

The Evolution and Impact of the Trademark Law: Safeguarding Brand Identity and Market Competitiveness in the Global Economy

Yanjun Chen

*East China University of Political Science and Law, Shanghai, China
cyjnthia@gmail.com*

Abstract: In an era where brand identity and market differentiation are paramount to business success, the legal mechanisms that protect these assets have become increasingly critical. Trademark law, as a cornerstone of intellectual property rights, plays a vital role in ensuring that businesses can maintain their unique market presence and safeguard their investments in brand development. This paper delves into the pivotal role of trademark law in the modern business landscape, emphasizing its significance in safeguarding enterprise brand identity and market competitiveness. It underscores the dual importance of trademark law in preventing consumer confusion and protecting corporate brand value. Through a historical overview and analysis of international trends, the paper elucidates the evolution and principles of trademark law. It further discusses the law's impact on brand building and market competition, drawing on real-world case studies, such as *Mary Kay, Inc. vs. Weber and Louis Vuitton Malletier vs. Dooney & Bourke, Inc.* This paper concludes by addressing contemporary challenges in trademark law, particularly in the digital realm, and suggests strategies for enterprises to bolster their trademark protection. It advocates for enhanced legal frameworks and international cooperation to foster a robust global trademark protection system, crucial for the sustainable development of enterprises in the global market.

Keywords: Trademark Law, Brand Protection, Market Competition, Intellectual Property Rights, International Cooperation

1. Introduction

1.1. Definition and Function of Trademark

A trademark is a unique identification of goods or services, which is composed of text, graphics and other elements to distinguish goods and services from different producers or providers. It not only has the basic function of identifying the source of goods, but also carries the promise of quality assurance to provide consumers with a reference for purchase. At the same time, as the core assets of the brand, trademarks help advertising and marketing, enhance brand awareness and reputation. In addition, registered trademarks enjoy legal protection to prevent others from counterfeiting and safeguard the legitimate rights and interests of enterprises [1].

Trademark law is very important to business. A trademark is not only the logo of enterprise products or services, but also the carrier of corporate image and reputation, which can protect the

brand value and reputation of enterprises. For enterprises, unique trademarks can also increase the market recognition of products and help enterprises gain advantages in the fierce market competition. Therefore, trademark law plays a vital role in protecting the interests of enterprises.

1.2. The Status of Trademarks in the Modern Business Environment

Trademark is one of the core elements of enterprise brand building. Through well-designed trademarks, companies are able to convey their brand philosophy, values and cultural connotations, thereby establishing a unique brand image in the minds of consumers. This differentiation strategy helps companies stand out in the fierce market competition and attract and retain loyal customers. The higher the uniqueness and recognition of the trademark, the stronger the brand recognition of the enterprise, and then the formation of brand premium, enhancing the market competitiveness [2].

The Trademark Law provides legal protection for trademarks, so that trademark owners can protect their rights according to law and crack down on infringements. In the modern business environment, the phenomenon of trademark infringement is common, including fake and shoddy products, malicious registration, unfair competition, and so on. These behaviors not only damage the economic interests and brand image of enterprises, but also disturb the market order. The exclusive right granted to enterprises by the trademark law enables enterprises to safeguard their own rights and interests through legal means and protect their brands from infringement. Such legal safeguards are essential to maintaining a level playing field [3].

Some people think trademark law should focus more on preventing consumer confusion, because it protects more consumers' rights and interests, while the author thinks that trademark law should protect enterprises, especially brand value. At the same time, preventing consumer confusion is also one of the needs to protect enterprises and one of the benefits of enterprises, because trademarks can make enterprises' products and services stand out from competitors. By using specific words or images on your products, consumers can more easily identify it with your business as the source. It can also prevent others from using the same mark in the market to sell similar products. This paper will demonstrate why trademark law should pay more attention to the protection of enterprises from two aspects: commercial competition and brand value [4].

2. Overview of the Trademark Law

2.1. The Historical Development of the Trademark Law and Its International Trend

The historical development of trademark law has a long history, and its origin can be traced back to the protection needs of commodity marks in ancient commercial activities. With the prosperity of the commodity economy and the rise of international trade, trademark law was gradually formed and constantly improved. For example, in medieval Europe, the guild system prevailed, and craftsmen and merchants began to use specific marks to protect their commercial interests. Since France promulgated the world's first trademark law in 1857, many countries have established trademark registration systems, and trademark law has gradually become an indispensable part of international trade.

In the world, trademark law shows the trend of unification and internationalization. Countries have acceded to international trademark treaties and conventions, such as the Paris Convention, *the Madrid Agreement* and its successor treaties, in order to strengthen international cooperation, simplify trademark registration and rights protection procedures, and promote the transnational protection of trademarks. At the same time, with the rapid development of e-commerce and Internet technology, the problem of online trademark infringement has become increasingly prominent, and the international community is actively exploring new mechanisms and new methods of trademark protection under the network environment [5].

2.2. Basic Principles of the Trademark Law

The basic principles of trademark law are summarized as follows: the principle of registration establishes that the exclusive right to use a trademark must be obtained through registration; the first application principle protects the rights and interests of the first applicant, and the same day application gives priority to the user; the principle of voluntary registration allows free choice of registration, except for well-known trademarks; the principle of good faith requires good faith in the application and use of trademarks; the principle of centralized registration and hierarchical management defines the responsibilities of registration management; the principle of concurrent administrative and judicial protection ensures that trademark rights can be protected through various ways when they are infringed. Together, these principles form the cornerstone of trademark law, ensuring the legality and fairness of trademark rights [6].

3. Analysis of the Influence of the Trademark Law on Enterprise Brand Building

3.1. The Importance of the Trademark Law

First, a trademark is essentially a legal concept, while a brand is a marketing concept that can help any business reach a broader consumer base. A trademark is something tangible, such as a logo, image, or design. It not only intuitively shows the uniqueness and professionalism of enterprises, but also profoundly affects the purchasing decisions of consumers. Through trademark recognition, consumers can quickly build brand awareness and trust, so that they can easily identify and prefer a particular brand among many choices. But a brand is intangible, including personality, identity, or any association with a company. Consumers generally do not investigate the attributes of any brand when they see a particular logo affixed to it because they believe in the brand image. Businesses, in turn, target trademark protection because it reduces search costs for consumers and indicates the origin of a product, thus helping businesses gain access to a broader consumer base [7]. Trademarks and trade names have always contributed to the commercial development of products, services, distribution channels or customer lists, which ultimately maintain a company's brand image. Business organizations are constantly seeking to protect their brand image.

Trademark law can protect both trademark and brand value, and it has also been held by the Supreme Court of America in *Mary Kay, Inc. vs. Weber*, No. 3:08-CV-0776-G, 2009 WL 3147888. Mary Kay claimed that Weber's products were "materially different" from its own since they included discontinued and expired items that lacked the same product guarantee as other Mary Kay items. Weber resold Mary Kay products. About 75% of Weber's items were expired, she admitted.

The Second Circuit's ruling in *Warner-Lambert Co. vs. Northside Development Corp.* was used by the court to determine whether Weber's expired items differed materially from Mary Kay products that were not expired. When the mark owner followed clear, legal quality-control methods that, if broken, would reduce the mark's value, the court established infringement. According to Mary Kay's testimony of its quality-control procedures that prevented expired items from entering the market, the court determined that the holding was "persuasive" and relevant to Weber's sales. In order to guarantee her website's top search-result ranking, Weber spent \$20,000 a month on advertising, which included 75 keywords that had the MARY KAY logo or the name of a Mary Kay product she bought from Google. The court viewed that Weber's expired products were "prevalent" enough to affect or diminish the Mary Kay name and thus create a genuine issue of material fact sufficient to deny summary judgment [8]. So, this real case showed how the trademark law protects the enterprise image and reputation.

3.2. Trademark Protection Promotes Enterprises' Brand Values

It can be seen that a trademark, as the core identity of an enterprise, is not only a significant sign to distinguish the source of goods or services, but also an important carrier of corporate brand image and value. Effective trademark protection can significantly enhance the brand value of enterprises. First, it ensures the brand's uniqueness and recognition in the market, prevents counterfeiting and infringement, and maintains the trust and loyalty of consumers. Secondly, strengthening trademark protection is conducive to promoting enterprises to continuously invest in brand building and maintenance, strengthen brand image through advertising, public relations and other means, and then enhance brand awareness and reputation. Moreover, a strong trademark law protection system and trademark rights can bring intangible assets to enterprises, enhance market competitiveness, attract more partners and investment, and lay a solid foundation for the long-term development of enterprises. Therefore, strengthening the protection of trademark law for enterprises is not only a necessary means to safeguard their own rights and interests, but also an important way to promote the promotion of enterprise brand value [9].

Now pay attention in another case, Louis Vuitton Malletier vs. Dooney & Bourke, Inc., which began in 2004 and ended in 2008, was decided by the court against luxury goods giant Louis Vuitton Malletier and handbag brand Dooney & Bourke, Inc. At the heart of the case is a dispute over Dooney & Bourke's new handbag design, which features colorful lettering similar to Louis Vuitton's signature "Monogram Multicolor" collection. Louis Vuitton's collection was designed in collaboration with Japanese artist Takashi Murakami, and its distinctive colorful letters and patterns are an important part of the brand's identity.

Louis Vuitton argued that its multicolor lettering was a federal trademark and protected by law and accused Dooney & Bourke of confusing consumers into thinking that the bags were made by Louis Vuitton or licensed by the brand. Louis Vuitton provided evidence that there were already consumers in the market who had mistaken Dooney & Bourke products for Louis Vuitton or thought they were Louis Vuitton's lower-priced line products. The confusion is not only damaging Louis Vuitton's brand image; it could also erode its market share.

The court ultimately ruled in favor of Louis Vuitton, affirming the uniqueness and distinctiveness of its trademark and noting that Louis Vuitton's design is highly identifiable and deserves strong protection under trademark law. This ruling not only preserves the brand uniqueness of Louis Vuitton, but also provides a legal basis for luxury brands to protect their unique designs and patterns and prevent competitors from weakening the value of the brand through imitation. At the same time, this case also sets an important legal precedent, highlighting the critical role of trademark rights in maintaining brand uniqueness and preventing market confusion. By successfully defending its trademark rights, Louis Vuitton not only consolidated its leadership position in the luxury market, but also further demonstrated its determination and strength in intellectual property protection [10].

4. The Impact of the Trademark Law on the Market Competitiveness of Enterprises

Firstly, because they know that once a trademark is registered, it will remain in use for as long as it is periodically renewed, commercial organizations are always looking to safeguard their brand image through trademark registration. Therefore, trademark management is always important for every company that wants to make a difference and add value. For example, there is a joke that when you are on an uninhabited island, you can draw a giant Mickey Mouse on the ground because Disney's legal department will quickly come to you for alleged infringement. As is known, Disney is a famous rights protection monster, but it is undeniable that the intellectual property protection system built by Disney not only strengthens the value of its IP, but also enhances the competitiveness of the enterprise and brings a steady stream of income for it [11].

Nowadays, the majority of businesses are attempting to break into the market and compete with established firms that have already established a reputation for themselves. In order to succeed commercially, new companies seeking to register trademarks often focus on building their own brand rather than considering the interests of the general public. This fundamental idea underpins the goal of trademark registration and is the driving force behind all corporate organizations.

In the case *Apple vs. Samsung Electronics*, in April 2011, in the U.S. District Court for the Northern District of California, Apple Inc. sued Samsung Electronics Co., claiming that Samsung's tablets and smartphones violated Apple's trade dress, patents, and trademarks. Apple claims that Samsung copied the design and user experience of the iPhone and iPad, including shapes, borders, icon arrangements, and software features such as scroll "rebound" effects, pinch-and-zoom and click-to-zoom techniques. Samsung argued that its designs were based on prior art and that the similarities stemmed from common industry standards and functional requirements, and countersued Apple for infringing its patents related to wireless communications and data transmission.

After a year-long litigation process, including a trial presided over by Judge Lucy Koh in San Jose, California, both sides presented exhaustive evidence. In August 2012, a jury ruled mostly in Apple's favor, finding that Samsung had infringed on Apple's patents and played down its commercial appearance, and awarded Samsung \$1.05 billion, later adjusted to \$930 million on appeal. Meanwhile, Samsung's counterclaims were largely dismissed [12].

The case not only solidified Apple's competitive position in the market, but also profoundly affected the dynamics of the technology industry. It highlights the importance of intellectual property in the design and user experience-driven technology industry, prompting other companies to re-examine their design and patent strategies. In addition, the case sets a legal precedent for future patent and trade dress disputes, establishing strict standards for protecting design elements in the technology industry. The *Apple vs. Samsung* case, one of the most famous intellectual property disputes in the tech world, demonstrates the high stakes and far-reaching implications of protecting innovation and brand image.

5. Challenges and Countermeasures

Today, trademark law faces many challenges in protecting businesses. As for the issue of infringement in the online environment, the case of *Tiffany vs. eBay* can be referenced.

Tiffany is a world-renowned jewelry manufacturer that only sells its jewelry through its own website and global retailers. However, Tiffany discovered that there were many counterfeit Tiffany jewelry pieces being sold on eBay. Despite multiple complaints to eBay and requests for the removal of infringing product information and links, the infringement persisted. As a result, Tiffany sued eBay in court, demanding indirect trademark infringement liability [13].

The key issue in this case is whether eBay took effective measures to prevent the continuation of the infringement after receiving Tiffany's complaint. The district court dismissed Tiffany's lawsuit in the first instance, but the appellate court in the Circuit Court found that although eBay had deleted the infringing information and links after receiving the complaint and had taken appropriate measures to prevent infringement, it had not completely prevented the infringement. Therefore, eBay must bear certain indirect trademark infringement liability.

This case highlights the complexity and challenges of trademark infringement in the network environment, not only requiring online transaction platform service providers to strengthen self-discipline and supervision, but also underscoring the importance of perfecting trademark law protection for enterprises in different fields in the era of increasingly diverse business models.

6. Conclusion

Trademark law is crucial for enterprises to protect their brand identity and market position, providing exclusive usage rights and preventing unfair competition while maintaining brand reputation. In today's globalized market, a strong trademark is an enterprise's key asset for competition and international expansion. Therefore, enhancing trademark protection is essential. Enterprises should recognize its importance, take proactive measures like timely registration, establish robust management systems, and enhance monitoring to prevent infringement. Integrating trademark protection into strategic planning helps address market changes and competition challenges.

As technology rapidly evolves and business models innovate, trademark law will face new opportunities and challenges, focusing on protecting online trademarks and cross-border e-commerce. International cooperation will bolster global trademark protection systems. We call on all societal sectors to support trademark law improvement through stronger regulations, efficient enforcement, and public education, ensuring solid legal safeguards for enterprises. Together, we can foster an environment that respects intellectual property and encourages innovation, promoting sustainable economic and social development.

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