

# 1. RESPONDING TO THE ECONOMIC CRISIS

## 1.9. Trademarks over the business cycle

Trademark data are a possible source of information on innovative activity. Firms use them in practice to launch new products on the market in order to signal novelty, and to appropriate the benefits of their innovations. It has been shown that the number of trademark applications is highly correlated to other innovation indicators. Trademarks can then complement the other indicators. As their perimeter of applications is very broad, they can convey information not only on product innovations, but also on marketing innovation and innovations in the service sectors. One advantage of using trademarks as an innovation indicator is that the data relating to trademark applications are publicly available immediately after the filing. Trademark-based indicators can then provide up-to-date information on the level of innovative activity.

The most recent data show that trademarking activity has been strongly affected by the economic crisis. There has been a decline in trademarks filed at the United States Patent and Trademark Office (USPTO) from mid-2007, since when the year-on-year growth rate has fallen continuously. It turned negative in mid-2008 and stabilised around -20% at the end of the year. At the beginning of 2009, it started to rise again, although it remains negative and below -10%.

This decline applies both to service and good trademarks, yet the crisis has affected more severely the services, which year-on-year growth rate was sensibly higher than goods in 2007 and passes below in mid-2008. Innovation in the finance and insurance sectors has been particularly affected, trademark applications in those sectors have significantly started to decline from the beginning of 2007, reaching a year-on-year growth rate of nearly -30% in the end of 2008.

Both the United States and the European Union have experienced a decline in trademark applications. Their growth rates started to decline in mid-2007 and became negative in mid-2008. The growth rate of applications from the United States started to rise again in the beginning of 2009 although it is still negative, but it continued to drop for applications from European Union. This difference can be explained by a delay in the foreign applications at the USPTO due to the system of priority rights.

### Trademarks

As most economic indicators, trademark counts are affected by seasonal effects, which make analyses of short-term trends difficult. For this reason, year-on-year growth rates of trademark applications are used here. For example, December, which is a month of lower activity, is compared with December of the previous year. The year-on-year growth rate provides a general trend, and accounts for irregularities of the economic cycle.

Besides, 3 period moving averages of the number of trademark applications are used to smooth out the volatility of the growth rates. The indicators presented here are the year-on-year growth rate applied to the moving average period 3 of the monthly trademark applications at USPTO.

### Sources

USPTO Trademark BIB ACE Database (Cassis), April 2009.

USPTO Trademark Electronic Search System (TESS), September 2009.

### 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](http://www.oecd.org/sti/working-papers).

### Figure notes

Growth rates are calculated on three months moving average of the total number of applications received by the USPTO.

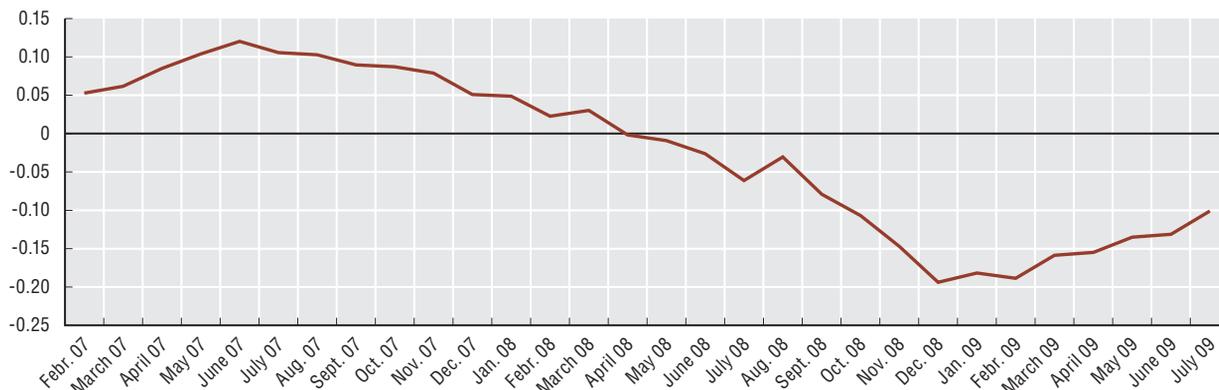
Goods (resp. services) represent trademark applications designating only goods (resp. service) classes; finance and insurance represent trademark applications designating class 036 of the International Classification of Goods and Services.

# 1. RESPONDING TO THE ECONOMIC CRISIS

## 1.9. Trademarks over the business cycle

**Year-on-year growth rate of trademark applications at USPTO**

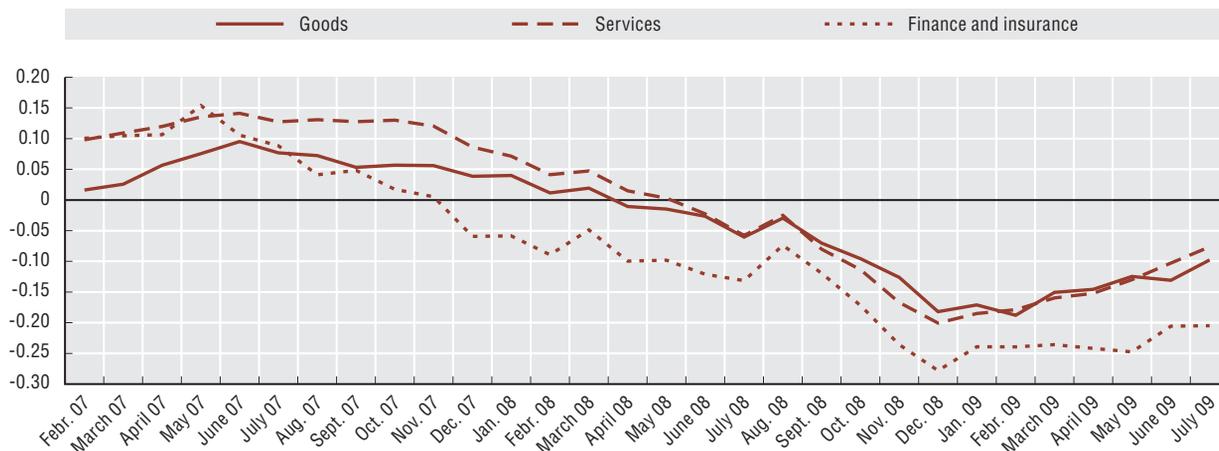
Moving average period 3



StatLink <http://dx.doi.org/10.1787/742420136210>

**Year-on-year growth rate of trademark applications at USPTO, by product type**

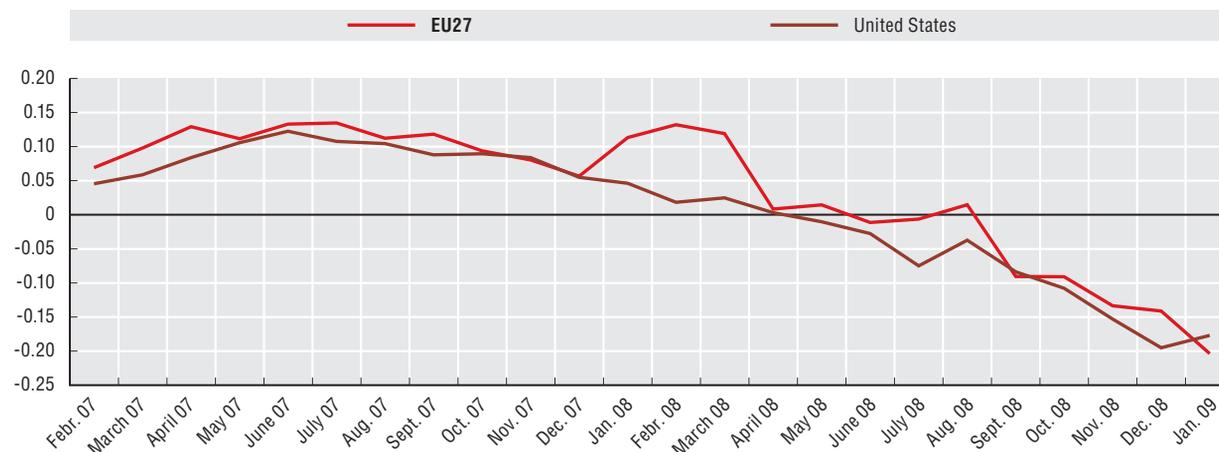
Moving average period 3



StatLink <http://dx.doi.org/10.1787/742443026456>

**Year-on-year growth rate of trademark applications at USPTO, by region of origin of the applicant**

Moving average period 3



StatLink <http://dx.doi.org/10.1787/742503262237>



**From:**  
**OECD Science, Technology and Industry  
Scoreboard 2009**

**Access the complete publication at:**  
[https://doi.org/10.1787/sti\\_scoreboard-2009-en](https://doi.org/10.1787/sti_scoreboard-2009-en)

**Please cite this chapter as:**

OECD (2009), "Trademarks over the business cycle", in *OECD Science, Technology and Industry Scoreboard 2009*, OECD Publishing, Paris.

DOI: [https://doi.org/10.1787/sti\\_scoreboard-2009-12-en](https://doi.org/10.1787/sti_scoreboard-2009-12-en)

This work is published under the responsibility of the Secretary-General of the OECD. The opinions expressed and arguments employed herein do not necessarily reflect the official views of OECD member countries.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

You can copy, download or print OECD content for your own use, and you can include excerpts from OECD publications, databases and multimedia products in your own documents, presentations, blogs, websites and teaching materials, provided that suitable acknowledgment of OECD as source and copyright owner is given. All requests for public or commercial use and translation rights should be submitted to [rights@oecd.org](mailto:rights@oecd.org). Requests for permission to photocopy portions of this material for public or commercial use shall be addressed directly to the Copyright Clearance Center (CCC) at [info@copyright.com](mailto:info@copyright.com) or the Centre français d'exploitation du droit de copie (CFC) at [contact@cfcopies.com](mailto:contact@cfcopies.com).