

What would you do?

China



United States

Imagine that your house is in the path of a new highway that is being built through town. Perhaps you don't want to move, or perhaps the money that the government is offering you for your house isn't as much as you think it's worth. What can you do? Depending upon the country where you live, your options may be very limited.

Select one of the two scenarios to see what your options are.

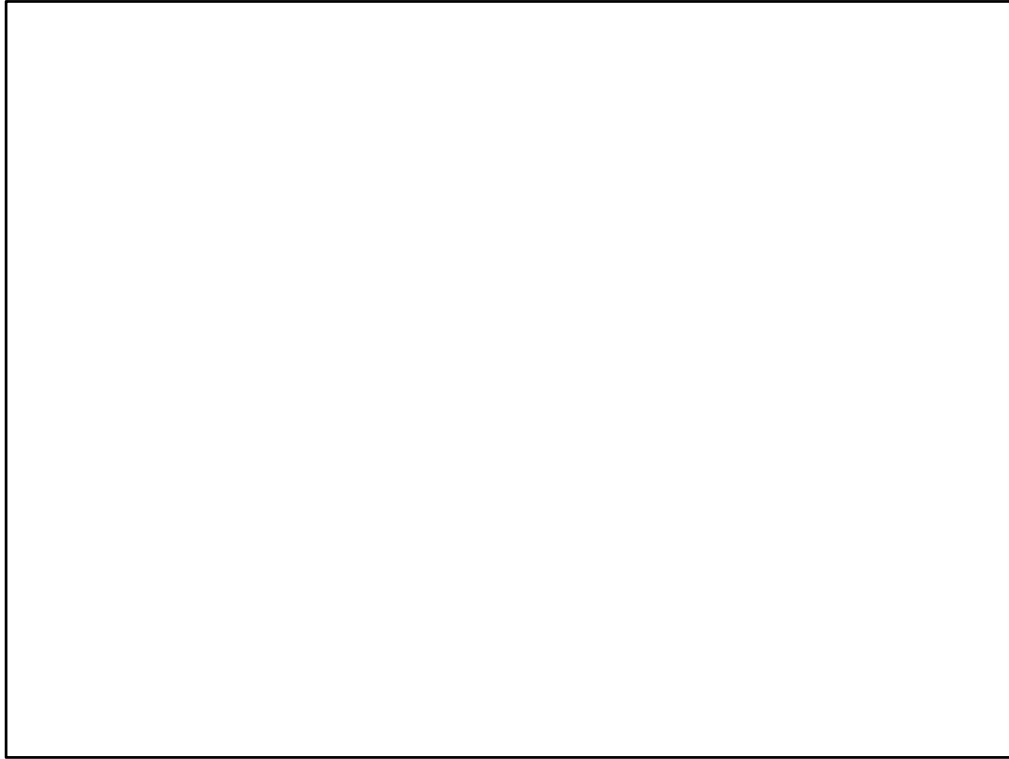
Scenario One: China

Contact your
elected officials

Go to a public
forum where
these issues will
be debated

Contact a
lawyer

You are a Chinese citizen, and the government is building the highway for the Beijing Olympics. But you like your house and don't want to move. What can you do? Select one of the options.



Contact your elected officials

The officials in your government are not elected, and therefore do not represent your interests. They represent the government's interests. Try something else.

Go to a public forum where these issues will be debated

I'm sorry, there are no public forums where you can comment on the proposed highway. The government's decision is not up for debate. Try something else.

Contact a lawyer

You have no rights to private property in this country, therefore, a lawyer cannot help you. Try something else.

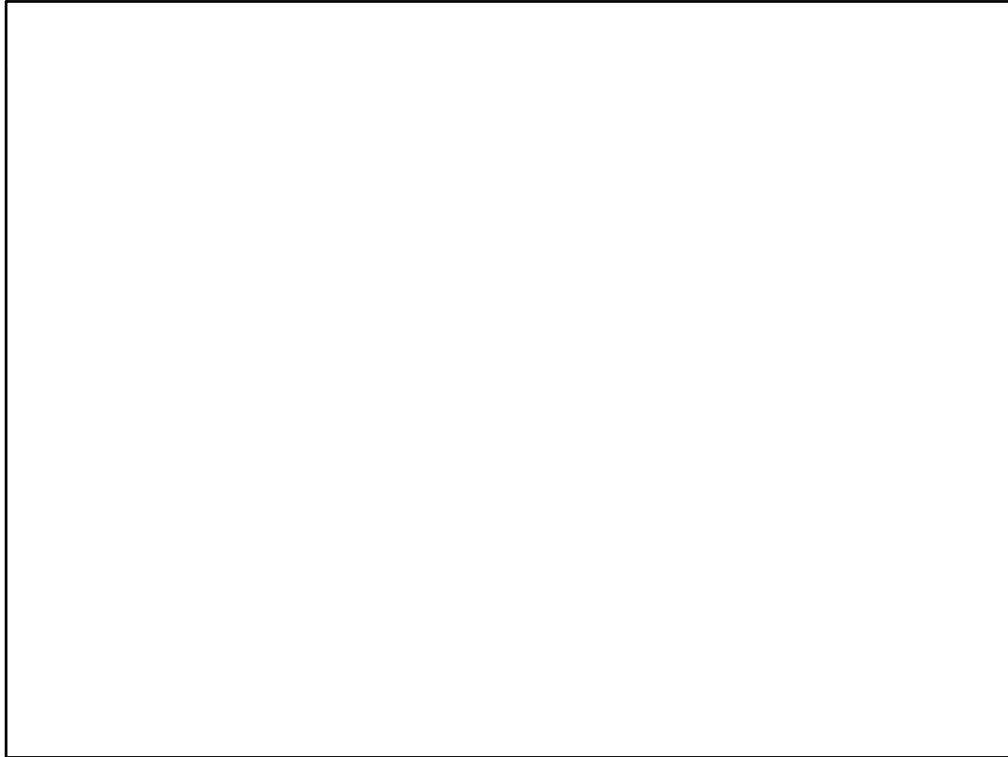
Scenario Two: United States

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You live in New York, and the government is building the highway to help with traffic problems. But you like your house and don't want to move. What can you do? Select one of the options.



Contact your elected officials

Since all of your local, state, and national officials are elected, they are obliged to listen to your concerns, and take them under consideration. They are not, however, obliged to vote only in your interests, so they may not do anything, but they might.

Go to a public forum where these issues will be debated

Normally, when any large construction project is undertaken that will affect many communities, there are hearings where the public can comment to elected officials about why they support, or oppose the project. These are not binding on the officials, but if enough people comment, it may have an impact.

Contact a lawyer

Since you have rights to private property in this country, a lawyer may be able to help you. As we will see later, however, the government can override those rights if it's in their interest, and if they compensate you fairly. You can question the compensation, but you may not be able to change the government's decision to build the highway.

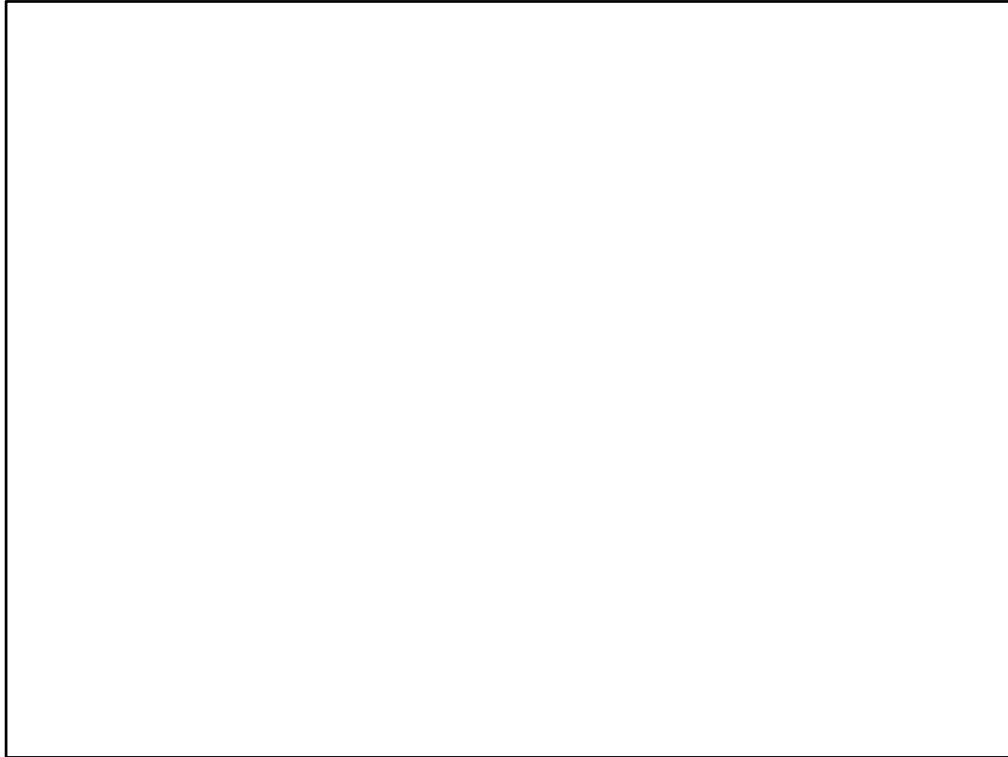
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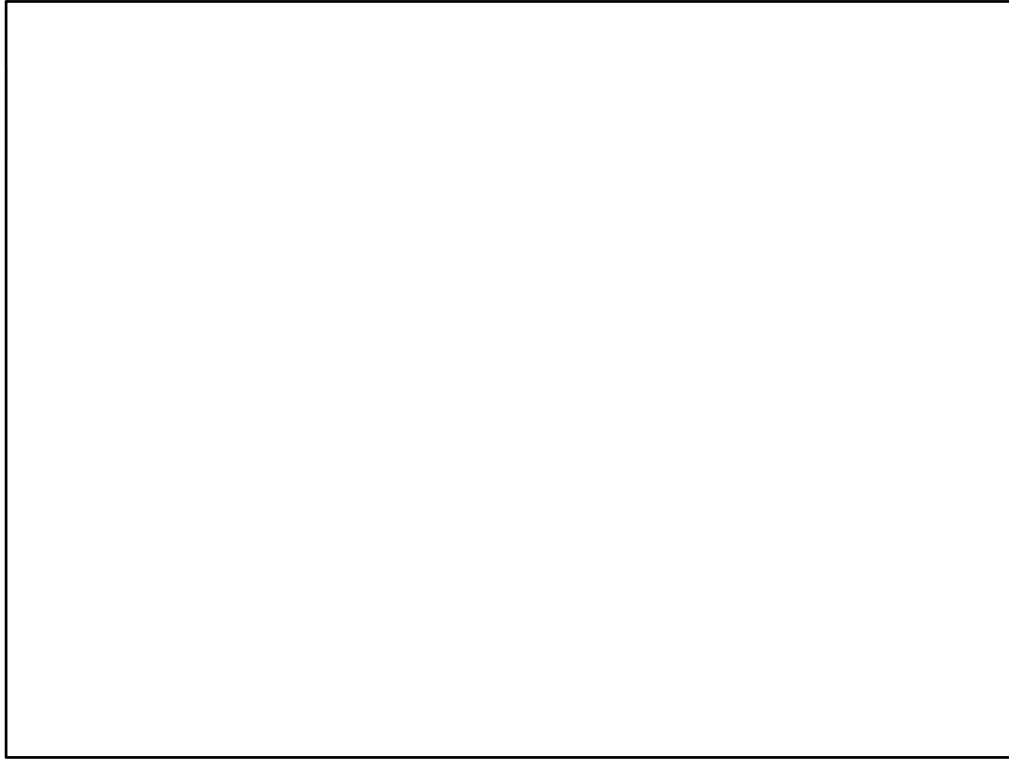
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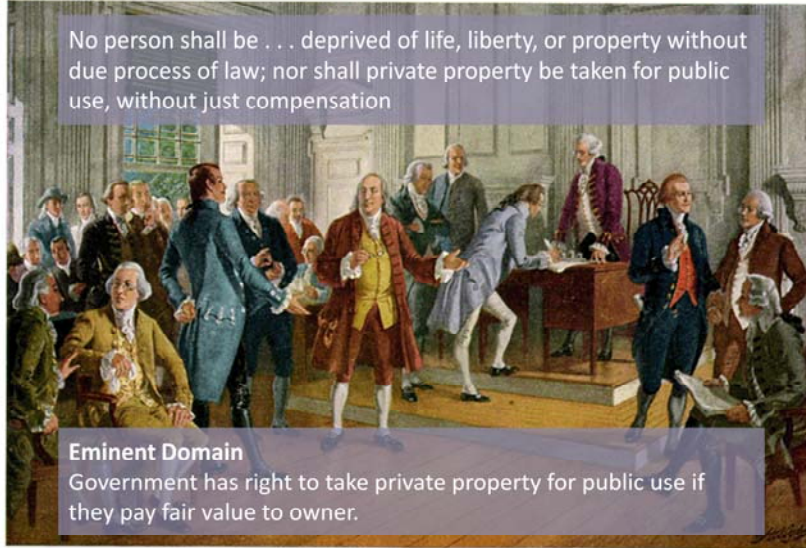
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History of Property Rights in U.S.

No person shall be . . . deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use, without just compensation



Eminent Domain
Government has right to take private property for public use if they pay fair value to owner.

As you can see, whether or not you live in a country with private property rights can have a great impact on your life.

In many countries, the government can take an individual's personal property for its own use. This is not true in America. Our founding fathers felt that the government should not be allowed to do this, so they set up rules for protecting our property in the Fifth Amendment to the Bill of Rights. This amendment states "no person shall be . . . deprived of life, liberty, or property without due process of law; nor shall private property be taken for public use, without just compensation."

This is important for American citizens because the government can't just take the things we own without paying us for them. Originally, this applied only to the federal government, but the Fourteenth Amendment extended the law to the state governments as well. The government does still have the right to take private property for public use, but they must pay the person or business the fair value of the property. This is called eminent domain.

Private Property as Incentive



How do you think you'd feel if you lived somewhere like in the scenario where the government took your house, and there was nothing you could do about it? Angry? Powerless?

Do you think that you might not work as hard to make your house a nice place to live if you thought the government could take it at any time for any reason? Probably not. What about if you owned a business? Would you work as hard and invest your money to build your business if it wasn't technically yours? Again, probably not.

Private Property as Incentive



Mixed economies recognize private property.
Safeguarded through legal rights of ownership.
Enforce rights through the national defense, police protection,
legal contracts, and the court system.

As we saw earlier, entrepreneurs are important risk takers that build businesses that make the economy grow. Without them, people wouldn't have jobs or products to buy. Private property rights guarantee individuals and entrepreneurs the right to use their personal property as they choose. If the government, or anyone else for that matter, could take someone's property without paying them for it, then people wouldn't have any incentive to work hard for their businesses, or themselves.

Most mixed economies recognize the right of individuals to own private property. In these countries, the government safeguards private property by establishing legal rights of ownership. They enforce these rights through the national defense, police protection, legal contracts, and the court system.

Intellectual Property

**HEY!!!
That's MY
song!**



Private property rights don't only guarantee your right to own physical goods; things you can see and touch. They also guarantee your intellectual property rights, or the ideas that you come up with.

Think of a song you like. Can you hold it, or touch it? No! Can you make a copy of a song from your friend without paying the artist? Also no. Can another artist record a song without paying the person that wrote the song? Absolutely not. These are all examples of intellectual property rights that protect the artist's creation and their income.

Intellectual Property



Intellectual property rights laws are also called patent laws.

Patents also provide the incentive to turn inventions into marketable products, which is innovation.

The same laws apply to other businesses. Intellectual property rights are laws that give ownership rights to inventors and creators of new ideas. These laws let inventors get the rewards from their creations, which gives them the incentive to create!

Intellectual property rights laws are also called patent laws. Patent laws encourage people to invest the time, energy, and money required to discover new products and processes. If other people could just copy an inventor's ideas, inventors would be much less likely to take the risks required to provide society with innovative, new technologies and products. These rights guarantee that you will be the only one to make money off of your hard work! Patents also provide the incentive to turn inventions into marketable products, which is innovation.

The patent system is divided into three parts in regards to inventions and other technical advances. A patent gives property rights for inventions. Copyright laws give property rights to the original expressions of a writer, artist, composer, or computer programmer. Finally, trademark laws set up property rights for unique marks and symbols – like the Nike swoosh.

Property Rights

Questions ▾

Would the following be covered by patent, copyright or trademark laws?

- Trademark law
- Copyright law
- Not covered
- Patent law



PROPERTIES

On passing, 'Finish' button:

On failing, 'Finish' button:

Allow user to leave quiz:

User may view slides after quiz:

User may attempt quiz:

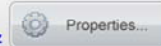
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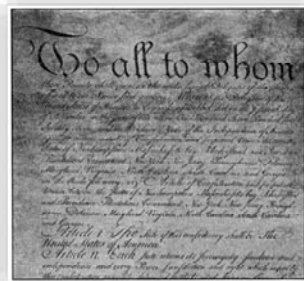
Contracts



A contract is a legally binding agreement between two or more parties. You have to sign a contract to rent an apartment, get a credit card, or buy a car. When you sign a contract you are agreeing to do what you say you will do and the other party does the same. For example, if you sign a contract to rent an apartment, you are agreeing to pay the rent on time and take care of the apartment. The landlord agrees to let you live there and to make repairs as needed.

Can you think of some other types of contracts you might enter into on a daily basis, such as signing a credit card receipt, signing a check or signing up for cell phone service? We enter into contracts all time.

Why are contracts important?



Article I, Section 10

Guarantees the right to make contracts that are legally binding.

Prohibits states from passing any law that would “impair the obligation of contracts.”



Article I, Section 10 of the Constitution guarantees people and businesses the right to make contracts that are legally binding. This part of the Constitution prohibits states from passing any law that would “impair the obligation of contracts.” This means that people can’t use the court system to get out of a valid contract, and no legislature can pass a law that changes the terms of someone’s business agreement. This is important because when you sign an agreement, you want to be sure that the other person will do what he or she agreed to do.

When an entrepreneur opens a business, he or she needs to be able to enter into contracts for renting a facility, purchasing machinery, hiring workers, et cetera. Contract laws give people the confidence to enter into contracts. With these laws you are guaranteed to get what you contract for and if you don’t get it, you will be able to take legal action against the person or business that broke the contract.

Summary



Property Rights
Guarantee your rights to own property and intellectual creations, and no one can take these away without paying you for them.

Contract Law
People can enter into agreements which no one can change without the consent of both parties.

As you can see, property rights and contracts are an important foundation of the legal system in this country. They guarantee your rights to own things including your intellectual creations, and that no one can take these away without paying you for them.

Contract laws also ensure that people can enter into agreements, and that no one can change these agreements without the consent of both parties. This is important for commerce and the rights of consumers.