

## Intellectual property rights and Consumer rights

How about “creative destruction”?

While the intellectual property system is in place to foster creativity and innovation as well as to ensure just remuneration for creators/innovators of products, the system is also in place to ensure that consumers get the products they want and that they benefit from scientific and cultural activities.

In fact, the consumer is at the heart of the intellectual property system, because without consumers, new products would not be created and Schumpeter’s doctrine of “creative destruction” would be futile. According to this doctrine, as it relates to an economic theory of innovation and progress, a newspaper company who moves from written paper to free online journalism, will out-do other paper newspaper companies because the online newspaper being accessed by a larger public -- thus more accessible -- will undercut the profits of paper newspapers. Thus creative destruction is at the heart of such progress.

The consumer therefore is at the fore of this progress. Consumers push for newer and better products. Consumers have the right to return a product for lack of satisfaction. This gives consumers tremendous power over innovators and creators, because, but for the consumer, their products would have extremely long shelf-lives and the economy would go downstream.

And because consumers have such power, they in turn may become innovators and creators, using Schumpeter’s doctrine of “creative destruction”, through making better products, acquiring intellectual property rights, and contributing to our economic theory of innovation and progress.

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