Interpretation of Intellectual Property Rights
Restrictions from Economic Perspective

Caiyong Guo
Southwestern University of Finance and Economics, Chengdu, Sichuan, 610074, China

[Abstract] The intellectual property system is protected and recognized by national laws and plays an important role in intellectual property law. It not only provides intellectual property owners with exclusive and exclusive intellectual property rights, but also imposes certain restrictions on the rights of intellectual property owners. Therefore, this restriction on intellectual property rights reflects strong statutory and limited nature, and generally imposes important restrictions on economic rights in intellectual property rights. Knowledge assets not only show the attributes of private products, but also have the characteristics of publicity and exclusive use, which can be summarized into the category of public goods. It can be seen that it is necessary to interpret the restriction of intellectual property rights from the perspective of economics, which can reveal the economic rationality of intellectual property rights restriction and play an important role in the effective allocation and use of intellectual assets.

[Keywords] Economics; Intellectual property rights; Restrictions

1. Introduction

The legislative purpose of intellectual property law has a clear duality. On the one hand, it protects the legitimate interests of intellectual property people and promotes the re-creation of knowledge products. On the other hand, it provides the public with the necessary knowledge products to promote the effective development and progress of social science and technology. Therefore, balancing the interests of intellectual property people and the public has become the goal that intellectual property has always pursued. In order to achieve the value objective of the balance of intellectual property interests, it is necessary not only to protect intellectual property rights, but more importantly, to limit the rights of intellectual property rights and to reasonably constrain the content and scope of intellectual property rights. Using the relevant principles of economics to explore intellectual property rights restrictions can provide a certain economic theoretical basis for the rationality of intellectual property rights restrictions, and ensure that the allocation of rights resources can maximize economic benefits.

2. Content and Characteristics of Intellectual Property Rights Restrictions
2.1 Contents of Intellectual Property Rights Restrictions

The restriction of intellectual property rights refers to certain restrictions on the rights of intellectual property rights, it plays an active role in the development of society, science and technology and culture. In fact, the restriction of intellectual property rights is based on the maintenance of the public interest of the society. Its content mainly includes three aspects: power limitation, time limitation and geographical restriction. The power limitation means that the power of intellectual property rights is subject to specific restrictions within a certain time and region, mainly including reasonable use, legal license, and compulsory license. The power limitation of intellectual property can be divided into many different types, such as restrictions on the use of intellectual property rights, restrictions on public materials, restrictions on the circulation of knowledge products, and restrictions on prior rights.

Time limit means that the protection of intellectual property rights is effective for a certain period of time. Once this period is exceeded, intellectual property rights will no longer be protected. Geographical restrictions mean that the protection of intellectual property rights has obvious geographical boundaries and can only be protected in countries where rights are granted. Other countries do not have to bear the responsibility of protection.

2.2 Characteristics of Intellectual Property Rights Restrictions

First, intellectual property rights restrictions focus on economic rights in intellectual property rights, as well as appropriate restrictions on moral rights. Economic rights and moral rights are the main contents of intellectual property rights. Economic rights refer to the economic rewards obtained by intellectual property owners in the process of using or transferring knowledge products. Spiritual rights refer to the right of authorship, publication and modification and other rights. The moral rights are distinctly non-transferable, making intellectual property rights restrictions mainly concentrated on economic rights.

Second, intellectual property rights restrictions have strong statutory nature and are deeply affected by the legality of intellectual property rights. As a product of the development of commodity economy and science and technology, intellectual property rights are rights granted by a person who is exclusive to intellectual property rights. The law clearly defines the content, protection measures and scope of intellectual property rights. Since the restriction of intellectual property rights will affect the interests of intellectual property owners, the law needs to stipulate matters related to intellectual property restrictions, including content, scope, and duration, in order to protect the legitimate interests of intellectual property owners.
Third, the restrictions on intellectual property rights have obvious limitations. The restriction of intellectual property rights is not to prevent the development and realization of intellectual property rights, but to promote the rational realization of intellectual property rights. Therefore, intellectual property rights restrictions have certain conditions.

3. The Economic Theoretical Basis of Intellectual Property Rights Restriction

3.1 Coase’s Theorem

The combination of Coase’s theorem and legal value profoundly shows that the significance of the establishment of modern property rights system generally includes three aspects. First, zero transaction costs will receive different degrees of benefits under any legal rules. Second, the existence of real transaction costs makes it impossible for every legal rule to benefit. Third, the definition and arrangement of property rights will result in corresponding transaction costs. If these transaction costs are too high, they will have a negative impact on the realization of property rights. In fact, benefits and costs are two important parts of the Coase’s Theorem. When the benefits outweigh the costs, they will gain benefits, thus maximizing the use of economic resources. In law and economics, Pareto optimality is generally used to effectively measure benefits, ensuring that benefits can bring certain benefits to all parties.

3.2 Pareto Standard

The Caldo standard recognizes the changes brought about by the benefits, whether positive or negative can be taken. The Pareto standard does not advocate to bring certain benefits to other parties by harming one party’s interests. The improvement of benefits must be based on the premise of safeguarding the interests of all parties. Such benefits are desirable. According to the Pareto standard, the intellectual property system needs to safeguard the interests of all parties. On the one hand, it must provide many conveniences for intellectual property owners. On the other hand, it is necessary to promote the progress and development of the national intellectual property industry. At the same time, it must satisfy the diversified needs of users for knowledge products and actively create a free and stable market order. This is the purpose and core of the Pareto standard.

4. Perfect Thinking of the Restriction of Intellectual Property Rights From the Perspective of Economics
4.1 Always Pursue the Balance of Interests

The intellectual property system was established on the one hand to promote the further development of new technologies, and on the other hand to obtain effective knowledge growth. Therefore, for intellectual property rights, not only must we take a variety of measures to protect, but more importantly, we should reasonably limit the boundaries and scope of intellectual property rights, so as to achieve the balance of interests of intellectual property rights. In the process of pursuing the balance of intellectual property interests, the following principles must be followed: modernization principles, localization principles, and internationalization principles, so as to improve the rights and restrictions of intellectual property rights.

4.2 Clearly Define the Boundaries of Intellectual Property Protection

With the rapid development of high technology, intellectual property rights have gradually expanded and extended the boundaries of control over their economic fields. Making intellectual property rights face the risk of infinite extension and expansion, Therefore, the boundaries of intellectual property protection need to be clearly defined and restricted.[4] For example, in copyright law, expression is the boundary of its protection, however, thoughts and functions cannot be protected in any way. If the protection of ideas is only hindered the effective dissemination and use of advanced ideas in copyright works, it is not conducive to the creation of excellent cultural works. Nowadays, the 21st century has become an Internet age. The copyright system in the advanced network technology environment should use the statutory licensing system to protect the legitimate interests of copyright owners. Providing the public with the information needed to create a good balance of interests. It can be seen that the clear definition of the boundary of intellectual property protection has an important role and value, and is the main means to further improve the restriction of intellectual property rights. It can prevent the excessive expansion of intellectual property rights to other economic fields and effectively suppress the infinite extension of rights.

4.3 Reduce Property Transaction Costs

Realizing intellectual property rights can promote cooperation and obtain optimal resource allocation, but we cannot ignore the various cooperation obstacles in intellectual property transactions. These cooperation obstacles will lead to the ineffectiveness of intellectual property transactions, and the benefits of intellectual property transactions will be negative. In general, the barriers to cooperation in intellectual property transactions are mainly manifested in three different types of fee forms, one is supervision costs, the other is information dissemination costs, and the third is countermeasure costs. Therefore, when restricting intellectual property rights, it is necessary to take targeted measures to resolve these cooperation obstacles and reduce the transaction costs of property rights.
Firstly, limit the scope of the object of intellectual property. For the object without intellectual property protection, the use of its intellectual property is not protected by intellectual property law, and the public can use and consume this part of the intellectual property, which enables optimal knowledge asset allocation and improved efficiency and efficiency of knowledge assets.

Secondly, strict restrictions on the time and geographical scope of intellectual property rights, time and geographical restrictions can reduce the transaction costs of property rights, and even generate zero transaction costs.

Finally, rationally use the institutional restrictions, mainly including compulsory licenses and statutory licenses. If the intellectual property is protected by intellectual property rights, then the use of this intellectual property does not require the permission of the intellectual property person, nor can it pay some form of remuneration, thereby reducing the cost of property rights transactions.

5. Conclusion

Intellectual property protection and restriction are opposite and unified. Both play an important role in the intellectual property system and lay a good foundation for the further improvement of the intellectual property system. From an economic point of view, intellectual property restrictions have obvious economic rationality, mainly to effectively limit the economic rights in intellectual property rights. It not only protects the legitimate interests of intellectual property people, but also improves the efficiency of knowledge asset allocation and promotes the development and progress of science and technology throughout society. Therefore, while pursuing the balance of interests, we must also take effective measures to clearly define the boundaries of intellectual property protection and reduce the cost of property rights transactions.

References