

# Legal monopoly in the usa

Business



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**Legal Monopoly:** A legal monopoly exists when the government seeks to protect a business organization from competition, by using the law. In United States, the main laws responsible for regulating and creating monopolies are the 1914 free trade commission act, the Sherman Act of 1890, and the Clayton Act of 1914. These laws are always referred to as the anti-trust laws, and they seek to prevent the formation of mergers, cartels and acquisitions aimed at promoting unfair trade. These laws also aim at preventing an abuse of a monopoly power, by companies which exist as legal monopolies.

Kaufmann and Francis (17) denote that a legal monopoly can take the form of a government monopoly. A government monopoly is whereby the state controls and owns a certain type of industry or production units. A good example of a government monopoly is the Postal Service of the US (USPS).

This organization has a legal and exclusive right to deliver letters and mails to all the citizens of the United States. This is irrespective of any region they are in America. Kaufmann and Francis (19) also identify a government granted monopoly as an example of a legal monopoly. In this type of monopoly, the various interests of the private sector are protected from competition by laws of a state. Larson (26) denotes that activities of government granted monopolies are always constantly regulated for purposes of ensuring that they do not exploit their customers. Larson (27) goes on to denote that an example of a government granted monopoly is the patented inventions.

Larson (29) defines a patent as an example of a limited monopoly, in which the holder of the patent is given an exclusive right to develop, sale, and use the patented invention for a particular period of time. The United States

patent act lays out the regulations and the conditions to be met, for an individual to be given a patent right by the United States government.

Originally, this law was enacted by the congress to protect the inventions of American inventors, and give them an exclusive right over the usage of their discoveries. This is contained in article 1, under section 8, and clause 8.

Larson (32) goes on to denote that the main aim of granting patent rights is to encourage investors to invest their resources and time for purposes of building new discoveries and inventions which are useful to the country. In exchange for holding a patent right, the Patent Act requires the patent holder to disclose all information regarding the patent under consideration to the Patent and Trademark office of the United States. It is important to denote that after the expiration of the time frame for protecting the patent, then the invention will be used by anybody within the public sphere.

In conclusion, it is possible to obtain patent in a variety of technical fields. This can include in medicine, engineering, etc. Patents can include anything that has been made and invented by man. An example of a patent is Microsoft Inc. This is a company that manufactures and produces computer software's in the name of Ms Office. The founder of Microsoft is Bill Gates, who was credited with inventing Ms Office packages, and his company has the sole responsibility of distributing these softwares all over the world.

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