

Measuring the Value of Trademark Distinctiveness: Evidence from the Market for Bordeaux Wines^{*}

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The market value of distinctive trademarks is a fundamental assumption of both trademark law and marketing theory. However, there is little empirical evidence underlying this assumption. We examine the relationship between brand dissimilarity and market prices in the context of the Bordeaux wine market. Using a unique dataset covering thousands of wines and their associated prices and professional ratings, we find that brand distinctiveness is related to higher wine prices.

We further show that this relationship persists across the wine quality spectrum with both lower quality and higher quality wines benefiting from dissimilar marks. Finally, we show that while there is a dissimilarity price premium for lower quality wines, producers who invest in higher quality wines are rewarded with an even greater premium for dissimilar names in absolute dollar terms.

Keywords: Trademarks, Branding, Distinctiveness, Wine, Bordeaux, Similarity, Marketing

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