costing $17.5 million, did in 1985. For storage, back then, you needed server farms and racks of hard disks, which cost hundreds of thousands of dollars and required air-conditioned data centers. Today, one can use cloud computing and cloud storage, costing practically nothing.

With the advances in robotics, artificial intelligence, and 3D printing, the technologies are becoming cheaper, no longer requiring major capital outlays for their development. And if

entrepreneurs develop new technologies that customers need or love, money will come to them, because venture capital always follows innovation.

Venture capital has become less relevant than ever to startup founders.

A2A2 Big tech can bring ideas to fruition

1. Bloomberg - “wither on the vine”
2. Ideas never get developed to fruition so there’s nothing for the big companies to do except take a half baked idea and carry it not that far

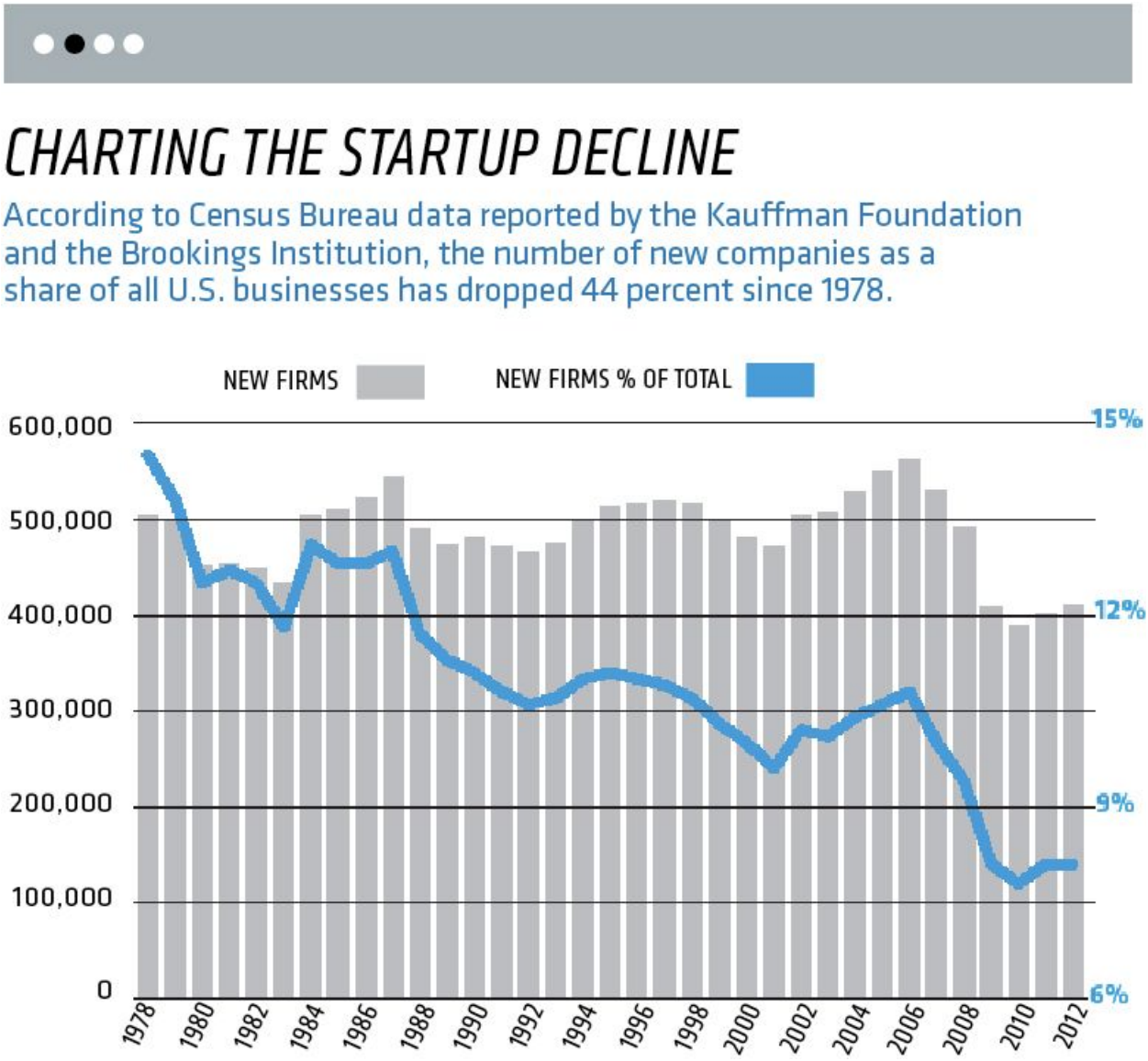
A2A2 More stealing

1. Microsoft ripped off an early version of Windows from Steve Jobs and Macintosh - they were definitely doing this nonsense, but the lawsuit slowed em down by scaring them of the DOJ

A2A2 More startups

1. Less high-growth innovative startups
2. Card is bc we’re post-recession - if you look at number of startups compared to all % of US businesses, which factors in population growth and economic recovery, that’s been falling

https://www.inc.com/magazine/201505/leigh%5C-buchanan/the%5C-vanishing%5C-startups%5C-in%5C-decline.html



A2A2 Bigger companies push boundaries

1. Untrue. Last example of someone disrupting the industry was Google, or even the Spotify to Apple music, etc. These big companies don't have to push the boundaries on their main products because they have no true competitors.

A2A2 But consumer welfare

1. This whole point sort of doesn't matter. If enforcing antitrust will result in better outcomes for consumers, we have a moral obligation to enforce it. Right now, consumer welfare is being hurt by consumers not receiving the full potential of technological gains that they could potentially have access to.

A2A2 Instagram wasn't anticompetitive

1. Economist - companies have more data than ever to determine when early-stage companies that on the surface don't look like a threat will become a threat and than can buy them out.

A2A2 3% venture capital

1. Yeah that's because a lot of initial capital comes from friends, family, and the founders and only the successful companies ultimately get the venture capital, and that % is falling.

Peter Cohan, xx-xx-xxxx, "Why Start-ups Matter," Forbes, https://www.forbes.com/sites/petercohan/2011/06/27/why-start-ups-matter/#24d4c6b33620
An interesting feature of start-ups is how they're financed. Stangler estimates that between 1% and 3% of the financing for start-ups comes from venture capital firms. And that comes later in their development. He pointed out that a 2009 study written by Paul Kedrosky, Right-Sizing the U.S. Venture Capital Industry, found that 16% of the 900 Inc. 100 companies between 1997 and 2007 took venture capital.

During a start-up's initial stages, the funds come from friends, family, and founders. As a start-up grows, the money comes from bank loans, credit cards, and before 2008, home equity. And only if the start-up has reached a further stage of development does it get equity investment.

A2A2 But patents

1. ProMarket in 2018 explains that the America Invents Act in 2011 made it way harder for small companies to get patents and it's cheaper for big companies to infringe on existing patents than pay royalties.

Asher Schechter, 5-25-2018, "Google and Facebook's "Kill Zone": "We've Taken the Focus Off of Rewarding Genius and Innovation to Rewarding Capital and Scale" -," No Publication, https://promarket.org/google-facebooks-kill-zone-weve-taken-focus-off-rewarding-genius-innovation-rewarding-capital-scale/
Historically, he noted, large companies used to abuse the patent system to entrench their position. But the patent system also served an important function: it provided small innovators with an effective tool to fight big firms that tried to infringe on their patents. Recent changes in US patent laws, however—in particular the America Invents Act (AIA) that was signed into law by President Obama in 2011—have created a situation where "small companies no longer have access to patent protection." In order to deal with patent trolls, he said, the AIA has "eviscerated" the ability of small companies to enjoy patent protection, making it lucrative for big tech firms to be on the side of anti-patent enforcement.

“You have nothing to lose. You’re better off just infringing. As a matter of fact, it might be less expensive to infringe than it might be to pay royalties, given how the current case law is set up,” said Causevic. “Throughout my career, it was always the patents that made the big difference when the little guys [fought] against the big guys. Now you don’t have that.” It’s not only small companies that are affected by this, contended Causevic—even middle-market firms are at risk.

FRONTLINES NEG
FRONTLINES NOT APPLICABLE
A2A2 Don’t innovate bc monopoly
Not the case, name any company and I can name you their competitors. Google v Facebook for ad revenue, Amazon with traditional retailers, Apple against everyone for phones, and Amazon, Microsoft, and Google for cloud computation.

A2A2A2 But Google doesn’t compete in search, etc…
And that won’t change. No one is proposing splitting the internet in half, they’re proposing splitting off the ad revenue components, etc.

A2A2 Data fits consumer welfare

1. Kennedy of the ITIF in 2018 explains there is no legitimate case for abandoning the consumer welfare standard in favor of a vague and hard-to-enforce alternative that represents an amalgam of conflicting goals, when policy alternatives like privacy policy would solve back for the non-economic harms the aff describes.
2. OR IPWatchdog in 2019 reports legislative efforts to protect data privacy undermine the ability of tech startups to compete against big tech companies who can get around such regulations.

Ipwatchdog, 5-20-2019, "This Week on Capitol Hill: Data Privacy and Competition, Building the Cybersecurity Workforce, and Reducing Algorithmic Bias," IPWatchdog, https://www.ipwatchdog.com/2019/05/20/week-capitol-hill-building-cybersecurity-workforce-technology-aging-disabled-persons-reducing-algorithmic-bias/id=109408/
Consumer data privacy has increasingly moved into the sphere of legislation with new laws in the European Union and the state of California. However, there are concerns that legislative efforts to protect data privacy could undermine the ability of tech startups to compete against big tech companies who might become more entrenched thanks to their ability to maneuver around new laws. The witness panel for this hearing will include Avi Goldfarb, Ellison Professor of Marketing, Rotman School of Management, University of Toronto; Dr. Fiona Scott Morgan, Theodore Nierenberg Professor of Economics, Yale School of Management; Brian O’Kelley,

Founder and Former CEO, AppNexus Inc.; Dr. Johnny Ryan, Chief Policy and Industry Relations Officer, Brave; Jan Rybnicek, Counsel, Freshfields Bruckhaus Deringer LLP.

https://docs.house.gov/meetings/JU/JU05/20181212/108774/HHRG-115-JU05-20181212-SD004.pdf

The application of antitrust policy, through which the government seeks to shape the general rules of competition, has always been contentious. But for roughly 40 years there has been a consensus that its ultimate goal should be the welfare of consumers, broadly defined to usually mean maximizing overall economic growth. A small but growing group of activists and scholars is now arguing that we should abandon the consumer welfare standard, adding in a host of new factors for antitrust policy to address, while also attacking "bigness" per se. They believe focusing on consumers overlooks other values, including vibrant small businesses, innovation, privacy, worker interests, and healthy democratic processes. For them, large companies by their very nature pose a unique danger to the economy and help form a kind of society they reject. The consumer welfare standard stands in the way of using antitrust policy to limit the size of large firms. A careful review, however, shows the consumer welfare standard is able to handle some of their legitimate concerns. In the areas where it cannot, other policy tools (e.g., privacy policy, campaign finance reform, etc.) are more appropriate means of addressing their concerns. But in other areas, pursuing their goals— including protecting businesses, especially small firms, against legitimate competition, and avoiding layoffs—would reduce consumer welfare and economic growth. In short, there is no legitimate case for abandoning the consumer welfare standard in favor of a vague and hard-to-enforce alternative that represents an amalgam of conflicting goals, some of which would work against progress and the national interest.

FRONTLINES INNOVATION

A2A2 VC funding exists instead of IPO

1. Two different stages of funding - VC gets you off the ground but u have to pay it back in 10 years either thru IPO or getting bought out. IPO is no longer possible, so the only way companies can survive paying the interest is via big corp buyout.

https://www.forbes.com/sites/sergeirevzin/2018/06/30/how-to-know-if-you-should-try-to-raise-venture-capital/#2354029955e6

Venture funds have a typical life of 7-10 years. Meaning that they need to provide a return to their investors, or limited partners, in no more than 10 years. The only way for investors to get their money back is if you either sell your company for cash or liquid stock, or go public so that they can sell their shares in your company to the general population of equity investors. That means that if you have no interest in ever going public, or if you would really prefer to run your business as long as you possibly can instead of selling it to someone else, then it doesn't make sense for an early stage investor to give you money.

A2A2 Wither on the vine

1. If you look at the entire list of acquisitions of Alphabet, almost all buyouts have been integrated or featured in another of Google's holdings → companies aren't being left to wither on the vine

https://en.wikipedia.org/wiki/List_of_mergers_and_acquisitions_by_Alphabet

A2A2 VC inc bc buyout bad

1. False - Venture capitalists get huge payouts when companies get acquired, which is why Masulis quantifies firms backed with venture capital are actually more likely to get acquired.

https://www.jstor.org/stable/23018414?seq=1#page_scan_tab_contents

Abstract

We analyze the effects of venture capital (VC) backing on profitability of private firm acquisitions. We find that VC backing leads to significantly higher acquirer announcement returns, averaging 3%, even after controlling for deal characteristics and endogeneity of venture funding. This leads us to investigate whether some VCs have interests that conflict with those of other investors. We show that such conflicts arise from VCs having financial relationships with both acquirers and targets, corporate VCs having a dominant strategic focus, and VC funds nearing maturity experiencing pressure to liquidate. Our conclusions follow from examinations of target takeover premia and acquirer announcement returns.

A2A2 Citation-weighed patents stupid measure

1. Trajtenberg of the NBER found patents weighed by citations tend to correlate with better innovation that further generated innovative activity.

https://www.nber.org/papers/w2457.pdf

The goal is to tackle anew the main problems encountered in using patent data in economic research, namely, the large variance in the value of patents, and the difficulties in matching patents with economic categories. The first is addressed with the aid of patent citations, the second with computerized search techniques for large databases. The proposed solutions are applied to the case of Computed Tomography (CT) Scanners, a pathbreaking innovation in medical technology. The main findings are that patents weighted by citations are highly correlated with the value of innovations, and that important innovations generate further innovative activity (R&D), and hence bring about down-the-line patents.

A2A2 Startups

1. MIT Sloan School reports in 2019 that current antitrust law or policy cannot be extended to skepticism of mergers with small companies. In fact, the early 2000s Microsoft lawsuit began with complaints from its competitors, IBM, Java, Linux, and Apple, who all had competing software platforms. The lawsuit didn't emerge from a bunch of startups annoyed that their minor platforms weren't the default on Microsoft's computers.