Later in the life of a brand – once it has attained a certain degree of market penetration and awareness – failing trade mark protection alone may not necessarily endanger the life of the corresponding brand. Even if the trade mark protection as such ceased to exist, the device, i.e. the signage, and all other elements of a brand would still be in place.[617] These elements would have developed a certain degree of strength and recognition over time. Therefore, it is not an automatism that failing or lost legal (trade mark) protection necessarily means that the respective brand ceases to exist, becomes useless and valueless. Depending on the circumstances of each case, it would be possible that the proprietor was still in a position to successfully market his goods or services. Even though competitors would be free to use the same or similar sign(s) for the same or similar goods or services according to trade mark law, the proprietor may already have achieved a degree of market share, market penetration, marketing channels and product quality which would be factually difficult to attack. Furthermore, he may receive protection by means of other legal regimes such as competition law.[618] Hence, whether competitors succeeded with their endeavours would be a question of strength of the former trade mark proprietor's branding, marketing and other activities coupled with legal regimes other than trade mark law.

In addition, the device may have become so strong that, even though the mark as such is or has become descriptive/generic or non-distinctive, it does in fact attain legal protection, for instance based on acquired distinctiveness through use or as a well-known mark.

Apart from the central and basic function of value creation through legal scarcity, there are a number of specific aspects of trade mark protection, such as the degree of distinctiveness of the sign, which can have an influence on brand value. These issues will now be discussed in detail.

Although this discussion is carried out in light of practical application in the course of the SIM, all issues which could be important will be introduced in a manner detailed enough to understand their possible relation (or non-

617 This is an expression of the abovementioned fundamental difference between patents (and other IP) and brands. If legal patent protection fails, the whole patent ceases to exist. It completely loses its value. On the other hand, in case of failing trade mark protection, the rest of the brand is still in place. This shows how important it is to be exactly aware of the nature of the valuation object.

618 Competition law regimes are always important to be considered in intellectual property cases. However, dealing with such aspects in this work would go beyond its scope.

relatedness respectively) to brand value. Hence, the objectives of focussing on the examination of possible implications of certain trade mark law issues on brand value, thereby keeping the introduction of the relevant laws as short as possible, and of providing sufficient background knowledge on these laws are balanced.[619]

For purposes of clarity, the order in which legal issues will be discussed hereafter roughly follows the system in which trade mark law is laid down in Germany and on the European level. It does not indicate a graduation of importance of the respective points.

The following aspects will be, as a default, evaluated with respect to registered trade marks, since this work's focus lies on harmonised European trade mark law, which in large part governs registered trade marks (for instance, trade marks acquired through use[620] are, on the European level, merely taken into account in terms of the relationship between them and registered trade marks[621]).[622] Some issues in the legal dimension would have to be added or ommitted in case a well-known[623] mark, a trade mark acquired through use[624], a mark with a reputation[625] or a trade mark application[626] has to be assessed.

619 In consequence, the following analysis does and cannot serve the purpose of discussing trade mark law in every detail. There are numerous publications providing an adequately particularised overview of German and European trade mark law should the reader wish more detailed information. Cf. e.g. *Bender*, Europäisches Markenrecht. Einführung in das Gemeinschaftsmarkensystem; *Berlit*, Markenrecht; *Bingener*, Markenrecht; *Davies*, Sweet & Maxwell's European trade mark litigation handbook; *Fezer*, Markengesetz (commentary); *Gold*, The Community Trade Mark Handbook; *Hildebrandt*, Marken und andere Kennzeichen; *Ingerl/Rohnke*, Markengesetz (commentary); *Lange*, Marken- und Kennzeichenrecht; *Nordemann*, Wettbewerbsrecht Markenrecht.

620 § 4 no. 2 MarkenG (Verkehrsgeltung).

621 Fourth Recital CTMD.

622 Furthermore, registered trade marks constitute the lion's share of all trade marks, arg. e *von Bomhard*, Lovells Intellectual Property Newsletter January 2008, p. 12, stating that most owners of well-known marks have a registration anyway.

623 Art. 6bis Paris Convention. Cf. below at 5.7.2 and 5.12.3.

624 *Infra* at 5.7.3.

625 *Infra* at 5.12.2.

626 A trade mark application per se is capable of developing a value, since the applicant has a right to be granted a registration if all requirements are met. As a consequence, more of the below issues would have to be assessed by way of prognosis than with regard to a registered trade mark. In addition to that, the evaluation system would need to be customised for trade marks which have not accrued legal protection through registration but through use or notoriety, e.g. by excluding all points relating to trade mark registration.