

Intellectual Property, Competition and Income Inequality

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- How to approach the "IP conundrum", from a policy perspective?
- Is there a relation between globalization, strenghtening of IP and increasing income inequality?

Three quick answers

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- By approaching the IP-induced distortions the same way we approached those induced by trade barriers
- There is: distortions from IP protection are magnified in a global context (winner takes all)

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Competition and Innovation - Theory

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- Without imitation cum improvement there is no growth and no further innovation

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- Fact is that, after Stigler 1956, empirical research on the issue has dwindled
- The evidence on the legal and regulatory burden induced by IP is cumulating

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- The issue is, therefore, completely political
- I am not optimistic, at all. Especially for the USA

Reforming IP Laws - The Trade Analogy

- There is a deep analogy between IP "rights" and Trade "barriers": let's discuss it
- The analogy goes deeper: both are favorable to incumbents, to existing dominant firms
- And, having been around for a long time, neither can be dismantled rapidly
- Hence, look at IP the same way we looked at trade barriers after WWII

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- In the short run focus on the obvious inefficiencies, mostly legal and regulatory constraints
- In the long run work on restricting, progressively, the breadth and width of IP rights

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- Prevention of imitation has a territorial dimension: in recent years it went from local to global
- Imitation is CRUCIAL in allowing people to share in the social surplus of innovation
- Globalization + IP Rights => Powerful cocktail in the "winner-takes-all" equilibrium