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## “There are many great things that can be done with trademark data” – study reveals how IP analytics can help policymakers

- **A new study suggests trademark data is an accurate indicator of economic activity**
- **Finding suggests that such data could be a helpful tool when shaping policies**
- **Academic tells *WTR* that it further reveals links between innovation and trademarks**

New research has revealed how trademark filing data can be used to study the characteristics of regional economies, and unveiling a potentially important tool for policymakers. Talking to *WTR*, the study's main author expands on the importance of the findings, including how “trademarks can shed more light on changes in international trade”.

The study, entitled ‘Dynamics of regional diversification: a new approach using trademark data’, was written by academics Eric Iversen from the Nordic Institute for Studies in Innovation, Research and Education and Sverre Herstad from the University of Oslo. It focuses on a fresh approach for using trademark data to study regional diversification, and developed a measure that appears to shed light on the diversity of different regions while also accounting for changing industrial structures and income levels (regional GDP).

Some of the findings are eye-opening. For example, one of the models indicates that, across the whole population of Norway, “the overall rate of domestic trademark filing per unit of regional GDP would increase by 0.49% if foreign trademarking increased by 1%”. That data suggests, the academics claim, that “more local brands are reacting to trademarks of ‘global origination’” (although they further note that the effects are reduced when more characteristics of regional economies are added to the measure).

However, arguably the most relevant finding for IP professionals is how it reveals the ways that trademark data can be used. Importantly, the study notes that trademarks can “reflect novelty on the market [among] small firms and in the service sector” – a part of the modern economy that patent data “has acknowledged problems illuminating”.

Therefore, the findings suggest that there could be a growing use for trademark data that has, until now, been relatively underused – especially by economists, policymakers, and government agencies. “[This] will hopefully help spur new applications of trademark data to study regional diversification,” the study concludes. “By recognising the strengths and weaknesses of trademark data in general, and that of domestic and international data more specifically, future studies can be designed to improve our knowledge of how regions differentiate. There are, indeed, many great things one can do with trademark data.”

Talking to *WTR*, study co-author Iversen expanded on why he identified the use of data related to trademark activity as potentially valuable for researchers. “Enterprises try to make what they sell (eg, goods and services) stand out in the eyes of the consumer,” he explains. “Therefore, trademarks provide a promising way to capture how the firm goes about this concretely. Effective trademarking activity is not an after-thought, it’s part of an investment strategy. [Further], the decision to use trademark data to investigate regional diversification now reflects the fact that the field has reached a stage of maturity. Recent microdata exercises have served to show with greater clarity how firm-level trademarking behaviour reacts both to what is happening in a firm (eg, launching of new product, new rounds of venture funding) but also outside it (eg, the general economic climate). Trademarks have emerged as an interesting, if not unambiguous, indicator here.”

Ultimately, he adds, the study’s findings will likely be most significant in the policy-sphere – but should be viewed positively by those in the trademark community. “The economics of different regions is a big policy concern, whether it be about promoting the rejuvenation of some regions or keeping up with fast changing cities,” Iversen notes. “Trademark behaviour provides a potentially important lens for policymakers to follow how much difference there is between different types of regions across time. There [used to be] little interest (or empirical evidence) to discuss the economic importance of trademarks – especially not in terms of innovation. Things have changed for the better. Today, there is a growing understanding about the who, what, when, where and why of trademark use which straddles the economic and the legal fields.”

The hope, then, is that trademark activity will become an increasingly important indicator for shaping policy – helped, of course, by the growing availability (and digitisation) of such data. Time will tell whether policymakers will use trademark filing data in new and more ambitious ways.

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