

## *How Law Made Silicon Valley*

**Anupam Chander**

Director, California International Law Center, & Professor of Law  
University of California, Davis  
achander@ucdavis.edu

Explanations for the success of Silicon Valley focus on access to capital and education. If law is invoked, it is to focus on interstate differences in the enforcement of covenants not to compete. In this article, I put forward a new explanation, one that explains the rise of Silicon Valley as a global trader. Just as nineteenth century American judges altered the common law in order to subsidize industrial development, judges and legislators altered the law at the turn of the Millennium to promote the development of Internet enterprises. These legal changes made possible the rise of Web 2.0, in which companies offer online platforms for user generated content. Europe and Asia, by contrast, maintained stricter intermediary liability, less flexible intellectual property rules, and stronger privacy constraints, impeding local Internet entrepreneurs. I show how American companies leveraged their liberal home base to become global leaders in cyberspace.