



## Property in Brands

Dev S. Gangjee

LSE Law, Society and Economy Working Papers 8/2013

London School of Economics and Political Science

Law Department

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# Property in Brands

Dev S. Gangjee \*

**Abstract:** This paper traces the emergence of a new *res* or object of protection within European trade mark law. Proprietary rights in trade marks have conventionally been premised upon the mark's ability to communicate useful information; namely, indicating the commercial source of goods or services, also referred to as the essential function of a trade mark. Granting exclusive rights to control the use of a mark preserves its ability to reliably signal origin. Contemporary EU trade mark law goes further and protects the more expansive brand dimension associated with a successful trade mark. The Court of Justice of the European Union (ECJ) has enabled this by recognising not only the origin indication function of marks, but also their advertising, investment and communication functions. The brand is a remarkably elusive and protean, yet undeniably valuable, intangible. So what are the doctrinal tools and techniques available to courts, registrars and legal practitioners, enabling them to work with such elusive subject matter? What are the corresponding assumptions about brand creation and sustenance that reinforce these techniques? And can they be reconciled with recent conceptualisations of branding emerging from marketing and consumer studies research? Since brand protection is a controversial development within European trade mark law, this paper unpacks the manner in which the brand is conceived of within European legal doctrine. The ECJ situates branding within a one-way broadcast model, while contemporary marketing research emphasises that brand formation is dialogic and iterative. The ECJ's approach to brand proprietisation is therefore not only inaccurate in presuming single author brand creation, but also deeply troubling since it marginalises consumer agency and reinforces the exploitation of their immaterial labour through the instrumentality of trade mark law.

**Keywords:** intellectual property, trade mark, brand, property

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\* Law Department, London School of Economics. This paper is a more extensive version of a forthcoming chapter: 'Property in Brands: The Commodification of Conversation' in H. Howe and J. Griffiths (eds) *Property Concepts in Intellectual Property Law* (Cambridge: CUP 2013). I am grateful to Deven Desai for helpful comments and suggestions.

## I. INTRODUCTION

This paper traces the emergence of a new *res* or object of protection within European trade mark law. Proprietary rights in trade marks have conventionally been premised upon the mark's ability to communicate useful information; namely, indicating the commercial source of goods or services, also referred to as the essential function of a trade mark.<sup>1</sup> Granting exclusive rights to control the use of a mark preserves its ability to reliably signal origin. This ability reduces consumer search costs and protects producer goodwill.<sup>2</sup> Contemporary EU trade mark law goes further and protects the more expansive brand dimension associated with a successful trade mark. The Court of Justice of the European Union (ECJ) has enabled this by recognising not only the origin indication function of marks, but also their advertising, investment and communication functions. Viewed comparatively, it is the most generous trade mark regime in this regard<sup>3</sup> and therefore of considerable interest. The brand is a remarkably elusive and protean, yet undeniably valuable, intangible. So what are the doctrinal tools and techniques available to courts, registrars and legal practitioners, enabling them to work with such elusive subject matter? What are the corresponding assumptions about brand creation and sustenance that reinforce these techniques? And can they be reconciled with recent conceptualisations of branding emerging from marketing and consumer studies research? Since brand protection is a controversial development within European trade mark law, this paper unpacks the manner in which the brand is conceived of within legal doctrine.

In pursuing these questions, I have two inter-related agendas. The first is conceptual in orientation, where the aim is to investigate the brand as 'thing' within EU law. All of Intellectual Property (IP) shares a foundational difficulty, which is to identify and delimit the object to which property rights are attached. As Drahos observes, IP law 'deals with abstract objects [which] are not like physical objects. They do not, for instance, have obvious boundaries'.<sup>4</sup> For registration based regimes, the settling of boundaries involves acts of representation within the limits set by bureaucratic rules and procedures. While the registration process for real property is similarly preoccupied with representation and abstraction, intellectual property lacks an equivalent material referent and its

<sup>1</sup> I. Simon, 'How Does "Essential Function" Drive European Trade Mark Law?', (2005) 36 *IIC* 401.

<sup>2</sup> See for e.g. *SA Cnl-Sucal NV v Hag GF AG* (C-10/89) [1990] ECR I-3711, (1990) 3 CMLR 571 (AG Francis Jacobs), 582-583 ('[T]rade marks reward the manufacturer who consistently produces high-quality goods and they thus stimulate economic progress [...] they [also] act as a guarantee, to the consumer, that all goods bearing a particular mark have been produced by, or under the control of, the same manufacturer and are therefore likely to be of similar quality').

<sup>3</sup> *L'Oreal v Bellure* [2010] EWCA Civ 535 at [20] (Jacob, LJ) (Observing that as a result of the increasing recognition of brand value, 'the EU has a more "protective" approach to trade mark law than other major trading areas or blocs').

<sup>4</sup> P. Drahos, *A Philosophy of Intellectual Property* (Vermont: Ashgate-Dartmouth 1996) xi.

physical characteristics which otherwise provides a point of reference.<sup>5</sup> Legal techniques for identifying these intangibles therefore have particular significance. For example, although an intangible invention is only partially captured in its patent specification document, this nevertheless allows registrars and courts to effectively work with it.<sup>6</sup> Similarly copyright, which lacks an accompanying registration apparatus, invokes the concept of the ‘work’ as shorthand for authorial output. The work exists in relation to the material form of the underlying object (such as a book); yet copyright protection of the work is not limited to the surface of this object (the literal text of the book) and extends to a certain depth below it.<sup>7</sup> When it comes to the delimitation of trade marks, the issue of representation was considered less problematic. Trade marks conventionally consisted of words and images, which were relatively straightforward to represent graphically on trade mark registers with a high degree of fidelity.<sup>8</sup> The mark, as registered, formed the core of the object of protection and was the starting point for any subsequent infringement analysis. However the introduction of the brand complicates this story.

Semiotic analysis suggests that trade marks can be understood ‘as a three-legged stool, consisting of a signifier (the perceptible form of the mark), a signified (the semantic content of the mark, such as the goodwill or effect to which the signifier refers), and a referent (the product or service to which the mark refers)’.<sup>9</sup> It is the signified that is commodious enough to incorporate the brand dimension. Yet while both signifier and referent are relatively easy to depict on registration forms, how does one represent the more fluid and subjective signified? Since looking to the register is not an option, its content only crystallises in the context of a specific dispute. The process of filling in this content can in principle draw on direct evidence of consumer perceptions but increasingly relies on indirect proxies. Retracing this juridical reification of the brand, Section 2 argues that the brand is presently conceived of within a ‘broadcast’ or one-way information transmission model, where the trade mark owner projects a defined brand identity that is received unmodified by a passive audience. This faithfully reproduced image subsequently triggers predictable affective and cognitive effects in consumers. For this model, consumption is situated within a rational choice paradigm with a corresponding focus on purchasing behaviour and it is not considered to be an

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<sup>5</sup> An overview of the abstract, dematerialised *res* and the constitutive functions of property law, even in the case of tangible property, is provided by A. Rahmatian, *Copyright and Creativity: The Making of Property Rights in Creative Works* (Cheltenham: Edward Elgar 2011) 10-12.

<sup>6</sup> For a history of the constitutive roles of material media, including working models, used to represent the intangible invention, see: A. Pottage and B. Sherman, *Figures of Invention: A History of Modern Patent Law* (Oxford: OUP, 2010). The patent specification’s historical emergence is outlined in J. Pila, *The Requirement of an Invention in Patent Law* (Oxford: OUP 2010) 41-44.

<sup>7</sup> B. Sherman, ‘What is a Copyright Work?’ (2011) 12 *Theoretical Inquiries in Law* 99.

<sup>8</sup> By contrast, the interest in non-conventional mark registrations – shapes, colours, sounds, scents, tastes, texture etc – has foregrounded the importance of representation techniques. See R. Burrell and M. Handler, ‘Making Sense of Trade Mark Law’ (2003) 4 *IPQ* 388; WIPO, ‘Methods of Representation and Description of New Types of Marks’ 29 Mar 2007 (SCT/17/2).

<sup>9</sup> B. Beebe, ‘The Semiotic Analysis of Trade Mark Law’ (2004) 51 *UCLA Law Review* 621, 625.

interactive, meaning-based activity. This model is best understood as an extension of the trade source information transmission logic that generally underpins trade mark doctrine. However the assumption of a one way flow of content is untenable in the branding context.

As the title to this paper suggests, a dialogic or conversational model has greater explanatory potential instead. Section 3 investigates the co-creation of brands and the agency of consumers in their formation. It subsequently considers the implications of these ontological insights for normative debates, which is the other agenda pursued by this paper. The manner in which the brand is conceived has implications for justifying proprietary interests in it. Stated briefly, the broadcast model attributes image creation solely to the mark owner. Creation, including the components of effort and investment, is subsequently the basis for ownership.<sup>10</sup> Yet the judicial recognition of brands as property objects is a controversial development. The expansive scope of trade mark protection has been causally connected to the recognition of brand value and concerns about a resultant imbalance are frequently articulated, since the interests of trade mark proprietors are privileged over those of competitors and consumers.<sup>11</sup> This leads to the following question: while brands have cultural significance and substantial economic value,<sup>12</sup> why should this be recognised by granting additional proprietary rights to trade mark owners?<sup>13</sup> If the creation model is the proposed answer, is it up to the task?

These questions are worth pursuing, since there are compelling arguments ranged against expansive brand protection. Approaching this debate from the perspective of overall social welfare, some scholars suggest that the persuasive effects of brands grate against the core informational efficiency logic of trade mark

<sup>10</sup> An overview of the creator-centred justifications for IP is provided by M. Spence, *Intellectual Property* (Clarendon Law Series) (Oxford: OUP 2007) 45-58.

<sup>11</sup> J. Davis. 'Between a Sign and a Brand: Mapping the Boundaries of a Registered Trade Mark in European Union Trade Mark Law', in L. Bently, J. Ginsburg and J. Davis, *Trade Marks and Brands: An Interdisciplinary Critique* (Cambridge: CUP, 2008) 65 (describing pressures on the trade mark registration system to accommodate brand dimensions at the time of registration, which favours mark owners at the cost of competitor and consumer interests); M. Senftleben, 'Trade Mark Protection: A Black Hole in the Intellectual Property Galaxy?' (2011) 42 *IIC* 383, 384 ('The question, then, is whether the creation of a brand image should be rewarded with enhanced protection even though this is a selfish endeavour.'). M. P. McKenna, 'The Normative Foundations of Trade Mark Law', (2007) 82 *Notre Dame Law Review* 1839, 1843, 1843 ('Modern [US] law [...] sees a mark itself as a repository for value and meaning, which may be deployed across a wide range of products and services. [It] amounts to little more than industrial policy intended to increase brand value').

<sup>12</sup> An influential annual survey of economic value is Interbrand's Best Global Brands List. Coke, the predictable list topper, was valued at just under \$78 million. See: <http://www.interbrand.com/en/best-global-brands/2012/Best-Global-Brands-2012.aspx> (last visited 25 Jan 2013).

<sup>13</sup> For criticisms of the 'if value, then right' proposition, which entails a normative commitment to the internalization of all externalities arising from the use of an intangible, see: M. A. Lemley, 'Property, Intellectual Property, and Free Riding' (2005) 83 *Texas Law Review* 1031; A. Barron, 'Copyright Infringement, "Free-Riding" and the Lifeworld' in L. Bently, J. Davis and J. C. Ginsburg (eds), *Copyright and Piracy: An Interdisciplinary Critique* (CUP: Cambridge 2011) 93.

law. They hinder rational purchasing decisions and distort competition.<sup>14</sup> Drawing on Pierre Bourdieu's work, Beebe has forcefully argued that enhanced brand protection is a form of sumptuary law, which seeks to reinforce processes of consumption-based social distinction by suppressing the revolutionary social and cultural implications of increasingly powerful mimetic technology.<sup>15</sup> Meanwhile Katyal suggests that the ambit of cultural conversations is being constricted, since 'public spaces have become converted into vehicles for corporate advertising [and] the law has generously offered near-sovereign protection to such symbolism'. The time is ripe for semiotic disobedience, which requires the interruption, appropriation and substitution of branding messages through artistic practices.<sup>16</sup>

An emerging corpus of trade mark scholarship therefore attempts to reconcile these concerns about an ever expanding sphere of protection with the recognition of brand value within trade mark doctrine. This scholarship acknowledges that brands are meaningful for consumers and valued by them. Yet it challenges assumptions of passivity, instead accentuating the interpretative agency and creative contributions of individual consumers as well as brand communities. Acknowledging trade marks in their brand incarnation need not commit us to a one way ratchet of ever expanding protection and could instead result in greater doctrinal coherence as well as leeway for unauthorised referential activity by consumers or the general public.<sup>17</sup> However, I suggest that this approach may still be too deferential. Instead of favouring a limited carve-out for consumers, the analysis in this paper is directed further upstream. Since EU law has embraced the brand more fully than other legal regimes, are proprietary claims based on brand creation defensible in the first place? Drawing primarily on Adam Arvidsson's sociological critique which situates contemporary branding within the historical emergence of informational capital, Section 3 outlines the processes by which the 'immaterial labour' of consumers involved in brand creation is recognised, yet co-opted and marginalised. Recognising the extent to which consumers participate in the creation of brand content and the manner in which they add value allows us to directly challenge the foundations of the creation argument. Section 4 concludes.

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<sup>14</sup> K. Assaf, 'Brand Fetishism' (2010) 43 *Connecticut Law Review* 83; J. Sheff, 'Biasing Brands' (2010) 32 *Cardozo Law Review* 1245.

<sup>15</sup> B. Beebe, 'Intellectual Property Law and the Sumptuary Code' (2010) 123 *Harvard Law Review* 809.

<sup>16</sup> S. Katyal, 'Semiotic Disobedience' (2006) 84 *Washington University Law Review* 489.

<sup>17</sup> D. R. Gerhardt, 'Consumer Investment in Trade Marks' (2010) 88 *North Carolina Law Review* 427; L. A. Heymann, 'The Law of Reputation and the Interest of the Audience' (2011) 52 *Boston College Law Review* 1341; D. Desai, 'From Trade Marks to Brands' (2012) 64 *Florida Law Review* 981; I. D. Manta 'Hedonic Trade Marks' (2013) 74 *Ohio State Law Journal* \_\_\_\_ [Forthcoming], available at: <http://ssrn.com/abstract=2125252>. For an influential study drawing on literary criticism and advocating the public authorship of marks, see S. Wilf, 'Who Authors Trade Marks?' (1999) 17 *Cardozo Arts & Entertainment Law Journal* 1.

## II. BRANDING AND THE ECJ: A MANAGERIAL APPROACH

### 1. CONVENTIONAL MARKETING PERSPECTIVES ON BRANDING

A trade mark is a legally constituted sign, whose defining feature is that it is 'capable of distinguishing the goods or services of one undertaking from those of other undertakings'.<sup>18</sup> By contrast, a brand is notoriously difficult to define, since the attributes emphasised vary depending upon the perspective adopted. The mainstream marketing literature depicts it as an intangible asset and source of sustained competitive advantage. Kapferer summarises it as 'a name with power to influence buyers'.<sup>19</sup> Keller's definition also circulates widely: 'a brand is a set of mental associations, held by the consumer, which add to the perceived value of a product or service'.<sup>20</sup> These associations should be unique to the brand as far as possible, have saliency or strength and be positive or desirable. Building brand equity, the capacity of a brand to generate value, is therefore 'about fostering a number of possible attachments around the brand, be these experiences, emotions, attitudes, lifestyles or, most importantly perhaps, loyalty. From a managerial perspective brand value represents the monetary value of what a brand can mean to consumers'.<sup>21</sup> Brands are valuable because they produce real world effects in the consumer decision making process. Researchers have concluded that they 'have a positive influence on consumer choice, preferences and intention of purchase, their willingness to pay a price premium for the brand, accept brand extensions and recommend the brand to others'.<sup>22</sup> The processes generating these effects include both cognitive (mental associations) and affective (emotional associations) components. As regards the former, each brand is envisaged as the central node of an associative network constituted by consumers' learned connections between the brand and a variety of cues, benefits and symbolic meanings. This information can be absorbed into a cognitive schema, which in turn influences consumer attitudes and behaviour. Recalling the trade mark also invites the associated schema along for the ride.<sup>23</sup> Affect has a complementary role, since brands engage consumers at an emotional level and the subconscious or involuntary influence of emotions on consumer decision making has important

<sup>18</sup> TRIPS Agreement, Art 15(1).

<sup>19</sup> J-N. Kapferer, *The New Strategic Brand Management: Creating and Sustaining Brand Equity Long Term* 4<sup>th</sup> ed (Kogan Page: London, 2008) 11.

<sup>20</sup> K. L. Keller, *Strategic Brand Management: Building, Measuring, and Managing Brand Equity* (Pearson Prentice Hall: Upper Saddle River, NJ, 1998) cited by Kapferer (n 19) 10.

<sup>21</sup> A. Arvidsson 'Brands: A Critical Perspective' (2005) 5 *Journal of Consumer Culture* 235, 238-239.

<sup>22</sup> A. Belén del Río, R. Vázquez and V. Iglesias, 'The Effects of Brand Associations on Consumer Response' (2001) 18 *Journal of Consumer Marketing* 410, 413.

<sup>23</sup> S. M. J. van Osselaer and J W Alba, 'Consumer Learning and Brand Equity' (2000) 27 *Journal of Consumer Research* 1. For judicial recognition of this associative network hypothesis, see: *Cadbury Schweppes Pty. Ltd. v. Darrell Lea Chocolate Shops* [2007] FCAFC 70, at [24]-[25]. For a sustained critical engagement with this hypothesis within the trade mark law context, see R. Tushnet, 'Gone in Sixty MilliSeconds: Trade Mark Law and Cognitive Science' (2008) 86 *Texas Law Review* 507.

consequences, such as strengthening loyalty to the brand and building long term relationships.<sup>24</sup>

This potential to influence conduct is reflected in the behavioural concept of the brand image. As an aspect of the associative network hypothesis, a brand image ‘refers to the set of associations linked to the brand that consumers hold in memory’.<sup>25</sup> Once desirable product attributes or functions are removed from the equation, the brand image explains why individual purchases are made or ongoing relationships established with manufacturers. Alongside benefits and attitudes, brand attributes are an important category of brand associations that make up the image, consisting of the descriptive features that characterise a brand.<sup>26</sup> Typical examples would be ruggedness, youthful energy, sophistication or luxury. Different approaches exist to measure the impact of brand image (considering brands in isolation; or relative to competitors; or in relation to consumer self-image) as well as to fill in its content (ranging from quantitative methods to free verbalisations of associations through interviews).<sup>27</sup> Brand image may also provide the resources for both individual as well as collective identity projects. Since consumers fabricate their identities within a market context, brands signal social identity or status – compare those who drive trustworthy Toyotas with flashy Ferraris.<sup>28</sup> Brand image is considered to have additional traction where there is congruence with a consumer’s own self-image.<sup>29</sup> However, ‘the debate is ongoing as to whether an image is something that is conveyed or something that is received’.<sup>30</sup>

Within the literature, this has led to the conceptual separation between (1) brand identity, as crafted and projected by corporate brand managers and (2) brand image, the subjective and perceptual impression that is formed through a process of interpretation in the minds of consumers. The possibility of identity and image being imperfectly aligned is a source of concern. ‘According to the basic communications model, the company (source) encodes and sends a message to the consumer (receiver), who decodes the message based on his or her frame of reference [...] A communication gap can exist if there is a discrepancy between the encoding and decoding processes’.<sup>31</sup> Even this potential gap can be

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<sup>24</sup> L. R. Bradford, ‘Emotion, Dilution and the Trade Mark Consumer’ (2008) 23 *Berkeley Technology Law Journal* 1227.

<sup>25</sup> K. L. Keller, ‘Conceptualizing, Measuring, and Managing Customer-Based Brand Equity’ (1993) 57 *Journal of Marketing* 1, 2.

<sup>26</sup> Belén del Río et al (n 22) 411.

<sup>27</sup> See D. Dobni and G. M. Zinkhan, ‘In Search of Brand Image: A Foundation Analysis’, in M. E. Goldberg, G. Gorn, and R. W. Pollay (eds), *Advances in Consumer Research - Volume 17* (Association for Consumer Research, 1990) 110.

<sup>28</sup> D. Holt, *How Brands Become Icons* (Harvard University Press: Cambridge MA 2004) (For the general argument that brands become cultural icons only when they resonate with the identity projects of large groups of consumers).

<sup>29</sup> B. T. Parker, ‘A Comparison of Brand Personality and Brand User-Imagery Congruence’ (2009) 26 *Journal of Consumer Marketing* 175.

<sup>30</sup> Dobni and Zinkhan, (n 27) 116.

<sup>31</sup> S. Nandan, ‘An Exploration of the Brand Identity-Brand Image Linkage: A Communications Perspective’ (2005) 12 *Journal of Brand Management* 264, 265. See also R. K. Srivastava and G. M.



dynamically managed or corrected, which reinforces the fundamental managerial conviction that sustains much of this marketing scholarship – brand managers, through a combination of experience, insight and strategic choices, can control the message.<sup>32</sup> Within this tradition:

it is often assumed that the brand owner exerts considerable control over the brand. From this perspective, successful brand management becomes a matter of finding the brand's true and timeless essence and carrying out brand-building activities that will translate the identity into a corresponding brand image.<sup>33</sup>

Such thinking tracks the dominant approach to marketing in economics, which held sway until the late 1980s. Modern marketing logic, as derived from economics, advanced a view of the firm and the customer as separate and discrete; the customer is exogenous to the firm and is the passive recipient of the firm's active value creation efforts, and value is created in the factory.<sup>34</sup>

This approach has been challenged by an efflorescence of recent scholarship from within marketing research, as well as consumer studies research incorporating sociological and anthropological approaches to consumption. A central insight reiterated within this research is that meaning as well as value creation for brands is located in consumer perceptions and practices.<sup>35</sup> Deven Desai characterises this as a split into 'two major dimensions. One, the corporate dimension, sees the brand as owned and controlled by the corporation and shaped by the marketer. The other, the non-corporate dimension, accepts that brands are social constructs driven by individuals at a personal level and communities at a social level'.<sup>36</sup> While we return to notions of consumer co-creation in Section 3, the remainder of this Section will demonstrate that European trade mark doctrine adheres closely to the corporate or managerial approach to brands, by articulating the advertising, investment and communication functions of trade marks almost completely in terms of the agency of the trade mark proprietor. It has taken a further and decisive step towards recognising brand value by prohibiting free riding on a brand image *per se*. This Section concludes with an analysis of the

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Thomas, 'Managing Brand Performance: Aligning Positioning Execution and Experience' (2010) 17 *Journal of Brand Management* 465.

<sup>32</sup> See generally, D. Aaker and E. Joachimsthaler, *Brand Leadership* (New York: Knopf, 2000).

<sup>33</sup> A. Bengtsson and J. Ostberg, 'Researching the Cultures of Brands' in R. W. Belk (ed) *Handbook of Qualitative Research Methods in Marketing* (Cheltenham: Edward Elgar, 2006) 83, 85.

<sup>34</sup> H. J. Schau, A. M. Muñoz Jr. and E. J. Arnould, 'How Brand Community Practices Create Value' (2009) 73 *Journal of Marketing* 30, 30.

<sup>35</sup> *Ibid.* See also: D. B. Holt, 'How Consumers Consume: A Typology of Consumption Practices' (1995) 22 *Journal of Consumer Research* 1; S. L. Vargo and R. S. Lusch, 'Evolving to a New Dominant Logic for Marketing' (2004) 68 *Journal of Marketing* 1; L. F. Pitt, R. T. Watson, P. Berthon, D. Wynn and G. Zinkhan, 'The Penguin's Window: Corporate Brands from an Open-Source Perspective' (2006) 34 *Journal of Academy of Marketing Science* 115.

<sup>36</sup> Desai (n 17) 992.

presumptions and techniques relied upon by courts to work with this managerial concept of brands, within a broadcast or one-way information transmission model.

## 2. THE FUNCTIONAL APPROACH TO BRANDS

The ECJ has approached the recognition of brand value incrementally and indirectly. After hinting for several years that trade marks perform various unspecified functions the ECJ finally declared in *L'Oréal*:

These functions include not only the essential function of the trade mark, which is to guarantee to consumers the origin of the goods or services, but also its other functions, in particular that of guaranteeing the quality of the goods or services in question and those of communication, investment or advertising.<sup>37</sup>

The use of 'in particular' in the above quote suggests that this is not a closed list and new functions may be identified in the future.<sup>38</sup> On the one hand, *L'Oréal* can be seen as moving with the times and recognition that was long overdue.<sup>39</sup> It seems artificial to restrict the legal understanding of trade mark functions to commercial source and consistent quality, when brands like Apple® form the basis for consumer communities, inspire tribal loyalties and are framed in the language of relationships rather than transactions.<sup>40</sup> On the other hand, there is some uncertainty as to the interactions and overlaps between these newly identified functions, as well as their content. Advocate General Jääskinen notes

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<sup>37</sup> *L'Oréal SA v Bellure NV* (C-487/07) [2009] ECR I-5185, [2009] ETMR 55 at [58]. These functions have been subsequently endorsed in: *Google v Louis Vuitton Malletier et al* (C-236/08, C-237/08 and C-238/08) [2010] ECR I-2417, [2010] ETMR 30 (Grand Chamber) at [77]; *Die BergSpechte Outdoor Reisen v Günter Guni* (C-278/08) [2010] ECR I-2517, [2010] ETMR 33 at [31]; *Portakabin Ltd v Primakabin BV* (C-558/08) [2010] ECR I-6963, [2010] ETMR 52 at [30].

<sup>38</sup> Potential candidates are considered in *Budějovický Budvar v Anheuser-Busch* (C-482/09) [2012] ETMR 2 (AG Trstenjak) at [63], FN26 ('They include, according to legal writing on trade mark law, inter alia the coding, guarantee, origin, identification and individualisation, information and communication, monopolising, naming, quality, distinction, confidence, distribution and advertising functions, without the individual functions always having legal relevance [...]').

<sup>39</sup> *Arsenal v Reed* (C-206/01) [2002] ECR I-10273; [2003] ETMR 19 (AG Colomer) at [46] ('It seems to me to be simplistic reductionism to limit the function of the trade mark to an indication of trade origin [...]. The trade mark acquires a life of its own, making a statement, as I have suggested, about quality, reputation and even, in certain cases, a way of seeing life.'). J. B. Swann, 'An Interdisciplinary Approach to Brand Strength' (2006) *Trade Mark Reporter* 943, 972 ('Just as trade marks have evolved, we have moved legally from source as king to the salience of quality; we should now move to brand imagery as an object of trade mark concern').

<sup>40</sup> See A. M. Muniz, Jr. and T. C. O'Guinn, 'Brand Community' (2001) 27 *Journal of Consumer Research* 412 (Describing the Apple Macintosh 'community' using the markers of shared consciousness, rituals and traditions, and a sense of moral responsibility). In response, it is worth restating a question posed by Graeme Dinwoodie in 'Trade Marks and Territory: Detaching Trademark Law from the Nation-State' (2004) 41 *Houston Law Review* 885, 889-890 (Should 'trade mark law be structured *reactively* to protect whatever consumer understandings or producer goodwill develops, or should it *proactively* seek to shape the ways in which consumers shop and producers sell or seek to acquire rights, thus shaping how the economy functions?')

that there is ‘no terminological or substantial consensus as to how the “functions” of the trade mark should be understood. The same goes for the conceptual relationships that exist between the various functions, especially whether some (or all) of the functions can actually be seen as included in the essential function that is to guarantee to consumers the origin of the goods or services’.<sup>41</sup> He therefore concludes that the communication function operates at a foundational level and is integrated into the other functions, such that it does not require separate consideration.<sup>42</sup>

In the face of this uncertainty, courts have begun the process of establishing the contours of these newer functions. The following paragraphs demonstrate that since they are perceived to cumulatively stack upon the essential function of indicating origin and this core function was situated within a broadcast model, the same assumptions relating to one-way communication have been applied to them. Commencing with the essential or origin function, its identification preceded the enactment of the EU Trade Marks Directive.<sup>43</sup> It is the ability:

[To] guarantee the identity of origin of the marked goods or services to the consumer or end user by enabling him, without any possibility of confusion, to distinguish the goods or services from others which have another origin. For the trade mark to be able to fulfil its essential role in the system of undistorted competition which the Treaty seeks to establish and maintain, it must offer a guarantee that all the goods or services bearing it have been manufactured or supplied under the control of a single undertaking which is responsible for their quality.<sup>44</sup>

The essential function was initially identified in the context of furthering the goals of a competitive common market. In *HAG-II*,<sup>45</sup> the ECJ revisited the issue of whether national trade mark rights could operate as obstacles to the free movement of goods, leading to the artificial partitioning of markets. Here trade marks were justified as ‘an essential element of the system of undistorted competition which the Treaty aims to establish and maintain. In such a system enterprises must be able to gain customers by the quality of their products or services, which can be done only by virtue of the existence of distinctive signs permitting identification of those products and services’.<sup>46</sup> Such marks would allow producers to signal reliable quality and consumers could depend upon these signs, since third parties would be prohibited from making unauthorised uses of

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<sup>41</sup> *L’Oréal SA v eBay* (C-324/09) [2011] ETMR 52 at FN20.

<sup>42</sup> *Ibid.*, at FN58.

<sup>43</sup> First Council Directive 89/104/EEC of 21 December 1988 to Approximate the Laws of the Member States relating to Trade Marks, OJ 1989 L40/1. The substantive provisions under consideration remain unmodified in its successor, Directive 2008/95/EEC of 22 October 2008, OJ 2008 L299/25.

<sup>44</sup> *Arsenal v Reed* (n 39) at [48].

<sup>45</sup> *Cnl-Sucal NV SA v Hag GF AG* (C-10/89) [1990] ECR I-3711; [1990] 3 CMLR 571.

<sup>46</sup> *Ibid.*, at [13].

them. With the mark viewed as an information carrier, transmitted by producers and received by consumers, the origin function thus facilitated a process of identification and choice.<sup>47</sup> As Advocate General Colomer described it: ‘The *manufacturer gives the consumer information* in order to make him aware of the goods, and sometimes persuades him as well’ (emphasis added).<sup>48</sup> It did not matter that consumers were unaware of the specific production location, so long as they knew that an identifiable undertaking stood behind the product. Legal protection to preserve this broadly construed origin function would ensure that an uncluttered signal would reach the market, which accounts for trade mark infringement historically being concerned with preventing the likelihood of confusion.<sup>49</sup> Conceived in the context of market signalling and sustained by informational efficiency logic, the essential or origin function therefore clearly presumes a one-way flow of information from producers to consumers.

The ‘guarantee of quality’ function follows closely from the essential function and they are seen as two sides of the same coin. The ‘mark is a sign to the customer both that the goods are the goods of a particular source (whether he knows or cares what that source is) and that the proprietor of the mark holds himself out as responsible for those goods and their quality. This representation of responsibility for quality is inseparable from the mark’s function as an indication of source’.<sup>50</sup> While this is a signal of consistent, as opposed to minimum, quality, in theory it encourages producers to invest in maintaining or improving the quality of the underlying products.<sup>51</sup> Once we move beyond origin and quality, brand dimensions begin to surface. In *L’Oréal* itself, Advocate General Mengozzi addressed the communication function. Marks were ‘a vehicle for providing consumers with various kinds of information on the goods identified by them’, which included “‘accumulated” information on the mark as a result of promotion and advertising carried out by the proprietor – for example, advertisements relating to non physical characteristics which the image of the product or the company may generally be associated with (for example, quality, trustworthiness, reliability, etc.) or particular attributes (for example, a certain style, luxury, strength)’.<sup>52</sup> Thus construed, the communication function recognises that marks are semantically roomy enough to carry a range of promotional messages and this seems indistinguishable from a mere combination of the investment and

<sup>47</sup> *Memorandum on the Creation of an EEC Trade Mark* SEC (76) 2462 (6 Jul 1976) reprinted in (1976) 7 *IIC* 367 at [12]–[14]. Cf Simon (n 1); F.-K. Beier, ‘The Development of Trade Mark Law in the Last Twenty-Five Years’ (1995) 26 *IIC* 769.

<sup>48</sup> *Sieckmann v. Deutsches Patent- und Markenamt* (C-273/00) [2002] ECR I-11737; [2005] CMLR 40 (AG Colomer) at [19].

<sup>49</sup> By preventing clutter, the resultant increase of informational efficiency and the reduction of transaction (search) costs justify trade mark protection in the law and economics tradition. See W. M. Landes and R. A. Posner, ‘Trade Mark Law: An Economic Perspective’ (1987) 30 *Journal of Law and Economics* 265.

<sup>50</sup> *Glaxo Group v Dowellburst* [2000] ETMR 415, 425–26 (Ch) (Laddie, J). See also *Parfums Christian Dior v. Evora* (C-337/95) [1997] ECR I-6013; [1998] 1 CMLR 737 (AG Jacobs) at [41].

<sup>51</sup> S. M. Maniatis and A. Kamperman Sanders, ‘A Consumer Trade Mark: Protection based on Origin and Quality’ (1993) 11 *EIPR* 406.

<sup>52</sup> *L’Oréal v Bellure* (n 37) (AG Mengozzi) at [54].

advertising functions. Turning from the content to the nature of communication, a one-way transmission model that resonates closely with the managerial approach to branding is revealed in the reasoning of Advocate General Colomer:

A trade mark is in reality communication [...] Communication means one person imparting something that he knows to another. Consequently, every act of communication requires a sender, a message, a medium or channel for its transmission, and a recipient who can decipher or decode it. The code in which it can be expressed depends on the type of decoder the recipient uses to receive, comprehend and assimilate it. Homo sapiens is thus a recipient with a wide variety of decoders.<sup>53</sup>

As opposed to the ever-implicit and arguably unnecessary communication function, the advertising function has grown in prominence within EU doctrine. It emerged across a series of cases which acknowledged that the positive reputation associated with a well known mark deserved protection independently of whether the origin function was threatened, i.e. even where consumers would not be confused by the defendant's use.<sup>54</sup> More recent decisions explicitly associate the advertising function with the creation of a 'brand image'.<sup>55</sup> Thus highly reputed marks 'frequently perform functions [beyond origin indication]. They present a powerful image of quality, exclusivity, youth, fun, luxury, adventure, glamour or other reputedly desirable lifestyle attributes, not necessarily associated with specific products but capable of presenting a strong marketing message in itself'.<sup>56</sup> This ability to convey 'images and feelings' gives reputed marks 'an inherent economic value which is independent of and separate from that of the goods or services for which it is registered [...] [and] which deserves protection'.<sup>57</sup> The Grand Chamber of the ECJ observes that a trade mark proprietor may have the objective 'of using its mark for advertising purposes designed to inform and persuade consumers [...] as a factor in sales promotion or as an instrument of commercial strategy'.<sup>58</sup> This is considered to be a legitimate objective and trade mark law is now mobilised to protect this function.

Finally, this representation of positive qualities and the successful assemblage of a brand image is an expensive proposition, which is the cue for the investment

<sup>53</sup> *Sieckmann* (n 48) (AG Colomer) at [19]-[20] (footnotes omitted).

<sup>54</sup> Reviewed in I. Simon Fhima 'The Court of Justice's Protection of the Advertising Function of Trade Marks: An (Almost) Sceptical Analysis' (2011) 6 *Journal of Intellectual Property Law and Practice* 325.

<sup>55</sup> See for e.g. *L'Oréal SA v Bellure NV* [2007] ETMR 1 (Ch) at [99] (Lewison J) ('The proprietor of a trade mark has a legitimate interest in protecting the image that the registered mark represents'); *Datacard Corporation v Eagle Technologies* [2011] EWHC 244 (Pat) [272] (Arnold J) ('[I]t seems to me that the key point is that the advertising function of a trade mark is its function of conveying a particular image to the average consumer of the goods or services in question').

<sup>56</sup> *Intel Corporation v CPM United Kingdom Ltd* (C-252/07) [2008] ECR I-8823; [2009] ETMR 13 (AG Sharpston) at [8].

<sup>57</sup> *Milbena v OHIM – Spa Monopole* (T-93/06) [2008] ECR II-93; [2008] ETMR 69 at [26].

<sup>58</sup> *Google v Louis Vuitton* (n 37) at [91]-[92].

function. Encouraging the investment required to develop a reputation is considered important because greater visibility serves as the engine for other functions.<sup>59</sup> The ECJ describes this as the investment ‘to acquire or preserve a reputation capable of attracting consumers and retaining their loyalty’.<sup>60</sup> While it ‘may overlap with the advertising function, it is nonetheless distinct from the latter’, since not just advertising but also various ‘commercial techniques’ are used to create and sustain this reputation.<sup>61</sup> Considered cumulatively, these newly acknowledged functions constitute the judicial recognition of trade marks as brands. ‘These other functions are relevant in contemporary business life where trade marks *often acquire independent economic value as brands* that are used to communicate wider messages than the simple origin of goods or services’ (emphasis added).<sup>62</sup> Throughout this process, consumers are depicted as remarkably inert, functioning as little more than a living screen for image projection, while the process of creating associations is unambiguously unidirectional and linear. As presently conceived, these functions conveniently map onto a formalistic approach to ‘three distinct stages of trade mark development: the initial reservation of a sign with the help of trade mark law (“sign reservation”), the programming of the sign through advertising and quality control (“sign programming”) and, finally, the creation of a potentially precious brand image that is the outcome of time and money spent on the two previous steps (“brand image creation”)’.<sup>63</sup>

The immediate consequence of recognising the communication, advertising and investment functions is an expanding field of trade mark protection. Although these additional functions are perceived to rest upon the origin function,<sup>64</sup> it has now been established that they can be protected independently, even where the origin function remains unaffected.<sup>65</sup> The ECJ has indicated that harm to these extended functions will be actionable in the context of a number of provisions of the Trade Marks Directive:

- Art 7 – which stipulates the exhaustion of the proprietor’s rights upon first sale of the goods, except where a legitimate interest (such as harm to functions) is threatened;<sup>66</sup>
- Art 8(2) – licensors retaining rights to proceed against licensees in certain circumstances involving harm to functions;<sup>67</sup>

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<sup>59</sup> *Dior v. Evora* (n 50) (AG Jacobs) at [42] (‘Those functions are said to arise from the fact that the investment in the promotion of a product is built around the mark’).

<sup>60</sup> *Interflora v Marks and Spencer* (C-323/09) [2012] ETMR 1 at [60].

<sup>61</sup> *Ibid.* at [61].

<sup>62</sup> *L’Oréal SA v eBay* (C-324/09) [2011] ETMR 52 (AG Jääskinen) at [46].

<sup>63</sup> M. Senftleben, ‘The Trade Mark Tower of Babel – Dilution Concepts in International, US and EC Trade Mark Law’ (2009) 40 *IIC* 45, 46.

<sup>64</sup> *Memorandum on the Creation of an EEC Trade Mark* (n 47) at [68]; *Dior v Evora* (n 50) (AG Jacobs) at [42].

<sup>65</sup> Max Planck Institute, *Study on the Overall Functioning of the European Trade Mark System* (2011) at [2.179] (Hereafter *Max Planck Study*).

<sup>66</sup> *Bristol-Myers Squibb v Paranova* (C-427/93) [1996] ECR I-3457, [1996] ETMR 1; *Dior v Evora* (n 50).

<sup>67</sup> *Copad SA v Christian Dior Couture SA* (C-59/08) [2009] ECR I-3421.

- Art 5(1)(a) – where the defendant is using an identical mark on identical goods or services) and this interferes with the functions of the proprietor’s mark;<sup>68</sup> and
- Art 5(2) – trade mark dilution as a form of infringement, which consists of prohibitions on blurring, tarnishment and free riding, all involving non-confusing yet allusive uses of marks.<sup>69</sup>

Given their role in delimiting the scope of liability, there is concern that these brand-inspired functions have not been adequately theorised or delimited.<sup>70</sup> If doubts persist about the content of the advertising or investment functions, how should we determine when they are harmed? Ill-defined functions tend to lead to overbroad protection, uncertainty and a chilling effect on third party activities in practice.<sup>71</sup>

These developments have incrementally reoriented European trade mark law over the past two decades, moving it closer to full-fledged brand protection and the decision in *L'Oréal* may be seen as the culmination of that process. *L'Oréal* had objected when a manufacturer of low price smell-alike or replica perfumes resorted to look-alike packaging and the use of comparison lists to indicate olfactory equivalence with some of *L'Oréal*’s leading brands for fine fragrances. No consumers were confused by this and the imitator was otherwise free to copy the fragrances, since they were not protected by other intellectual property rights. It was also established that alternative forms of harm to *L'Oréal*’s marks, such as detriment to distinctiveness (blurring) or detriment to repute (tarnishment) were not in issue. *L'Oréal* claimed this signaling of equivalence amounted to the taking of unfair advantage under Art 5(2) of the Directive<sup>72</sup> and the ECJ was asked to elaborate on this category of infringement.<sup>73</sup> A central issue was whether any

<sup>68</sup> *L'Oréal SA v Bellure* (n 37); *Google v Louis Vuitton* (n 37).

<sup>69</sup> *Intel v CPM* (n 56); *L'Oréal SA v Bellure* (n 37); *Interflora* (n 60) (AG Jääskinen) at [50] (Describing dilution as a ‘property-based approach [that] also protects the communication, advertising and investment functions of trade marks with a view of [sic] creating a brand with a positive image and independent economic value (brand equity or good will)’).

<sup>70</sup> It has recently been recommended to the Commission that these additional functions be identified and clarified in the Preamble to the Directive. See *Max Planck Study* (n 65) at [2.187]. See also: *Interflora v Marks and Spencer* [2010] EWHC 925 (Ch) at [18] (Referring to concerns by the Commission that the precise scope of the exclusive rights afforded by Art 5(1)(a) are ambiguous, because the underlying functions it seeks to protect are unclear).

<sup>71</sup> *Max Planck Study* (n 65) at [2.187]; A. Horton, ‘The Implications of *L'Oréal v Bellure* – a Retrospective and a Looking Forward: The Essential Functions of a Trade Mark and When is an Advantage Unfair?’ [2011] *EIPR* 550 (Asking what ‘is meant by the communication, investment and advertising functions of a mark? These are unclear and undefined concepts which offer no certainty to businesses’).

<sup>72</sup> In relevant part, it provides that ‘the proprietor shall be entitled to prevent all third parties not having his consent from using in the course of trade any sign which is identical with, or similar to, the trade mark in relation to goods or services [...] where the latter has a reputation in the Member State and where use of that sign without due cause takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trade mark’.

<sup>73</sup> For an in-depth discussion of the case, see D. Gangjee and R. Burrell, ‘Because You’re Worth It: *L'Oréal* and the Prohibition on Free Riding’ (2010) 73 *Modern Law Review* 282.

advantage taking was deemed to be unfair, or did 'unfair' have independent substantive content and require (say) that there was some detriment accompanying the free riding? The ECJ responded as follows:

[Where] a third party attempts, through the use of a sign similar to a mark with a reputation, to ride on the coat-tails of that mark in order to benefit from its power of attraction, its reputation and its prestige, and to exploit, without paying any financial compensation and without being required to make efforts of his own in that regard, *the marketing effort expended by the proprietor of that mark in order to create and maintain the image of that mark*, the advantage resulting from such use must be considered to be an advantage that has been unfairly taken of the distinctive character or the repute of that mark (emphasis added).<sup>74</sup>

By prohibiting conduct which allows the defendant to benefit from someone else's brand image and reputation, regardless of any harm to the image, the court has in effect recognised the brand as an independent object of proprietary rights. *L'Oréal* permits the proprietor of a reputed mark to prevent third parties from using the same or a similar sign where such use is likely to take advantage of positive brand associations. While the brand is the object of property rights, the creation and maintenance of this attractive image, through investment and marketing effort, is the apparent basis for such legal recognition. The creation argument is otherwise generally underdeveloped in trade mark law scholarship, since this area has historically evolved from deception prevention foundations and subsequently transitioned into utilitarian logic. Formerly descriptive terms (BRITISH AIRWAYS) or family names (HARRODS) – i.e. not very innovative or creative subject matter – may nevertheless work well as a source indicator.<sup>75</sup> The few scholars who do consider creation based rationales situate them within a specific epistemic tradition (for e.g. Lockean labour) that is derived from the real property context,<sup>76</sup> but the ECJ has provided us with scant guidance as to the source of its inspiration.

### 3. THE DOCTRINAL MECHANICS OF BRAND IMAGE

While brand image creation has been attributed solely to the efforts of the trade mark proprietor, the image itself is portrayed as bounded and stable enough to be

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<sup>74</sup> *L'Oréal v Bellure* (n 37) at [49].

<sup>75</sup> *Sirena Srl v Eda Srl* (Case 40/70) [1971] ECR 69, [1971] CMLR 260 (AG de Lamothe), 264-265 (Whilst acknowledging the investment in advertising, the Advocate General observed: 'If it is considered from the point of view of humanity, certainly the debt that society owes to the 'inventor' of the name 'Prep Good Morning' is not of the same nature (this is the least that may be said) as that which humanity has contracted with the 'inventor' of penicillin').

<sup>76</sup> See for e.g. S. Maniatis, 'Trade Mark Rights – A Justification Based on Property' (2002) 2 *IPQ* 123; M. A. Naser, 'Rethinking the Foundations of Trade Marks' (2007) 5 *Buffalo Intellectual Property Law Journal* 1.



appropriated. The paradigm case of unfair advantage – also referred to as free riding or parasitism – is identified by the Court in the following terms:

It covers, in particular, cases where, by reason of a transfer of the image of the mark or of the characteristics which it projects to the goods identified by the [defendant's use of an] identical or similar sign, there is clear exploitation on the coat-tails of the mark with a reputation.<sup>77</sup>

The image transference therefore constitutes the advantage. Much of the subsequent analysis of *L'Oréal* has been concerned with the lack of any content for the 'unfair' component,<sup>78</sup> described as the appropriation of a benefit without any independent effort by the defendant or recompense to the brand owner. This approach adopts an atomistic, neoclassical economics worldview characterised by unaided individual effort, when social existence and embedded marketplace activity inevitably involve give and take.<sup>79</sup> For the purposes of this paper, it is the relatively unexplored mechanics of the advantage dimension that is of interest, because it is here that the brand – as closed and transferrable object – should be most visible.

When applying the test, the legal analysis proceeds in two stages. First, courts must establish whether a link, in the form of a mental association or bringing to mind, is likely to be triggered due to the similarity between the two signs in dispute.<sup>80</sup> Second, an open ended multifactor test is applied to determine whether the transfer is likely as a result of this link. The ECJ requires that 'national courts will have to undertake a global assessment based on factors including the degree of distinctiveness and reputational strength of the claimant's mark, the similarity between the marks and proximity between the goods, as well as the immediacy of the mental linkage between the claimant and defendant's signs'.<sup>81</sup> In effect, the test resorts to categories of circumstantial evidence, leading to conjecture as to whether an image transfer is likely. Early indications suggest that potential factors driving outcomes are the strength of the link between the two marks, the extent to which there is an overlap between the claimant and defendant's customers and the existence of a nexus between both sets of goods.<sup>82</sup> In many of these cases, an

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<sup>77</sup> *L'Oréal v Bellure* (n 37) at [41].

<sup>78</sup> For criticism, see for e.g. *L'Oréal S.A v Bellure NV* [2010] EWCA Civ 535 at [49]-[50]; Gangjee and Burrell (n 73). For attempts to give substance to this requirement, considering factors such as the defendant's intention to imitate, or the defendant's own reputation as a counterweight, see I. Simon Fhima, *Trade Mark Dilution in the European Union and the United States* (Oxford: OUP, 2010) at [6.43]-[6.57]; Horton (n 71); A. L. Blythe, 'Attempting to Define Unfair Advantage: An Evaluation of the Current Law in Light of the Recent European Decisions' (2012) 30 EIPR 754.

<sup>79</sup> For a critique of this perspective from within law and economics, see M. Lemley and M. McKenna, 'Owning Mark(et)s' (2010) 109 *Michigan Law Review* 137.

<sup>80</sup> The factors to establish this link were identified in *Intel* (n 56) at [41]-[61].

<sup>81</sup> *L'Oréal v Bellure* (n 37) at [45].

<sup>82</sup> I. Simon Fhima and R. Jacob 'Unfair Advantage Law in the European Union' in D. Bereskin (ed), *Trade Mark Dilution and Free-Riding: An Analysis of International Law* (Thomson Reuters, 2013) 243.

intentional allusion to the reputed mark is evident and one mark may very well call another to mind. Whether the image transfer then occurs with mechanical predictability is less certain and an alternative explanation for the prohibition may have more to do with the moral disapprobation directed towards copying another's mark.<sup>83</sup> Consider the following illustrations, where the image transfer theory was applied.

A trade mark registration for ROYAL SHAKESPEARE, used for non-alcoholic as well as alcoholic drinks and bar or restaurant services, was successfully invalidated by the Royal Shakespeare Company (RSC), based on its ROYAL SHAKESPEARE COMPANY mark.<sup>84</sup> The junior user claimed that the point of reference for its mark would be the immortal bard, as opposed to the RSC. It also asked, quite reasonably, how a reputation and image associated with high quality theatre productions could transfer across to bar and restaurant services, when consumers were clear that the disputants were unrelated commercial undertakings.<sup>85</sup> In response, the General Court emphasised the RSC's exceptional reputation, the fact that the relevant publics would overlap, the existence of a strong mental association between the two marks and concluded that despite the apparent dissimilarity between the products and services offered a viable nexus existed since it 'is common practice, in theatres, for bar and catering services to be offered either side of and in the interval of a performance'.<sup>86</sup> Since the circumstantial factors favoured the RSC, an image transfer was deemed likely. A more speculative application of the *L'Oréal* test is found in *You-Q BV*.<sup>87</sup> The senior mark was the name of the famous band, the Beatles, registered for various goods. The junior mark was BEATLE, applied for use with mobility scooters, wheelchairs and related equipment. The senior mark's image was 'even after fifty years of existence, still synonymous with youth and a certain counter-culture of the 1960s, an image which is still positive and could still benefit the [applicant's] goods'.<sup>88</sup> This could be of benefit in relation to mobility equipment 'since the relevant public, on account specifically of the handicap in question, would be particularly attracted by the very positive image of freedom, youth and mobility associated with the earlier marks'.<sup>89</sup> The conclusion is worth restating, to emphasise its incongruity: it is likely that a mobility scooter manufacturer is successfully misappropriating the Beatles image.<sup>90</sup> The test seems designed to

<sup>83</sup> An issue considered in M. Bartholomew, 'Trade Mark Morality' (2013) — William & Mary Law Review — [Forthcoming]. Available at: <http://ssrn.com/abstract=2227106>

<sup>84</sup> *Jackson International Trading Co. Kurt D. Brihl GmbH & Co. KG v. OHIM – ROYAL SHAKESPEARE* (T-60/10) [2012] ECR II-0000 (Unreported).

<sup>85</sup> *Ibid*, at [52].

<sup>86</sup> *Ibid*, at [57]–[60].

<sup>87</sup> *You-Q BV v. OHIM – BEATLE* (T-369/10) [2012] ECR. II-0000; appeal pending as (C-294/12 P).

<sup>88</sup> *Ibid*, at [71].

<sup>89</sup> *Ibid*, at [72].

<sup>90</sup> This vast oversimplification is at odds with the extensive scholarship on the Beatles, the processes contributing to their image and their cultural significance. See K. Womack and T.F. Davis (eds), *Reading the Beatles: Cultural Studies, Literary Criticism, and the Fab Four* (Albany: SUNY Press, 2006) 1 ('The reasons behind the phenomenon of the Beatles and their sustained success are as multifarious and as eminently complex as Western culture itself'). Along with image marketing efforts, the significance of inter-

encourage a finding of unfair advantage based on the suspicion that where one mark brings another to mind, some form of brand pilferage is taking place. This in turn presumes that brand image, as an object, is stable enough to be pilfered. A speculative approach is further encouraged since the test can be satisfied by the likelihood of unfair advantage, as opposed to submitting empirical evidence of an actual image transfer. The ECJ has recently confirmed that the claimant needs to adduce *prima facie* evidence of a future risk, which is not hypothetical and this can be established ‘on the basis of logical deductions made from an analysis of the probabilities and by taking account of the normal practice in the commercial sector as well as all the other circumstances of the case’.<sup>91</sup> No claimant need ever submit actual proof of brand image transference.

Apart from these circumstantial evidence factors, there is no further guidance on how the content of brand image is to be divined. When it comes to detailing this content, it is helpful to unpack the notion of reputation a little further. It has two dimensions in trade mark litigation – quantitative and qualitative. Satisfying the former is a threshold condition for unfair advantage claims and requires quantitative evidence of the visibility and consumer awareness of a mark (how many people are familiar with it). There is judicial guidance for this aspect.<sup>92</sup> However, there is a lack of corresponding guidance for determining the qualitative dimension of reputation, which relates to brand image. In practice, this evidence is usually provided by the trade mark owner, often in the form of witness statements from employees responsible for corporate marketing initiatives. Thus before the trial judge in *L'Oréal*, the image of one of the high end fragrances was established by the trade mark owner in the following terms:

Trésor's image in the United Kingdom is that of a beautiful traditional fragrance with a classic elegant scent. It is particularly popular among customers aged more than 35 (whom Lancôme classify as ‘older customers’).<sup>93</sup>

By contrast, for the Miracle perfume, it was accepted that the ‘brand concept focuses on positive values and is underlined by the name and advertising of the product with modern and fresh imagery. It is popular among younger customers’.<sup>94</sup> Another illustration is found in a dispute over the use of comparative advertising between providers of prescription glasses, where the mark

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generational public memory and a cultural choice to remember the Beatles in a certain way is considered by R. D. Driver, *The Beatles Image: Mass Marketing 1960's British and American Music and Culture, or Being a Short Thesis on the Dubious Package of the Beatles* (MA Thesis (History), Texas Tech. University, 2007); at: <http://repositories.tdl.org/ttu-ir/handle/2346/13478>.

<sup>91</sup> *Helena Rubinstein SNC and L'Oréal SA v OHIM* (C-100/11) [2012] ETMR 40 at [96].

<sup>92</sup> *General Motors Corp. v. Yplon SA* (C-375/97) [1999] ECR I-5421, [2000] RPC 572; *Pago v Tirolmilch* (C-301/07) [2009] ECR I-9429, [2010] ETMR 5.

<sup>93</sup> *L'Oréal v Bellure (Cb)* (n 55) at [17].

<sup>94</sup> *Ibid*, at [19].

owner's marketing director gave evidence which 'included Specsavers' marketing spend and the messages that Specsavers sought to communicate by it – value, style and professionalism/quality'.<sup>95</sup> As a result, the imagery is presumed to be the solely the brand owner's creation. The assumption that brand identity, as fashioned by mark owners, translates into brand image, as received by consumers, appears to have been successfully transplanted from the conventional marketing literature into the legal domain. The approach is unabashedly Fordist, since an allusive reference is presumed to generate behavioural effects in consumers and result in increased sales for the defendant. Throughout this analysis, the relevant public is a legal construct and a conveniently passive one at that.

### III. BRANDS AND CONSUMERS: CO-CREATION OR IMMATERIAL LABOUR?

#### 1. CO-CREATION AND THE CELEBRATION OF CONSUMER AGENCY

As matters presently stand, an authorial relationship with brand image is the basis for proprietary claims over its associative content and economic value. The broadcast model, building upon informational efficiency foundations, attributes this authorship to the trade mark owner. Yet to what extent is this model valid? There is much to be learned from recent scholarship on branding, which provides both empirical evidence and alternative theoretical perspectives as to the respective roles of trade mark owners, consumers and others involved in the process of branding. The fault lines are evident at an early stage. To begin with, brand formation is viewed as dialectical and iterative, as opposed to a one way broadcast. The point of departure is that since the brand is generated in the minds of consumers, corporate control over its content has always been brittle. Brand image is negotiated, context-sensitive and constantly reproduced.<sup>96</sup> As the symbolic, social and cultural aspects of consumption have come to be better understood,<sup>97</sup> the consumer's investment of time, creativity and effort into this process of negotiation is better appreciated. Today 'co-creation of value is emerging as the new frontier and leading edge in marketing thought. It is quickly gaining currency as one of the most provocative, paradigm shifting, and practical ideas in the field'.<sup>98</sup> This paradigm shift in marketing thought is traced to

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<sup>95</sup> *Specsavers v Asda* [2010] EWHC 2035 (Ch) at [12].

<sup>96</sup> P. Berthon, L. F. Pitt and C. Campbell, 'Does Brand Meaning Exist in Similarity or Singularity?' (2009) 62 *Journal of Business Research* 356.

<sup>97</sup> Research addressing these aspects is often associated with the label of Consumer Culture Theory. See E. J. Arnould, and C. J. Thompson, 'Consumer Culture Theory (CCT): Twenty Years of Research' (2005) 31 *Journal of Consumer Research* 868.

<sup>98</sup> D. Fisher and S. Smith, 'Cocreation is Chaotic: What it Means for Marketing When No One has Control' (2011) 11 *Marketing Theory* 325, 326.

influential work on co-creation by C. K. Prahalad and Venkat Ramaswamy,<sup>99</sup> as well as to the related notion of ‘service-dominant logic’ adopted by Stephen Vargo and Robert Lusch.<sup>100</sup> As Prahalad and Ramaswamy describe it:

The meaning of value and the process of value creation are rapidly shifting from a product- and firm-centric view to personalized consumer experiences. Informed, networked, empowered, and active consumers are increasingly cocreating value with the firm. The interaction between the firm and the consumer is becoming the locus of value creation and value extraction.<sup>101</sup>

According to a recent survey, the ‘roots of collaborative marketing approaches reside in innovation and design studies that view users as a company’s potential collaborators – in line with the concept of lead users [...] They also derive from service marketing studies... which view the co-production of services as the basis for servuction systems (i.e. production of services)’.<sup>102</sup> In the remainder of this paper, I will briefly review empirically richer and theoretically more nuanced collaborative marketing research that addresses the following two questions: (1) Who creates brands? (2) How is value added by the consumer, increasingly referred to as a participant or stakeholder?<sup>103</sup> However the analysis concludes by moving beyond this literature, since the practitioner-driven practises of collaborative marketing ultimately seek to manage or co-opt consumers as a form of governmentality. A much needed critical edge is provided by perspectives characterising such brand value creation as unpaid, ‘immaterial labour’. Acknowledging consumption as meaningfully productive, within the context of a broader critique of informational capital, provides us with the resources to contest creation based claims resting on sole authorship of brand image, which otherwise seek to appropriate its full exchange value.

In response to the first question, the assertion that corporations are the sole authors of successful brands is relatively easy to destabilise. Despite the best efforts of marketers and expensive campaigns the majority of new brand propositions fail,<sup>104</sup> with the disastrous attempts to introduce ‘New Coke’ in the US in the 1980s being a favoured cautionary tale. When Coke changed the formula

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<sup>99</sup> C.K. Prahalad and V. Ramaswamy, ‘Co-opting Customer Competence’ (2000) 78 *Harvard Business Review* 79; C. K. Prahalad, ‘The Co-creation of Value’ (2004) 68 *Journal of Marketing* 23.

<sup>100</sup> S. L. Vargo and R. S. Lusch, ‘Evolving to a New Dominant Logic for Marketing’ (2004) 68 *Journal of Marketing* 1.

<sup>101</sup> C.K. Prahalad and V. Ramaswamy, ‘Co-Creation Experiences: The Next Practice in Value Creation’ (2004) 18 *Journal of Interactive Marketing* 5, 5.

<sup>102</sup> B. Cova and V. Cova ‘On the Road to Prosumption: Marketing Discourse and the Development of Consumer Competencies’ (2012) 15 *Consumption Markets & Culture* 149, 154 (citing to research on lead users and open innovation by Eric von Hippel).

<sup>103</sup> See for e.g. A. Gregory, ‘Involving Stakeholders in Developing Corporate Brands: The Communication Dimension’ (2007) 23 *Journal of Marketing Management* 59.

<sup>104</sup> M. Haig, *Brand Failures: The Truth About the 100 Biggest Branding Mistakes of All Time* (London: Kogan Page 2005) xi.

from cane sugar to an alternative based on corn syrup that tasted better in blind taste tests, there was a consumer rebellion since it was not perceived as ‘the real thing’. Coke recanted.<sup>105</sup> Qualitative research reveals that brands have multiple authors and identifying these co-authors, within a field of asymmetric power relations, is an ongoing project. According to Douglas Holt, one of leading proponents of a contextual approach to branding, strong or iconic brands – those doctrinally recognised as being most deserving of enhanced trade mark protection – are collaboratively authored by four categories of agents. They are: (i) companies, who are trade mark proprietors, (ii) the culture industries, (iii) intermediaries, such as critics and salespeople, and (iv) customers as individuals, but more significantly as communities.<sup>106</sup> As opposed to the individual consumer perceptions that are prioritised in the information transmission model, locating brands within the context of social processes is of fundamental importance for a cultural perspective. It is only when the brand image is collectively shared that it becomes accepted as an everyday truth, which requires that the public must invest the brand with meaning before it gains in cultural salience. In subsequent research, Holt elaborates on the social nature of brands with a more detailed study on the contributions of culture industries in the case of JACK DANIELS Tennessee whiskey. Image rich, iconic brands achieve this status ‘when they are woven into the most potent ideological currents in society. The power of Jack Daniel’s symbolism came from its articulation to the gunfighter myth’.<sup>107</sup> This myth in turn facilitated its adoption by the military as the whiskey of choice; by celebrity male drinkers such as movie stars renowned for their ‘masculinity’; and by journalists emphasising its rugged, frontier-facing image. Holt concludes:

Cultural products other than brands – including films, television programs, politicians, sports teams, and novels – do the ideological heavy lifting in modern culture, reconstructing myths to pioneer emerging ideals, creating [...] myth markets. Brand marketing laps up what these other media produce... In sum, iconic brands are *ideological parasites*. Brands succeed in becoming powerful cultural symbols when they tag along on emerging myth markets led by far more potent cultural forms (films, books, sports, politics and so forth)’ (emphasis added).<sup>108</sup>

Depicting image rich brands as free riders in this way is an apt riposte to the logic of *L’Oréal*, which implausibly champions the virtues of hermetically contained and self-sufficient brand creation. Another empirical study of a Finnish footwear brand identifies eight different roles for the multiple parties involved in the co-construction of the brand: *messenger* (including word of mouth promotion by

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<sup>105</sup> Gerhardt (n 17) 450–453; Desai (n 17) 983.

<sup>106</sup> Holt, *When Brands Become Icons* (n 28) 3.

<sup>107</sup> D. B. Holt, ‘Jack Daniel’s America: Iconic Brands as Ideological Parasites and Proselytizers’ (2006) *Journal of Consumer Culture* 355, 373.

<sup>108</sup> *Ibid.*, 374.

consumers), *entertainer* (such as song writers or artistes who reinterpret and integrate the brand within cultural practices), *watchdog*, *authorizer*, *storyteller*, *champion* (prominent persons who adopt the brand, including entertainers and in this case, war veterans), *connector* and *director*.<sup>109</sup> As opposed to the ECJ's endorsement of the corporate projection of sharply defined brand image, marketing researchers propose that the range of authors and diversity of meaning making practices makes it preferable to work with the notion of a brand gestalt consisting of multiple brand meanings or brand images associated with the same trade mark.<sup>110</sup> While 'the work of describing how brands are co-created with their stakeholders has barely begun',<sup>111</sup> the awareness that brands are co-authored is now well-established.

Turning from the identity of the participants to the question of value addition, the 'social science literature indicates that many variables contribute to trade mark value'.<sup>112</sup> From the perspective of consumer or user authorship, social communication adds value to brands and recent technological developments have greatly facilitated such interaction. This communication is particularly pronounced in brand communities, which have the important function of circulating information about brands<sup>113</sup> and in some cases, facilitating product innovation by drawing upon an expert knowledge base.<sup>114</sup> In terms of what consumers actually do, Närvänen observes that they not only 'co-create the brand meaning, but also branding activities themselves. The activities can range from communication to product and service development, creating unique brand experiences and even engaging in public relations management'.<sup>115</sup> The authors of an in-depth study across nine brand communities conclude that there are 12 common practices across brand communities, through which consumers realise value beyond that which the firm creates or anticipates. They establish that practices interact with one another, function like apprenticeships, endow participants with cultural capital, produce a repertoire for insider sharing, generate consumption opportunities, evince brand community vitality, and create value.<sup>116</sup> Thus within the broader analytical category of impression management, it was observed that consumers 'justify' or develop rationales for devoting time and effort to the brand,

<sup>109</sup> E. Närvänen, 'The Brand as a Cultural Network Hub: Acknowledging Multiple Parties in Branding' in *Proceedings of the 21<sup>st</sup> Nordic Conference on Business Studies: NFF 2011 A Practice About Practice*, (Stockholm University School of Business, 2011) 1.

<sup>110</sup> N. Diamond, J. F. Sherry, A. M. Muñoz Jr, M. A. McGrath, R. V. Kozinets, and S. Borghini, 'American Girl and the Brand Gestalt: Closing the Loop on Sociocultural Branding Research' (2009) 73 *Journal of Marketing* 118.

<sup>111</sup> M. J. Hatch and M. Schulz 'Toward a Theory of Brand Co-Creation with Implications for Brand Governance' (2010) 17 *Journal of Brand Management* 590, 591.

<sup>112</sup> Gerhardt (n 17) 449.

<sup>113</sup> A. M. Muniz Jr, and T. C. O'Guinn, 'Brand Community' (2001) 27 *Journal of Consumer Research* 412.

<sup>114</sup> J. Fuller, K. Matzler and M. Hoppe, 'Brand Community Members as a Source of Innovation' (2008) 25 *Journal of Product Innovation Management* 608.

<sup>115</sup> Närvänen (n 109) 6.

<sup>116</sup> Schau et al (n 34).

aimed at outsiders or marginal brand community members. Within this category, they also ‘evangelise’ or preach from the mountain top to gain new converts. The researchers additionally identify practices of ‘customizing’ within the category of brand use, such as efforts to modify the factory specifications of a product in order to enhance performance or personalise it.

While technology – and web based technologies in particular – have facilitated brand community formation, consumers also influence brands by sharing information more generally.

In the participatory world of Web2.0 [...] millions of common people have started publishing their own brand-related content. As evidenced by YouTube videos, Facebook groups, Twitter messages, Wikipedia articles, Amazon book reviews and other social media activities, such amateur pieces may achieve significant reach (internal citations omitted).<sup>117</sup>

A related body of scholarship that analyses consumer investment focuses on brands as the symbolic raw material of individual and group identity formation.<sup>118</sup> Much of this research is situated with the broader agendas of Consumer Culture Theory.<sup>119</sup> Consumer culture theory scholarship is interested in the active reworking and transformation of the messages encoded in advertisements, brands and retail settings by consumers to further their identity projects and lifestyle goals, although these goals are sometimes tacit and internally contradictory.<sup>120</sup> Even this brief survey suggests that significant aspects of brand image content formation and value creation occur outside of the direct control of the brand owner. En route to displacing the single author brand creation model, this research also undermines any attempts to develop an incentive based rationale for the grant of property rights in brands. Brand development is driven by a range of motivations and practices, associated with a number of different actors, many of whom are unconcerned by the absence of a formal property framework and nevertheless create significant value.

## 2. INFORMATIONAL CAPITALISM AND IMMATERIAL LABOUR: EVERYDAY LIFE AND ECONOMIC VALUE

While the tone for much of this co-creation scholarship is upbeat and appears to celebrate the agency, capacity and independence of consumers, it has also been subjected to thoughtful critiques. Whereas the co-creation scholarship is restricted to making descriptive claims about the extent of consumer value addition and the

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<sup>117</sup> Editorial, ‘A Call for “User-Generated Branding”’ (2010) 18 *Journal of Brand Management* 1, 1.

<sup>118</sup> An influential work is R. Elliot & K. Wattanasuwan, ‘Brands as Symbolic Resources for the Construction of Identity’ (1998) 17 *International Journal of Advertising* 131.

<sup>119</sup> For a useful literature review, see Arnould and Thomson (n 97) 871-873

<sup>120</sup> See generally, A. F. Firat and N. Dholakia, *Consuming People: From Political Economy to Theaters of Consumption* (London: Routledge, 1998).



limits of corporate authorship, the critiques have more overtly normative lessons. This section is not the appropriate canvas for a detailed account of these critiques and I can only present the flavour of the arguments, as well as highlight their significance for trade mark law. It is helpful to begin with Adam Arvidsson's central insight:

[Brands] should be understood as the institutional embodiment of a new form of informational capital – much like the factory embodied the logic of industrial capital. Brand management is a matter of putting to work the capacity of consumers (and increasingly other kinds of actors to produce a common social world through autonomous processes of communication and interaction... Like informational capital in general brands extract value by putting to work the very basic human capacity to create a common social world.<sup>121</sup>

Viewed through the lenses of Marxist and Neo-Marxist perspectives, contemporary branding transforms everyday life into economic value. This critique of brands is situated within the broader interrogation of 'informational' or 'digital' capitalism, which is centred on immaterial, informational production rather than industrial production. This critical scholarship investigates changes in the nature of labour that have been brought about by the knowledge economy or information society. This iteration of capitalism blurs the distinctions between production and consumption, such that the production process now relies on and appropriates sources of value from a series of activities that were formerly regarded as consumption and considered externalities. Social knowledge is exploited with increasing frequency and this knowledge may consist of 'different forms, contacts and "social capital", fads, fashions or style and image "capital"'.<sup>122</sup> The critique emphasises the 'putting to work' of communication, whereupon the concept of immaterial labour becomes relevant. It has been described as the labour that produces the informational and cultural content of the commodity,<sup>123</sup> as well as labour which 'creates immaterial products, such as knowledge, information, communication, a relationship, or an emotional response'.<sup>124</sup> This kind of labour produces important immaterial or symbolic qualities of goods and in many instances it is free, both in the sense of being unpaid for and unsupervised. The 'productivity of immaterial labour builds on the ability of human communication to produce a surplus sociality' such as a shared meaning

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<sup>121</sup> See the Preface to A. Arvidsson, *Brands: Meaning and Value in Media Culture* (New York and London: Routledge, 2006).

<sup>122</sup> *Ibid.* 9.

<sup>123</sup> M. Lazzarato, 'Immaterial Labor', in P. Virno and M. Hardt (eds), *Radical Thought in Italy: A Potential Politics*, (Minneapolis: University of Minnesota Press, 1996) 133.

<sup>124</sup> M. Hardt and A. Negri, *Multitude: War and Democracy in the Age of Empire* (New York: Penguin 2004) 108.

which was not there before.<sup>125</sup> In the case of consumers, ‘consumption produces a common in the form of a community, a shared identity or even a short lived “experience” that adds dimensions of use-value to the [brand]’.<sup>126</sup> To bring this invisible labour to light, new analytical terminology is being developed, including labels such as the ‘working consumer’. Ignoring these consumer-driven social processes runs the risk of further entrenching unequal relations. ‘Producers receive the revenue derived from the market, while consumers do not. Besides, although they do not produce in the traditional sense, consumers do work. They are active in the value creation process through immaterial labour and primary (direct) social relationships’.<sup>127</sup>

For critics such as Arvidsson, the problem with the marketing-led co-creation agenda is that it is ultimately restricted to being a strategic response to the active consumer, in the form of subtler and less directive mechanisms of control. Drawing on Foucault’s notion of government, it has been suggested that ‘co-creation represents a political form of power aimed at generating particular forms of consumer life at once free and controllable, creative and docile. [It] stands for a notion of modern corporate power that is no longer aimed at disciplining consumers and shaping actions according to a given norm, but at working with and through the freedom of the consumer. In short, administering consumption in ways that allow for the continuous emergence and exploitation of creative and valuable forms of consumer labour’.<sup>128</sup> There is genuine concern that co-creation’s programmatic agenda is directed towards ‘establishing ambiances that program consumer freedom to evolve in ways that permit the harnessing of consumers’ newly liberated, productive capabilities’.<sup>129</sup>

By formalistically attributing sole authorship to trade mark proprietors and proprietising the brand dimensions of trade marks, EU trade mark law legitimates the collapsing of social communication into production, of use value into exchange value. The ECJ’s juridical transformation of trade marks into brands reinforces the processes by which the immaterial labour of consumers is rationalised, measured, commodified and made amenable to market transactions. Its doctrinal approach contributes to the exploitation of consumers and others involved in brand creation by editing them out of the narrative and it is therefore normatively unattractive. It is also premised on assumptions relating to brand authorship that are being reconsidered and rejected within the marketing profession. A property model based on the unaided efforts of the individual mark owner in shaping and sustaining brand image looks increasingly unconvincing. Before concluding, there is one further insight that this critique may suggest to IP lawyers. Both the co-creation scholarship as well as its critique finds common

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<sup>125</sup> Arvidsson, *Brands* (n 121) 10.

<sup>126</sup> A. Arvidsson ‘Brands: A Critical Perspective’ (2005) 5 *Journal of Consumer Culture* 235, 242.

<sup>127</sup> B. Cova and D. Dalli, ‘Working Consumers: The Next Step in Marketing Theory?’ (2009) 9 *Marketing Theory* 315, 315.

<sup>128</sup> D. Zwick, S. K. Bonsu and A. Darmody, ‘Putting Consumers to Work: “Co-creation” and New Marketing Govern-mentality’ (2008) 8 *Journal of Consumer Culture* 163, 163.

<sup>129</sup> *Ibid*, 166.

ground in the appreciation of brands as open-ended constructs, renewed by social communication processes. This suggests that we may be reaching for the wrong metaphors when characterising brands in legal discourse. It is instead possible to reconceive of brands as the antithesis of private property, as commons or elements of the public domain<sup>130</sup> but this is a possibility to be pursued in future research.

#### IV. CONCLUSION

The judicial recognition of the brand as *res* in trade mark doctrine serves as a reminder that intangible objects give rise to property description issues that are distinct from the law of real property. Foregrounding the underlying doctrinal assumptions and legal techniques for working with such intangibles is therefore illuminating for both conceptual and normative reasons. For those who favour a balanced trade mark regime, where the interests of mark owners are accommodated alongside those of competitors, consumers and the general public, the ECJ's uncritical embrace of the brand dimension of reputed marks is a cause for concern. In approaching the brand dimension through trade mark functions, which cumulatively rest upon the origin function, the court has – perhaps inadvertently – aligned itself with a managerial approach to branding based on a Fordist paradigm of production, where the consumer is merely the passive recipient of the firm's active value creation efforts. The origin function was quite reasonably situated within an information efficiency paradigm, to facilitate consumer choice in a competitive marketplace by signalling reliability. A one-way communication or broadcast analogy made sense in this context. However by merely bolting on the advertising and investment functions, the court has committed itself to erroneous assumptions about image creation and processes of meaning making. While brands undeniably have cultural significance and economic value, assuming that a single corporate author is responsible for this is questionable, to say the least. This approach has culminated in *L'Oréal*, where the brand is acknowledged as the object of property rights. The 'unaided' effort and investment by the trade mark owner to create the brand is recognised as the basis for preventing the unauthorised misappropriation of brand image. Yet the doctrinal mechanics of an unfair advantage claim reveal that image transfer can only be presumed on the basis of indirect or circumstantial evidence, while the consumer remains a passive legal construct. The formalism of the ECJ's approach to brand creation can be contrasted with the paradigm shift within marketing scholarship. Current research views consumers and other intermediaries as active

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<sup>130</sup> On the generative significance of the public domain, see J. Boyle, *The Public Domain: Enclosing the Commons of the Mind* (London and New York: Yale University Press, 2008).

partners or co-creators of brand significance. It suggests that brand formation is dialogic and iterative, as opposed to being the result of a one-way broadcast. Since brands are generated in the minds of consumers, they are negotiated, context-sensitive and constantly reproduced by a range of actors. Value is created in the interaction between firm and consumer. Building further on these insights, a more critical school of sociological research argues that in this new dialogic avatar, brands transform everyday life into economic value. Drawing on a more broad based interrogation of informational capitalism, critics recast consumer involvement as immaterial labour, which produces important symbolic qualities of goods by building on the surplus sociality arising from human communication. The ECJ's approach to brand propertisation is therefore not only inaccurate in presuming single author brand creation, but also deeply troubling since it marginalizes consumer agency and reinforces the exploitation of their immaterial labour through the instrumentality of trade mark law.