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**Place-based Reputational Capital and the  
Production of high-value added Consumer Products:  
Copying, Trade Descriptions Acts, Assay Offices and  
Intellectual Property Rights**

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- Neglect of manufacturing by economic geographers.
- Manufacturing has altered but our understanding of it has not.
- The paper is part of a much larger project that is exploring a very simple question:

Whatever happened to manufacturing in developed market economies ?



The arguments developed in the paper revolve around:

- complex interrelationships that exist between the legal system, regulation and competition.
- the development of bespoke or customised products that are created to provide experiences.



## Hybrid Products

The shift from anonymous manufacturers to the rise of branded manufactured goods and then from brands to long-term ‘serviced’ relationships with consumers.

Long-term relationships to lock consumers into a company

Production Process = Manufacturing process + Service  
Process = Experience of the ‘Thing’



## The Larger 'Manufacturing' Project

- Larger project about firm-based competitiveness in developed-market economies.
- The project is **comparative** with the research focussed on the UK, Ireland, USA, New Zealand and Norway.
- **Sector based analysis** – locks, jewellery, and a range of products targeted at end-consumers and at intermediate consumption (building products)
- **Longitudinal** – two intensive case studies of firms (8 months research time per case) that have existed for over 200 years and in the same ownership.
- Monograph under the title 'Design Economies and the Changing World Economy' to be published by Routledge in 2009 and an edited book to be published in 2009 by Palgrave Macmillan (Industrial Design, Competition and Globalization).



## Jewellery Case Study - A Three Part Methodology

1. Currently 24 in-depth interviews with designer-makers & makers.
2. In-depth interviews with institutions associated with the Jewellery Quarter – School of Jewellery, Jewellery Industry Innovation Centre etc.
3. Desk research – from histories published in the 18<sup>th</sup> Century to academic papers published in 2008.



## Placing Brands and Branding Places

Industrial revolution led to the development of an economy based upon choice and competing products and led to the attachment of stories to products.

Brands are often based upon bizarre story associations that are difficult to imitate.

Sometimes brands develop place-based associations that are difficult to copy.

Place-based branding operates as a form of symbolic-based asset that can be treated as a form of place-based intellectual property.



## ‘Distorted’ Place-based Reputational Capital

“The silversmiths’ mythology in London has it that London was the home of skilled handwork. You went to Sheffield for heavy batch work production of silver, and to Birmingham for light machine-work in electro-plate, and for factory made jewels. **The best artist-craftsmen, so we thought, were in London, the best factory producers in Sheffield, and those who concentrated chiefly on money, in Birmingham.** My job at Goldsmiths’ Hall in London, organising exhibitions all over the world, buying and commissioning modern work, and trying to help in art schools, allowed me to test these legends about Birmingham against the real facts, and I received some shocks” (Hughes, 1991: 47).



## Place-based brands and distortions

### British Trade Description Act (1968) and Country of Origin Labelling

‘goods shall be deemed to have been manufactured or produced in the country in which they last underwent a treatment of process resulting in a substantial change’.

But no legal definition of substantial change exists other than an Order concerning silver-plating of stainless steel cutlery.

Importers able to present foreign goods as British by utilizing British names and associations in brochures and catalogues.



## The Assay Process

British Hallmark Act (1973) – every item sold as precious metal (gold, silver, or platinum) must have been tested and hallmarked by an independent third-party Assay Office to guarantee that the metal is of the quality stated by the retailer.

UK is one of the few countries to introduce compulsory statutory hallmarking.



## The Birmingham Assay Office

Birmingham Assay Office established in 1773. Prior to this products were assayed in London (but danger of copying) or Chester (damaged).

All goods produced within 20 miles of the Assay Office had to be sent to the local Assay Office.

1824      Area of operation extended to 50 miles.

1854      Coventry watchmakers petitioned Parliament for the right to have their watches assayed in London. They wanted to benefit from ‘the reputation of being made in London’.

**Exclusive right to assay within a defined area was abolished.**



1913 - Made in Birmingham - labelled as being of London

- As workers in precious metals, Birmingham artisans and handicraftsmen have earned an excellent reputation, through frequently the credit is not claimed but is allowed to pass to others who subsequently handle their work. For instance, it is often asserted that the best and most beautiful work which appears in the West End windows as “London made” is the product of Birmingham designers and workers, and in this assertion there is more than a modicum of truth (Wright, 1913: 379).



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## Made in Italy etc, but ‘Labelled’ Birmingham

“I mean the Assay Office is clogged down at Christmas with people buying jewellery from Italy or the Far East, bringing it in, getting it assayed in our Assay office, getting in hallmarked in our Assay office and passing it off as Birmingham jewellery, when it is not Birmingham Jewellery and you can tell the difference just by looking at it” (Interview, Design-Maker - 6, 2007)



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‘not everything is made in London, all the FA cups are made here, everything like that, all the traditional cups, the Davies Cups are made around the corner . . . but there is a lot done here that’s promoted in London or they’ll send it down to be assayed in London, the Faberge style egg . . . a lot of work is done here and then it will be sent down to London where there would be somebody who would put the finishing touches and the assay mark. It’s assayed in London, and there’s nothing wrong with that, but basically people think all the talent is in London and it’s not, most of the talent is here’.

(Interview, Design-maker, 4, 2007)



## Trade Description Act (1972) and The Hallmarking Act (1973).

- 1) Makes it difficult to prevent consumers from assuming that production work undertaken in foreign locations is not the result of processes located in Britain.
- 2) The issue is one of representation and ensuring that a company does not knowingly mislead the consumer.
- 3) Given the Trade Description Act the geographic origin of a product would need to be decided by the Courts.



Place-based reputational slippage can work to the advantage of the Birmingham producer.

... ‘it’s also a lot to do with the name on the silverware . . . You know if it’s Asprey on there your going to sell ten times more . . . The price triples . . . once you get into the big companies then your sort of laughing . . . because the name sells the product . . .because they think they’ve made it and they haven’t really made it’ (Interview, designer-maker, 2007).

But the branded retailer can replace one designer with another – and the designer does not have to be British.



## Copying and design registrations

Large companies copying jewellery designed by smaller companies.

Smaller companies unable to enforce IPR.

Large companies can copy a Birmingham design, manufacture it overseas and have it assayed in London, Birmingham etc.



## Inimitability Strategies – Design & Fashion Gatekeepers

“...we’ve sort of had to keep one step ahead of [the large companies] and I’ve had work directly copied by these large company. I mean absolutely copied to the millimetre and I’ve seen it on the stands and I’ve seen it for a tenth of a price I do it at . . . .we have registered the designs, but unfortunately we haven’t got the manpower, time or money to fight these massive companies. The only thing is that to a certain extent they’ve got big turn-around and after a year they’re ripping somebody else off. So that’s the only consolation really, but again it keeps you on your toes because you know that you’ve constantly got to move on. Each show we put on we try to put out a new collection’ (Interview, Designer-Maker -8).



## High Value Added Consumer Goods and IPR

- 1) Birmingham jewellery firms functioning as ‘anonymous manufacturers’ with products branded by the wholesaler/retailer. Manufacturer/city acquired no consumer reputational capital.
- 2) Tension between branded Birmingham produced designs and ‘anonymous’ manufacturing still exists.
- 3) Tension between Birmingham brands and goods made in Birmingham but sold under a London or other place-based label.
- 4) Tension between goods made in other countries, but assayed in Birmingham and acquiring a pseudo place-based association.
- 5) Tension between generic products that cannot be protected by IPR and designer products (CUSTOMISED PRODUCT/SERVICE EXPERIENCES) that can be protected but enforcement problems. The **INIMITABLITY design strategy**.



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