



# CopyrightX Lecture 4: Welfare Theory

Selected Illustrations

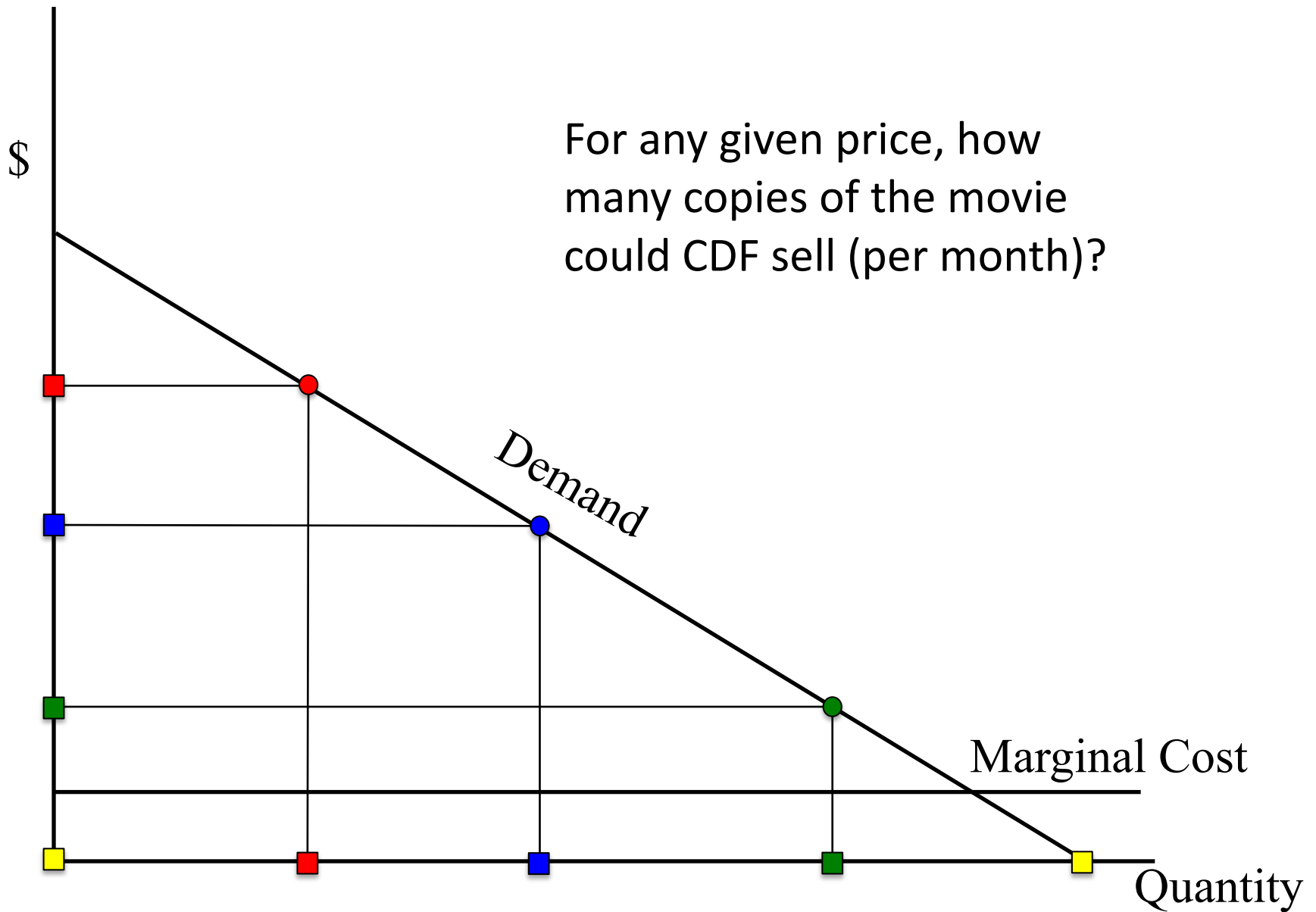
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The following images appear in the background of the 4th lecture in the CopyrightX lecture series. A recording of the lecture itself is available at <http://ipxcourses.org/lectures/>. Removed from their original context, the images will not make much sense. The function of this collection of images is to enable persons who have already watched the lecture to review the material it contains.

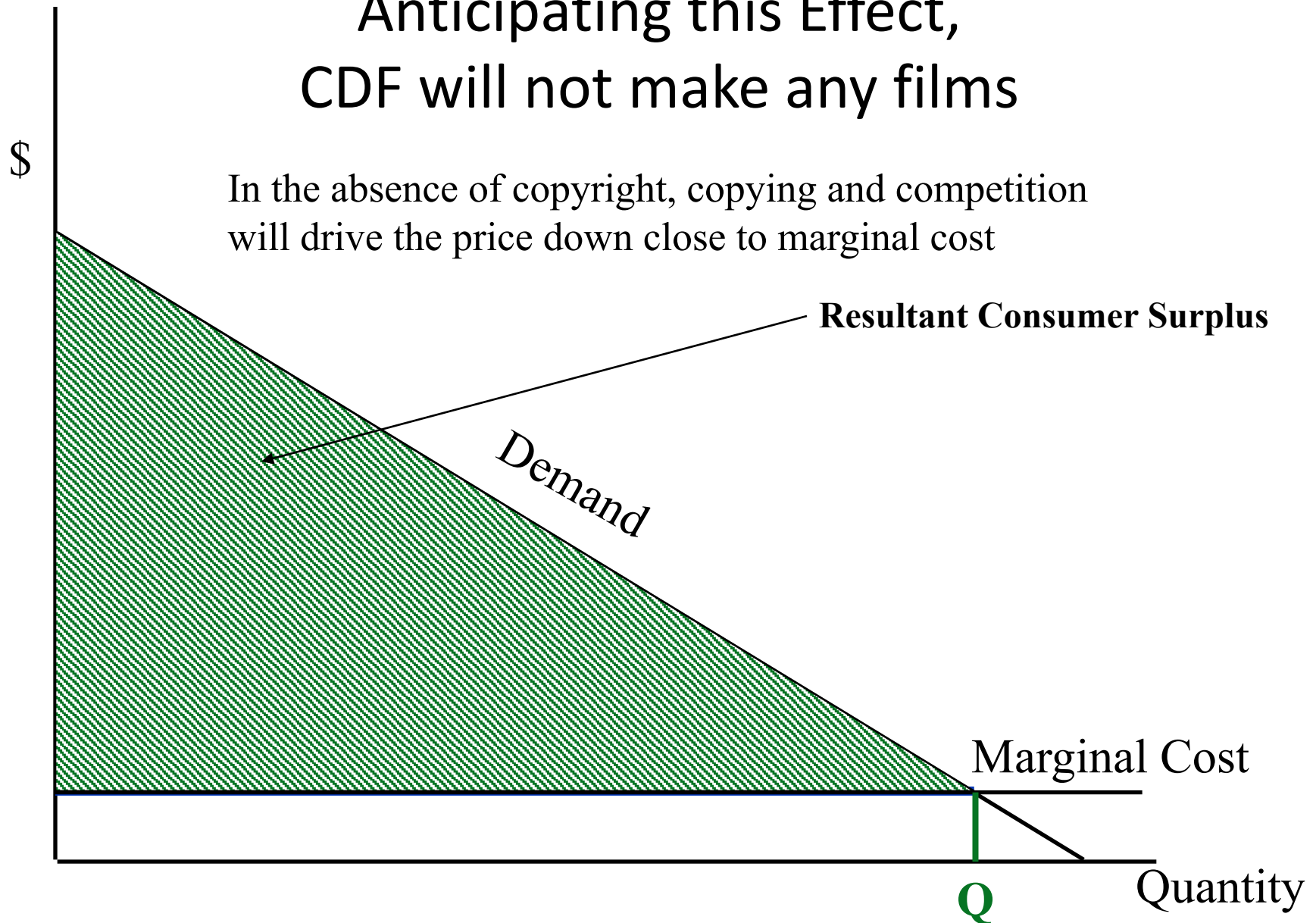
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# Anticipating this Effect, CDF will not make any films

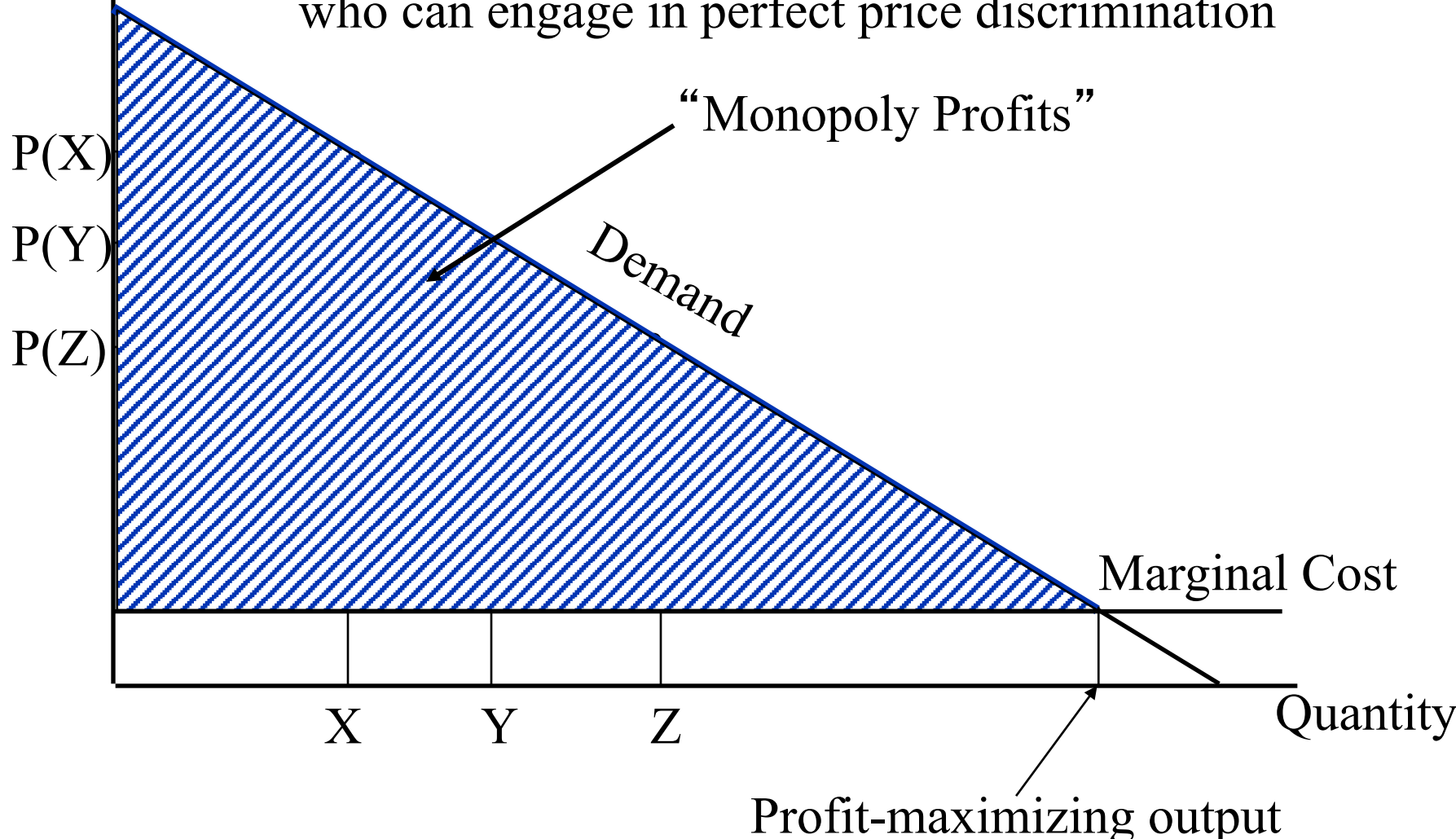
In the absence of copyright, copying and competition  
will drive the price down close to marginal cost





# Economic Conditions Created by the Grant of a Copyright

Profit-Maximizing Behavior by a Copyright Owner who can engage in perfect price discrimination





# Economic Conditions Created by the Grant of a Copyright

Profit-Maximizing Behavior by a Copyright Owner who cannot engage in price discrimination

Profit-maximizing price

\$

P

Consumer Surplus

Demand

Monopoly Profits

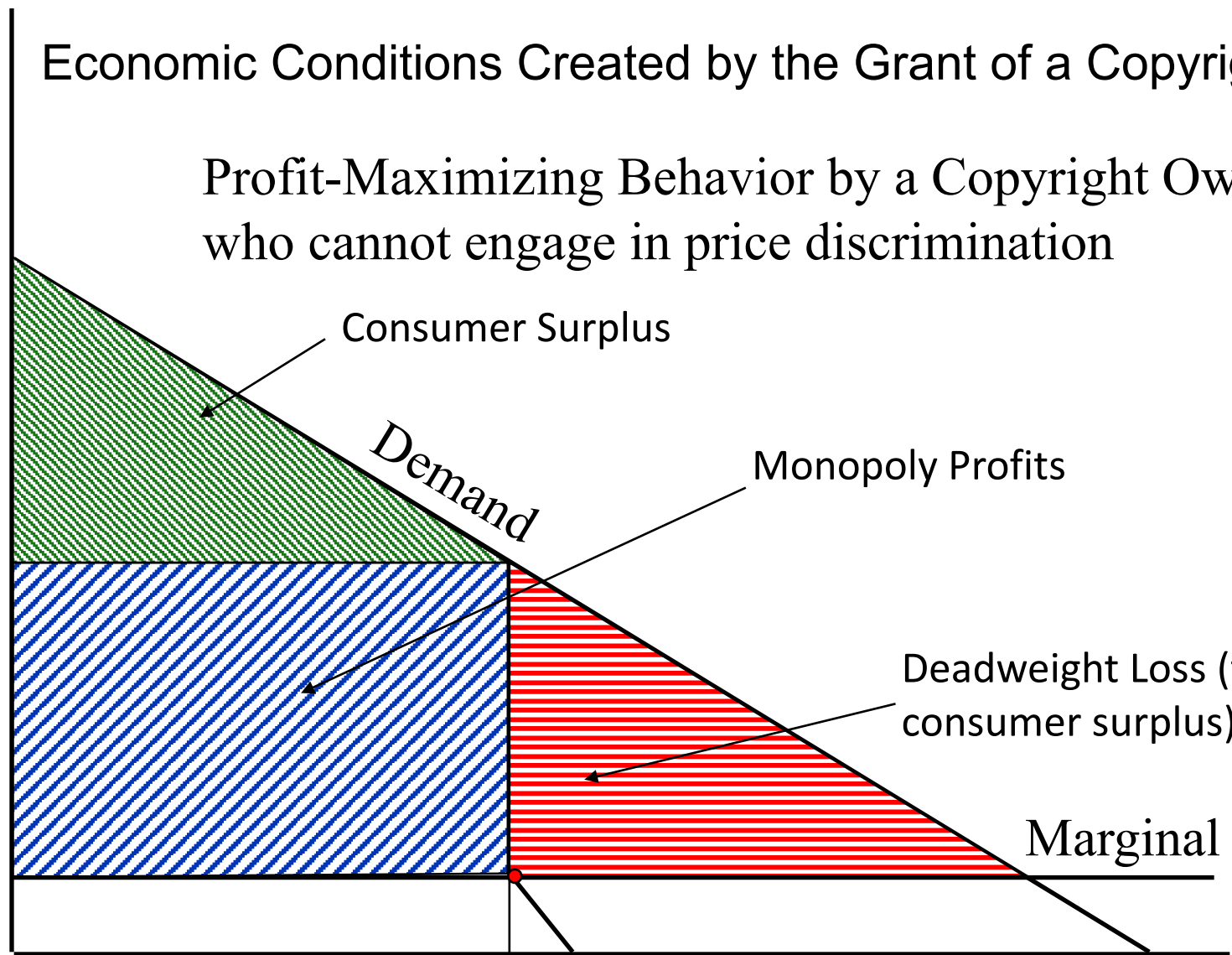
Deadweight Loss (foregone consumer surplus)

Marginal Cost

Q

Profit-maximizing output

Quantity





# Economic Conditions Created by the Grant of a Copyright

