

## **Freedom of Information: The Legal Foundation for Competition**

**Ali Nasehi**

Department of Private Law, Tarbiat Modares  
University, Tehran, Iran  
nasehiali@yahoo.com

**Mohammad Issaei Tafreshi**

Department of Private Law, Tarbiat Modares  
University, Tehran, Iran  
Corresponding author: tafreshi@modares.ac.ir

**Farhad Khodadad Kashi**

Department of Economics, Payam-e-Noor  
University, Tehran, Iran  
khfarhad2001@yahoo.com

**Mohammad Bagher Parsapour**

Department of Private Law, Tarbiat Modares  
University, Tehran, Iran  
mb.parsapour@gmail.com

### **Abstract**

In the past, science was not as specialized as it currently is and scientists mastered miscellaneous sciences. Currently, human sciences are inter-related with mutual connections that have mutual effects with respect to defining their key themes. In this regard, the present study, while explaining the concept of business competition, which is among the key issues in economics, has sought to investigate some aspects of freedom of information such as the economy of information, being tax and capital related, and the government's obligation to allow public access to this possession (which due to this very reason could serve as a legal foundation for competition). Freedom of information necessitates issues such as safeguarding (people's) privacy which should also be surveyed.

**Keywords:** Competition, monopoly, freedom of information, privacy

### **Introduction**

Due to its limited scope, science was not formerly as specialized as it is today and scientists had mastery over miscellaneous scientific fields. Along with the expansion of science, fields such as law, economics, information science and information technology became specialized. Nevertheless, different scientific fields have become related to each other. Therefore, if we only survey one specific field, we will be provided with incomplete information, which will not lead us towards a realistic perspective. For instance, there had been a time in which economy had not been separated from philosophy and ethics and also economic analyses were in line with values and ethics. This togetherness lasted until 1776 in which Adam Smith published his famous book "An Inquiry into the Nature and Causes of the Wealth of Nations". However, currently economics has established an unbreakable link with

sciences such as information and law. For instance, freedom of information has not been under debate in the last decades, as it is today. Currently, jurists, economists, and information specialists investigate the issue in their own views.

Today, efforts are made to analyze legal regulations and information using economical concepts. Although the idea of employing economical concepts to better perceive the law dates back to 1950, economic theory can also be seen in the crime-related literature in the works of Cesara Beccaria and Jeremy Bentham before this date (Shavell, 2004). The principal change in the present century is the publication of the Nobel prize winner, Ronald H. Coase's paper, "The Problem of Social Cost", in the *Journal of Law and Economics*. It was published in America in 1960, after which a new major, namely "Law and Economics or Economic Analysis of Law"<sup>1</sup>, was practically founded (Babaei, 2007-2008). This article implies a well-known theory named "Coase Theorem". Coase strives to prove that legal regulations should be examined with respect to their economic aspects and that in some cases, in order to regulate the price system, market transactions and private law regulations are effective and the government's intervention is not needed; that is, because in law, like economics, it should be thought that people behave wisely.

This idea was later generalized by Posner who stated that many legal regulations and institutions, and even family institutions which are non-economic bonds (Posner, 2010), could be considered an effort towards resource allocation.<sup>2</sup> In such an approach to law, unlike what was already mentioned that the aim of law is to secure social order or establish justice and fairness, it was stated that the main aim of legal regulations is "Economic Efficiency". In other words, law should lead to optimal use of resources (Kaviani, 2007-2008). The most important issues now being debated are new insights into property and ownership law, civil liability, competition, intellectual property law and its contradiction with competition, with the latter being highly emphasized (Patrick, 2005).

The present study seeks to survey freedom of information as a foundation for business competition, which is among the key issues in economy. Therefore, at first the concept of competition and then monopoly with its different kinds, as opposed to competition, are shortly explained; then, the position of freedom of information in materializing sound business competition is discussed. Finally, freedom of information based on competition regulations in Iran, along with some instances, is surveyed.

### **Statement of the Problem**

In any economical system based on the free market, market regulations are designated by the market itself. The principle of competition is among these regulations. Competition, which is at the heart of an economical system, prompts manufacturers to improve the quality of their products, and consumers are also free to buy the best goods under the most appropriate conditions. Any country's system should take measures to codify and ratify

policies, regulations, and rules which can fix this mutual bond, including freedom of information and equal rights for people to have access to it; so that, it can facilitate competition and hinder monopoly which in the long run ruins competition. Therefore, “competition law” is of geometric forms and has many sides. Its sides are formed by majors such as law, economics and politics. These sides rest upon rules such as the rule of prohibition of detriment, the prohibition of hoarding and the obscenity of Talaghi Rokban,<sup>3</sup> and economic and law-related theories such as the principle of freedom of trade and public order. The existence of competition leads to the enhancement of public welfare and securing social benefits; whereas, a lack of competition is to the benefit of certain sectors of economic activists, including the state or private sector. Nowadays “international trade competition law” has also evolved. In international trade as well, competition and monopoly leave the same impacts as they do at home. Therefore, freedom of information as one of the bases of competition, is emphasized in both inside a country and on an international basis, and should be surveyed.

### **The concept of business competition**

In Persian, the word “competition” means to watch, wait, expect and keep up with the Joneses (Dehkoda, 1999) and (Nafisi, 1976). Its equivalent in French is “concurrency”. Both mentioned words have been defined in dictionaries as a competition among rivals; efforts made by two or more parties to acquire a project or the commercial privilege of the third party through proposing better conditions; and rivals’ efforts to do a trade business simultaneously (Aghaei, 2009). The word “competition” comes from Latin, meaning “to try together”, connoting rivals’ taking part in a single competition under similar conditions (Samavati, 1995). In Arabic, “Al-Tanafos al-Tejari”, with the same meaning indicates competition (Joor, 2008).

In the past, there was not much debate over competition itself and “uncompetitive” involved deceit, misrepresentation and intrigue in business. The merchants’ bad intentions and their trying to attract their colleagues’ customers through deception and immoral measures were all among elements of jurists’ definitions (Katebi, 2001; Jafari Langarudi, 2003).

Economically speaking, manufacturer’s and consumer’s behavior is based on the presumption that they are not able to influence dealing prices. They are faced with prices that are pre-determined and try to maximize their utility in gaining benefit or consumption. This assumption indicates that they are well-versed of all possible ways of choosing, as well as the choice itself, and are also able to evaluate them. Manufacturers are faced with determined prices for Input and Output<sup>4</sup> and produce quantitatively in order to maximize their benefits. This price is determined in the market. Market is a place where manufacturers and consumers exchange their commodities. In the market of final goods consumers play the customer’s role

and manufacturers play that of the seller. An analysis of market equilibrium is required for the accurate explanation of the price of dealing. This price is determined in a market status with sound competition in which authority powers or any external factors would not exert influence on the market (Henderson & Quandt, 1958). Therefore, competition is defined as “a market condition in which there exist a limitless number of merchants who all trade similar goods so that none of them could supply or demand a quantity of goods that could influence the market. This condition is generally termed as pure or perfect competition. Whenever competition is not like this and is dependent upon certain conditions and limitations, it is called imperfect, monopolistic, or open competition or the like.” (Farhang, 1992).

Based on the definition in paragraph 11 of article one of the “Act of Execution of General Policies of the Constitution’s 44<sup>th</sup> principle”<sup>5</sup>, competition means: “a condition in the market in which several independent manufacturers, purchasers and sellers work to produce, purchase or sell goods and services, so that none of the manufacturers, purchasers and sellers would be able to determine the price in the market, or there would be no limit for the firms to enter or exit from the market”. Against competition is monopoly which, based on paragraph 12 of the same article, is defined as: “a condition in the market where one or more firms’, manufacturing companies’, buyers’ and seller’s share of the market’s supply and demand is to the extent that it can determine the price or the quantity in the market; or there would be a limitation for the new firms to enter or exit from the market”.

Monopoly is divided to two kinds of Natural Monopoly and Regulated Monopoly or Legal Monopoly. Natural Monopoly is referred to as: “a market condition where a firm, due to diminishing average cost, can supply a good or service on a price that another establishment would not be able to enter the market or continue its activity with” (paragraph 3, article 1). And legal monopoly is defined as: “a market condition where, based on law manufacturing, selling, buying goods or a special service would be monopolized by one or more certain firm” (paragraph 14, article 1). Disruption of competition includes cases where it leads to monopoly, hoarding, corruption in economy, public harm, concentration and control of wealth in the hand of certain individuals and groups, decreasing proficiency and innovation in the society and economic authority of foreigners over the given country. If the information possessed by government is entrusted to some certain individuals, the competitive market dies and monopoly dominates.

In the view of such scholars in neo-classic doctrine as William Stanley Jevons, Francis Ysidro Edgeworth, and Antoine Augustine Cournot, competition has been defined in terms of business activity and as an equilibrium status which is in fact an end to the firms’ efforts towards gaining dominance over the market. Different parameters such as market makers, merchants, and firms affect price determination. Joseph Alois Schumpeter in his book “Capitalism, Socialism and Democracy” mentions that economic progress, even with the absence of competition in neo-classic terms, takes form continuously and creatively

(Schumpeter, 2010).

There are two schools of thought regarding competition. In Harvard school it is believed that the market structure forms the behavior of activists in the domain of business, including businesses and natural merchants. Centralized industries act in a way that economic growth decreases at the end, leading to a monopoly in prices (Vakili Moghadam, 2010). Whereas, in the Chicago School of thought it is believed that market itself can present the maximum productivity. As a result, for the economic productivity to get fulfilled, the identity of the one who benefits or loses is of no importance and the government should not even pass laws on competition and against monopoly.

Competition is of different kinds such as perfect, workable, inter-brand and intra-brand, potential and actual competition, from among which the perfect competition is the most important. Perfect competition which is also known as pure and free competition exists in a market where the firm's demand curve is horizontal and has a zero slope of "Infinite Elasticity". Although such a market is ideal, one can evaluate the deviation scale of real markets from the mentioned ideal pattern (Bigdely, Autumn 2009). For a perfect competition to dominate the market, the following conditions are required:

**1- Market's being of micro nature**, that is, the frequency quantity of the firm<sup>6</sup> exists in two sides of supply and demand, so that none has enough power to exert influence on market and on productions and price in industry or services in the market under investigation.

**2- Homogeneity of goods**, which means the available goods are produced and offered in similar markets. Market does not merely offer a certain kind of goods or services and it makes no difference for the customer to buy their goods from which firm.

**3- Enter and exit barriers not being serious**, which means the present manufacturing units should not prevent their rivals from entering their industry. Also, there should not be any hindrances for the manufacturing units or the present firms in the market if they want to exit the market.

**4- Mobility potential of production factors**, which means resources could easily enter or exit the market. An industry can, easily and without any obstacles, be converted to other industries, and the production factors have the power to exit an industry and enter another (Farhang, 1992; Gould & Ferguson, 1980).

**5- Having full information of the market or full transparency of market**, which means active individuals in the market are totally familiar with the market status and its important elements. Therefore, in both sides of supply and demand, manufacturers and consumers are aware of prices, the quantity of the product, social conditions, decisions made by the influential authorities in the market, the specifications of goods, etc.

For instance, suppose that costumers firstly, are informed that a certain product has two determined prices, and secondly, both products are totally similar to each other. Since the customers are seeking their maximum ideal, they buy the one with the lower price, and the

other product, which is offered on a higher price, would naturally become cheaper. The owners of the production factors are also aware of all the information which influences the prices and even the present technology needed to produce their goods; since otherwise, they produce their goods with a higher price, losing their power for competition, and inevitably exiting the market.

It is through rethinking and questioning this presupposition, which is from among the conditions of the theory of the perfect competition in the market that a discussion on the role of information in economy begins. In other words, it is presumed that consumers, profit owners and the present firms in the market are fully informed of the present and future status of prices, market's economic costs and opportunities as well as the inputs which have effects on production costs. Price differences fade away rapidly and only one price is offered for any product throughout the market. Resources are sold to the proposer of the highest price and, having been totally informed of the trend of prices and costs in the present and future, manufacturers accurately know how much they should produce.

What might happen if the information is not revealed to and provided for both parties? The answer to this fundamental question and the analysis of the present realities in the real world brings about a topic under the name "The economy of information". Therefore, what is meant by the economy of information is surveying the nature of information distribution among transactors and of the way the existence or non-existence of this information might influence the welfare of transactors. Welfare here means defining transactors' general (public) interests. For instance, with respect to consumers, it refers to desirability, and regarding the firms it refers to profits. Issues such as incomplete and asymmetric information<sup>7</sup> are from among the discussions to be surveyed in this domain<sup>8</sup>.

The term "economy of information" appeared in the economists' literature of 1960 and connotes the science of studying production, distribution, marketing, price determination, consumption and all incomes that, directly or indirectly, are gained through production, advertising of, selling, saving, processing and access to information. Digital and/or internet economy could be considered the first criterion and tool for economical progress which was caused by social and economic changes from 1960 onward. The trend and history of changes of economy entails moving from man's original and traditional state, that is, an economy dependent upon agriculture, to an industry-directed economy, and then to the present state which is an information-directed economy. These changes paved the way for the formation of thoughts and ideas, and as well, laid the different grounds for business. And even, by using expressions such as information industry, information market and information staff, it has brought about significant changes in the literature of global economy. In the latest discussions and issues of information economy, the term "information" is used both in its most expansive and most specialized form, which encompasses anything that can become numerical (digitalized) and be coded within the frameworks of one and zero.

Different consumers put much different values on an information phenomenon. People differ over kind, utility, desire, cost evaluation, and their power of affording the usage of information. In other words, people might not be either prepared or willing to pay any price for a product of informational nature. In the information market also, all producers utilize formulas of supply and demand versus their consumers and enter the market of competition (Ardalan, 2009).

### **The Difference between Competition and Competitiveness**

US on Competitiveness, World Economic Forum, The United Nations Conference on Trade and Development, Institute of Management Development and economists each have given a different definition of competitiveness. The main difference among these theories is the existence of different patterns or the economic conditions of these countries, specifically developing countries.

The Organization for Economic Co-operation and Development defines competitiveness as: “a given level of a country’s production of goods and services which, in free market conditions, would be able to absorb the demand of international markets, and to meet the different levels of this demand; while whereby, to increase the citizens’ real income. This is a reflection of a country’s level of competitiveness” (OECD, 2013).

Competitiveness is considered a key standard for evaluating the degree of success at three levels of countries, industries and firms in competitively political, economic and commercial domains (Aghazadeh, Estiri, & Osanlou, 2007). And so far many parameters have been proposed to study it; for instance, the seven criteria of the structure of anthropology, health, education, ecological conditions, infrastructure of economy, military power, and technology are among these standards (Tutunchian & Mehrnosh, 2009). Information technology is from among the most important indicators for investigating the rate of competitiveness. In order to measure the rate of competitiveness and to interpret and classify it, various theories and models have been proposed among which Porter’s Diamond Model holds a very important and special place.<sup>9</sup>

### **Freedom of Information Principle**

“Information” means knowledge, news, presuppositions, notable facts and informing. Information is a combination of two parts; “formation”, which means “to put into shape”, “to mould”, and giving form to matter to teach or improve it; and, “in”. Therefore, to inform means “to impart knowledge”.

Borgman classifies information into three categories; natural, cultural, and technological information. In his view, natural information is a report of reality which man perceives without any medium. Cultural information serves as a means for creating changes in reality, that is, man employs it to make changes in the reality around him. And technological

information means recording events, and man can use it in other times and places, like recording a piece of music on a compact disc (Borgman, 2000). Today the third kind of information is of economic value, and it plays a role besides two other production factors (employment and land). That is why those possessing it try to prevent their rivals from getting access to it.

The term information has been used in different sciences, taken certain meanings and therefore, accordingly defined (Navadeh & Jahanfar, 2010). This term is usually used in combination with other words. In recent decades, it has mostly been used in the domains of communication sciences, information transmission and library sciences. The other domains of science, such as mathematics, law, political sciences and economics as well, use this word with the same meaning. Saracevic (2000) believes this term, like the terms justice, life and energy, has no comprehensive and undisputable definition and it is better to say: "We do not know", when asked: "What is information?". In his book named "Secrets", Sissela Bok, a professor in ethics in Harvard University, emphasizes that the right to know, that is the very right to have access to information, in spite of its necessity to exist is very ambiguous (Bok, 1998;(Bok, 1998) Heidary, 1996). But, as Reitz has introduced it in his dictionary, it is better to say that information is the data presented in an understandable and desirable form, whose meaning depends on the nature of its application (Reitz, 2014).

In social sciences, freedom of information has been considered the acquisition and spread of thoughts and beliefs through non-oral expression means and tools (Tabatabaei Mo'tameni, 2010), which is of course not a comprehensive definition. Some believe it means to search, gather, spread and freely receive the news and information, to have access to events and free flow of information, and to have the right of having information and communication (Mo'tamed Nejad & Mo'tamed Nejad, 1998). Used with other terms, it virtually has the very meaning of the free flow of information becoming widespread. For instance, intensification of information flow has been considered from among the elements of globalization (Afrakhteh, 2001).

Much has not yet passed from the time of introducing issues related to freedom of information and its major element, "Right of access to information", which means, the citizens' capability of having access to the information being possessed by the government and some public institutions. The first country to have passed a certain act on freedom of information is Sweden. In 1776, Sweden congress passed the law of "access to public documents", whereby all the information possessed by the government should necessarily be used for the legitimate objectives. Then France, in 1858, banned spreading (revealing) private information through passing a law and determined certain punishments for the violators. In Norway as well, spreading information on personal or family affairs has been banned from 1889 on. Currently, many countries have recognized the right of free access to information because of their own special laws and have also recognized safeguarding personal privacy,



while they punish the violators. Of course, some believe this principle entered people's culture after World War II, and was generalized by Kent Cooper, the former executive manager of Associated Press Agency. He is said to have believed people's right to be informed of everything charges the press with the duty of spreading the news, and the press, as people's representative and deputy, should have access to the news and spread it freely.

In developed countries, the movement of heading towards freedom of information has mostly begun from the 1980s; whereas, in developing countries, this movement began from the beginning of the 21<sup>st</sup> century. The reason behind this, besides considering social and cultural conditions, is that developing countries do not use information to materialize their social and economic growth (Freitas, 1996); whereas the information and technologies related to it are one of the means of assuring the lasting development (Akhtar & Melesse, 1994). Stueart regrettably states that few Asian countries make use of information and most of them have not yet come to know that having timely access to information is one of the most important factors of economic improvement and growth (Stueart, 2000).

In Iran, "The Act of Spread and Free Access to Information" was passed by the Islamic Consultative Assembly in 2008, which as it seems, "freedom of information" has declined to "the right of access to information" in this act.<sup>10</sup>

In Islamic religious texts we can point to cases that Shiite Imams (P.B.U.H) explicitly referred to people's right as to being informed of the state's decisions. Imam Reza (P.B.U.H) believed that one of the reasons for the incumbency of reciting the sermons in Fridays' prayers is that . . . "Friday is the time of the presence of all people and for this reason the leader is been required to inform the people of the expediencies of their religion and their world and also inform them of important events and affairs ensuing interests and discomforts." (Hakimi & Hakimi, 1991). In Letter 50 from Nahjol-Balaghah, Imam Ali (P.B.U.H) wrote to the governors that governors must not, by domination in the public treasury and the power, appropriate more shares to themselves, so that their living conditions would change. Then he adds: "Beware, it is your right that I should not conceal anything from you except the war secrets that I have to, and I will do nothing without having counseled with you except for the religious decrees . . . and when I did so, it is on God to give you his blessings and on you to obey me . . ." Perhaps this view is based on the fact that a government arising from people is their representative and the deputy must not conceal anything from his clients.

The law-passing manner and the way this issue is dealt with are different among countries. In some countries, particularly those whose constitution has recently been ratified, freedom of information has explicitly been named and one or more articles have been devoted to it. In some other countries, the authorities in charge of interpreting the constitution, including councils of interpretation or constitution court, have dealt with the issue based on their interpretations. Some other countries also passed a public-inclusive act or a certain act

on any grounds related to freedom of information including its economic, political, social or other aspects.

For instance, in the Anti-trust Act in America, known as Sherman Anti-trust Act ratified in 1890, and also in the Clayton Anti-trust Act ratified in 1914, there is no decree on information, illegal acquisition of it, abuse of it and as well on government's authorities' obligation to present information to the public. From 1914, when United States' president signed a law whereby Federal Trade Commission (F.T.C) was established in order to support free competition and fair trade by meticulous and sound execution of Anti-trust laws, the issues related to the impact of information on competition became the focus of attention by economic specialists and entered competition laws.

Securities Exchange Act was ratified in 1934. This rule, along with its many later amendments, is one of the most important ratified laws by congress to make clarifications in transactions related to securities. The effort made in this Act is to, besides clarifying the flow of transactions of securities; oblige all parties involved in such kinds of transactions to present accurate information to others. It also has considered punishments for the violations. For instance, courts in America have deduced from articles 10b and 14e that when a transaction is done based on confidential information, so that if otherwise, the public had that information, the transaction would not have been done with that price, then the mentioned transaction is considered the case of transacting securities with confidential information and nullified, with those possessing such information being accountable. Securities transaction, by employing confidential information, occurs when an individual or organization, while possessing confidential information which is not accessible to the public and if it otherwise were, it would significantly influence the value of securities being transacted, buys or sells securities. (Morse, 1999). In the case of "The United States of America vs. James Herman O'Hagan", the Supreme Court in America argued that although frequently there is information inequalities in securities transactions, the aim of banning transaction by confidential information is to create markets which can inspire the trust of investors.

In 1966, Freedom of Information Act was ratified. One of the cases, which were regarded to be among exceptions in it, was business secrets and the merchants' business and fiscal information. According to this law government departments are not allowed to pass on the information related to the aforementioned issues to anybody. However, except for cases such as national secrets and people's personal information, individuals have the right to ask for the available information in government departments, including information and data related to business issues.

### **Outcomes of Freedom of Information**

Freedom of information leads to the enhancement of "Transparency" in the affairs, because people would feel that they are effective in the economic prosperity of the society and

hidden factors are not effective in the market of capital and merchandise. That is why the governments enact laws to prevent the managers not to misuse the information of the companies and monetary institutions, and also not to misuse the information about the commercial activities of companies and the like, and so they try to make the public trust them. This fact is of more importance especially in monetary markets and markets of securities because these markets are more subject to loss, due to the lack of information or untrue information.

Moreover, freedom of information increases and improves people's participation in the society's economic affairs, increasingly enhancing their involvements in economic activities of society. In this case the market would not be left alone and becomes a place for the activity of only a certain group of people. Of course, we should note that although offering information to the public is necessary, using this information by the public in any way is not possible and not all the people possess the same adeptness to use it, especially if that information is in the form of raw data. On the other hand, the introduction of companies which give clear information causes shareholders to participate more and attracts more buyers; although corporate managers may prefer to expose less information to keep themselves in the competition market.

Freedom of information increases of productivity. In the case of having pervasive, correct and accessible information, the market agents can correctly make decision; while, having untrue and defective information can lead to wrong decisions. For instance, if all the citizens have true information of auctions and tenders especially of public procurements; they can equally take advantage of economic chances; and goods and services will be available to the applicants for the most suitable prices, and a competition atmosphere will be created. Any kind of defect in this process leads to a certain number of individuals' monopoly of an incorrect productivity in the state facilities or national resources of society, which in fact belong to the whole community.

Freedom of information prevents corruption in all grounds (Verhoeven, 2000). In case of the existence of correct economic information available for all, there would not be the possibility of misuse of power, occupational position, bribe receiving and embezzlement. Foreign investment would increase and the possibility of utilizing domestic and foreign loans in a clear atmosphere would be actualized. For instance, if the society members are aware of auctions and tenders, economic decisions or other kinds of decisions effective in the exchange of pecuniary resources, there will remain no ground for the state officials to collude with parties of the contract or, in similar transactions, to impose discriminatory conditions on the business parties.

### **Privacy: a Thematic Digression or an Exception to Freedom of Information**

Alongside or against the freedom of information<sup>11</sup>, we can pose the privacy that is

reckoned, along with the subjects such as freedom of speech, freedom of assembly and freedom of thought, as the human fundamental values. Governments, using the legal instruments, are trying to balance between this issue in one side, and freedom of information, communications, contracts and trade on the other (Cooley, 1907).

In a well-known article by “Samuel D. Warren” and “Louis D. Brandeis” named “The right of Immunity and Privacy”, published in 1890, this right has been posed for the first time, and discussed as one of the most important human rights in the legal and philosophical writings afterwards (Warren & Brandeis, 1890).

The concept of privacy, being flexible, has been subject to various definitions and philosophers, theorists, lawyers and judges have constantly expressed that an exact, clear and convincing definition for it is hard to find. Some have said the privacy is a domain of everybody’s life that the very individual, typically and commonly or by previous announcement, expects others not to have access to the information on it, interferer in it without his consent, look into it, take it under their surveillance, or in any other case offend him in that domain. Some others have considered privacy that part of man’s life in which he enjoys freedom of investigation and legal retribution; and any form of decision making, information about it, interference and surveillance on it is exclusively in his control, and other people’s interference in or access to it , is unallowable without his consent (Ansari, 2013).

### Endnotes

1. This terminology means “research methodology in law”, and it is not a part of the science of “law”. Therefore, if this method is approved, the researcher can employ it in the economic domain of law or its other areas. Through this method, the present regulations are evaluated and new regulations evolve (Badini, 2004).

2. Posner has devoted chapter five of his book to this point and has made lots of effort to, while likening family (institution) to a business company, explain the manner of sharing the common income, which is different from the business company.

3. In the ancient times, some citizens in cities would go out of the city to welcome and transact with the newcoming commercial caravans before the merchants entered the city and got aware of the prices of their own goods or those of the ones they intended to buy. This act is termed as Talaghi Rokban, and there is debate over its being illegal or disapproved (Najafi, 1981).

4. The establishment’s trade-ins, such as manpower labor market, production means and capital, which are factors of production, are called “Input” and goods and services, gained through production process, are called “Output or Product”. In other words, with the combination of a series of inputs in production, goods or services are produced. The terms Input and Output are relative. It means that a product or output might be utilized as a production input in another process.

5. For the sake of brevity, in this paper, we call this act “competition Act”.

6. Firm is defined as the smallest economic unit which either produces goods or offers services. It is a place to gather capital means such as land, wealth, information and other sources which are

combined together under a certain management to gain benefit. In a firm, labor force transforms raw materials, such as raw information, in the production process and adds to its value, and then the acquired product is sold in the market.

7. The information has not been the same for consumers and producers, and firms have more information with respect to the market. This lack of symmetry leads to market's inefficiency of functions. Acts related to attaching labels on products such as food and drug, regulations on issuance of business license, consumer protection act and the like serve to create symmetry in information on the two sides of supply and demand.

8. The major of "the economy of information" came into being with the publication of two papers in 1961, one by William Vickery, and the other one by George Stigler. The first paper of "the economy of information" was written by Stigler, and the second one, "mutual speculation, auctions, and sealed competition tenders", by Vickery.

9. Michael E Porter published his book "The Competitive Advantage of Nations" in 1990, in which Diamond Model was proposed. (Porter, 1990)

10. The right of access to information, in plain terms, means to pave the way of acquiring and receiving information and remove the potential and present obstacles in this way. (Horri, 1999)

11. *Private right or private domain*. For the first time, Cooley, the Chief Justice of Michigan, US, used the phrase "The Right to be left alone" and maintained that this right can be the origin of various liberties, and later on this expression was used and promulgated by the others.

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