Trademark Highlights from the IPO's 2013 IP Record

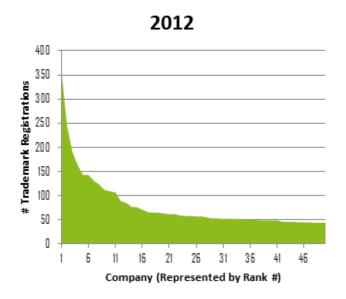
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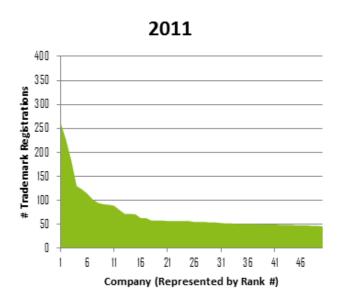
By Monica Riva Talley

While economists often look to patent activity as an indicator of economic health, trademark application and registration statistics can also reflect innovation, business development, and overall industry activity. The Intellectual Property Owners' Association (IPO) recently released its 2013 IP Record, an annual report on intellectual property trends around the world using data from a range of sources including the USPTO Performance and Accountability Report FY 2012 and WIPO 2012 World Intellectual Property Indicators.

Data from the 2013 IP Record reveals that in 2012, trademark applications hit an all-time high with 415,026 applications filed, a 4% increase from 2011. The number of trademark registrations issued also rose; 243,459 registrations were issued in 2012 compared to 237,586 in 2011. Both trademark applications filed and registrations issued have experienced continuous growth since 2010.

Interestingly, top trademark registrants seem to have obtained more trademarks in 2013 en masse. In the USPTO's list of top 50 trademark registrants of the year, the top five trademark registrants of 2012 obtained a collective 1101 trademark registrations compared to the 2011 top five's collective 925 trademarks. The discrepancy is even larger between the top ten trademark registrants of 2012 and 2011; the top ten trademark registrants of 2012 collectively registered exactly 300 more trademarks than the top ten of 2011. The result—a more extreme distribution—is seen in the side-by-side graphs below.





The #1 ranking company in trademark registration accounts for much of the difference. Mattel, Inc. alone secured 100 more trademark registrations in 2012 than it did in 2011. With 358 trademarks, it obtained more registrations than any other company in the top five. Johnson & Johnson, the second-highest, secured 246 trademarks. LG Electronics, which moved up two spots in the rankings to the #3 spot, secured 191 trademarks—68 more trademarks than it secured in 2011. The fourth company in the top five was Disney Enterprises, which registered twenty less trademarks in 2012 than in 2011 and moved down one spot on the top 50. The top five was finished by Bally Gaming, a company specializing in gaming technology and manufacturing casino equipment. Bally rose from its #27 spot in 2011, making a 22 spot-jump in the top 50 list and registering 88 more trademarks than it did last year.

The most significant new appearance was by 2012's #6 ranking registrant, Da Lian Ya Tu Tou Zi Zi Xun You Xian Gong Si, which registered 143 trademarks in various categories including hand tools, fabrics, and jewelry.

Other already well-known brands made a large top 50 jump; American Express Marketing & Development rose 31 spots, Columbia Insurance rose 33 spots, and Koninklijke Philips Electronics rose 23 spots—despite obtaining registrations for only ten more trademarks than it did last year. With that in mind, many of the "new" entries on this year's list have probably appeared on the list before. For example, the #27 registrant of 2012, Societe des Produits Nestle S.A. (Nestle) did not register enough trademarks to make the 2011 list despite placing #38 the year before that.

Conversely, L'Oreal USA Creative went from the #10 spot in 2011 to #23 in 2012 by obtaining registrations for 32 less trademarks than it did in the previous year. Warner Bros. Entertainment Inc. dropped thirteen spots by registering 22 less trademarks

In general, the top registrants are companies that manufacture and promote numerous consumer products—entertainment companies such as Summit Entertainment trademark movies and TV shows, food and beverage companies such as Hershey manufacture and trademark multiple subsidiary brands, electronics brands such as Samsung trademark their products to stand out in the market.

As the numbers show, consumer products and entertainment brands, who operate in markets where it can be necessary to continuously refresh and add to offerings in order to maintain market dominance, continue to focus resources on new branding initiatives. In the entertainment field, the rise of alternate platforms has given rise to a fragmented market, where content providers must work harder than ever to both gain and maintain market share. Expanding opportunities for merchandising and co-branding also necessitate a strong trademark registration strategy.

Similarly, increased globalization and market specialization have made constant innovation and differentiation a necessity in the consumer products field—regardless of whether the product at issue is a cosmetic or a consumer electronic. Brands are no longer just competing with people in their geographic market; they are competing with everyone around the world who can deliver cheaper and faster. The numbers also suggest that companies not traditionally associated with consumer product offerings are expanding into related areas—such as American Express, with its forays into travel-related publications and products.

Moreover, today's competitive landscape necessitates that brands differentiate themselves via the entire brand experience—whether that be the shape of a product, the design of a store, or the look and feel of a mobile application interface. Savvy marketers are seeking to protect these factors that impact how consumers connect emotionally with a brand and, as many of these factors can be protected by a trademark or trade dress application, this too is likely affecting the number of filings.

About the Author

Monica Talley is a director in the trademark practice at intellectual property specialty law firm Sterne, Kessler, Goldstein & Fox P.L.L.C. She has more than 17 years of experience protecting some of the world's most recognizable brands. Ms. Talley specializes in strategic trademark portfolio counseling and management, developing anticounterfeiting solutions and strategies, and trademark enforcement. Ranked as one of the leading trademark prosecution and strategy attorneys in Washington, DC, she is particularly noted for her global brand protection and commercialization strategies, and is lauded by clients for utilizing "her broad IP savvy to procure fantastic short and long-term results" (World Trademark Review 1000).

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