# quality & ip brands in chains SIMS 290 §10 **October 26**

## disintermediation

#### a panglossian view of chains

URGES FEDERAL AID IN RAILWAYS' PLIGHT	1917
James Speyer Tells Chamber of Commerce Time Is Ripe for Effective Relief.	1942
ASSAILS VIEW OF CONGRESS	1951
tent Central Authority to Regulate Terminals.	1966





## branding & quality

1504, Guillaume Cop, injunction against pirate printer of an almanac; only signed copies

1511: Durer's mark

1518: [monopoly petition] "le bien et utilité de la chose publicque"

1527: [petition for printing monopoly to prevent]:"les faultes et incorrections que lesditz imprimeurs y pourroient commetre en son absence" B\_l\_C-4

# private interest & public good

Scientia Donum Dei Est; Unde Vendi Non Potest

"We must not think to make a staple commodity of all the knowledge in the Land, to mark and licence it like our broad cloath, and our wool packs" -Milton

## private interest

"The astronomical growth in the wealth and cultural influence of multinational corporations over the last fifteen years can arguably be traced back to a single, seemingly innocuous idea ... that successful corporations must primarily produce brands, as opposed to products" -Klien, No Logo

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# private interest & public good

"the consumer dictates to the

companies ...

simplify choice, guarantee

quality ...

ultimate accountable institution" -Economist (review of No Logo)

## producer interest

#### too much of a good thing?

"Every change [in IP] tending to advance the producer interest .... against the consumer". -St Clair, Reading Nation

"The European law [the EU DMCA] was shepherded through the European Parliament by MEP Janelly Fourtou"

## brand & chains

























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# technological meritocracy



#### disk drives

among the most valuable and technologically dynamic components of the PC" McKendrick, 2004

#### 2000

196 million disks 8 companies 0 profits

 Quantum 2%
 Maxtor 0.07%
 W. Digital -19%

 Dell 7% .....
 Intel 13% .....
 Microsoft 31%

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Microsoft & Intel capture as much profit as all the other firms in the PC industry





The Stationers made "Shakespeare" —Erne

He was Lambert Strether because he was on the cover, whereas it should have been for anything like glory, that he was on the cover because he was Lambert Strether

## bookseller-publisher

#### **Jacob Tonson**

Shakespeare Jonson Milton Dryden Congreve

"His NAME at the Bottom of a Title Page, does sufficiently recommend the Book"

# the author & the statute of Anne

"an instrumental convenience in

regulatory struggles carried on within

the book trade"

-Loewenstein

#### sumptuary of print

Pope's Shakespeare, 1723-5

Theobald's Shakespeare, 1733

### wine wars

#### the "disestablishment" of Port

1703 Methuen treaty

1713 defeat of "Commercial Treaty"

1756 demarcation

1802, 75% of wine market

1834, collapse of regulation

1860, retailing transformation

1862, English TM law

## wine quality

"The wines you mentioned could only at present be fit to put in the bottle not to use. We therefore persuade ourselves that the judgement found was premature .... We therefore request of you to suspend your opinion until they have had more time to mature."



1793

### rottenest set

"Infinite Frauds and Cheats of the Wine-Trade will be discover'd, and I hope for the future, prevented; for if once we can come to a usage of drinking our Wines neat as they come from the Country where they grow, all the vile Practices of Brewing and Mixing Wines, either by the Vintners or Merchants, will die of Course." -Defoe

Review of the State of the British Nation.

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### rottenest set

#### "Mr. SPECTATOR.

Several of my Friends were this Morning got together over a Dish of Tea in very good Health, though we had celebrated Yesterday with more Glasses than we could have dispensed with, had we not been beholden to Brooke and Hellier. In Gratitude therefore to those good Citizens, I am in the Name of the Company, to accuse you of great Negligence in overlooking their Merit who have imported true and generous Wine, and taken Care that it should not be adulterated by the Retailers before it comes to the Tables of private Families or the Clubs of honest Fellows. I cannot imagine how a SPECTATOR can be supposed to do his Duty, without frequent Resumption to such Subjects as concern our Health"

[Steele, Spectator, Friday April 25, 1711

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Meffieurs Brooke and Hellier Merchants in L lane near Bread-fireet, having experienc'd that their new nature porto and Viana Wines do give fuch univerfal Satisfaction, then encourag'd further 10 accomodate the Town, and give Noise they refolve to retail the entire Cargoes of the Sophronia and h Galies just arriv'd and landing, confisting of 300 Pipes ot news and white Oporto, and 20 Pipes of red and white Anades Winsh ing the only Wines of these Sorts in Merchants Hands) in these ral Vaults and Taverns following, viz. in Freeman's-yard in Cont under the Crown-Tavern in Breadftreet, under a front Houting lisbury-Court in Fleetftreet, under Mr. Rymes a Furrier apiel May-pole in the Strand, and at the Horn-Tavern in Palace Tal Westminster , and there is now open'd other Vaulus, viz in h Tavein-Yard sgainst Billingsgate, in the middle Street is he Buildings, and under St. James's Market-house; also on Tuckers 18th Instant will be open'd the Green-Dragon Tavem in Grives Lane in Holborn. Note, The Prices of the abovefaid Wines the Vaults, the new natural red and white Oporto and white View 18 d. per Quart and 17 l. per Hogskead, and the new red Vini Is d. per Quart and Is 1. per Hoginead , and in the faid Twense Oporto and white Viana at 20 d. and red Viana at 16 d. per Qui Note, The new white and red Anadea Wines are at 25. per Qu and 20 l. per Hogshead, and to be had only in the aforesaid Value York-Buildings, and under St. Jemes's Market-Houfe.

No. 115, N of 40 years, 16 mode of melior tents, as is pra- which their Wi dial qualities re quor to the pal- bits, and the ag- doira, Buccella enabled to kee They also keep maica Rum, and dou, treated in	R WINES.—SPENCEI Newgate-street, Importers of 5 of which they have adop ating in large vats of 3 and ectised in Germany and other ines are so improved in flay etained, that they are not, or late, but grateful to the stoma ged and infirm. Their stock a, &c. is of 15,000l. value, ep Wine to great ages, both is a large stock of Cognac Bra d East India Orange Shrub, in the same manner in vats, II on the most moderate ter-	f Wine for upwards pted that admirable d 4000 gallons con- r places abroad; by your, and their cor- only a delicions li- iachs of nervous ha- to f Old Port, Ma- , by which they are in cask and bottle. raudy, Pine and Ja- the oldest in Lon- s, which, with their erms, for ready-ma-
of expense.		-Crown Seixo, 1851 vintage, bottled in 1853. out 200 dozen of this very fine OLD WINE to be SOLD, in Apply
	narcals of t	three dozens, at 53s. per dozen, hampers included. Apply ATE and SON, 55, Ludgate-hill, London.
	PURE PRI application Charing-cro	E UNBRANDIED FOREIGN WINES.— ICE LIST of all WINES and SPIRITS sent post free on to ABBOTT, ASH, and Co., 16, Northumberland-street, ross W.C. Agents Wanted.
		lished u 48a, and 60a, ; old Port, 26s., 42a., and 48a. ; white Port, very selec
		and Latour. 434, 518.; Margaux, 603.; La Rose, 424.; Leovil and Latour. 434, 518.; Margaux, 603.; Lafite, 72s.; Chablis, 366 Sauterne, 48s.; Hock and Moselle, 36s. and 48s.; sparkling ditto, 679 72s., and 84s.; Rudest eimer. Steinberger. Johannesberger, and Lie fraunlich, 60s.; sparkling Champagne, 48s., 60s., and 72s.; fine of
		Sack, Malmsey, Frontignac, Constantia, Tokay, Vermuth, and other rarewines. Old pale cogune brandy, 66s. per dozen; curaçoa, mar schino, noyau, chercy brandy, and other foreign liqueurs. On receip for a post-office order or reference, any quantity, with a priced list of a other wines, will be immediately forwarded by HEDGES and BUY LER, wine merchants, &c., 155, Regent-street, London; and 30, King read, Brighton.
		read, Brighton.

## precedent setting

#### trademark cases in common law: product classes with most reported cases

Class	Number		
Medical preparations	46		
Beer, wines, spirits	42		
Newspapers & publications	38		
Tobacco	16		
Sauces	13		
Iron	12		

## precedent setting

#### globally, most litigious plaintiffs

Name	Number
Hennessy	6
Wolfe	5
Apollinaris	4
Moet	3
Guinness	2
Bass	2

"vertical competition"

## meritocracy

#### the meritocracy of the net

- "virtual organization"-Dell
- "frictionless markets"-Gates, 2000
  - "platform leadership"—Gawer & Cusamano, 2002
- "networked society"-Castells, 2002

## stretching the chain

Sc	oftware	IBM	DEC	3d party	3d party	3d party
	OS	IBM	DEC/VAX (3BSD-Unix)	Apple	Sun/Solaris (AT&T-Unix)	IBM [Msoft]
	CPU	IBM	DEC	Apple/ Motorola	Sun	IBM [Intel]
На	rdware	<u>IBM</u>	DEC	<u>Apple</u>	<u>Sun</u>	IBM

## goodbye to all that

#### the loss of assurance

"nobody ever lost their job for buying IMB"

#### rise of the clones

"the PC"

[IBM]/<u>OEM</u>

3d party

Microsoft

Intel & co



## vertical competition



### 386 &

"the accidental brand"

"trash marketing" (AMD)

"promoting the semiconductor company at the expense of Compaq's brand"

"established a mindset in computer users that they were, in fact, Intel's customers, even though they didn't actually buy anything from us." B\_I\_C - 25



## vertical competition

**OEM** warrants

**CPU** warrants

"embrace and extend" (and extinguish)

FUD & vaporware



## vertical competition

Dell: Motif, E510n

Compaq: Tabs, AMD, Nextgen, MIPS

**HP:** Linux

#### **IBM:** 386 sourcing

"As sole supplier of the popular chip .... Intel is expected to generate nearly \$1 billion in revenue ... margins in the 80% to 90% range"

#### **IBM: Pentium ban**



## quality issues

#### quality assurance important

#### quality confers a gatekeeping role

#### gatekeeping confers power

#### power tilts "markets" towards "networks" towards hierarchy

"co-operation may come close to direction when one of the parties is clearly predominant"