# The Significance of Socialistic brands within the Trademark System



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### Socialistic brands

- Used to distinguish commodities offered during the **period of socialism** within a **given territory** belonging to the **Socialist Bloc** 
  - Each such territory has its own, unique socialistic brands
- Subject to particularities of socialist culture, socialist market rules and various inconsistent legal rules











(sources:source: http://www.oldradio.pl/foto\_schematy/rekl00129.jpg; source: http://www.sklepunitra.pl/; http://ok.pl/ofertd/sluchawki-unitra-sn50-orginalne-opakowanie-z-gwarancja-z-1975r-CID99-IDaMohh.html#a7499357c9; http://bufetprl.com/2013/05/25/srodek-transportu-dla-wyjatkowych-towarow/ http://www.ekonomia.rp.pl/galeria/706165,1,1072971.html#bigImage)



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### Ostalgia



### Trademarks today



**Autonomous**, complex figures

- Carry within themselves a personal relationship with the end-user
- Consumers use trademarks in order to communicate with each other through consumed commodities
- Modern branding create an active emotional response



Appeal to memories, identities and feelings of consumers

### Socialistic brands (2)



Characterized by high differential value and being carriers of **unique messages** 



Effect of socialistic signs on a postcommunist society is far from limited to the part of society that experienced socialism first-hand (sociology, semiotics, psychology, anthropology)



Very different than ,vintage brands'

### Socialistic brands (3) Shared historical pedigree:



- **78** Intensively used for a substantive time within a given territory
- Little competition in the product market
- Low incentives to invest in the product quality / brand



Scarcity of goods

# Modern branding



Dominance of so-called emotional branding



Blurring the line between the cultural and commercial meanings of signs



Main goal of any trade mark strategy is to establish, strengthen and stabilize association



Appeal to memories, identities and feelings



This is time and resources consuming



Signs that already carry unique and strong cultural meanings sought after

# Trademarks today (2)



- 🗱 Role of the trade mark in branding could be described as that which **obscures the origin** 
  - Ġ Create, establish and protect a superior myth

### Socialistic brands (4)

#### In trademarks strategy:

- At the center of their bond with consumers strong and uniquely acquired cultural meaning
  - Derives from their collective use by a particular society
    - Significantly contributes to the **selling** power



An undertaking entitled to legally sanctioned exclusivity over these signs hold a uniquely advantageous position

### Trademarks:



Distinguish commodities of particular source from other commodities



Potentially perpetual term of exclusivity



**Consumer** Search costs

Incentivize investment in

quality of commodities



### Socialistic brands

Should these signs be treated **differently** from the point of view of trademark law?

# O If yes, then what are the legal consequences?

unjustifiable appropriation

### Trademarks:



Distinguish commodities of particular source from other commodities

• Potentially perpetual term of exclusivity



**Lower consumer search costs** Incentivize investment in

quality of commodities



### Unjustifiable appropriation

Two scenarios of Socialistic Brands:

- Abandoned Socialistic Brands
  In most cases should remain outside of the scope of TM exclusivity
- Socialistic Brands which are in continuous use



Allowed in most cases, if the current owner is a legal successors of the original users











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(source:

### Case study: Herbapol

Continous use by a legal successors not allways a clear case...











#### Legal means of adressing the unjustifiable appropriation Trademark law:

-Generic / Descriptive

- Registered in Bad Faith

- Contrary to public policy
- -Other grounds of refusal

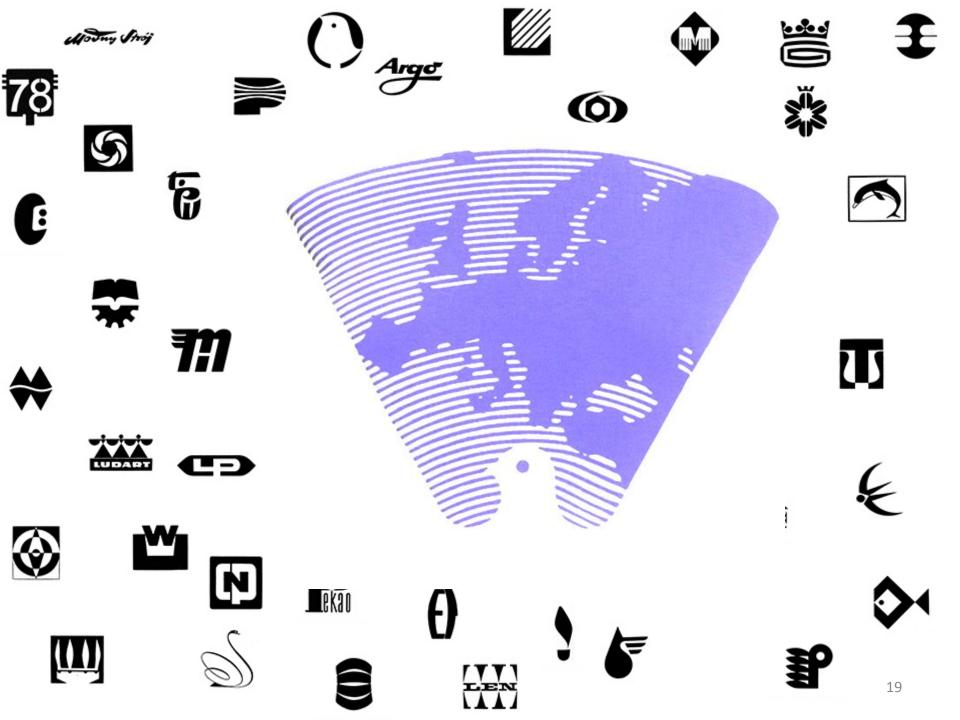
General issue: legitimacy



Residual Goodwill ?



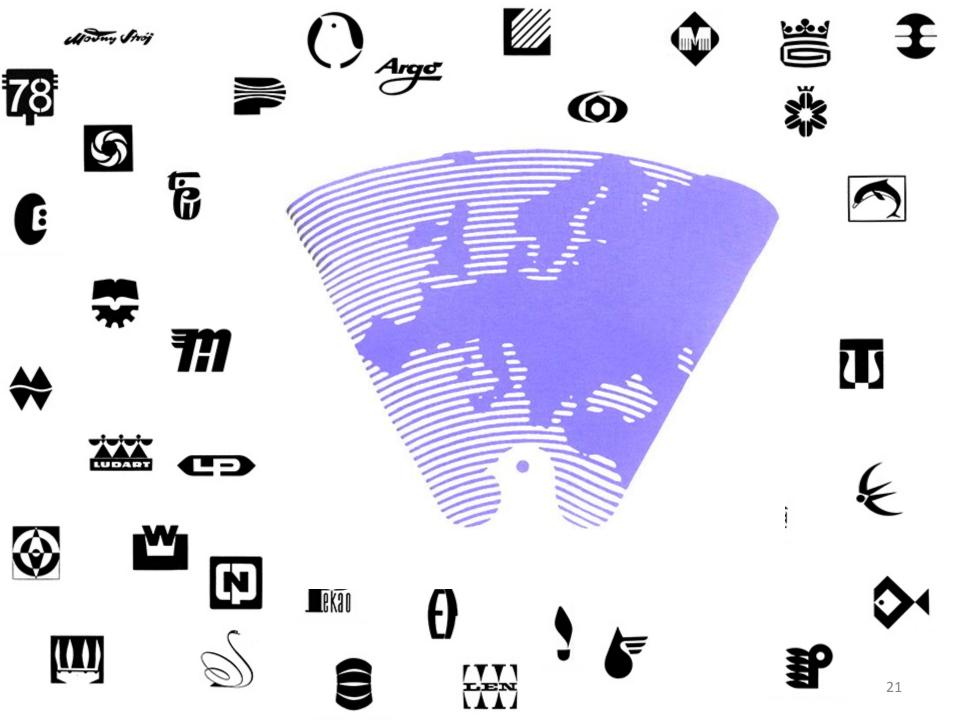


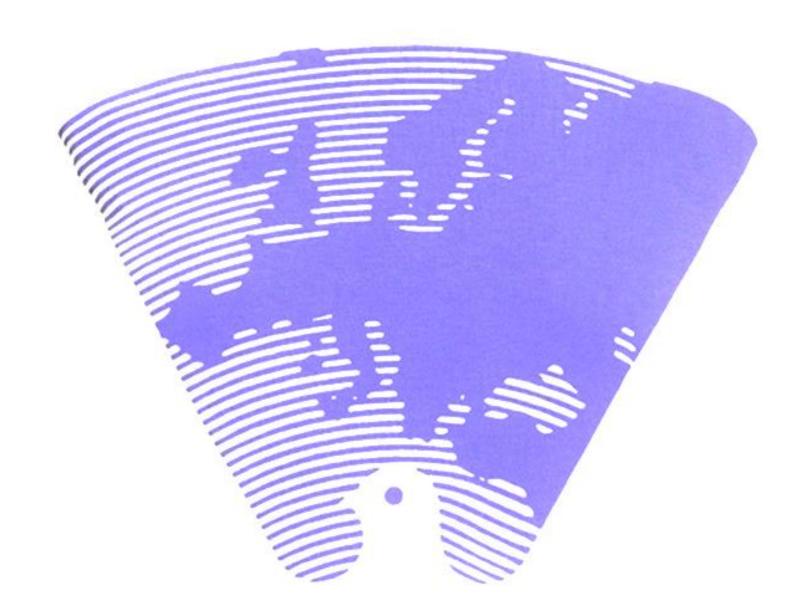


### Conclusion

Selling power of a trade marks results not only from the efforts of past or current proprietors, but also from their collective use

Need to recognize the diversity of stakeholders and the various social, cultural and economic interests involved





### Conclusion (2)



**Interpretation** of existing legal norms Need of a **correction course** 



Recognize that all legal norms relating to exclusivity over information not only enable but **shape the commercial conduct** 



There is **no separate legal policy** it's necessarily **always economical and cultural public policy** 



<u>Information exclusivity asymmetry =</u> power asymmetry

