

Revisiting the Philosophical Foundations of Trademarks in the US and UK

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of Trademarks in the US and UK

By

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To the soul of my late father

TABLE OF CONTENTS

Preface	ix
Dr Andreas Rahmatian, University of Glasgow, UK	
Acknowledgements	xi
List of Cases	xiii
Chapter One.....	1
Introduction	
Chapter Two	15
The Philosophical Foundations of Trademarks	
Chapter Three	61
The Functions of Trademarks	
Chapter Four.....	83
The Current Protection of Trademarks in the USA	
Chapter Five	141
The Current Protection of Trademarks in the UK	
Chapter Six	193
Parody as an Example of the Relevance of the Economic-Social Planning Theory for Trademarks	
Chapter Seven.....	219
Conclusions	
Bibliography	225
Index	239

PREFACE

DR ANDREAS RAHMATIAN,
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Until recently, the area of trademark law has not been subject to much rigorous theoretical and philosophical examination when compared with copyright or patent law. This has changed somewhat, but it has mainly been US-American scholarship which has looked into questions such as: What are the foundations of trademark systems? In which way can trademarks be justified? What is the function and purpose of trademarks? How is this function reflected in the practical application of the law by the courts? Stimulating as these debates are, they have inevitably focused on US-American trademark law and US-American legal culture.

Dr Mohammad Naser has undertaken to put the findings of US-scholarship into a broader perspective, and, by taking UK trademark law as the paradigmatic jurisdiction besides US law, he has adapted US trademark theory successfully to a European outlook and European trademark systems. In his work, the author discusses first the various philosophical theories justifying trademarks (utilitarian, economic and labour-based theories, and personality-based theories), and then develops an “economic-social planning theory” which posits that trademark systems should be formulated in a manner that helps fostering free and fair competition in the marketplace: this can only be achieved if one is aware of the fact that it is not only the trademark owner, who, by creating and using his trademark, establishes the goodwill the sign denotes, but it is also the consuming public who reacts to the sign and thereby “co-authors” the trademark. The public grants the degree of association and everything the mark stands for, thus ownership of the trademark proprietor must be qualified in the light of the (cultural) contribution of the consumers in creating the trademark.

The strength of Dr Naser’s work lies in the theoretical discussion of the foundation of trademarks as well as in the detailed examination of the eminent practical implications of his theory. He highlights that current trade mark legislation has departed from the dual protection of owners and the public to the sole protection of trade mark owners, especially through

widening the notion of “confusion” and introducing the idea of “dilution” within trademark infringement. Furthermore, the overemphasis on the trademark owner’s rights impacts upon freedom of speech, and the author illustrates this problem with the attitude of the courts, especially the US courts, to trademark parody. The author proposes a new principle of trademark protection which permits non-confusing uses and thus protects fair competition. This principle also takes account of the right of free speech and the development of cultural and expressive uses of trademarks, in line with the economic-social planning theory. Dr Naser’s work is therefore not only a major contribution to the academic debate in this area, but also relevant to the work of practitioners of trademark law.

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I have to begin with my father, Qassem Al-Nasser, who shared this dream with me, but unfortunately did not live to see it come true. His unconditional love and support until the last day of his life have given me the strong base from which to rise. It is to his soul that I dedicate this work, and to his generosity and affection that I shall forever be indebted.

My mother, Shahira, whose patience and selflessness taught me that no goal is impossible to achieve. My wife, Dana and my children, Wafa and Qassem, who put up patiently with my constant preoccupations, and sacrificed valuable family time in order to see this work through. My eldest brother, Sami, who stepped up as a second father to me, and whose insight and advice I value and admire. My sisters, Rania and Rula and the rest of my brothers and sisters, who all gave me emotional stability.

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Special thanks and appreciation to the distinguished law firm, Khalaf Masadeh & Partners, to whom I owe my practical experience, and to His

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My mentors at the University of Jordan, Dr. Tariq Hammouri, Dr. Fayad Al-Quadah, Dr. Ahamd Masadeh, Dr. Abdul-Rahman Jum'a, Dr. Bassam Talhouni and Dr. Qais Mahafzah, to whom I owe my first peek into the world of law. They are the ones who instilled in me the love of knowledge and the thrill in its pursuit. Each and every one of them was an inspiration.

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CHAPTER ONE

INTRODUCTION

This book starts with the observation that the rights of trademark owners have recently expanded to extreme levels.¹ This has happened to the detriment of the rights of the consuming public and other traders and rivals.² The assessment of trademark infringement has departed from “confusion” to a new standard, which does not take into consideration the state of mind of the consuming public: “dilution”. This expansion in favour of trademark owners threatens to hinder the ability of the public to use trademarks in cultural and expressive uses.³ In addition, the rights of other traders and rivals would also be affected. Other traders and rivals are prevented from using registered marks, even if such uses are not likely to confuse the public as to “source and origin”.⁴ This could create barriers against new entrants, and eventually might result in obstructing free and fair competition.

Arguments attempting to justify the expansion of the rights of trademark owners have relied upon utilitarian and economic justifications. This justification considers that trademarks reduce consumer search costs.⁵ According to this utilitarian and economic theory, trademark owners should be ensured the maximum protection possible.⁶ This aims to provide owners with the proper incentives to produce high quality products,⁷ and

¹ See *infra* pp 4-5.

² *ibid.*

³ See *infra* p 11.

⁴ In this book, the terms “source” and “origin” hold the same meaning; they are used to denote the identification function of trademarks.

⁵ WM Landes and RA Posner ‘The Economics of Trademark Law’ (1988) 78 Trademark Reporter 270. See also, SL Carter ‘The Trouble with Trademark’ (1989-1990) 99 Yale L J 762. See also, N Economides ‘The Economics of Trademarks’ (1988) 78 Trademark Reporter 526. See also, ch 2 pp 17-23.

⁶ See ch 2 pp 17-23.

⁷ PS Menell ‘Intellectual Property: General Theories’ in B Bouckaert and G de Geest (eds) *Encyclopedia of Law & economics* (Edward Elgar Cheltenham UK 2000) Vol 2, 149. See also, A Kozinski ‘Trademarks Unplugged’ (1994) 84

to ensure the maximization of wealth.⁸ The book holds that the incentive argument is subjective, and differs on an individual basis.⁹ It is also suggested that the wealth maximization argument is artificial,¹⁰ and focuses solely on trademark owners. As such, the utilitarian and economic justification is responsible for this expansion of rights in favour of trademark owners. However, the reduction of consumer search costs is a valid argument, because it proves the need for the existence of trademark systems. Nevertheless, this could only be a starting point in the process of justifying trademarks, but falls short in providing a full justification, because it does not provide boundaries for the rights of trademark owners.

Since a theoretical approach is deployed for the maximization of trademark owners' rights, it seems that revisiting the philosophical foundations of current trademark systems is essential. In addition, it is vital to provide a further theoretical framework, which could set out boundaries to protect trademark owners, and would be able to provide justice to trademark owners, the consuming public and other traders and rivals. In search of more theoretical clarity, this book examines Locke's labour theory,¹¹ and Hegel's personhood approach.¹² However, it is suggested that the premises of these theories are not applicable to trademarks.¹³

The case of the Social-Planning theory is different. This theory considers that trademark systems should be formulated in a manner which helps to foster a "just and attractive culture".¹⁴ In this culture monopoly is prohibited,¹⁵ and an environment of free and fair competition is

Trademark Reporter 451. See also, AD Moore 'Intellectual property, Innovation, and Social Progress: The Case Against Incentive Based Arguments' (2003) Vol 26:3 Hamline L Rev 607. See also, EC Hettinger 'Justifying Intellectual Property' (1989) Vol 18 No 1 Philosophy and Public Affairs 47-48. See also, ch 2 pp 17-23.

⁸ NS Kinsella 'Against Intellectual Property' (2001) Vol 15 No 2 J of Libertarian Studies 11, available at

<http://www.mises.org/journals/jls/15_2/15_2_1.pdf> (26 August 2009). See also, ch 2 pp 17-23.

⁹ See ch 2 pp 25-27.

¹⁰ *ibid* pp 23-24.

¹¹ *ibid* pp 30-34.

¹² *ibid* pp 40-44.

¹³ *ibid* pp 34-30, 44-47.

¹⁴ W Fisher 'Theories of Intellectual Property' in S Munzer (ed) *New Essays in the Legal and Political Theory of Property* (1st edn Cambridge University Press Cambridge 2001) 172. See also, *infra* p 10. See also, ch 2 pp 57-59.

¹⁵ WJ Gordon 'On Owning Information: Intellectual Property and the Restitutionary Impulse' (1992) Virginia L Rev 157.

promoted.¹⁶ The Public Authorship Model, which is a sub-theory, helps to clarify the claims of the Social-Planning theory.¹⁷ It considers that the process of creating a trademark passes through two stages, in the first stage the trademark owner affixes a sign over his/her products,¹⁸ while in the second stage the consuming public attribute an association between the mark and the products on which the mark is affixed.¹⁹ Thus, trademarks are jointly “authored” and owned by trademark owners and the consuming public.²⁰

As such, this book develops what could be called the Economic-Social Planning theory, which is not merely a conjuncture of parts of the economic and social theories, but rather builds upon these theories in order to provide proper solutions to the current troubles with trademarks.²¹ In an attempt to combine theory with practice, the Economic-Social Planning theory provides new arguments regarding the functions of trademarks. Accordingly, the source and origin function is considered as the only *primary* function of trademarks,²² and owners of well-known trademarks are provided with extra protection.²³ A major theme that stems from the theoretical and practical propositions developed by book consider that the consuming public should enjoy the right not to be confused in regards to trademarks, and shall also be able to use trademarks for cultural and expressive purposes. In addition, the trademark owner should be able to offer his/her products, and compete with other traders, by ensuring product differentiation in the marketplace. However, other traders and rivals should enjoy the right to use trademarks when such uses are not likely to affect the product differentiation.

The US and UK are used as case studies²⁴ which will assist in proving the merits of the suggested theoretical approach and the need to revisit the philosophical foundations of current trademark systems. After this general outline of the book, the next section clarifies in more clarity the trouble with current trademark systems.

¹⁶ See *infra* p 10.

¹⁷ See ch 2 pp 50-52.

¹⁸ S Wilf ‘Who Authors Trademarks?’ (1999) 17 Cardozo Arts & Entertainment L J 8. See also, ch 2 pp 57-59.

¹⁹ Wilf (n18) 8. See also, ch 2 pp 57-59.

²⁰ See ch 2 pp 57-59. See also, *infra* p 10.

²¹ See *infra* pp 6-8.

²² *ibid.* See also, ch 3 pp 75-78.

²³ See *infra* pp 6-8. See also, ch 3 pp 78-80.

²⁴ See generally chs 4, 5 and 6.

The Trouble with Trademarks

As has been outlined above, current trademark systems have widened the scope of the rights of trademark owners. Today, words, designs, devices, shapes and packaging of goods are registrable, amongst others.²⁵ In respect of this wide range of registrable marks, the scope of the confusion test for trademark infringement has been widened,²⁶ in addition to the introduction of the dilution test which aims to preserve the uniqueness and singularity of trademarks.²⁷ Some scholars have cited this expansion of the rights of trademark owners. For example, Assaf argues that:

‘[T]h[e] extensive protection [of trademarks] is primarily due to two factors: (1) a very broad interpretation of the term “consumer confusion” and (2) the dilution doctrine, which protects famous trademarks from non-confusing uses.’²⁸

This expansion in the rights of trademark owners has happened to the detriment of the rights of the consuming public. The consuming public are affected in two main respects, amongst others. Firstly, as has been argued above, the confusion test for trademark infringement is interpreted widely,²⁹ and the dilution concept is directed towards the non-confusion

²⁵ See for example, Trade Marks Act 1994 (UK) c 26 s 1(1), providing that: ‘A trade mark may, in particular, consist of words (including personal names), designs, letters, numerals or the shape of goods or their packaging.’ See also, Trademarks Act 1946- Lanham Act (USA) 15 U.S.C. § 1127 (Section 45), providing that: ‘The term “trademark” includes any word, name, symbol, or device, or any combination thereof’.

²⁶ For example, section 32(a) of the Lanham Act does not require that confusion should be as to the source of origin of goods or services. See- Trademarks Act 1946- Lanham Act (USA) 15 U.S.C. § 1114 (Section 32(a)). This opens the way for concepts such as subliminal confusion. See- M Leaffer ‘Sixty Years of the Lanham Act: The Decline and Demise of Monopoly Phobia’ in H Hansen (ed) *U.S. Intellectual Property Law and Policy* (1st edn Edward Elgar Cheltenham 2006) 131. See also, ch 4 pp 102-106.

²⁷ FI Schechter ‘The Rational Basis of Trademark Protection’ (Reprint in 1970 of the 1927 text) 60 Trademark Reporter 339. See also, ch 3 pp 64-67 and ch 4 pp 125-128.

²⁸ K Assaf ‘The Dilution of Culture and the Law of Trademarks’ (2008) 49 IDEA: The Intellectual Property L Rev 4.

²⁹ See ch 4 pp 96-113. See also, ch 5 pp 162-174.

uses.³⁰ Therefore, the state of mind of the public is not considered as *the* test trademark infringement, this undermines the role of the public in trademarks. Secondly, the right of the consuming public to use trademarks to express their ideas and communicate their thoughts is put at serious possible risk.³¹ Some jurisdictions have totally ignored the right of the public to use trademarks in cultural contexts,³² while other jurisdictions have treated this right of the public as an exception to the rights of the trademark owner.³³ It is suggested that treating the right of the public to use trademarks in cultural and expressive uses as an exception is not satisfactory.³⁴ After having identified the research problem, it is important to discuss the scope and objectives of this book.

Scope and Objectives

In the light of the above-mentioned troubles with trademarks, this book aims to deal with the following questions: Is there a real need to revisit the philosophical foundations of trademarks? If so, how could the protection of trademarks be formulated in a manner that ensures the rights of the parties in the trademark formula?

As such, the scope of this book is not to provide definite answers to the technicalities of trademark protection. Rather, its purpose is to underline a new theoretical justification which forms a just and equitable approach to trademarks. In particular, the book focuses on the process of the creation of marks, giving more emphasis to the usually ignored role of the public in this regard. The book aims to establish a justification for a system which allows more public access to trademarks, namely in cultural and expressive contexts.³⁵ This also forms the premise of this book; namely that a reform in the current systems of trademarks is crucial in seeking to overcome the weaknesses they are encountering. Policy should be driven

³⁰ See ch 4 pp 115-139. See also, ch 5 pp 174-187.

³¹ RC Dreyfuss 'Expressive Genericity: Trademarks as Language in the Pepsi Generation' (1989-1990) 65 Notre Dame L Rev 416. See also, ch 2 pp 52-56.

³² For example, in the UK no freedom of expression defence is provided. See- SM Maniatis and E Gredley 'Parody: A Fatal Attraction? Part 2: Trade Mark Parodies' (1997) 19(8) EIPR 420.

³³ For example, see- Trademark Dilution Revision Act 2005 (USA) § 2 – Trademarks Act 1946- Lanham Act (USA) 15 U.S.C. § 1125 (Section 43(c) (3)).

³⁴ See *infra* pp 6-8. See also, ch 6 pp 196-199.

³⁵ Parody is taken as an example of the relevance of the Economic-Social Planning theory which is developed by this book. See *infra* p 11.

to ensure justice amongst all the parties in the trademark context,³⁶ because trademarks should not turn into monopolies, but rather, should be beneficial to all parts of the community.

It should be noted that the scope of the justification sought in this book is only considered from the perspective of trademark law. Therefore, the role of other laws lies beyond the ambit of this book. For example, the right of trademark owners to contest uses affecting the reputation of their marks by the law of defamation, and the rights of the consuming public under contract and consumer protection, laws are irrelevant for the purposes of this book.

Tools of Evaluation

In regards to testing the premises, the evaluation of theory will be the main methodological tool. Different theoretical approaches are deployed in order to revisit the philosophical foundations of trademark protection. In this assessment, the cases of the USA and UK will be examined to outline the problem and assert its existence. The US deploys a theory which forms the extreme end for trademark protection in the world, where monopolistic rights are enjoyed by trademark owners, and the rights of the public are almost diminished. Thus, this serves as a good model for this book. Such a study will clearly show the negative effects of such a theoretical approach, and prove the need to revisit the foundations of current trademark systems. The case of the UK is also significant; it represents a model of the majority of trademark systems in the world today, because of its implementation of European and international frameworks. As such, the UK Trade Marks Act (TMA) represents an interesting case for study.

Having defined the scope and objectives of this book, and the tools for evaluating its premises, it seems beneficial to outline the main features of the Economic-Social Planning theory, as developed by this book.

The Economic-Social Planning Theory

In dealing with the above-mentioned troubles with current trademark systems,³⁷ this book develops the Economic-Social Planning theory. This theory adopts the economic aspect that trademarks reduce consumer search costs,³⁸ in addition to the Social-Planning theory and its sub-theory:

³⁶ See ch 7 p 223.

³⁷ See *supra* pp 4-5.

³⁸ See ch 2 pp 27-30.

the Public Authorship Model.³⁹ However, the Economic-Social Planning theory is not confined to picking and mixing a number of theoretical approaches. It develops a coherent argument by building upon, and altering, the premises of these approaches. As such, the Economic-Social Planning theory contributes to existing theoretical approaches in a number of aspects, such as, amongst others:

Firstly, as regards the right of the public, this book develops an argument which considers that the consuming public should enjoy the right in having their state of mind as the sole test for trademark infringement.⁴⁰ Accordingly, the confusion test should be the only standard for assessing infringement of trademarks. This derives from the premise of the Economic-Social Planning theory that trademarks are “co-authored” by the public and trademark owners.

Here, it seems essential to define “why” and “how” the “co-authorship” is a critical issue. The “co-authorship” of trademarks is critical because it provides boundaries to the rights of trademark owners. Owners are not considered as the only player in the context of trademarks. As such, the “co-authorship” of trademarks justifies the right of trademark owners to offer their goods and/or services in the marketplace, and to compete with other traders and rivals. In addition, this “co-authorship” creates competing interests in favour of the consuming public; this means that the proprietary rights of trademark owners are limited *ab initio*.⁴¹ As regards the manner of obtaining such rights, the “co-authorship” explains the manner of creating trademarks. The Economic-Social Planning theory does not aim to extinguish the rights of trademark owners. Therefore, the rights of owners are taken into consideration because of their role in “co-authoring” trademarks. This role is manifested by the initiative taken by a trademark owner in affixing a sign over his/her goods and/or services. However, without the association that the consuming public attribute between the mark and the products, the mark will not get any value. Therefore, the “co-authorship” is obtained through the roles of the owners and consuming public in creating trademarks.

Secondly, this book develops an argument in relation to the functions of trademarks.⁴² The merit of the offered approach towards the functions of trademarks is that it acknowledges all the functions thereof, unlike other

³⁹ *ibid* pp 42-53.

⁴⁰ *ibid* pp 51-53. See also, ch 3 p 81.

⁴¹ Wilf (n18) 3-5.

⁴² See ch 3 pp 75-80.

approaches.⁴³ As such, trademarks denote the source and origin of products. They also resemble quality to consumers; this quality varies amongst individual consumers according to their tastes and preferences.⁴⁴ In addition, trademarks assist in advertising and conveying information to consumers.

The Economic-Social Planning theory considers that the source and origin function should be the only *primary* function.⁴⁵ This is because protection of trademarks should be based upon this function. This accords with the presumption that the state of mind of the public (confusion) should be the standard for trademark infringement. This does not aim to cancel other functions; rather, these should be considered as secondary functions. They are considered secondary because the quality function differs amongst individuals. Therefore, protection cannot be built upon this function. Regarding the advertising and informative functions, these could be assessed through the confusion test.⁴⁶ As such, these functions are acknowledged by this book, but only as secondary functions, upon which trademark systems could not be based. By contrast, the source and origin function, being the only *primary* function, forms the basis upon which trademark systems should be based.

Thirdly, the Economic-Social Planning theory develops a new vision regarding the protection of well-known trademarks. It is suggested that owners of well-known trademarks should enjoy more protection than owners of ordinary trademarks.⁴⁷ However, this book considers that this extra protection should extend to cover dissimilar goods and/or services, provided that the use of the well-known mark is likely to confuse the public as to source and origin. This proves that the source and origin function, as the only *primary* function, has been developed by the Economic-Social Planning theory to deal with the problem of extending the protection of well-known marks.

⁴³ For example, Schechter disregards the origin function of trademarks, he argues that: 'Four hundred years ago a trademark indicated either the origin or ownership of the goods to which it was affixed. To what extent does the trademark of today really function as either? Actually, not in the least!' See- Schechter (n27) 335. See also, ch 3 pp 64-67.

⁴⁴ See ch 3 pp 70-72.

⁴⁵ *ibid* pp 75-78.

⁴⁶ Some scholars considered the advertising and informative functions are indirectly included under the source function. See- PLC Torremans 'The Likelihood of Association of Trade Marks: An Assessment in the Light of the Recent Case Law of the Court of Justice' (1998) 3 Intellectual Property Q 307.

⁴⁷ See ch 3 pp 78-80.

Fourthly, the Economic-Social Planning theory develops new orientations regarding the right of the public to use trademarks in cultural and expressive uses.⁴⁸ Accordingly, the consuming public should be able to use trademarks for such purposes provided that such uses are non-confusing. Similarly, other traders should be able to use trademarks if such uses are not likely to confuse the consuming public. This creates a new formula for trademarks which includes trademark owners, the consuming public and other traders and rivals.⁴⁹

In the light of the above-mentioned conceptions, a number of terms have been introduced. These terms shall be defined below in accordance with the premises of the Economic-Social Planning theory.

Definition 1: Trademarks

For the purposes of this book, the word “trademarks” will be used to refer to any sign which is adopted by an undertaking, who attaches this sign to the goods and/or services which he/she produces or provides, and to which the consuming public attribute an association between this sign and the products. The amount of association provided by the public is ordinary: as such, the word “trademarks” is the equivalent of the term “ordinary trademarks”. The effectiveness and use of “trademarks” in the marketplace is thus straightforward: They mainly refer to the source and origin of the products to which the “trademark” is affixed. They need not denote the producers *per se*; however, they should refer to a certain source and origin, which could be anonymous.

Definition 2: Well-Known Trademarks

The term “well-known trademarks” refers to signs which were originally “ordinary trademarks”, but to which the consuming public attribute a higher degree of association than other ordinary trademarks. The ability of “well-known trademarks” to fulfill the primary function as source and origin identifiers is also higher. Thus, in order to protect the validity of such signs as source identifiers, there should be a distinct mode of protection for “well-known trademarks”. This should provide extra protection, to the extent that it ensures the protection of the public and the owner in cases of any use by others, which might affect the “well-known”

⁴⁸ See ch 2 pp 57-59. See also, ch 6 pp 196-205.

⁴⁹ See *infra* p 11.

mark's ability to denote the source and origin of the products to which they are affixed.

Definition 3: Co-Authorship of Trademarks

As may be inferred from definitions 1 and 2 above, the creation of trademarks depends upon a two step process; first, the owner adopts a sign and affixes it to his/her products, second, the public create an association between the sign and the products. The case of well-known trademarks includes a further third step where the public provide higher level of association. This process of trademarks' creation is referred to as the "co-authorship of trademarks" by the owner and the consuming public. It shall be argued that the process of "co-authorship" entitles the owner and the public to the "co-ownership" of such marks.

Definition 4: Trademark Owners

In accordance with the view that trademarks are "co-authored" by the public and the owner, and due to the nature of trademarks, this book holds the view that trademarks are not the sole property rights of owners, but are, rather, a bundle of rights in favour of the owner *and* the consuming public. Therefore, rights in trademarks should be mutually enjoyed and exercised by the public and the owner; such rights reside in the entitlements that should be conveyed to those parties. As such, the public and owners are both the real owners of the rights in trademarks; this means that reference to the owner does not mean ownership *per se*, but rather, refers to the trademark registrant. The use of the term "owner" of the trademark refers to the user or registrant of the trademark, who affixes the sign over his/her products, and retains ownership of certain rights in the mark.

Definition 5: Just and Attractive Culture

The Economic-Social Planning theory considers that trademark systems should be formulated in a manner which helps to foster a "just and attractive culture". This term will be used in this book to refer to a culture where monopoly of trademarks on the part of owners is not permitted. In this "just and attractive culture", the use of trademarks should promote an environment of free and fair competition in the marketplace.

Definition 6: Trademark Formula

To achieve a “just and attractive culture”, there exists the need to recognize the parties involved in the context of trademarks. Plainly, the owner and also the public are parties to the trademarks. However, they are not the only parties; other traders and rivals are suggested to be another third party, which retains the right to use the mark in cases where such use shall not affect the ability of the mark to denote the source and origin of the goods and/or services to which they are attached.⁵⁰ Consequently, the owner, consuming public and other traders and rivals are the parties involved in a trademark context; this phenomenon will be referred to as the “trademark formula”.

Definition 7: Cultural and Expressive Uses

The Economic-Social Planning theory argues in favour of ensuring the right of the consuming public to use trademarks for cultural and expressive uses.⁵¹ The forms of cultural and expressive uses are manifold, from amongst of which are parodistic uses and uses for comparative advertising. These uses, as part of the fundamental human right of free speech, aim to protect the speaker’s interest in communicating ideas and information, and/or safeguarding the audience’s interest in receiving ideas and information, and/or ensuring the public’s interest in speech.⁵²

In this book, parody, in particular, is taken as an example of the relevance of the Economic-Social Planning theory, for many reasons. For instance, parody is an example which involves the right of the speaker,⁵³ and the public interest.⁵⁴ In any case, parody also maintains the right of the public to receive the information. By contrast, the case of comparative advertising, for example, focuses mainly on the right of rivals to use trademarks of others to explain the features of their products, therefore, the rights of the public are less apparent in this case.

⁵⁰ CDG Pickering *Trade Marks in Theory and Practice* (1st edn Hart Publishing Oxford 1998) 97-98.

⁵¹ See ch 2 pp 52-56.

⁵² E Barendt *Freedom of Speech* (2nd edn Oxford University Press Oxford 2005) 23-30.

⁵³ When the parody is done by an individual.

⁵⁴ When a group of people use the mark to express their ideas.

The Road Map

The purpose of Chapter Two is to discuss the different ideologies justifying trademarks. It starts with the utilitarian and economic justification for trademarks, which forms the grounds for the current expansion in trademark owners' rights. It will be argued that the premises of this theory are not based on solid ground. However, this chapter supports partial adherence to the utilitarian and economic justification, on the grounds that trademarks do reduce and lower consumer search costs. Nevertheless, this necessitates other theoretical frameworks, in order to define the protectable parties and the scope for their protection. In the search for more theoretical clarity, the validity of Locke's labour theory and Hegel's personhood approach will be evaluated. It will be argued that the labour theory, which was designed to cover tangible property, over-compensates trademark owners. Similarly, the Hegelian approach fails to justify trademarks. The main argument for rejecting this theory is that it presupposes that any piece of property is part of its owner's will, and is thus inalienable. This theory fails to justify the alienability of trademarks from one owner to the other. However, the intervention of the last theory, the Social-Planning theory, is essential in providing the limits and boundaries of the trademark owner's rights. It admits the role of the public in the creation of the mark and draws a balance between the rights of the owner and the public, by granting the public the entitlement to cultural and expressive uses, because they contribute to the creation of trademarks. The conclusion of this second chapter lies in the adoption of the suggested framework, which is the Economic-Social Planning for the justification of trademarks.

The third chapter develops an argument as to the functions of trademarks, in the light of the suggested theoretical framework in chapter two. It argues that the source and origin function is the only *primary* function of trademarks, and forms the real rational basis for trademark protection. As such, the proper implementation of this function is to adopt the confusion concept as the test for assessing trademark infringement. The adoption of the confusion test fulfils the moral claims of the suggested theory. It ensures proper protection to all parties in the trademark formula. More importantly, this argument is capable of providing extra protection for owners of well-known trademarks, namely in prohibiting any use of the well-known mark over dissimilar products, if such a use causes any confusion to the public. As such, this chapter provides a practical application to the suggested theoretical framework, attempting to combine theory with practice.