3. COMPETING IN THE WORLD ECONOMY

3.10. Product and marketing innovation using trademarks

Trademarks are legal protections for distinctive signs of products, such as names or logos. They are often associated to new products as they enable to signal the novelty and do advertising. The number of new trademarks is then an indicator of product and marketing innovations. It makes notably possible to measure non-technological innovation and innovations in the services sector, which are not well captured by research and development and patents.

Cross border trademarks are a statistical concept which enables to compare trademark counts across countries. In 2007, the European Union and the United States had the highest number of cross-border trademarks, accounting for 34% and 30%, respectively, of all crossborder trademarks worldwide.

Over 1997-2007, the number of cross-border trademarks from the European Union almost doubled. It also significantly increased for Japan and the United States, although to a lesser extent (by 25% and 23%, respectively). Like other innovation indicators, trademarks are sensitive to the economic situation. The number of trademarks increased significantly from 1997-2000, dropped sharply in the aftermath of the dot-com bubble in 2001 and grew again from 2003 to 2007.

A trademark can cover goods, services or a combination of the two. Over the last decade the share of service trademarks in the European Union and the United States increased by 4 and 5 percentage points, respectively, indicating the growing importance of service innovations, *e.g.* in finance, insurance or consulting. The countries with the highest shares of pure-service trademarks in 2007 were Iceland, Singapore and Luxembourg (more than 30%); those with the lowest shares were Finland, Turkey and Israel.

Trademarks

A trademark is a sign which enables to distinguish the goods or services of one undertaking from those of other undertakings. It is possible to register trademarks at a trademark office. The procedure is similar to patents, except that the application must designate one or several classes of products, and the trademark is then only protected in those fields.

A major issue concerning trademark counts is that they are subject to a home bias. Firms tend to file trademarks in their home country first, so that figures for the host country (such as US applicants filing at the United States Patent and Trademark Office (USPTO) and for other countries are not comparable. The indicator used here is the number of applications at USPTO except for the United States and countries with a high propensity to file trademarks in the United States: Australia, Canada, Israel, New Zealand and Mexico. For those countries, counts are based on their relative share of filings in the Japan Patent Office (JPO) and the European Office for Harmonization in the Internal Market (OHIM). This method consists in taking as a reference the number of trademarks commercialised abroad, hence the name "cross-border trademarks".

The domestic bias also affects countries' comparability in terms of their relative shares of goods and services trademarks. As services are less exported than goods, there is a greater share of services in domestic than in foreign applications. Here the shares of goods and services are based on USPTO data for all countries except those biased towards USPTO, for which OHIM data are used. This enables to increase the comparability of countries, although lowering the share of services, as these are less likely to be commercialised abroad.

Sources

USPTO Trademark BIB ACE Database (Cassis), June 2008. OHIM and JPO annual reports 1997-2008.

World Intellectual Property Organization (WIPO) Trademark Statistics, December 2008

OHIM Trademark database, CTM download.

Going further

Millot, V. (2009), "Trademarks as an Indicator of Product and Marketing Innovations", OECD Science, Technology and Industry Working Papers 2009/6, OECD Paris, www.oecd.org/sti/working-papers.

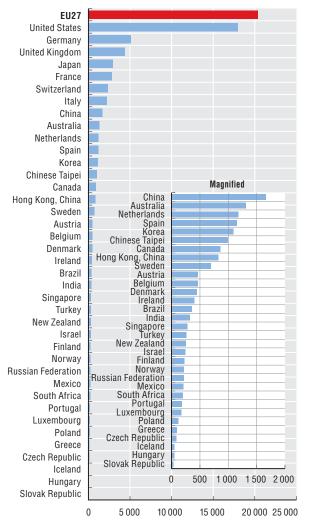
Figure notes

Cross-border trademark counts correspond to the number of applications filed at USPTO except for Australia, Canada, Israel, Mexico, New Zealand and the United States. For those countries counts were based on OHIM and JPO distributions.

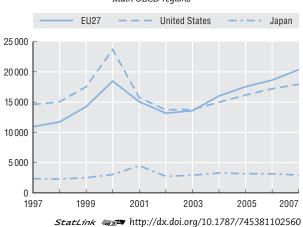
The shares of goods and services correspond to the applications at USPTO for all countries except the abovecited, for which applications at OHIM are used. 3.10. Product and marketing innovation using trademarks

Cross-border trademarks by economy, 2007

Goods and services in trademark filings, 2007 As a percentage of total filings



StatLink and http://dx.doi.org/10.1787/745353001167



Trends in cross-border trademarks, 1997-2007 Main OECD regions



StatLink and http://dx.doi.org/10.1787/745385425345

60

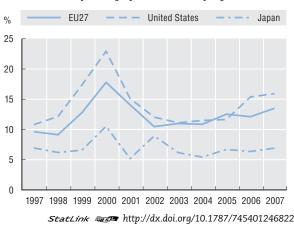
40

Share of service trademark filings, 1997-2007

20

0

As a percentage of total trademarks filings



100

%

80



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