

Be Careful What You Wish For: When Trademarks Become “Investment” Properties

Professor Doris Estelle Long
Director, Center for Intellectual Property, Information and Privacy Law
The John Marshall Law School, Chicago
7long@jmls.edu

With their dichotomous nature as consumer information signifiers and business investment assets, trademarks have long been subject to potentially conflicting norms for protection and use. Recent domestic and international developments have laid the ground work for greater legal protection for brand owners’ investment rights. From the express recognition of the “investment function” of trademarks by the Court of Justice of the European Union in *Interflora v. Marks & Spenser* to the increased acceptance of anti-dilution doctrines, courts are increasingly acknowledging the role of trademarks as more than consumer information signifiers. With its decreased emphasis on consumer confusion, this “investment” function protection could provide mark owners with powerful new tools to protect their investment in brand development. But it also has potential unforeseen consequences, including providing regulatory agencies with enhanced rights to impose specific limitations on trademark uses in connection with regulated products (such as under Australia’s Tobacco Plain Packaging Act). The effective decoupling of consumer protection from its “traditional” moorings in infringement analysis also raises the possibility that new norms will develop that allow even broader use of marks by third parties divorced from the present limitations on compulsory licenses and “fair use” exceptions. How the “investment” nature of trademarks is affected by crowd sourcing and other social media impacts on brand value has yet to be decided. Yet in the battle to place the trademark owner’s interest in protecting its investment in greater relief, owners may well discover that they have achieved a pyrrhic victory that places their brands more fully within the traditional regulatory regimes of other intellectual property based rights. In freeing trademarks from the focus on consumer confusion, they may ultimately have freed their marks to be regulated more robustly to meet even broader consumer protection interests.