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INTELLECTUAL PROPERTY VALUE IN COVID-19 ERA – WITH EMPHASIS ON TRADEMARKS

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-abstract-

The intellectual property refers to the creations of the mind – everything from works of art to inventions, computer programs to trademarks and other commercial signs. The intellectual property is divided in two major groups, industrial property rights and copyright and related rights. The most well-known industrial property right are the trademarks. However, the trademarks are often misperceived with brands. The term “brand” is larger and typically refers to a group of complementary assets such as the trademark and its related trade name, formulas, copyrights, and technological expertise etc. Furthermore, a “brand” is the image of one company and is an economic term, rather than legal one. At present the value of one company is largely determined by the intellectual property rights, representing up to 80% of the entire company value. However, in these troubled times, the value of certain companies and by these the value of their trademarks increased, on the account of the others. The economic downturn as the result of measures taken to fight the spread of COVID-19 presented an opportunity for many companies to strengthen their trademarks, but also their brands as a whole. The aim of this article will be to determine the methods for valuation of the intellectual property rights, especially the trademarks in one company from the perspective of the legislation in North Macedonia. In addition this article will offer a comparative overview of the most influential worldwide brands and the industries where the intellectual property rights play major role in the total estimation of the company. Finally the article will offer some conclusions on the relation between the COVID-19 era and the intellectual property potential as an intangible asset in the companies.

Key Words: brands, COVID-19, industrial property, trademarks, valuation

I. INTRODUCTION

The international economic integration is moving towards markedly stronger intellectual property protection. Therefore it is no surprising, in the context of economic globalization, that the creation of knowledge and its adaptation is increasingly essential for achieving economic growth.¹ On the other hand, the global system of intellectual property rights is undergoing profound changes in the last century. It is fair to conclude that the intellectual property rights

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¹ The knowledge is an example of public good (unlike intellectual property rights which are impure public goods) and as a confirmation of this Thomas Jefferson stated “Knowledge is like a candle. Even as it lights a new candle, the strength of the original flame is not diminished” (<https://jmhanthology.wordpress.com/2009/06/01/knowledge-is-like-a-candle/>, Last access 20.02.2022).

represent today's dominant asset, especially for the companies that are established in technologically advanced countries and wish to invest in the developing countries.²

From commercial point of view, the intellectual property rights are recorded in the financial balance as intangible assets of the companies. Predominantly, the most important intangible assets in a company are the trademarks, patents and industrial designs, but also copyright and licenses.³ Different companies prioritize different intellectual property rights in their intangible assets portfolio.

It is common misconception that trademarks and brands are the same thing. However in terms of valuation, there is a significant difference. Namely, the concept of brands is much broader. Brands pervade everyday life. They are an indispensable guide for consumers and a means for companies to build a reputation and an image in the marketplace. A product's brand appeal can be as important for determining competitive success as its quality or price tag. In short, a recognized brand is among the most valuable intangible assets a company can own.⁴ Therefore, the determining of the right value of the intellectual property rights is crucial for one company to develop branding strategies and thus gain competitive advantage.

In order for the value of the intellectual property rights to be determined, one has to apply the adopted methodology. In North Macedonia, this question is regulated in the Law on evaluation⁵ and the Methodology on evaluation of the industrial property rights⁶ (hereinafter: the "*Methodology*"). As it will be demonstrated there are many factors that influence in the determination of the value of the intellectual property rights as intangible assets in one company. We are witnessing in the COVID-19 era that there are certain companies that rapidly increased their value, while others dropped down on the list of most valuable brands. The aim of this article is to analyze the methods of valuation of the intellectual property rights in North Macedonia, with special emphasis of trademarks as part of the general notion of "brands". Furthermore, the article will explain the tendencies of increasing value in the COVID-19 period and what can be expected thereafter.

II. DEFINING THE INTELLECTUAL PROPERTY RIGHTS

In general, the intellectual property represents the creations that arise from the intellectual activities in the industry, the science, the literature and the art. Generally speaking, the intellectual property law aims at safeguarding creators and other producers of intellectual goods and services by granting them certain time-limited rights to control the use made of those productions. Those rights do not apply to the physical object in which the creation may be embodied, but instead to the intellectual creation as such.⁷

The key point of the protection of the intellectual property rights is the possibility to regulate in a balanced way the rights of the intellectual property right holders and the interest of the society. The success of the efforts to establish the norms for protection of the intellectual property depends largely on the perceived impact which the adoption of such norms may have upon a country's economic and political development. There are two contrasted positions: the one of the industrialized countries and the one of the less developed nations. Namely, the

² Saggi, Kamal, "Trade, Foreign Direct Investment, and International Technology Transfer: A Survey" in Microfoundations of International Technology Diffusion, World Bank, 2004, p. 17-18.

³ The 2020 annual report of Deutsche Telekom states that "*the carrying amount of intangible assets increased by EUR 49.9 billion to EUR 118.1 billion in 2020 compared to 2019*" (<https://report.telekom.com/annual-report-2020/notes/notes-to-the-statement-of-financial-position/6-intangible-assets.html>, Last access 26.02.2022).

⁴ WIPO, "Brands, Reputation and Image in the Global Marketplace, Report 2013", p. 3

⁵ Official Gazette of RNM no. 115/2010, 158/2011, 185/2011, 64/2012, 188/2014, 153/2015, 192/2015, 30/2016.

⁶ Official Gazette of RNM no. 178/2021.

⁷ Анастасовска Д., Јадранка, Пепељугоски, Валентин, *Право на интелектуална сопственост*, Скопје: Правен факултет Јустинијан Први, Академик, 2012, p. 19.

industrialized countries are generally perceived as exporters of intellectual property and therefore rely upon the economic rights which inhere in “property” to defend the strong protection standards. Contrary, the less developed countries, often fail to provide strong protection of the intellectual property rights on the general excuse that they tackle the “common heritage of mankind”.⁸

i. Copyright and related rights

Copyright refers to particular forms of creativity, by protecting the expression of ideas and not the ideas themselves. The subject matter of the copyright law is to protect every production in the literary, scientific and artistic domain, regardless of the mode or form of expression. The copyright laws usually do not provide a comprehensive list of types of works protected by copyright, but all national laws practically provide protection of the following: literary works, musical works, artistic works, maps and technical drawings, photographic works, film works, computer programs, multimedia programs etc.⁹

The only which is required in order a work to enjoy copyright protection is the criteria of originality. The criteria of originality is not defined by the lawmakers, but it should be always viewed in an objective sense. This especially due to the fact that the criteria of originality is not connected with the artistic value or the quality of the work involved. The ideas in the work do not need to be new, but the form, be it literary or artistic, in which they are expressed must be original creation of the author.¹⁰

The initial ownership of the work belongs to the individual who creates the work at his own instance and expense (“the author”). However if the work has been created by a joint work of several people then they are all considered to be the authors of the work and are referred as “co-authors”.¹¹ It is to be noted that the moral rights always belong to the author of the work, whoever may be the owner of the copyright.

Unlike the copyright law, the related rights law has rapidly developed over the last 50 years. The related rights are grouped around the copyrighted works and refer to the rights of intermediaries in the production, recording or diffusion of works. The scope of the related rights covers the rights of: performers, producers (phonogram producers, film producers), broadcasting organizations, publishers and makers of databases.¹² The related rights differ from copyright regarding the holders of the right, the subject of protection and the duration. Nevertheless in most cases they are regulated in the same laws with copyright.¹³

ii. Industrial property rights

When defining the industrial property rights, the modern doctrine and practice, include the set of rights which are stipulated in the Article 1 of the Paris Convention for the protection of Industrial property.¹⁴ Namely, under this article, the subjects of protection of the industrial

⁸ D'Amato, Anthony, *International Intellectual property Anthology*, Cincinnati: Anderson Publishing Co., 1996, p. 25.

⁹ Law on copyright and related rights of the Republic of North Macedonia, (*Official Gazette of the Republic of Macedonia* 115/10, 140/2010, 51/2011, 24/2011, 147/2013, 154/2015, 27/2016), Article 12 (2); Berne Convention for the Protection of Literary and Artistic Works of 1886, Article 2 (1).

¹⁰ Law on copyright and related rights of the Republic of North Macedonia Article 16; Bern Convention, Articles 2 (3) (4); WIPO Copyright Treaty, Articles 2 and 3; TRIPS Agreement, Article 9 (2).

¹¹ Hochberg D., Elizabeth and Koenigbauer M., Fabian and Hoch B., Allison, *E-Z Review for Intellectual property*, Law Review Publishing, 2004, p. 45; Анастасовска Д., Јадранка, Пепељугоски, Валентин, *Авторско Право*, Скопје: Правен факултет Јустинијан Први, 2016, p. 104.

¹² Анастасовска Д., Јадранка, Пепељугоски, Валентин, *Право на интелектуална сопственост*, p. 233.

¹³ Henneberg, Ivan, *Аutorsko Pravo*, Zagreb: Informator 1996, p. 159.

¹⁴ The Paris Convention dates from 1883 and it has been amended in Madrid 1891, Brussels 1900, Washington 1911, Hague 1925, London 1934, Lisbon 1958, Stockholm 1967 and 1979.

property rights are: patents, utility models, industrial designs, trademarks, trade name, geographical indications and unfair competition. However, the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS) implements the rights of know-how, trade secrets, topography of integrated circuits.¹⁵ Recently huge efforts are put in incorporating the domain names and trade dress in the scope of the industrial property rights.

The main characteristic of these rights is the possibility to group them in two major groups, depending whether they are registered in order to enjoy protection or not. In the group of registered industrial property rights are: patents, utility models, industrial designs, trademarks, trade name, geographical indications, domain name and topography of integrated circuits. On the other hand in the second group are: know-how, trade secrets, trade dress. These rights are only protected through the mechanisms for protection against unfair competition.¹⁶

In the focus point of this Article we will analyze the trademarks as part of the industrial property rights' group.

a. Trademarks vs. Brands

The trademark can be defined as “*any sign or any combination of signs, susceptible of graphic representation, capable of distinguishing the goods and services of one undertaking from those of other undertakings*”. It is accepted that the trademarks can be in general: distinctive words, letters, numbers, drawings, colors, designs, forms, logotypes, labels or combination thereof which are used for differentiating purposes.¹⁷ Therefore, the trademark law has been established, case by case, over the centuries to regulate competition between people offering goods and services.

The substantive standards requirements of protection of marks fall in two categories. First the mark must be distinctive (if it is not distinctive it cannot fulfill the basic function, to distinguish the relevant goods or services). However, a mark can be inherently distinctive or acquire distinctiveness (by becoming known to the public as an indicator of source). Second there are number of categorical exclusions. Namely, a symbol cannot be protected as a mark if it is deceptive, generic, contrary to the public order and moral, government symbol (without permission) confusingly similar with an existing mark, or falls into other excluded categories.¹⁸ It may also be required in certain legislation for the sign or combination of signs to be graphically represented in order to enjoy protection.¹⁹

The trademark protection is obtained in a strictly formal administrative procedure performed in front of the national industrial property office. The following types of marks can be protected under the trademark law in North Macedonia:

- a. **Service marks** - any word, name symbol devices or combinations thereof used to distinguish the services of one undertaking from those of other undertakings. The services may be of any kind: financial, banking, travel, advertisement, legal, travel, catering etc. However, one must demonstrate that a service is sufficiently separated from the sale of goods.
- b. **Collective marks** - generally owned by an organization, association or cooperative whose members may use the collective mark for marking their products upon fulfilling certain criteria. The collective marks' purposes are usually for joint marketing of

¹⁵ Пепељугоски, Валентин, *Заштита на правата од индустриска сопственост од нелојална конкуренција*, Скопје: Академик, 2004, p. 19.

¹⁶ Ibid.

¹⁷ Reboul Yves, Akimovska P. Mirjana, Naumovski Goce, *Introduction to trademarks and geographical indications*, Skopje, September 2010, p 16.

¹⁸ Law on industrial property of the Republic of North Macedonia (*Official Gazette of the Republic of Macedonia* 21/2009, 24/2011) Article 177 (1) provides the substantive requirements for protection of trademarks, given by negative enumeration; Council Regulation on community trademark (EC) 207/2009, Article 7 and 8

¹⁹ Ibid.

products and therefore are mainly used in the production (both in horizontal and in vertical levels).

- c. **Certification marks** - marks which are granted for compliance with certain standards and are not connected with any membership. One of the most important features of the certification marks is that the entity which applies for registration is considered competent to certify the products concerned.²⁰

Once the trademark has been successfully registered, the industrial property office issues a registration certificate which is generally valid for 10 years and is subject to renewal unlimited number of times.

The trademarks have several important functions such as: guarantee, advertising, competitive etc. These functions emphasize the importance of the trademarks in the general system of trade with goods and services.

However, trademarks are often confused with brands. Although the everyday discourse treats the terms “trademarks” and “brands” as synonyms, the dictionary definitions confirm their close relation, but also point out to some differences.²¹

In accordance with the Black’s Law dictionary the term “brand” is defined as “*a name that the maker of a product assigns to a certain product*, while the “branding family” is connected with “*strategy where the same brand name is given to a number of products in order to encourage recognition*”.²²

The Merriam-Webster Dictionary defines a “brand” as, among other things: “*3 a (1): a mark made by burning with a hot iron to attest manufacture or quality or to designate ownership (2): a printed mark made for similar purposes: trademark 4a: a class of goods identified by name as the product of a single firm or manufacturer: make b: a characteristic or distinctive kind: ‘a lively brand of theater’ c: brand name*”.²³

It is the author’s opinion that “brand” is more of an economic and business tool, than legal, having in mind the nature of the analyzed definitions. On the other hand, trademarks can be perceived as the legal anchor for the use of the commercial functions of brands.²⁴ This standpoint can be supported by the fact that the consumers often connect the brand reputation and their past experience with certain products from one brand family in deciding on their purchases. The trademark system provides the legal framework underpinning this confidence by granting exclusive rights to names, signs and other identifiers in commerce.²⁵

It is important to note that trademarks, as “synonym” for brands, are the most widely registered intellectual property rights throughout the world. The digital marketplace has increased the importance of brand reputation, as consumers engage in transactions at a distance. At the same time, brand owners face online sales of counterfeit goods and other forms of misuse of their trademarks, increasing their need for legal protection.²⁶ This trend is even more expressed in the COVID-19 pandemic, due to the fact that the online sales has increased, on the account of the classical sales done previously.

²⁰ Reboul Yves, Akimovska P. Mirjana, Naumovski Goce – op.cit., p. 11-22; Hochberg D. Elizabeth, Koenigbauer M. Fabian, Hoch B. Allison – op.cit., p. 157-159.

²¹ WIPO, op.cit., p. 22.

²² <https://thelawdictionary.org/brand-family/>, Last visit 13.02.2022.

²³ <https://www.merriam-webster.com>, Last visit 13.02.2022.

²⁴ WIPO, op.cit., p. 22.

²⁵ Ibid, p. 12.

²⁶ Ibid., p. 10.

III. THE ECONOMICS OF TRADEMARKS

In the previous chapter we have analyzed the distinction between trademarks and brands. At the beginning of this chapter we would like to point out that not only trademarks but also other intellectual property rights contribute in the determination of the brand value.

However, in this chapter we will focus on the trademark valuation mechanism pursuant to the Macedonian legal regulation. The legal sources containing the rules of performing trademarks' evaluation are the Law on evaluation and the Methodology.

As defined in the Law on evaluation, the evaluation is studied as a process of determining the price, respectively the market value of a certain object from an authorized evaluator in case determined by law or upon request.²⁷ When performing the evaluation, the authorized evaluator should take into account the object specific methodology, the rules and standards for evaluation that are in line with the international standards and all other legal regulations that can enable evaluation of different property types. The basic principles of performance of evaluation are: lawfulness, competence, honesty, unbiasedness, professionalism, independence, economic approach, responsibility, efficiency etc.

It is important to note that pursuant to Article 2 paragraph 1 of the Law on evaluation, when performing the evaluation, apart from the rules provided in this law and the Methodology, the evaluator should also take into account the international standards and other legal provisions.

i. Methods of evaluation

In North Macedonia, pursuant to the Methodology, there are three methods of performance of evaluation: the method of direct market comparison, the expense method and the income method.²⁸

One of the most difficult questions an evaluator faces is which method to choose. Pursuant to the law and the adopted methodology, the evaluator should always take into account the hierarchy of the methods and to prefer the method of comparative market comparison. However, the possibility of applying several methods is not excluded. On the contrary in order to support its evaluation, the evaluator in its report may implement several methods.

When choosing the most appropriate method, it is advisable for the evaluator to first analyze the available data and the gathered input. In addition, when choosing the right method, the evaluator should always take into account the reason for making the evaluation (transfer of ownership right, determining the value of the capital of a company when performing status changes in the company, bankruptcy and liquidation procedure, financing possibilities, taxation, investment consultancy etc.).²⁹

a. Method of direct market comparison

Constant basis of the method of direct market comparison, as the dominant method for valuation of industrial property method, is the assessment of the price which is a result of a market activity, transaction that has occurred, for the same or a similar asset. According to the

²⁷ Article 2 (1) point 1 of the Law on evaluation.

²⁸ In North Macedonia, there is also Methodology for valuation of copyright and related rights which is also based on the same three valuation methods.

²⁹ In comparison, when determining the value of the copyrighted works, the evaluator can base its report on the insurance policy of the work. Namely, according to a study made by National Geographic, when assessing the most valued paintings in the world, the painting "Mona Lisa" by Leonardo Da Vinci in the artistic circles is considered as priceless, however, according to the insurance policy bought in 1962 for 100 million US dollars, would attribute the value of 860 million US dollars in 2021 of the painting taking into account the inflation rate in the past years (<https://www.nationalgeographic.com/magazine/article/leonardo-da-vinci>, Last visit 20.02.2022).

Article 9 of the Methodology, the method of direct market comparison includes the procedure in which the appraised asset is compared with the assets that are sold or offered on the market, or with an appraisal coefficient. Adjustments that reflect the different characteristics of the asset being sold or offered for sale are also seen from what is subject of estimation.

Pursuant to the Article 10 of the Methodology, the necessary information for the application of the direct market comparison method is:

- prices or price ratios relating to the same or similar industrial property right; and
- adjustments needed to be made to reflect the different characteristics of the asset that are sold or what is offered for sale from the one that is estimated, if needed.

b. Expense method

The expense method in the Article 12 of the Methodology is also defined as the replacement cost method, which consists in determining the value of an industrial property right by calculating the cost of replacing it with another asset with similar or identical capacity. The usage of this method is mainly for internal calculation, due to the fact that it is not suitable in case when the available data for a certain industrial property right cannot be compared on the price level. This is due to the fact that in order for the method to be applied, the evaluator should first determine the market value of the asset that needs to be replaced and then to determine the costs for development of same or similar asset (Article 14 of the Methodology). In accordance with the Article 16 of the of the Methodology, the necessary information for the application of the expense method is

- the cost of developing or purchasing an identical asset with equal capacity and performance;
- the cost of developing or purchasing a similar asset with equal capacity and performance; and
- the difference in prices between the new, same or similar asset (equivalent) and the value of the asset we want to replace and the estimated value that should be achieved with the transaction.

c. Income method

According to the Article 17 of the Methodology, the income method for assessing industrial property is based on the income that the asset will generate during its remaining life and that value is estimated by capitalizing the income. In order for the evaluator to apply this income method, it must obtain the following data: yields, discount rate and projected revenue stream. In respect to the revenue projections, the Methodology allows for them to be taken from a contract, i.e. from contracts or be determined by the profit generated by the use or the disposal with the industrial property right.

The income method of assessing industrial property includes three methodological approaches defined in the Article 17 paragraph 2 of the Methodology: (i) an exemption approach for exclusion of usage of the industrial property right; (ii) an approach to premium profits or known as the incremental revenue method; (iii) an approach to extra earnings. Each of these methodological approaches, includes capitalization of the projected cash flows, using the technique of discounted cash flows or using the capitalization ratio, in cases where the cash flow projections are constant, in the analyzed period (Article 20 of the Methodology).

In light of this, the income method is closely connected with the future of projected financial information that can be derived from projections to the turnover, the gross profit and net profit, as well as the length of the remaining useful life of the asset and the cash flows. It is important to note that the income method of valuing industrial property is used to determine the value of industrial property and technology based on the capitalized value of the realized income, cash

flows or savings, which are actually achieved or hypothetically achievable by the company that owns the industrial property asset.

IV. THE COVID-19 AND THE VALUE OF TRADEMARKS

According to the most renowned data base, Interbrand, the top 10 most successful brands for 2021 are: Apple, Amazon, Microsoft, Google, Samsung, Coca-Cola, Toyota, Mercedes-Benz, Mc Donald's and Disney. The 2021's top risers shared strong performances on three brand strength factors: participation, agility and direction. The technology giants Apple, Microsoft and Amazon continue to shine, making up the top ten alongside fast risers Salesforce and Adobe. The combined value of the top 100 brands increased from \$2,326,491 million in 2020 to \$2,667,524 million in 2021, an overall increase of 15%.³⁰

Nowadays the value of the industrial property rights comprise almost 60% of the company's value, regardless of the industry where they belong. In some industries, such as the IT (in the broadest sense), oil, car manufacturing, food and beverages, this figure is even higher.

The right question to ask is if the COVID-19 pandemic influenced the trademark value system at all?

At a first glance the answer is simple and straight forward. As all major industries were severely hit by the coronavirus outbreak, this could not have been different for the value of the trademarks and even the entire brands. Some major financial evaluators at the beginning of the pandemic estimated that one trillion US dollars in value could be lost as a result of the pandemic. However, this Article will demonstrate the opposite trend with the trademarks and brands in general.

The EU undertook some serious steps to mitigate this potential crisis, by launching the EU SME Fund with the budget of 47 million euros, which offered vouchers for the EU-based SMEs to help them protect their brands.³¹

The policy of the EU was aimed towards increasing the resilience of its SMEs to enable them to cope with the current challenges created by the COVID-19. This is due to the fact that the EU capitalizes on the value of the intangible assets its companies create, develop and share. In such manner the EU tools, such as the SME Fund, helped the companies protect their intangible assets (where the predominant part are the trademarks and more broadly the brands) and manage these assets more effectively by providing the financial support. This is in conjunction with the need of moving towards digital technologies and online platforms of the SMEs which only brings value to their brands in the COVID-19 Era.³²

The raising interest in trademark protection in spite of the COVID-19 pandemic, can be determined in the increasing number of trademark applications in 2021 on the level of the EU.³³ Namely, the EUIPO announced that 2021 is a record year for EU trade marks applications with almost 200.000 applications received. The vast majority come from China, Germany and USA. To put this into context, it took almost 15 years for the EUIPO to reach 100.000 applications received in a single year, which only confirms the importance of the industrial property system.³⁴

Peter Field analyzed 880 companies from the database and showed that brands that increase their share of voice during recessions and boom periods are more likely to increase their market

³⁰ <https://interbrand.com/best-brands/>, Last visit 13.02.2022.

³¹ https://ec.europa.eu/commission/presscorner/detail/en/ip_22_181, Last visit 20.02.2022.

³² https://ec.europa.eu/commission/presscorner/detail/en/ip_22_181, Last visit 20.02.2022.

³³ At the moment of writing of this Article, the State Industrial Property Office of the Republic of North Macedonia has not published its annual report on trademark applications in 2021, thus there was not opportunity to make the relevant comparison in this regard, and/or to draw a conclusion if North Macedonia follows the same trend.

³⁴ <https://euipo.europa.eu/ohi.../en/news/-/action/view/9196204>, Last visit 20.02.2022.

share. The short-term benefits of reducing budgets in a recession were offset by the drop in long-term profitability. In sense of this the CEO of Procter & Gamble used to say that they had a strategy: “when times are tough, we build market share”. This strategy was maintained in the COVID-19 Era as well, where Procter & Gamble continued investing in the communications to retain the “mental availability” of its brands. At the same time, they are looking at optimizing the brand portfolio post COVID-19, which in turn, will help focus the budget on a smaller group of stronger brands, increasing brand profitability in the long term.³⁵

The most common strategies to manage the brand risks are avoiding, improving, adjusting and retaining. In addition, we have witnessed that the COVID-19 pandemic forced different stakeholders to join forces through proactive collaboration in order to keep their brand value. In long term, this might show positive results and effects on their familiarity and reputation. Ultimately this will increase the brand profitability and value, in the post COVID-19 Era. This especially if we take into account the fact that the consumers expected their “favorite” brands to show their interest for the society as a whole over the individual interest.³⁶

V. CONCLUDING REMARKS

It is true that the COVID-19 pandemic affected broad spectrum of brands, but not all at the same time and in the same manner. There are two types of risks that affected the brands during crisis and those are the sectorial (connected with the category of products where the brand is operating) and the brand own risk (connected with the companies culture, orientation, flexibility, innovation, adaptability etc.).

According to Brand Finance the highly impacted industries from the COVID-19 pandemic were restaurants, travel companies, airlines etc. The moderately impacted in the pandemic were the tobacco, spirits, media and electronics industries. Only very limited impact had the industry of household products, utilities, pharma, telecoms, cosmetics.³⁷

We have seen that although the world was (and maybe still is) disturbed by one of the most sever crisis known in the history, this did not by default attribute negative affection to the intangible assets of the companies.

The lesson that needs to be learned from the COVID-19 pandemic is that the companies should invest in the brands in the broadest sense. This investment have to start with protection of the trademarks in order for a company to build certain reputation, which the consumers will associate and relate with, in times of crisis. It has been proved that in each crisis, not excluding the COVID-19 pandemic, the consumers remained faithful only to the brands that they trust at most.

In sense of this, the companies have to start cooperating if they want to maintain the value of their brands and generate profitability. Finally, it is most important to learn to adapt in terms of pricings, needs of the consumers, manners of distribution and availability of products.

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³⁵ <http://lit.best-marketing.com/files/menu//2009012301085656.pdf>, Last visit 20.02.2022.

³⁶ 2020 Edelman Special Report: Brand Trust and the Coronavirus Pandemic, p. 15.

³⁷ <https://brandirectory.com/download-report/Brand%20Leadership.pdf>, Last visit 21.02.2022.

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