

Calendar and Readings (week of April 25)

The big activity for next week is the online forum, which will be described in detail in a handout that goes out on Monday. The basic idea behind the forum, however, is that we will spend the week discussing the following topics:

1. What changes should Congress make in copyright law to ensure that writers and artists in the age of digital media have incentives to spur their creativity while preserving the traditional concepts of fair use?
2. How should Congress restructure patent protection so that it supports rather than hinders innovation in the software industry?

I decided to go with two different topics both to provide you with some choice and to ensure that the online discussion stayed manageable in this unexpectedly large class. You are free to participate in either or both forums initially as you decide which topic is of greater interest, but will presumably narrow your focus to a single topic as the week progresses.

Monday, April 25

The model for the online forum is that of an expert panel in which well-informed participants representing a range of perspectives study a specific issue and then file a policy report. Typically, the group of experts holds a face-to-face meeting at the beginning of the process to share ideas and to explore—in what is usually a far-ranging brainstorming session—the space of possible solutions. Depending on the term for which the panel is appointed, the panel may have additional face-to-face meetings, but the bulk of the work is carried out through electronic discussions, as the online forum seeks to replicate.

The purpose of Monday's class is to simulate that face-to-face meeting. Your job is to think about either or both of the topics and be prepared to provide background information on the topic (see this week's extra-credit opportunity on the back of this handout), offer a précis of what you see as the central issues, or propose the rough outlines of a solution. We'll spend the first half of the class on topic 1 and the second half on topic 2.

Wednesday, April 27

In Wednesday's class, I will present an overview of the antitrust case against Microsoft, along with a summary of the historical and economic contexts into which such cases fit. I will then turn to the more recent investigation in the European Union that alleges anticompetitive behavior on the part of Google.

Readings: The only piece that I've kept in this year's reader about Microsoft and its exercise of monopoly power is John Cassidy's *New Yorker* article on "The Force of an

Idea,” which we have already discussed in the context of the economics of computing. In past years, I have encouraged students to read from Judge Thomas Penfield Jackson’s rulings in the *United States v. Microsoft* case. I have not included those excerpts in the reader this year, partly because they are getting a bit dated. Here, however, are some optional readings in case you find yourself particularly fascinated by this case:

- Judge Jackson’s Finding of Fact issued on November 5, 1999.
<http://www.justice.gov/atr/cases/f3800/msjudgex.htm>
- Judge Jackson’s Conclusions of Law and Final Order issued on April 3, 2000.
<http://www.justice.gov/atr/cases/f218600/218633.htm>
- The Wikipedia summary of the case.
http://en.wikipedia.org/wiki/United_States_v._Microsoft

Thought question:

- As you look over Judge Jackson’s findings, what is your impression of the level of technical understanding displayed by the courts in this case? Are there any aspects of the findings that appear technologically naive?

Extra-credit opportunity

In past years, I have used intellectual property as the subject of an oral debate rather than the online forum. Given the size of this year’s class, scheduling enough times to hold oral debates would be impossible, so I’ve shifted the topics a bit. As a result, this is the first time I’ve used these two topics for the online forum, and I wasn’t able to assemble a comprehensive list of sources in time to include them in the course reader.

Your extra-credit opportunity for this week is to help with that process by finding good, publicly available articles that address the topics we’ll be covering in the online forum. By 11:59 P.M. Sunday, send me a message identifying a manageable number of resources (any messages suggesting more than five resources will be ineligible for extra-credit points) that you feel would give the participants in next week’s forum useful background for thinking about the issues. If I think that one of your references is important enough to include on my online forum handout for Monday, the first student to suggest that source will get an extra-credit point.

Reaction paper assignment

When I first covered the EU’s antitrust case against Google in my Stanford-in-Berlin course last spring, I made it the topic of the second paper. In those papers, many students responded that Google couldn’t be a monopoly on the grounds—and I am of course paraphrasing here—that “Google isn’t evil.” After listening to my lecture on the history of monopolies and their dangers, write a one-to-two page reaction paper in which you argue for or against the proposition that governments have a compelling interest to prevent companies from acquiring monopoly power even if those companies have not yet chosen to exploit that monopoly power in anticompetitive ways?