It might be more appropriate, though, to develop guidelines and court-supported ways of interpretation of the novelty and inventiveness provisions of the Indian Patent Act in their general sense, and to develop a basis on which examiners of the Indian Patent Office, under the supervision of the Controller, would be in a position to refuse the patenting of inventions that possibly do not meet the requirements of patentability.

5. Conclusion

Clearly, Sec. 3(d) of the Act was enacted with the intent of acting as a guide to the examiner to reject frivolous patents. It provides a gateway for patents with improvements in efficacy for existing molecules and at the same time restricting patents for such forms of substances without significant difference in properties with regard to efficacy. It thus seeks to prevent extension of the patent term by minimal or insubstantial changes to a substance. Although the legislative mandate under Sec. 3(d) is one of a kind, instances in other developed legal systems suggest that such patents would anyway be disqualified under the standards of novelty and inventive step. Section 3(d) of the Act merely makes this explicit and mandatory and thus only reiterates the fundamental principles of patentability.

Martin Senftleben*


Dilution is one of the most controversial and complex phenomena which modern trademark law seeks to regulate (Section I).1 Against the background of international, US and EC anti-dilution systems, conceptual inconsistencies can be identified even with regard to basic notions, such as the definition of subject matter eligible for protection (Section II) and the preservation of distinctiveness and repute as main purposes of protection (Section III). Not surprisingly, these conceptual difficulties have repercussions on

* Ph.D., Professor of Intellectual Property, VU University Amsterdam; European Consultant, Bird&Bird, The Hague.

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the relation between protected subject matter and the purposes of anti-
dilution protection (Section IV). The following attempt to clarify matters,
however, sheds light on a further conceptual challenge. On its merits, the
unanswered question posed by the dilution doctrine is whether trademark
rights should be expanded to property rights in gross (concluding Sec-
tion V).2

I. Introduction

Trademark law allows enterprises to establish an exclusive link with a
distinctive sign for use on goods or services offered in the marketplace. From
an economic perspective, this central mechanism is of crucial importance. By
exclusively assigning the sign – within the limits inherent to trademark
rights3 – to a specific enterprise, trademark law offers the legal security
necessary for substantial investment in the individual sign concerned.
Through advertising, consumers may learn to associate a particular lifestyle
or attitude with the trademark. The maintenance of high product quality,
moreover, will ensure consumer satisfaction and add an additional layer of
positive associations. The sign, therefore, serves as a platform which the
enterprise, provided that its marketing strategy is successful, can use to raise
positive images, associations and expectations in the minds of consumers.4
The process of attaching these “meta-data” to the trademark may be called
“programming” of the sign concerned. It can result in the creation of a
particular brand image.5

The outlined steps reflect three distinct stages of trademark development: the
initial reservation of a sign with the help of trademark law (“sign reserva-
tion”), 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”). A line can easily be drawn between

2 As to the origins of this question, see Beere, supra note 1, at 1146–1147.
3 Trademark rights, for instance, do not reach beyond use of protected signs in trade. The
principle of specialty further limits trademark exclusivity to use on specific goods or ser-

vices.
4 Cf. GRIFFITHS, “A Law-and-Economic Perspective on Trade Marks”, in: BENTLY, DAVIS &
GINSBURG (eds.), “Trade Marks and Brands – An Interdisciplinary Critique” 241, 255,
(Cambridge University Press, 2008); BROWN, “Advertising and the Public Interest: Legal
Protection of Trade Symbols”, 108 Yale Law Journal 1619, 1619–1620 (1999); FEZER,
“Entwicklungslinien und Prinzipien des Markenrechts in Europa – Auf dem Weg zur Marke
als einem immaterialerrechtlichen Kommunikationszeichen”, 2003 GRUR 457, 461–
462; CASPARIE-KERNEL, “Dilution Disguised: Has the Concept of Trade Mark Dilution
Made its Way into the Laws of Europe?”, 2001 EIPR 185, 185–186; LEHMANN, “Die wett-
bewerbswidrige Ausnutzung und Beeinträchtigung des guten Ruf’s bekannter Marken,
Namen und Herkunftsangaben – Die Rechtslage in der Bundesrepublik Deutschland”, 1986
GRUR Int. 6, 14–17.
5 See SCHROEDER, “Brand Culture: Trade marks, Marketing and Consumption”, in: BENTLY,
DAVIS & GINSBURG (eds.), supra note 4, at 161.
these steps and trademark functions. Trademark law offers enterprises the opportunity to establish an exclusive link with a sign – the initial process of sign reservation – because it seeks to protect consumers against confusion and ensure market transparency by safeguarding the “identification function” of trademarks: when seeing the protected sign, consumers should be capable of clearly identifying the enterprise owning the trademark as the commercial source of the goods or services offered under the mark. In substantive trademark law, the requirement of distinctive character corresponds to this basic function. The way in which exclusive trademark rights are employed when the identification function is at stake, however, is even more important than the mere theoretical classification: they serve the rather defensive purpose of enabling trademark owners to exclude competitors from the use of identical or similar signs (on identical or similar goods or services) that would cause consumer confusion. Thus, the prevention of confusing use plays a central role and appears as the core rationale of the grant of exclusive rights when considering the mechanism of sign reservation and the corresponding identification function of trademarks.

The clear picture drawn so far becomes opaque when analysing the following step of sign programming. Admittedly, advertising and quality control can be placed in the context of the identification function. As trademarks allow consumers to identify and individualise the different offers in the market, an enterprise using a specific trademark has reason to fear consumers’ reaction to unsatisfactory product quality not meeting expectations formed on the basis of previous purchases. In consequence, the enterprise is not unlikely to make an effort to keep product quality at a constant level – a phenomenon often referred to as the “quality function” of trademarks. Similarly, advertising based on trademarks would make little sense if consumers were unable to identify the advertised product in the marketplace. It

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7 ECJ, 3 December 1981, case 1/81, Pfizer v. Eurim-Pharm, para. 8, developed the formula of “the essential function of the trade mark, which is to guarantee the identity of the origin of the trade-marked product to the consumer or final user by enabling him to distinguish without any possibility of confusion between that product and products which have another origin.” See GIELEN, “Merkenrecht”, in: GIELEN (ed.), “Kort begrip van het intellectuele eigendomsrecht” 201, 206–207 (Deventer 2007); BROWN, supra note 4, at 1638–1641. For an economic approach to the identification function, see STRASSER, supra note 6, at 379–382.

may therefore be said that sign reservation and the identification function of trademarks are a precondition of later investment in the protected sign, particularly in the form of advertising and quality control. It is due to these features of trademark law that the investment made by trademark owners is channelled and directed to their respective trademarks, and thus to the signs at which the investment aims. Nonetheless, an analysis of sign programming that contents itself with a reference to the identification function, inevitably, remains incomplete. It neglects the very purpose of trademark and product promotion: the creation of a brand image.\textsuperscript{9} This final step of trademark development, however, implies a substantial change – both with regard to function theory and the employment of exclusive trademark rights.\textsuperscript{10}

Brand image creation goes beyond the classical trademark function of identifying enterprises as the commercial source of goods or services offered in the market. It shows that trademarks can be more than a mere badge of origin. The creation of a brand image demonstrates that they are capable of serving as carriers of complex, additional information referring to a specific lifestyle, behaviour or attitude. Viewed from this perspective, trademarks can be qualified as the focal point of communication with consumers.\textsuperscript{11} They summarise the messages subtly conveyed to consumers during the process of sign programming. As a symbol evoking a whole bundle of associations, trademarks begin to “speak” to consumers. The substantive requirement corresponding to this communication function is not distinctive character. It is not sufficient that the sign concerned can be distinguished from other signs used in the market. By contrast, a trademark only “speaks” in the outlined sense if it has some additional (advertising) message attached to it.\textsuperscript{12} In substantive trademark law, the requirement of “reputation” or “repute” more aptly reflects this constellation. Moreover, it is to be noted that exclusive trademark rights are employed in a substantively different way when it comes to communication with consumers and brand image creation. In this context, the focus is not on prevention. Inhibiting competitors from confusing use of identical or similar signs appears as a by-product rather than the major aim

\textsuperscript{9} See the description given by Schröeder, supra note 5, at 161; Lehmann, supra note 4, at 15.

\textsuperscript{10} See Vaver, “Brand Culture: Trade Marks, Marketing and Consumption – Responding Legally to Professor Schroeder’s Paper”, in: Bentley, Davis & Ginsburg (eds.), supra note 4, at 7; Fezer, supra note 4, at 463–464.


\textsuperscript{12} Cf. Schröeder, supra note 5, at 161; Strasser, supra note 6, at 386–388; Brown, supra note 4, at 1634–1635 and 1640–1644, refers to “commercial magnetism” and a “persuasive advertising function”. 
underlying the use of exclusive rights once a trademark represents a particular brand image. However, trademark rights are of particular interest to brand owners because they offer the chance to capitalise on the brand image and recoup the substantial investment made in its creation. In other words, exclusive trademark rights serve as exploitation rights in the context of brand image management and the corresponding communication function of trademarks.\(^\text{13}\)

In sum, the analysis of the three development stages of sign reservation, sign programming and brand image creation gives evidence of two major protection interests in trademark law: first, the interest in a protection system that allows an enterprise the establishment of an exclusive link with the sign that it uses on goods or services, and that safeguards this link once it is established. From an economic perspective, this protection subsystem can be regarded as a precondition of investment in the protected sign because it provides the required legal security. In modern trademark law, this first protection interest is predominantly satisfied by the concept of protection against confusion – with distinctive character as the central substantive requirement and trademark rights serving the rather defensive purpose to prevent confusing use of identical or similar signs. Second, however, there is the interest in a protection system that allows an enterprise to reap the fruits of its investment in a particular brand image represented by its trademark. From an economic perspective, such a protection system would primarily aim at the result of investment in the protected sign. On the basis of standards of fair competition, it may be argued that this result achieved through time and money spent on promotion activities ought to be due to the trademark owner.\(^\text{14}\) It is less clear, however, in which way, and to what extent, trademark law should satisfy this second protection interest. By safeguarding the exclusive link between an enterprise and its trademark, the aforementioned confusion subsystem, also automatically reserves the value of a trademark, resulting from advertising and promotion activities, for the trademark owner. This rather indirect protection reflex is particularly strong when a broad confusion concept is applied that includes confusion as to affiliation and sponsorship.\(^\text{15}\) Beyond the area of similar goods and services, however, the second protection subsystem in trademark law inevitably comes

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13 See Fezer, “Markenrecht” 827 (3rd ed., Munich 2001), who expresses the view that the purpose underlying the protection of well-known marks is “an intensive protection of commercial possibilities of exploiting the mark as an entrepreneurial achievement in the market.” Moskin, “Victoria's Big Secret: Whither Dilution Under the Federal Dilution Act?”, 93 The Trademark Reporter 842, 843–844 (2004), refers to “the expansion of trademark rights from a tort-based theory preventing direct diversion of sales between competitors to a broader set of rights resting on a recognition that trademarks themselves possess economic value.”

14 As to the use of a Lockean line of argument in this context, see Scott, Oliver & Ley-Pineda, “Trade Marks as Property: a Philosophical Perspective”, in: Bentley, Davis & Ginsburg (eds.), supra note 4, at 285, 297–305.

15 Cf. Beebe, supra note 1, at 1161–1162; McCarthy, supra note 1, at 1170–1172.
into focus: the concept of protection against dilution.\textsuperscript{16} It is obvious that trademarks qualifying for protection within this subsystem, defined as “well-known marks”, “famous marks” and “marks having a reputation” in international, US and EC law, may be the result of investment aiming at the creation of a brand image on which the trademark owner can capitalise later on. Not surprisingly, exploitation and amortisation interests are frequently asserted with regard to trademarks falling within the province of the dilution doctrine.\textsuperscript{17}

Taking the described economic interests as a starting point, the following analysis seeks to shed light on the conceptual contours of the subject matter and purposes of anti-dilution protection in international, US and EC trademark law. In this context, the insight that exclusive trademark rights, in practice, are used strategically as a basis for brand creation and exploitation will offer the opportunity to question the consistency of the analysed dilution concepts.

\textit{II. Subject Matter of Protection}

The question of the subject matter eligible for protection concerns one of the basic notions of protection against dilution. Which requirements must be fulfilled to qualify for the enhanced protection offered by dilution statutes? In the following subsections, this question will be raised with regard to international, US and EC trademark law.

1. International Law: Well-Known Marks

Well-known marks in the sense of international legislation enjoy particular protection in two respects: first, they are exempted from national registration requirements with regard to protection against confusion. In the area of identical or similar goods and services, Art. 6\textsuperscript{bis} Paris Convention (PC) and Art. 16(2) TRIPS set forth an obligation to refuse or cancel the registration and prohibit the use of signs that are confusingly similar to trademarks which the competent national authority considers well known. Second, the

\textsuperscript{16} With regard to the distinction between a confusion and a dilution subsystem in trademark law, \textit{cf. Casparie-Kerdel, supra} note 4, at 193–194, who distinguishes between “confusion on the one hand, based on damage to the goodwill of the business identified by the trade mark, and dilution on the other hand, based on damage to the trade mark’s uniqueness as a symbol of goodwill.” However, \textit{see also} the analysis conducted by Quaedvlieg, “Verwaterd of verward, een kwestie van bekendheid?”, in: \textit{Visser & Verkaide} (eds.), “Een eigen, oorspronkelijk karakter – Opstellen aangeboden aan prof. mr. Jaap H. Spoor” 275 (DeLex, Amsterdam 2007).

\textsuperscript{17} \textit{See Moskin, supra} note 13, at 856–857, who insists on “a property right similar to copyright or patent.” \textit{Cf. Fezer, supra} note 4, at 464 and 467; \textit{Casparie-Kerdel, supra} note 4, at 188; \textit{Brown, supra} note 4, at 1620. In fact, the risk of creating property rights in gross seems to be inherent in the dilution doctrine. It can be traced back to early concepts, such as Schechter’s concept of trademark uniqueness. \textit{See Schechter, infra} note 72, at 824–833; \textit{Behe, supra} note 1, at 1146–1147 and 1174.
protection of well-known marks is extended to dissimilar goods or services on specific further conditions laid down in Art. 16(3) TRIPS. The provision aims at enhanced protection for well-known marks that overrides the principle of speciality. Seeking clarification on subject matter meeting the international standard of well-known marks, one might be inclined to consult national sources. In the first field of application – the exemption from registration – many national laws directly refer to Art. 6th PC, thus giving national courts the opportunity to concretise the international standard. Frequently, this is done by establishing a relatively high standard of knowledge and recognition among the general consuming public in all parts of the country concerned. Guidance provided at the international level, by contrast, does not necessarily support this national approach. According to Art. 16(2) TRIPS, WTO members “shall take account of the knowledge of the trademark in the relevant sector of the public.” Arguably, this indicates that knowledge among the general consuming public is not necessary.

The WIPO Joint Recommendation Concerning Provisions on the Protection of Well-Known Marks (JR WKM) confirms this finding. The Recommendation was adopted by the Paris Union Assembly and the General Assembly of WIPO. As international “soft law”, it does not have a binding effect on Member States. Nevertheless, its legal authority as an expression of an international consensus can hardly be denied. With regard to the question of relevant sectors of the public, it is clarified in Art. 2(2) JR WKM that recognition by only one specific target group of the product concerned

18 See Gielen, supra note 7, at 378. With regard to inconsistencies that come to the fore when comparing this high standard applied in the case of the exemption from registration resulting from Art. 6th PC, with a niche-knowledge approach to the definition of the subject matter of anti-dilution protection; see McCarthy, supra note 1, at 1174-1175; Pollaud-Düllin, “Marques de renommée – Histoire de la dénaturation d’un concept”, 2001 Propriétés intellectuelles 43, 48–51; Kur, “Die notorisch bekannte Marke im Sinne von Art. 6th PVU und die “bekannte Marke” im Sinne der Markenrechtsrichtlinie”, 1994 GRUR 330.


– “actual and/or potential consumers”, “persons involved in channels of distribution” or other relevant “business circles” – should be deemed sufficient to meet the international standard of well-known marks. Hence, there is little doubt that recognition by the general consuming public need not be shown.

The insight that, pursuant to international rules, niche knowledge is sufficient, gives rise to the further question whether this standard is to be applied when protection against dilution is sought. As clarified above, the term “well-known marks” appears in two different contexts in international legislation: the exemption from registration following from Art. 6bis PC and Art. 16(2) TRIPS,22 and enhanced protection going beyond similar goods and services that is prescribed in Art. 16(3) TRIPS.23 The latter provision is often regarded as international recognition of the trademark dilution doctrine. The reference to the specific group of well-known trademarks and the extension of protection to the area of dissimilar goods and services support this reading. The further conditions established in the provision, however, seem to leave room for an alternative approach. Article 16(3) TRIPS offers protection provided that use of a confusingly similar sign on dissimilar goods or services “would indicate a connection between those goods or services and the owner of the registered trademark” and provided that “the interests of the owner of the registered trademark are likely to be damaged by such use”. This language need not necessarily be understood to necessitate the establishment of a more or less independent subsystem of protection against dilution in national trademark law. Typical elements of the dilution doctrine, such as the impairment of a trademark’s distinctive character or the taking of unfair advantage of its reputation, are not expressly mentioned in Art. 16(3) TRIPS. Therefore, it is conceivable that the international obligation flowing from the provision is fulfilled at the national level by providing for a broad concept of confusion that translates the formula of “a connection between [dissimilar] goods or services and the owner of the registered [well-known] trademark” into confusion as to affiliation or sponsorship.24 At the national level, the international niche-knowledge standard, consequently, would be

22 See Bodenhausen, “Guide to the Application of the Paris Convention for the Protection of Industrial Property”, WIPO publication No. 611, Geneva 2004, 90: “The purpose of [Art. 6bis PC] is to avoid the registration and use of a trademark, liable to create confusion with another mark already well known in the country of such registration or use, although the latter well-known mark is not, or not yet, protected in that country by a registration which would normally prevent the registration or use of the conflicting mark.”


24 With regard to broad confusion concepts (focusing on competing goods or services), see Beere, supra note 1, at 1161–1162; Strasser, supra note 6, at 397–402; Casparie-Kerdel, supra note 4, at 189; McCarthy, supra note 1, at 1170–1172.
relevant to this broad system of protection against confusion but not necessarily to an additional system of protection against dilution.

In this regard, the aforementioned Joint Recommendation confirms that the well-known mark standard, in fact, may differ in accordance with the context in which it is used. Article 4(1) JR WKM contains a less ambiguous recognition of the trademark dilution doctrine than Art. 16(3) TRIPS. Besides the reference to well-known trademarks and the extension of protection to dissimilar goods or services, the provision sets forth the condition that the use be “likely to impair or dilute in an unfair manner” or “take unfair advantage” of the distinctive character of the well-known mark. Interestingly, it is explicitly pointed out that, with respect to these cases, “a Member State may require that the well-known mark be well known by the public at large”. When it comes to cases falling under these clearer categories of trademark dilution and misappropriation, the general niche-knowledge standard may thus be set aside and replaced with a higher standard of recognition by the public at large.

Hence, it is to be concluded that the international standard of well-known marks is flexible when it comes to protection against dilution. If Art. 16(3) TRIPS is read to formally recognise the trademark dilution doctrine, the indications given in Art. 16(2) TRIPS and Art. 2(2) JR WKM suggest a rather low standard according to which niche knowledge by only one specific target group of the products marketed under the trademark – consumers, distributors or other business circles – is sufficient. If, on the contrary, Art. 16(3) TRIPS is understood to establish a less concrete international obligation that may also be fulfilled by providing for a broad concept of protection against confusion, Art. 4(1) JR WKM leaves room for a stricter standard requiring knowledge by the public at large in dilution cases. The question of eligibility for protection against dilution, in other words, is left to national policy makers.

2. US Law: Famous Marks

The dilution concept enshrined in US trademark law does not refer to “well-known marks”. Instead, “famous marks” are eligible for protection against dilution by blurring or tarnishment under the 2006 Trademark Dilution Revision Act (TDRA). According to the definition in Sec. 2 TDRA, a mark is famous “if it is widely recognized by the general consuming public of the United States as a designation of source of the goods or services of the mark’s owner.” In consequence, niche fame among a specialised public, such as a specific target group of the product sold under the mark, is not sufficient.26


3. EC Law: Marks with a Reputation

The technical term used in EC anti-dilution legislation is neither “well-known marks” nor “famous marks”. Article 5(2) of the EC Trademark Directive 89/104 refers to a trademark that “has a reputation in the Member State”. The Directive itself is silent on the requirements established through the introduction of this standard. The European Court of Justice (ECJ), however, provided guidance in General Motors v. Yplon (“Chevy”): “[t]he public amongst which the earlier trade mark must have acquired a reputation is that concerned by that trade mark, that is to say, depending on the product or service marketed, either the public at large or a more specialised public, for example traders in a specific sector.”27 Moreover, “[t]he degree of knowledge required must be considered to be reached when the earlier mark is known by a significant part of the public concerned by the products or services covered by that trade mark.”28

This clarification, firstly, shows that the ECJ construes the reference to “reputation” as requiring a certain degree of knowledge. This interpretation is not only confirmed by other language versions of the EC Directive, such as the Dutch and German versions speaking of a mark that is “known”,29 it is also in line with the approach taken in international and US law. Secondly, the Court clearly indicates that it considers knowledge by the individual target group of the product concerned sufficient, even though this target group may be a specialised public in the case of specific products or services. The Court, thus, favours a niche reputation approach. Further findings in the Chevy case confirm this conclusion. In respect of the necessary territorial expansion of the mark’s reputation, the Court clarifies that “[i]n the absence of any definition [in Art. 5(2) of Directive 89/104/EEC] in this respect, a trade mark cannot be required to have a reputation “throughout” the territory of the Member State. It is sufficient for it to exist in a substantial part of it.”30

4. Conclusion

In sum, all legal systems analysed above seek to identify trademarks eligible for protection against dilution on the basis of an assessment of the trademark’s knowledge or recognition amongst the public. Apart from this shared general approach, however, the analysis brought to light differences as to the required degree of knowledge or recognition. The international legal framework encourages a niche-knowledge approach, according to which knowledge by only one specific target group of the products marketed under the trademark – consumers, distributors or other business circles – is deemed sufficient. With regard to anti-dilution protection, however, national legisla-

29 ECJ, id., para. 20.
30 ECJ, id., para. 28.
tures enjoy the freedom of prescribing a standard of knowledge amongst the public at large. The analysis of US and EC law shows that this freedom is used. Whereas US legislators opted for the higher standard of knowledge by the general consuming public, the ECJ embraces a niche-knowledge approach focusing on knowledge by a significant part of a potentially specialised public in a substantial part of an EC Member State. Hence, niche reputation is sufficient before the ECJ, whereas US courts are unlikely to accept niche fame under the federal anti-dilution statute. On account of the differences in defining subject matter eligible for protection, the door to protection against dilution is opened slightly in the US, and widely in the EC.

III. Purposes of Protection

The purposes of anti-dilution protection are clearly indicated in US and EC law. The first branch of the US protection system – dilution by blurring – seeks to shield famous marks from the impairment of their distinctiveness. The second branch – dilution by tarnishment – seeks to prevent harm to the reputation of famous marks.\(^1\) The preservation\(^2\) of distinctiveness and reputation as two distinct purposes of protection reappear in EC trademark law. Article 5(2) of Directive 89/104 refers to protection in cases where use of a mark with a reputation takes unfair advantage of, or is detrimental to, the distinctive character or the repute of the trademark.\(^3\) A line between “distinctiveness” and “distinctive character”, as well as “reputation” and “repute” can easily be drawn.

The international legal framework is less clear. Article 16(3) TRIPS broadly refers to damage to the interests of the owner of a well-known mark without specifying a particular purpose of protection.\(^4\) Article 4(1) JR WK, dealing more specifically with protection against dilution, adds the case of use of a well-known mark that is likely to impair, dilute in an unfair manner or take unfair advantage of the mark’s distinctive character. According to the notes on Art. 4(1), the provision is intended to cover use that is likely to impair “the unique position of a well-known mark in the market”. “[A] free ride on the goodwill of the well-known mark” is given as a further example. On the basis of a broad understanding of the term “goodwill”,\(^5\) the refer-

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\(^1\) See Sec. 43(c)(2)(B) and (C) of the 1946 Trademark Act (15 U.S.C. 1125), as amended by Sec. 2 TDRA. Cf. McCarthy, supra note 25, at Secs. 24:69–24:70.

\(^2\) The present article does not focus on the different infringing actions, such blurring, tarnishment and free riding. Therefore, the neutral term “preservation” is used to indicate that the dilution doctrine, by prohibiting several modes of infringing actions, serves the general purpose of protecting distinctiveness and repute.


\(^5\) For an example of a definition that includes trademark repute, see the approach taken by Brown, supra note 4, at 1652: “[G]oodwill represents a capitalized appraisal of profit potentialities not allocable to tangible assets.”
ence to “distinctive character” can be interpreted to include the repute of a well-known mark in the sense of US and EC legislation. The wording, however, also leaves room for a restrictive interpretation confining its scope to the preservation of distinctiveness. In the following subsections, the preservation of distinctiveness/distinctive character on the one hand, and reputation/repute/goodwill on the other hand, will be discussed in more detail. The analysis takes EC trademark law as a starting point. References to international and US law widen the perspective.

1. Repute
The inclusion of repute in the EC system of protection against dilution can be traced back to national precedents, such as the 1975 landmark decision *Claeryn/Klarein* of the Benelux Court of Justice. The Court dealt with a situation where “… a sign similar to the [well-known] trademark [is] used under such circumstances that prejudice to the trademark owner may be caused by encroaching upon the trademark’s potential for raising a desire to buy ….” In line with this decision, the term “repute” can be understood to reflect a mark’s “power of attraction”. The repute branch of anti-dilution protection thus serves the preservation of positive associations that are attached to a trademark as a result of promotion activities. In this vein, the Second Circuit of the US Court of Appeals clarified that “[t]he *sine qua non* of tarnishment is a finding that plaintiff’s mark will suffer negative associations …”, and that “[t]he essence of tarnishment therefore is […] the displacement of positive with negative associations of the mark ….”

On the basis of this understanding, the protection of trademark repute can easily be placed in the context of the picture drawn in the introductory Section I: it concerns the final stage of trademark development outlined above – a stage that is reached only after the trademark owner, as a result of investment in sign programming, succeeded in attaching a positive image to the trademark. In consequence, the trademark itself, carrying a brand image desired by consumers, becomes the product (or at least an important part of the product) and acquires a genuine power of attraction. It reflects a particular brand value and may constitute an important asset of the trademark.

37 See Advocate General Jacobs, ECJ case C-408/01, *Adidas-Salomon v. Fitnessworld Trading*, Opinion of 10 July 2003, para. 38, available at http://curia.europa.eu/, stating that “the concept of detriment to the repute of a trade mark […] describes the situation where – as it was put in the well-known *Claeryn/Klarein* decision of the Benelux Court of Justice – the goods for which the infringing sign is used appeal to the public’s senses in such a way that the trade mark’s power of attraction is affected.”
owner’s enterprise. Given these circumstances, there can be little doubt as to the interests involved. The investment in the trademark during the period of sign programming aims at the exploitation of the resulting brand image. The marketing strategy underlying the effort made by the trademark owner will frequently be product diversification. In such a case, the investment in promotion activities serves the purpose of creating a brand image that can be applied more or less universally. In order to recoup the investment in brand image creation, the trademark as image carrier is attached to various, more or less related goods and services. Accordingly, the time is ripe to ask the question announced in Section I: is it appropriate to offer the repute branch of protection against dilution as a vehicle to include the described exploitation interests in trademark law? Should the exploitation of brand image be added to traditional objectives of trademark law, such as fair competition, market transparency and consumer protection?

Seeking clarification on the current state of trademark law with regard to this potential extension, it should be noted first that existing trademark rights serving the purpose of repute preservation cannot be qualified as property rights in gross. In contrast to the prototype of exploitation rights granted in copyright and patent law, the owner of a well-known mark cannot prevent other traders from use of similar signs just because this use would amount to copying of a reputed, branded trademark. As indicated above, Art. 5(2) of the EC Trademark Directive requires a showing of unfair advantage or detriment. The US TDRA 2006 establishes a requirement of harm. These additional hurdles to be surmounted by the trademark owner distinguish current trademark rights in the field of repute protection from exploitation rights in the classical sense. To determine whether there is room for further steps towards trademark property rights in gross, it is advisable to pose several fundamental questions. Does use of a sign in the framework of the outlined marketing strategies still qualify as trademark use? Would brand image exploitation rights rest on a sufficiently strong theoretical basis? Does trademark law offer a sufficient limitation infrastructure for striking a proper balance between exploitation rights and competing social, cultural

41 See Second Circuit of the US Court of Appeals, Nabisco, Inc. v. PF Brands, Inc., 191 F.3d 208, 51 U.S.P.Q. 2d 1882 (2d Cir. 1999), stating that “there are many instances in which a junior use of a famous mark might not reduce the capacity of that mark to identify and distinguish products under the dilution statutes. Thus, we agree with the Fourth Circuit that the dilution statutes do not create a ‘property right in gross’.” Cf. McCarthy, supra note 25, at Sec. 24:120; Beebe, supra note 1, at 1147; Moskin, supra note 13, at 857.
42 See Sec. 43(c)(2)(C) of the 1946 Trademark Act (15 U.S.C. 1125), as amended by Sec. 2 TDRA. Cf. McCarthy, supra note 25, at Secs. 24:115–24:118. As to the situation in the EC, see Fezer, supra note 13, at 829–832; Geelen, supra note 7, at 289–296.
and economic needs? In the following subsections, these questions will be addressed.

a. Relation with Trademark Use

In *Arsenal v. Reed*, the ECJ expressed the view that the exercise of exclusive trademark rights had to be reserved to cases “in which a third party’s use of the sign affects or is liable to affect the functions of the trade mark, in particular its essential function of guaranteeing to consumers the origin of the goods.” In line with this decision, the discussion of the scope and reach of trademark use may be aligned with trademark function theory. The ECJ suggests that trademark use may be understood to concern predominantly use of a sign for the purpose of indicating the commercial origin of goods or services. This identification function of trademarks has been discussed above in the context of sign reservation – the initial stage of trademark development. The present debate on the protection of repute, however, focuses on the further stages of sign programming and brand image creation. It concerns the communication function of trademarks. The extent to which the concept of trademark use covers this latter function is difficult to ascertain. The language “… in particular its essential function …” used by the ECJ seems to leave room for its inclusion.

In practice, however, the ECJ rather presents the preservation of a trademark’s identification function as a means of also safeguarding the sign’s communication function. A further example of this cautious approach can be found at the international level. The WTO Panel dealing with EC protection for trademarks and geographical indications for agricultural products and foodstuffs pointed out that taking account of the trademark owner’s legitimate interest in preserving the distinctiveness of its trademark would “also take account of the trademark owner’s interest in the economic value of its mark arising from the reputation that it enjoys and the quality it denotes”. In fact, the initial stage of sign reservation and the continuous

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preservation of the exclusive link between the trademark and a specific enterprise ensures that all positive associations raised in consumers’ minds in the course of subsequent promotion activities are directed to the right trademark – the sign of the trademark owner paying for the promotion activities. In other words, by preserving distinctiveness as the basis of investment in trademark development, trademark law also contributes to the preservation of brand image and brand value resulting from this investment. This answer, however, bypasses rather than solves the problem of whether trademark law leaves room for satisfying the interest in the exploitation of brand image. It only reflects the current, unclear state of trademark law in which trademark rights, even though not intended to serve this purpose, de facto, are used as exploitation rights.

b. Theoretical Underpinning

Typical rationales underlying the grant of exploitation rights in the field of intellectual property are the incentive rationale on the one hand and the reward rationale on the other.\(^{46}\) According to the utilitarian incentive rationale, the opportunity of exploiting intellectual property is exclusively reserved for the creator in order to encourage creative work and ensure a sufficient production of intellectual goods for the overall welfare of society. There is little evidence of any need for brand image creation in society that would justify the invocation of this rationale and an extra incentive for brand image creators.\(^{47}\) By contrast, it may be argued that seductive lifestyle messages conveyed by a trademark distract from a product’s genuine qualities, thereby rendering consumers’ buying decisions less objective and depriving the trader with the objectively best offer of corresponding market success.\(^{48}\) Potential economic arguments, such as the facilitation of competition in mature markets and the enhancement of product popularity, are outweighed by social and cultural concerns about the privatisation of words and phrases.\(^{49}\)

\(^{46}\) For a discussion of the application of these rationales to trademarks, see Strasser, supra note 6, at 421–425.

\(^{47}\) See Scott, Oliver & Ley-Pineda, supra note 14, at 296–297, who consider product differentiation, facilitation of consumer choice and incentives to purchasing and, nevertheless, reject utilitarian arguments. Cf. Griffiths, supra note 4, at 264; Lemley, supra note 11, at 1694–1696; Brown, supra note 4, at 1622–1634. With regard to consumer protection, see the position taken by the US Supreme Court, Moseley v. V Secret Catalogue (“Victoria’s Secret”), 537 US 418 (2003): “Unlike traditional infringement law, the prohibitions against trademark dilution are not the product of common-law development, and are not motivated by an interest in protecting consumers.”

\(^{48}\) See Brown, supra note 4, at 1635–1637, who points out that “[t]he classical economists who enthroned the consumer never dreamed that he would make his decisions under a bombardment of stupefying symbols.” However, see also the economic analysis conducted by Van den Bergh & Lehmann, supra note 8, at 589–593.

\(^{49}\) See Strasser, supra note 6, at 389–390 and 412–414, on the one hand, and Lemley, supra note 11, at 1694–1698; Cooper Dreyfuss, “We Are Symbols and Inhabit Symbols, (Contd. on page 60)
The natural law reward argument hardly offers stronger support. Admittedly, it is the trademark owner who spent time and money on the creation of a particular brand image. Feelings of rightness and justice, therefore, suggest that the result of these efforts be due to her. Comparing brand image with other intellectual creations, like literary and artistic works or technical inventions, however, it becomes doubtful whether the trademark owner deserves this reward to the same extent as authors and inventors. Whereas works and inventions fall into the public domain after a limited period of protection and contribute to mankind’s treasury of intellectual creations in this way, a trademark carrying a particular brand image can be monopolised ad infinitum by the trademark owner by constantly renewing the registration. The investment in brand image creation, therefore, is an individual, selfish marketing decision for which the trademark owner cannot expect a reward from society as a whole. Both classical justifications of exploitation rights – the incentive argument and the reward argument – are thus inapplicable to brand image.

In the absence of classical rationales, a sufficient justification for brand image exploitation rights can potentially be identified in trademark law itself. The disclosure rationale featuring prominently in patent law is an example of such an inherent justification. With regard to the protection of trademark repute, two major rationales can be distilled from the legal traditions under discussion. While the tarnishment argument, seeking to shield well-known marks from the erosion of positive associations, features prominently in US trademark law, the EC Trademark Directive explicitly reflects the additional rationale of suppressing unfair free riding on the mark’s power of attraction. The US reserve with regard to misappropriation is mainly due to concerns about breathing space for competition, particularly for new-

(Contd. from page 59)

so Should we be Paying Rent? Deconstructing the Lanham Act and Rights of Publicity”, 20 Columbia-VLA Journal of Law & Arts 123, 128 (1996), on the other hand.

50 For an analysis of Lockean justification models, see SCOTT, OLIVER & LY-PINEDA, supra note 14, at 297–308.

51 _Cf._ McCarthy, _supra_ note 25, at Secs. 24:68 and 24:120; BEEBE, _supra_ note 1, at 1159, stating that a court “should not grant antiluisine protection to reward – i.e., to promote – spending on advertising, just as it should not grant such protection in recognition of something like the plaintiff’s good faith in trying as hard as it can to make its mark famous.”


53 In consequence, the taking of unfair advantage constitutes a specific requirement of infringement in Art. 5(2) of the Trademark Directive. _See also_ Art. 4 of Directive 2006/114/EC on misleading and comparative advertising. _Cf._ FEZER, _supra_ note 13, at 829–832; GLENN, _supra_ note 7, at 289–292; GRIFFITHS, _supra_ note 4, at 262–264; LEHMANN, _supra_ note 4, at 15. As indicated above, the risk of “a free ride on the goodwill of the well-known mark” is _also_ mentioned in explanatory note 4.5 of the WIPO Joint Recommendation.
comers in the market. Nevertheless, the view may be held that free riding is a hidden undercurrent of the tarnishment mainstream in US law.

The split between the two legal systems with regard to the inclusion of free riding is not decisive in the present context. It is important to note, however, that in both legal traditions, as pointed out above, specific infringement criteria follow from the underlying objectives, and that these conditions—the taking of unfair advantage or causing of detriment in EC law, and the causing of harm in US legislation—distinguish trademark rights in the field of repute protection from property rights in gross. The easier these requirements can be fulfilled, for instance, on the basis of a generous test of likelihood of detriment or harm, the closer the protection of trademark repute comes to brand image exploitation rights. Rather than lending support to the extension of trademark rights in this way, however, the tarnishment rationale and the free riding argument fortify the status quo. Having their roots in unfair competition law, both objectives encourage a careful case-by-case analysis of unfair advantage, detriment or harm. Brand image exploitation rights, by contrast, would necessitate the abandonment of these specific conditions to allow trademark owners to assert protection on the basis of mere copying of their reputed signs. The aim to prevent tarnishment and/or free riding, therefore, does not pave the way for transforming current repute protection into a brand image exploitation system. A sufficiently strong justification for the introduction of property rights in gross is not inherent in trademark law.


55 See Franklyn, “Debunking Dilution Doctrine: Toward a Coherent Theory of the Anti-Free-Rider Principle in American Trademark Law”, 56 Hastings Law Journal 117, 129 (2004): “[W]hile American dilution law purports to be about preventing dilutive harm, it really is about preventing free-riding on famous marks. Because of this mismatch between dilution’s stated purpose and hidden goal, it is a clumsy and largely incoherent doctrinal device.”


57 Cf. Tushnet, supra note 52, at 561–566; McCarthy, “Proving a Trademark Has Been Diluted: Theories or Facts?”, 41 University of Houston Law Review 101 (2004), who argues in favour of evidentiary rigor by the courts.
c. Limitation Infrastructure

Moreover, it should be noted that trademark law does not necessarily provide a sufficient limitation infrastructure. Other fields of intellectual property that contain exploitation rights, such as copyright and patent law, set forth a whole bundle of limitations serving social, cultural and economic needs. With regard to brand image, a line may particularly be drawn with copyright limitations. As pointed out above, a trademark carrying a specific brand image can be regarded as a focal point of communication with consumers. Viewed from this perspective, well-known marks can be qualified as a specific kind of communication product that comes close to those protected by copyright.58

With limitations for quotations, parody and news reporting, copyright law seeks to offer breathing space for freedom of expression.59 In trademark law, corresponding provisions are often sought in vain. The difference can clearly be seen at the international level. Whereas Arts. 2(8), 2bis(1) and (2), 10(1) and 10bis(1) and (2) of the Berne Convention leave room for freedom of expression, international trademark law merely offers an open formula in Art. 17 TRIPS that contains the example of “fair use of descriptive terms” but no reference to forms of use that concern freedom of expression, such as use for the purpose of trademark parody.60 The US and EC trademark systems illustrate different national approaches. The US TDRA explicitly exempts from actionability as dilution “identifying and parodying, criticizing, or commenting upon the famous mark owner or the goods or services of the famous mark owner” as well as “[a]ll forms of news reporting and news commentary”.61 EC legisla-


60 As to the application of Art. 17 TRIPS, see WTO Documents WT/DS174/R and WT/DS290/R, containing panel reports that permit trademark and geographical indications coexistence regimes under Art. 17. The reports are available at www.wto.org. For an in-depth analysis of the reports, see Senftleben, supra note 45, at 407.

tion, by contrast, leaves the issue of sufficient room for freedom of expression to the vague formula of “due cause” in Art. 5(2) of the Trademark Directive.\textsuperscript{62} As existing trademark rights serving the protection of trademark repute, de facto, are used as exploitation rights, doubt may already be cast upon the appropriateness of the latter approach in the current situation.

In case of a further shift towards brand image exploitation rights, express limitations serving freedom of expression seem indispensable.\textsuperscript{63} In this regard, the parallel between well-known marks and copyrighted communication products must be borne in mind. It is the shared communication function that forges a link between brand image and classical information products. Viewed from this perspective, brand image exploitation rights may be regarded as an element of copyright’s neighbouring rights system that, because of its roots, is still embedded in the framework of trademark law.\textsuperscript{64} The aim of recouping investment that lies at the core of brand owners’ exploitation interest does not contradict this parallel between potential trademark property rights in gross and copyright’s neighbouring rights. By contrast, it is not unusual to satisfy amortisation interests by introducing new neighbouring rights. The EC Database Directive 96/9 can serve as an example in this regard.\textsuperscript{65}

Having drawn this line between the copyright and the trademark systems, it is not unreasonable to posit that a development towards brand image exploitation rights similar to the exploitation rights granted in copyright law, should bring in its wake obligations with regard to freedom of expression that are comparable to those imposed in copyright law. In respect of use for

\textsuperscript{62} This formula, then, is to be interpreted in the light of fundamental rights, such as the guarantee of freedom of speech in Art. 10 of the European Convention on Human Rights. Cf. Gieles, supra note 7, at 383–384; Fezer, supra note 13, at 832.

\textsuperscript{63} See Lemley, supra note 11, at 1696 and at 1710–1713.

\textsuperscript{64} The overlap between the domains of trademark law and copyright law is increasing anyway. See Grosheide, “Zwakke werken”, in: Verkae & Visser (eds.), “Intellektuelle ei-

the purpose of freedom of expression, the limitation infrastructure of trademark law, in other words, should be harmonised with the system of limitations established in copyright law. Like neighbouring rights in the copyright system, brand image exploitation rights should be subject to limitations for quotations, parody and news reporting. As well-known marks are used as a means of communication, competing expression interests must be satisfied with appropriate limitations.

The parallel with the copyright system shows that trademark property rights in gross are an extraordinary element that goes beyond the classical domain of trademark law. The trademark subsystem concerning protection against confusion, however, should remain unaffected by this development in the anti-dilution subsystem, and keep its close ties with unfair competition law.

d. Conclusion

In sum, the discussion of the protection of repute, understood as a trademark’s particular power of attraction, brings to light a tension between the theoretical design and the practical use of trademark rights. Whereas the protection of repute seeks to prevent tarnishment and free riding on a case-by-case basis, marketing strategies involving substantial investment in brand image lead to the use of relevant trademark rights in degenerated form – as de facto exploitation rights. The gap between theory and practice comes to the fore in court decisions seeking to present the protection of brand image as a facet of the basic identification function of trademarks. More clarity could be achieved by taking a restrictive approach to trademark protection for brand image exploitation strategies. In any case, there is a need for safeguarding freedom of expression through limitations for quotations, parody and news reporting. The absence of explicit limitations for these purposes in many trademark laws, including EC legislation, is the most prominent shortcoming of the current unclear situation. If the route towards brand image exploitation rights is chosen in the future, the trademark limitation infrastructure should be harmonised with relevant copyright limitations. The US system that enshrines limitations for freedom of expression in the dilution system can serve as an example in this regard.

2. Distinctive Character

With regard to the second purpose underlying anti-dilution protection, the preservation of distinctive character, the European Court of Justice offered guidance in *Lloyd v. Loint’s*:

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66 See, for instance, Art. 16 of the 1996 WIPO Performances and Phonograms Treaty.

67 In fact, this does not seem unrealistic. See Lemley, *supra* note 11, at 1697: “Courts seem to be replacing the traditional rationale for trademark law with a conception of trademarks as property rights, in which trademark ‘owners’ are given strong rights over the marks without much regard for the social costs of such rights.”
In determining the distinctive character of a mark and, accordingly, in assessing whether it is highly distinctive, the national court must make an overall assessment of the greater or lesser capacity of the mark to identify the goods or services for which it has been registered as coming from a particular undertaking, and thus to distinguish those goods or services from those of other undertakings.68

Distinctive character, therefore, concerns the strength of the link which a trademark forges between an enterprise and its products. It can be understood to reflect a trademark’s “capacity to distinguish”. This concept makes sense in the framework of the protection subsystem concerning confusion and in relation to the specific goods or services offered in the market by the trademark owner. Referring to the picture drawn in the introductory Section I, it may be said that a trademark’s capacity to distinguish is a valid criterion with regard to the initial step of sign reservation and the subsequent maintenance of the exclusive link between the sign and its owner. In this context, the reach of the market area where the trademark owner can monopolise the use of a particular sign, and trademark law prevents competitors from the use of confusingly similar signs, logically depends on the trademark’s capacity to distinguish. The more distinctive a trademark, the greater will be the likelihood of confusion and the broader the field of similar goods or services.69

The reappearance of distinctive character in the trademark protection subsystem concerning dilution, however, raises the question whether it constitutes a valid criterion also in this context.70 As a core element of the trademark protection subsystem concerning confusion, distinctive character is inseparably linked with the goods and services in respect of which the trademark owner seeks protection, and thus with specific goods and services. The dilution doctrine, by contrast, goes beyond the principle of speciality and extends protection to dissimilar goods and services. It is not evident that a trademark’s capacity to distinguish is central under these circumstances. The mere fact that a sign has a particularly strong capacity of distinguishing specific goods or services need not necessarily have the corollary that it deserves protection even in remote market segments of dissimilar goods or services. Inevitably, the question arises whether a degree of distinctiveness is conceivable that justifies abandoning the requirement of similarity between the goods and services involved.

70 See McCarthy, supra note 25, at Sec. 24:118, who points out that the term “distinctiveness” receives a different meaning (“use which is likely to sap the strength of the famous mark”) in the context of the dilution doctrine.
a. Uniqueness

Traditionally, this question is answered in the affirmative. Widespread recognition of the mark, so runs the argument, justifies the extension to dissimilar goods or services. If a mark has such a strong psychological hold upon the public’s mind that consumers, when seeing it, immediately think of the products offered by the trademark owner, harm to the mark’s distinctive character would flow from any use of the mark in relation to other goods or services. Even use on completely different products would have a corrosive effect on the mark’s distinctiveness because an additional link would be established in the minds of consumers.\(^{71}\) In this vein, Schechter, in his famous 1927 Harvard Law Review article, warns of “the gradual whittling away or dispersion of the identity and the hold upon the public mind of the mark or name by its use upon non-competing goods.”\(^{72}\) “The more distinctive or unique the mark,” he maintains, “the deeper is its impress upon the public consciousness, and the greater its need for protection against vitiation or dissociation from the particular product in connection with which it has been used”.\(^{73}\) Instead of associating only one specific product with the trademark, consumers would have to think twice and decide in accordance with the context in which the mark appears as to which of the different products it refers.\(^{74}\) From an economic perspective, this process of distinguishing between the additional connotation which the sign has received and the initial, strong connection with one specific product is deemed to be counterproductive because it enhances consumers’ search costs.\(^{75}\)

This argument does not lack a certain power of persuasion. However, the question remains in which way the described extraordinary degree of distinctiveness can be obtained. In this respect, Schechter indicates “that [a trademark’s] selling power depends for its psychological hold upon the public, not merely upon the merit of the goods upon which it is used, but equally upon its own uniqueness and singularity; . . .” and “that the degree of [a trademark’s] protection depends in turn upon the extent to which, through the

71 Cf. McCarthy, supra note 25, at Sec. 24:73; Gielen, supra note 7, at 292–295; Casparie-Kerdel, supra note 4, at 186–187; Strasser, supra note 6, at 409–410.
73 See Schechter, supra note 72, at 825.
74 Cf. Beebe, supra note 1, at 1148: “The idea underlying the concept of blurring is that the defendant’s use of a mark similar or identical to the plaintiff’s mark will “blur” the link between the plaintiff’s mark and the goods or services to which the plaintiff’s mark is traditionally attached.” For a cognitive science approach to dilution by blurring, see Tushnet, supra note 52, at 519–522; Jacoby, “The Psychological Foundations of Trademark Law: Secondary Meaning, Genericism, Fame, Confusion and Dilution”, 91 The Trademark Reporter 1013, 1046–1051 (2001).
75 See Strasser, supra note 6, at 379–380; Beebe, supra note 1, at 1148; Tushnet, supra note 52, at 517–519; Griffiths, supra note 4, at 246–250. For a broad economic approach to trademarks as information carriers, see Van den Bergh & Lehmann, supra note 8, at 589–593 with further references.
efforts or ingenuity of its owner, it is actually unique and different from other marks.”76 With the introduction of the category of “uniqueness”, Schechter refers to the distinction between arbitrary and fanciful marks on the one hand, and common or semi-descriptive marks on the other. Interestingly, he perceives arbitrarily chosen marks as particularly vulnerable: “[i]f ‘Kodak’ may be used for bath tubs and cakes, ‘Mazda’ for cameras and shoes, or ‘Ritz-Carlton’ for coffee, these marks must inevitably be lost in the commonplace words of the language, ...”77 The focus on inherent distinctiveness is not without merit in the present context. A strong mark, in fact, constitutes a solid basis for communication and, consequently, facilitates the task of sign programming and brand image creation. The distinction between strong and weak marks, however, does not seem to be Schechter’s foremost area of interest. Rather, it is presented as an alternative way in which courts that are reluctant to readily accept the concept of trademark dilution could nevertheless finally arrive at an adequate protection regime.78

It is of particular interest for the present inquiry, however, to analyse Schechter’s final example of a unique trademark and a direct application of his dilution theory. Schechter refers to a German court decision in which the owners of the well-known mark “Odol” for mouth wash successfully opposed the registration of that word for steel products. In particular, Schechter points out the court’s holding that the well-known mark “would lose in selling power if everyone used it as the designation of his goods”, that the respondent had chosen the well-known mark “because this mark had acquired an especially favorable prestige through the efforts of the complainant”, that the complainant had “created a demand for its goods, while employing thereon a word having drawing power”, and that “complainant’s ability to compete with other manufacturers of mouth wash will be impaired if the significance of its mark is lessened”.79 Surprisingly, the primary concern reflected in these quotations does not seem to be the establishment of an additional link between the sign “Odol” and steel products but the unfair free riding on the favourable prestige attached to the sign as a result of the efforts made by the Odol company. The favourable prestige associated with a trademark, however, refers to its power of attraction or “selling power”, as the court calls it, rather than its capacity to distinguish. Therefore, repute lies at the core of Schechter’s example and not distinctive character. In consequence, his theory of uniqueness proves to be a hybrid concept inter-mingling distinctive character and repute.80

76 See Schechter, supra note 72, at 831.
77 See Schechter, id., at 830.
78 See Schechter, id., at 826.
79 See Schechter, id., at 832.
80 To this day, US Court Decisions reflect this ambiguity. In Ringling Bros.-Barnum & Bailey Combined Shows v. Utah Division of Travel Development, the Fourth Circuit of the US Court of Appeals, for instance, explained with regard to the 1995 US Federal Trademark Dilution Act that “by specifically defining dilution as ‘the lessening of the capacity of a
(Contd. on page 68)
b. Connection with Repute

Revisiting the description of the different stages of trademark development given in Section I, it becomes clear why the particularly strong distinctive character which, according to traditional dilution theory justifies extending protection to dissimilar products, is inseparably linked with repute. As explained above, the trademark serves as a platform for advertising and promotion activities during the period of sign programming. Consumers learn not only of the lifestyle which the trademark is intended to represent but also of the trademark owner and her goods and services. As the latter information is constantly repeated together with the lifestyle messages, it is not surprising that not only the brand image but also the link between the sign and the trademark owner’s products obtains a strong hold upon consumers’ minds. The promotion activities in the course of sign programming, therefore, automatically enhance a trademark’s distinctiveness as well. For this reason, the trademark is not unlikely to have become highly distinctive once a specific brand image is created. The intensification of the mark’s distinctive character, however, appears as a by-product rather than the very purpose of sign programming. As indicated above, this very purpose is brand image creation. Hence, a trademark’s so-called uniqueness is not necessarily a specific quality inherent in the trademark itself. By contrast, a trademark will appear unique after successful sign programming because of the brand image that has been attached to it. What the distinctiveness branch of anti-dilution systems seeks to preserve, therefore, is not so much a unique trademark but a unique brand image attached to the trademark. In consequence, it adds little to the repute branch of anti-dilution protection.

The need to shield well-known marks from the corrosive effect of additional links with other products, in particular, turns out to be mere rhetoric when marketing strategies such as the aforementioned product diversification are considered. The trademark owner who exploits the favourable brand image attached to the mark by gradually broadening the range of products for which it is used, contradicts the argument that the exclusive link between a well-known mark and a specific product deserves particular attention in the context of anti-dilution protection. As the owner herself engages in the establishment of links with additional products, she could hardly care less about the immediate association of the mark with a specific product in the minds of consumers. It is the trademark’s repute that constitutes the basis of the trademark owner’s exploitation strategy. Accordingly, it is not the immediate association of the mark with specific products but with a favour-

(Contd, from page 67)

famous mark to identify and distinguish goods or services,’ the federal Act makes plain what the state statutes arguably may not: that the end harm at which it is aimed is a mark’s selling power, not its ‘distinctiveness’ as such.” Cf. also Beebe, supra note 1, at 1145: “In Schechter’s view, trademark uniqueness was worth protecting because it generated ‘selling power’.”

81 Cf. Brown, supra note 4, at 1641–1643.
82 See the concept of “self-dilution” developed by Stadler Nelson, supra note 40, at 731.
able brand image that is of paramount importance to the owner. Sooner or later, the original link of the trademark with specific goods or services at the initial stage of sign reservation will even be perceived as an obstacle to further trademark development rather than a feature that needs to be preserved. The reason for this lies in exploitation prospects: the greater the trademark owner’s success in loosening the link with a specific product, the greater will be the extent to which the trademark itself becomes an independent product, and the more universal will be the trademark’s field of application and the owner’s opportunities to capitalise on the brand image attached to the mark.  

In the context of the dilution doctrine, distinctive character, therefore, is obsolete as a distinct purpose of protection. For instance, there seems to be no substantial reason to object to the use of “Mercedes” for bath tubs, cakes, cameras, shoes and coffee as long as the analysis is confined to distinctive character. Consumers will quickly learn to distinguish between Mercedes cars and Mercedes bath tubs, cakes, etc. It is not evident that the strong distinctive character of well-known marks would be affected more adversely than that of regular marks by exposure to the principle of speciality permitting use of identical or similar signs for dissimilar goods or services: the capacity of the Mercedes mark to distinguish cars remains intact. A unique, extraordinary distinctive character that is in danger of being gradually whittled away and dispersed does not come to light before the repute of the mark “Mercedes” is factored into the equation. The moment the mark’s power of attraction is considered, however, the assessment of the situation changes substantially. Even in the case of high-quality bath tubs, cakes, etc. not adding any negative connotation to the Mercedes mark, it seems justified to qualify the use as an unfair free ride on the positive quality associations and the particular power of attraction established in consumers’ minds by the car company. These positive associations – and not the appeal of the

83 Cf. Schroeder, supra note 5, at 161; Strasser, supra note 6, at 386–388; Lemley, supra note 11, at 1708–1709.

84 Cf. Tushman, supra note 52, at 527–532 and 536–542, who indicates that the context in which a mark is presented may be central in this regard, and that, in addition, reaffirmation effects have to be taken into account that may even reinforce the strength of the original mark.

85 See the empirical study conducted by Morris & Jacovs, “Trademark Dilution: Empirical Measures for an Elusive Concept”, 19 Journal of Public Policy & Marketing 265, 274 (2000): “It appears that very strong brands are immune to dilution because their memory connections are so strong that it is difficult for consumers to alter them or create new ones with the same brand name.” See Beebe, supra note 1, at 1149–1150, 1162–1163; Casparie-Kerdel, supra note 4, at 192; and Strasser, supra note 6, at 410, who agree that the risk of detriment to the product-identifying function of well-known marks is virtually non-existent. However, see also Gielen, supra note 7, at 292–293, who warns of the corrosive effect on the distinctiveness of very strong marks.

86 See the “Audi” car and lipstick example given by Strasser, supra note 6, at 411–412. Cf. Lehmann, supra note 4, at 15.
word “Mercedes” as such – are the reason why producers of dissimilar goods or services are attracted by the sign “Mercedes”. It is a mark’s favourable repute that inclines other traders to purposely choose identical or similar signs. Without the mark’s extraordinary power of attraction, there would be no risk of significant injury caused by “a hundred bees” or “a thousand small cuts”.\(^{87}\) A high number of potential free riders need not be feared anyway. The real danger, therefore, is not the whittling away or dispersion of the mark’s capacity to distinguish (distinctiveness), but the free riding on and gradual erosion of the mark’s power of attraction (repute).\(^{88}\) Hence, the dilution doctrine should focus on repute.

c. Conclusion

There are two protection subsystems in trademark law: protection against confusion on the one hand, and protection against dilution on the other. Distinctive character is central to the protection subsystem concerning confusion. In this context, it constitutes a criterion and purpose of protection that is inseparably linked with specific goods and services. Without considering the goods or services for which a sign is used, its distinctive character can hardly be determined. Moreover, the scope of confusion protection, both with regard to likelihood of confusion and similarity of goods or services, is broader the higher the distinctiveness of the trademark concerned.

Inevitably, this purpose of protection causes a conceptual imbalance when it is placed in the context of the dilution doctrine. To justify the inclusion, traditional dilution theory advances the argument that the immediate association of the well-known mark with a specific product in the minds of consumers would be destroyed by use of the mark for dissimilar products. It is feared that the trademark’s “uniqueness” would gradually be whittled away or dispersed by additional links with other goods or services. A closer analysis of this line of reasoning, however, shows that it is not the unique link of a well-known mark with a specific commercial source, but its unique link with a particular brand image that constitutes the foremost concern underlying the argument. The aim to preserve a well-known mark’s power of attraction and prevent unfair free riding thus reappears in the guise of efforts to preserve distinctive character. The distinctiveness branch of anti-dilution protection systems, in consequence, proves to be a variation of the theme of repute protection. As such, it is obsolete. Marketing strategies, like product

\(^{87}\) See the metaphors used by McCarthy, supra note 25, at Sec. 24:120, to describe the theory of “the slippery slope” focusing on the cumulative effect of numerous small attacks on a well-known mark. Cf. Bebe, supra note 1, at 1163.

\(^{88}\) See the argument advanced by dilution proponents to which Tushnet, supra note 52, at 522, refers: “If a dilutive use defamiliarizes consumers with a mark, their positive emotional associations based on familiarity may be lost, giving them less reason to choose the underlying product.” This argument focuses on positive associations and thus power of attraction instead of the basic capacity to distinguish goods or services. As to the inclusion of free riding, see Franklyn, supra note 55, at 129.
diversification, confirm that the link between a well-known mark and specific products is not the primary concern of trademark owners. By contrast, the marketing strategy relies on the preservation of the favourable brand image that is applied as universally as possible.

The abandonment of the reference to a well-known mark’s capacity to distinguish in dilution cases would not only lead to more clarity in court decisions. It would also have a systematic advantage. The moment distinctive character is abolished as a distinct purpose of dilution protection, a clear distribution of tasks between the two protection subsystems in trademark law comes to the fore. While the preservation of distinctive character is confidently left to the protection subsystem concerning confusion, the protection subsystem concerning dilution focuses on the preservation of a well-known mark’s repute. The latter remaining purpose of anti-dilution systems justifies the extension of protection to dissimilar goods or services, corresponds to the marketing strategies of the owners of well-known marks, and satisfies their protection needs.

IV. Relation Between Subject Matter and Purposes of Protection

In the preceding sections, light has been shed on the subject matter and the purposes of anti-dilution protection. Finally, the present analysis gives rise to the question in which way the subject matter of protection relates to the purposes of protection. This question may be approached from different perspectives. An abstract assessment focuses on the definitions and functions of the terms under discussion and seeks to identify potential general merits of their combination, thereby inevitably disregarding individual national conceptions. A concrete assessment, by contrast, asks whether the link between a specific subject matter and the purposes of anti-dilution protection established in a given protection system can be deemed appropriate. In the following subsections, the relationship between the subject matter and the purposes of anti-dilution protection will be analysed from these two perspectives.

1. Abstract Assessment

As pointed out above, the technical terms used to describe the subject matter of protection against dilution differ from legislation to legislation. The terms “well-known marks”, “famous marks” and “marks with a reputation” can be found in international, US and EC law. Irrespective of these differences in terms, however, a shared criterion is applied to determine a trademark’s eligibility for anti-dilution protection: in all systems analysed above, a certain degree of knowledge or recognition amongst the public is re-

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89 For a different approach emphasising the interplay between the two protection subsystems, and drawing lines between their functioning and rationales, see QUAEVLIEG, supra note 16, at 287–289.
quired.\textsuperscript{90} Due to the reference to a certain “degree”, this criterion receives a quantitative connotation. Hence, the question arises whether a predominantly quantitative standard to be met by subject matter eligible for anti-dilution protection is capable of forging a sufficiently strong link with distinctive character and repute as purposes of protection.

As to distinctive character, understood as a trademark’s capacity to distinguish, a sufficient link would mean that the following argument is valid: the more people know a trademark, the higher is its distinctiveness. In fact, there can be little doubt as to the validity of this relation. Damage to distinctive character depends on knowledge of the trademark. If no connection between a trademark and the goods or services of a specific enterprise is created in the minds of consumers, there can hardly be any harm to the trademark’s distinctiveness. Not surprisingly, there is a possibility of non-distinctive signs acquiring secondary meaning in the course of promotion activities: the moment the public is taught to perceive a given sign as an identifier of commercial source, the sign’s distinctiveness will no longer be denied. In this vein, knowledge amongst the public is almost equated with distinctive character in court decisions. In Canon/Cannon, the European Court of Justice, for instance, underlined the inseparable link between a mark’s “reputation” – the technical term reflecting knowledge of a trademark in EC law – and the mark’s distinctiveness. The Court explained that “marks with a highly distinctive character, either per se or because of the reputation they possess on the market, enjoy broader protection . . .”\textsuperscript{91} and referred to a situation “where the marks are very similar and the earlier mark, in particular its reputation, is highly distinctive”.

In respect of repute, a sufficient link with the rather quantitative criterion of knowledge or recognition is less clear. As explained above, “repute” reflects a trademark’s power of attraction. Therefore, the following formula would indicate a valid relation: the more people know a trademark, the more positive are the associations triggered by the trademark in the minds of consumers. In case law, this constellation is discussed as well. The ECJ decision in Benetton v. G-Star, for instance, concerned a situation “where, prior to the application for registration, [a trademark] acquired attractiveness as a result of recognition of it as a distinctive sign following advertising campaigns presenting the specific characteristics of the product in question.”\textsuperscript{92} Rather than testifying to a strong link between knowledge amongst the public and power of attraction, the way of obtaining recognition as a distinctive sign described by the Court, however, merely confirms the above assumption that

\textsuperscript{90} As indicated above, a different degree of knowledge or recognition is required in international, US and EC law. These differences will be brought into focus in the next subsection providing a concrete assessment of the relationship between the subject matter and the purposes of anti-dilution protection.


the strengthening of a trademark’s distinctiveness is a by-product of promotion activities aiming at the creation of a brand image. Mere knowledge, by contrast, does not necessarily imply positive associations and power of attraction. A trademark may be widely known because of a dangerous manufactory error brought to light by the media. Under these circumstances, widespread knowledge is due to the scandal and will kill demand for any product bearing the trademark instead of enhancing its power of attraction.

In consequence, it is to be concluded that a mere quantitative approach to the criterion of knowledge or recognition amongst the public does not sufficiently relate to trademark repute. Therefore, it should not simply be asked whether a sufficient part of the relevant public knows and recognises the trademark when it comes to deciding on a trademark’s eligibility for anti-dilution protection. The preservation of repute lies at the core of anti-dilution protection, whereas distinctiveness, as shown above, does not play an independent role. If quantitative factors are brought into focus that predominantly relate to distinctive character, there is thus a risk of imbalance in the dilution system. The particular importance of repute necessitates the inclusion of qualitative elements.93

Factors of this nature are not absent from relevant catalogues of criteria. According to Art. 2(1) JR WKM, “the duration, extent and geographical area of any promotion of the mark” as well as the “value associated with the mark” should be considered besides various other criteria. The TDRA includes the factors of “[t]he duration, extent, and geographic reach of advertising and publicity of the mark” and “[t]he amount, volume, and geographic extent of sales of goods or services offered under the mark.”94 In line with the ECJ’s decision in “Chevy,” “the market share held by the trade mark” and “the size of the investment made by the undertaking in promoting it” is to be taken into account.95 The consideration of market shares and promotion activities brings the assessment closer to the aspect of power of attraction. However, it approaches the question of trademark repute in an indirect way. To ascertain the existence of trademark repute, it would actually be necessary to ask whether promotion of the mark succeeded in imprinting positive associations on consumers’ minds, and whether the market share is due to a desire to buy raised by the mark.96 Hence, the focus should be on the question

94 See Sec. 43(c)(2)(a) of the 1946 Trademark Act (15 U.S.C. 1125), as amended by Sec. 2 TDRA. Cf. McCarthy, supra note 25, at Sec. 24:106.
95 See ECJ, 14 September 1999, case C-371/06, General Motors v. Yplan (“Chevy”), para. 27.
96 Cf. McCarthy, supra note 1, at 1173, who underlines that the factors indicated by the ECJ “are merely circumstantial evidence of the scope of usage of the mark, not direct evidence of the state of mind or knowledge of the relevant public.” In contrast to the view held by McCarthy, however, it seems that a focus on qualitative criteria need not necessarily require survey evidence.
whether the brand image evoked by the trademark appeals to consumers. This question directly relates to trademark repute. The abstract assessment of the relation between the subject matter and the purposes of anti-dilution protection, therefore, shows that the criteria for identifying the subject matter of protection must be recalibrated. In line with the present analysis, the assessment of a trademark should not be confined to the question whether a sufficient part of the public knows and recognises the mark. It should be asked whether the trademark appeals to consumers and inclines them to buy.

2. Concrete Assessment

With regard to individual standards of eligibility for protection, different approaches have been identified above. While the US standard of famous marks requires wide recognition by the general consuming public, a showing of niche reputation is sufficient to meet the EC standard of marks with a reputation. This niche approach appears rather imbalanced. A trademark used for surgery knives, for instance, might enter the field of anti-dilution protection in the EC and would thus, in principle, be eligible for protection against use for lawyers’ robes even though the potential overlap between the two consumer groups seems negligible. The further acceptance of marks that are only known in a substantial part of an EC Member State broadens the conceptual gap. What if the knives are exclusively marketed in Bavaria while the robes are only offered in Lower Saxony? In these cases, infringement criteria, such as causing detriment or taking unfair advantage, must be used to re-establish a balance between the subject matter and the purposes of protection. In other words, the door that has been opened widely through the niche reputation approach must be closed afterwards with the help of infringement criteria.

On its merits, “niche reputation” gives rise to the question whether broad access to anti-dilution protection is desirable. The considerations that may play a role in this context are manifold. A line may be drawn, for instance, between protection against dilution and the further privilege of well-known marks, the exemption from national registration requirements following from Art. 6bis EC. If niche reputation is deemed insufficient with regard to Art. 6bis EC, it may appear inconsistent to accept niche reputation in dilution cases that have an even deeper impact on the trademark system because they override the principle of speciality.97 In accordance with the above example of surgery knives and lawyers’ robes, it may, moreover, be argued that protection against the dilution of niche reputation, in practice, will only be efficient with regard to market segments that are more or less closely related to the market of the original mark.98 In this constellation, a broad concept

97 See McCarthy, supra note 1, at 1175; Pollaud-Dulian, supra note 18, at 44–45.
98 See the US decision concerning the marks “Lexis” and “Lexus”, Mead Data Cent., Inc. v. Toyota Motor Sales, USA, Inc., 875 F.2d 1026, 10 U.S.P. Q.2d 1961 (2d Cir. 1989), in which the court held that the Lexis mark for a computer data base did not possess the required degree of fame and strength among the relevant general public who formed the potential market for Lexus cars. Cf. McCarthy, supra note 25, at Sec. 24:105.
of confusion, including affiliation and sponsorship, may be considered sufficient to provide protection. Finally, the acceptance of niche reputation in the EC may be due to practical considerations rather than conceptual supremacy. In a regional common market with national sub-markets that differ considerably in size, a niche approach offers equal access to dilution protection because it constitutes the lowest common denominator. A standard of nationwide reputation, arguably, would require less effort in small EC Member States. Community-wide reputation, by contrast, may be beyond reach for brands stemming from small countries. On balance, however, the present analysis shows that, at least in coherent markets that are less fragmented than the common market of EC Member States, the US standard of recognition by the general consuming public is more consistent. It facilitates the establishment of a proper balance between the subject matter and the purposes of anti-dilution protection.

3. Conclusion

The analysis of the relation between the subject matter and the purposes of anti-dilution protection yields two important insights. First, knowledge or recognition amongst the public as a criterion of eligibility for protection relate predominantly to the distinctiveness of well-known marks. The core objective of protection against dilution, however, is the preservation of trademark repute. When it comes to deciding on a trademark’s eligibility for protection, it should therefore not simply be asked whether a sufficient part of the relevant public knows and recognises the trademark. By contrast, the focus should be on the question whether a trademark appeals to consumers and inclines them to buy. A comparison of US and EC anti-dilution systems, secondly, shows that a niche-knowledge approach to the identification of subject matter of protection is problematic because it offers broad access to anti-dilution protection that must be restricted afterwards with the help of infringement criteria. Wide recognition by the general consuming public proves to be a more consistent threshold when aiming at a balance between the subject matter and the purposes of anti-dilution protection. In sum, the question whether the brand image evoked by a trademark appeals to the general consuming public should thus be central to the identification of subject matter eligible for anti-dilution protection.

V. Conclusion

For several reasons, it seems justified to regard the trademark dilution doctrine as a tower of Babel:

99 See McCarthy, supra note 25, at Sec. 24:105; Beebe, supra note 1, at 1161–1162. As to the interplay of confusion protection and dilution protection in trademark law, see Quaedyvlieg, supra note 16, at 275.

100 A requirement of Community-wide reputation could not be established under current EC legislation anyway. Article 5(2) of the EC Trademark Directive refers to trademarks having “a reputation in the Member State” (emphasis added).

101 Cf. McCarthy, supra note 1, at 1172–1177; Pollaud-Dilian, supra note 18, at 51–53.
First, different terms are used to identify subject matter eligible for protection against dilution: international law refers to “well-known marks”; US law speaks of “famous marks”; EC law, finally, establishes the standard of “marks having a reputation”. Irrespective of the difference in terms, a trademark’s eligibility for protection, generally, depends on a certain degree of knowledge or recognition amongst the public. On the basis of this common ground, however, different standards evolved in the analysed trademark systems. While US law rejects the concept of niche knowledge and requires wide recognition by the general consuming public, EC law follows a niche-knowledge approach accepting knowledge by a significant part of a potentially specialised public in a substantial part of an EC Member State. Anti-dilution protection, therefore, is available for different groups of marks under US and EC law.

Second, two purposes of protection against dilution are distinguished in US and EC law: the preservation of distinctiveness on the one hand, and the preservation of trademark repute on the other hand. The inclusion of distinctive character as a distinct purpose of protection, however, is obsolete. It rests on the argument that the trademark’s “uniqueness” would gradually be whittled away or dispersed by additional links with other goods or services. In reality, however, the central concern is not the unique link of a well-known mark with specific goods or services, but its unique link with a particular brand image. As the preservation of brand image falls within the province of the repute branch of anti-dilution protection, the aim to preserve distinctive character proves to be a superfluous repetition of the same theme. Its abandonment leads to a clear distribution of tasks between the two trademark protection subsystems: while the preservation of distinctiveness can exclusively be assigned to the subsystem ensuring protection against confusion, the preservation of trademark repute remains the only purpose underlying the system of protection against dilution.

Third, the relation between the subject matter and the purposes of anti-dilution protection needs reconsideration. Knowledge or recognition amongst the public as an overarching criterion of eligibility for protection relates predominantly to the distinctiveness of well-known marks. Qualitative factors that are considered in this context, such as market shares and promotion activities, merely create an indirect link with repute. As distinctiveness is obsolete, and repute constitutes the core objective of anti-dilution protection, the standard for identifying subject matter of protection should be aligned with repute. Niche-knowledge approaches to the identification of subject matter of protection are undesirable in this context because they offer broad access to dilution protection that must later be restricted with the help of infringement criteria.

In sum, the following measures can be recommended to stabilise the tower of Babel: Instead of lending too much weight to knowledge or recognition by the public in a mere quantitative sense, the question whether the brand image evoked by a trademark appeals to the general consuming public...
should be central to the identification of subject matter eligible for anti-
dilution protection. Power of attraction in niche markets should be deemed
insufficient at least in coherent markets that are less fragmented than the
common market of EC Member States. As the central purpose underlying
protection against dilution is the preservation of trademark reputa,
tences to distinctiveness should be avoided.

This clarification brings to light the main field of application of the dilution
doctrine: it serves the preservation of a brand image that, as a result of
investment in promotion activities, has been attached to the mark. Against
this background, it becomes clear that trademark law is at the crossroads.102
Considering the theoretical basis of the dilution doctrine and the weakness of
justifications for brand image exploitation rights, it seems desirable that
the trend towards the degeneration of trademark rights into exploitation
instruments be stopped by restrictively applying the infringement criteria of
harm, detriment and unfair advantage. Otherwise, trademark law will gradu-
ally loose its conceptual contours.103 On the other hand, it is conceivable that
the strong industry interest in recouping investments in brand image
will finally lead to a shift towards brand image exploitation rights.104 In this
case, it should be borne in mind that a parallel can be drawn between
trademarks carrying a particular brand image and the subject matter of
copyright law. As well-known marks are a focal point of communication
with consumers, they come close to copyrighted communication products. A
potential future grant of brand image exploitation rights similar to the
exclusive rights awarded in copyright law,105 therefore, should be accompa-
nied by obligations that are also comparable to those imposed in copyright
law. This is of particular importance with regard to limitations serving free-
dom of expression.

102 Cf. the conclusions drawn by TUSHNET, supra note 52, at 561–566.
103 See GRIFFITHS, supra note 4, at 265; McCARTHY, supra note 25, at Sec. 24:120; BEEBE,
supra note 1, at 1159; BROWN, supra note 4, at 1658–1659; VAN DEN BERGH & LEHMANN,
supra note 8, at 598. Cf. MOSKIN, supra note 13, at 846, who admits that “it is
awkward to engrave on a long-standing tort-based system of rights a new and peculiarly
limited set of property-based rights.”
104 As to the broader trend towards “propertising” intellectual property, see SPOOR, “De ge-
stage groei van merk, werk en uitvinding”, (Zwolle 1990); LEMLEY, “Romantic Author-
ship and the Rhetoric of Property”, 75 Texas Law Review 873, 895–904 (1997); LEHM-
ANN, “Eigentum, geistiges Eigentum, gewerbliche Schutzrechte – Property Rights als
Wettbewerbsbeschränkungen zur Förderung des Wettbewerbs”, 1983 GRUR Int. 356.
105 Cf. MOSKIN, supra note 13, at 857, who asserts that effective protection of the economic
value of famous trademarks requires recognition of a property right similar to copyright
or patent.