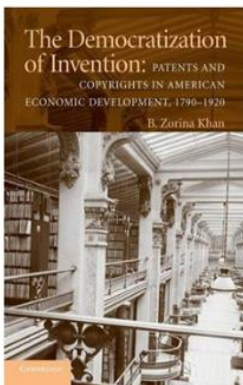


The Central Bank of Barbados Book Review Series seek to highlight publications which offer useful insights and analysis on topics related to finance, economic development, and other issues relevant to small island developing economies. The views expressed are those of the author(s) and do not necessarily represent those of the Central Bank of Barbados.



THE DEMOCRATIZATION OF INVENTION: PATENTS AND COPYRIGHTS IN AMERICAN ECONOMIC DEVELOPMENT, 1790-1920

Authors: B. Zorina Khan

Publisher: Cambridge University Press (January 12, 2009)

ISBN: 978-0521747202

Book Review contributed by DeLisle Worrell.

This influential book shows how the evolution of international law on intellectual property, which has been largely influenced by the US, serves to deny emerging market economies the very opportunities the US itself made use of, in support of that country's growth in the 19th and early 20th centuries. The self-interested strategies the US, Germany and Japan adopted in late 19th century would benefit today's emerging market economies, but nowadays the menu of choices is much more limited. American intellectual property institutions stimulated growth because they responded flexibly to economic and social circumstances, but policies in emerging market economies today are determined by advanced nations, with no such flexibility.

In the 19th century the US stood out for its conviction that democratic intellectual property rules were key drivers of economic development. In contrast, European countries had property rules that tended to protect vested interests. Americans refused to adhere to international copyright treaties long upheld by European countries, and engaged in copyright piracy of foreign cultural products. In direct contrast, the US urged other countries to fall in line with US patent laws, to the benefit of American patent holders in the global marketplace.

Countries that followed the American lead, such as Japan and Germany, tailored their institutions to fit their own circumstances. Nowadays, the international system has evolved to a uniformity of strong patent and copyright protection regardless of the level of development, in contrast to the situation in the formative stages of today's global power structure, when countries enjoyed greater freedom to choose appropriate institutions.

In the US, the early democratic character of intellectual property protection has been eroded, and publishers are privileged above the public. There is some resulting sentiment in favour of

abolishing property rights in invention. More information is needed on the relationship between intellectual property, technological change and economic growth to inform future policy.