

Book reviews

Economics, law and intellectual property; seeking strategies for research and teaching in a developing field. Ove Granstrand (editor), Kluwer Academic Publishers, Boston/Dordrecht/London, 2003, ISBN 1-4020-7708-4. £95/\$164/149Euro

This book consists of some 20 papers given at a symposium held in Göteborg, Sweden in 2000 which brought together expert researchers studying the interaction between economic, legal and technological changes in the field of intellectual property (IP). The authors of the papers are either economists or IP lawyers and come from Europe, Japan and USA. The aim of the book was to put together material of interest for researchers, teachers, students and future decision makers and to make it readable across disciplines. Most of the papers are concerned with patents but other forms of IP are covered.

By way of introduction to the subject, Chapter 1 discusses the considerable changes in IP laws and rights over recent times although it is pointed out that 'IP laws seem to be neither necessary nor sufficient for either technological or economic progress throughout history, indicating a weak form of interaction on average'. For those of us who depend on IP laws to make a living it is good, then, to be reminded that the pro-IP era emerged rapidly from the early 1980s onward, triggered by US legal changes, and has been spreading globally. Clear growth in the study of IP is shown by a bibliometric analysis of the journal literature; law journals accounted for 74% of the citations and economic journals 18%.

Another recent change many will have discerned is the increase in the market for technologies, ideas, knowledge and information. In Chapter 4 it is argued that the growing importance of licensing and technology trade has implications for both large and small firms. Leading firms can sell technologies to increase the return

on R&D and small firms can increase the effectiveness of strategies based on specialisation in technical development. Technology as a competitive advantage may then be reduced as it can be obtained from other firms. Stronger IPRs can foster the development of the technology marketplace with advantages of greater strategic options for firms.

In Chapter 6 the authors report on a large scale survey of R&D laboratories in Japan and the USA carried out in 1994. In both countries firms protect their inventions by use of lead time and by manufacturing and sales capabilities but there are many differences. Patents are rated as an effective mechanism of appropriation in Japan but less effective in the US, whereas US firms rely more on secrecy. Patents are a more important contribution to information flow among rivals in Japan than in the US and the authors propose that the different patent systems in the two countries may, at least partly, account for differences such as intra-industry information flows.

The papers are all very different and a common thread is difficult to discern but the editor has done a very useful job in summarising and analysing all of the papers in the final chapter. This is a book for economists and lawyers with an interest in IP law and as a collection of essays on different facets of IP policy, students in these subjects will no doubt find it useful reading. It is well outside the scope of patent searching but the book does give a broader, if sometimes complex, picture of IP which searchers may not normally encounter.

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