It is widely believed that innovation depends critically on the monopoly power granted in the form of patents and copyright. In fact, competitive rents can and do sustain innovation in the complete absence of monopoly power. Examination of the evidence shows that competitive rents and other first mover advantages generate as much innovation as systems of intellectual property rights - and consequently that society as a whole would be better off without these government enforced monopolies. In this lecture I will explain both how innovators are rewarded in the absence of IP and examine the evidence about rewards to innovation and rates of innovation.