WIPO Economics & Statistics Series

2013

World Intellectual Property Report

Brands – Reputation and Image in the Global Marketplace

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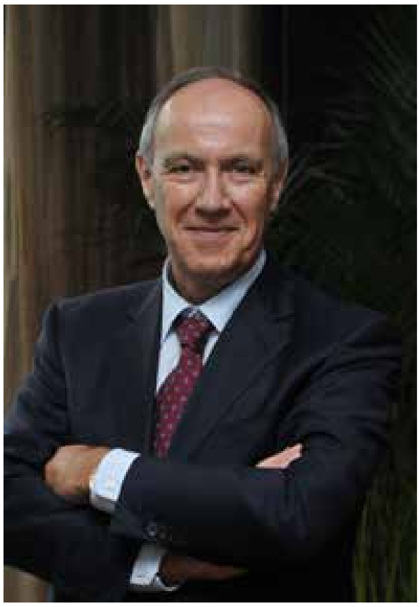

FOREWORD

Brands pervade everyday life. They are an indispensable guide for consumers and a means for companies to build a reputation and an image in the marketplace. A product's brand appeal can be as important for determining competitive success as its quality or price tag. In short, a recognized brand is among the most valuable intangible assets a company can own.

From its humble beginning as an identifier of origin, branding has evolved into a sophisticated business tool employing professionals as diverse as data analysts, lawyers, linguists, graphic artists, psychologists and celebrity actors. Companies in all economic sectors – whether small or large, in more developed or less developed economies – rely on brands when they commercialize their goods and services. Trademarks – the legal incarnation of brands – are by far the most widely used form of registered intellectual property (IP).

Despite this cross-cutting importance, evidence of how branding and trademark use affect economy-wide performance is still limited – especially when compared with the large volume of studies carried out on the patent-innovation nexus. I am therefore pleased that WIPO's second World Intellectual Property Report explores the role that brands play in today's global marketplace. As with our first Report, we aim to explain, clarify and offer fresh insights into the role that the IP system plays in market economies, hoping to facilitate evidence-based policymaking. We do this in three different ways.

First, the Report seeks to set the scene by establishing how branding behavior and trademark use have evolved in recent history, and how they differ across countries. It rethinks how branding investments of firms should be measured and capitalized as an intangible asset, and presents new estimates of the magnitude and growth of such investments. It also explores what lies behind the rapid growth in the number of trademark filings worldwide. Finally, it takes a look at markets for brands; while few data are available to capture their size and growth, it is nonetheless clear that they constitute an increasingly important instrument for companies to broaden the reach of their brands.

Second, the Report takes a closer look at the trademark system, reviewing the foundations of why governments protect trademarks, and how key features of trademark laws and institutions determine competitive outcomes. One of the central messages emerging from this discussion is that the design of the trademark registration process shapes how companies use the trademark system. Policymakers are well advised to promote an institutional framework that carefully balances the interests of applicants, third parties, and the public at large.

Finally, the Report explores how branding affects market competition and innovation. It shows that companies which invest heavily in branding are also often highly innovative. Indeed, branding can be an important complement to product innovation. By generating demand and willingness to pay, branding enables firms to profit from investing in technology and design. Branding thus emerges as an important element of a vibrant innovation ecosystem.

As always, a report of this nature leaves several questions open. For example, while we hope to have made a contribution towards better measuring investments in branding, fully capturing all company activities that further a brand's image and reputation remains a daunting task. In addition, in reviewing institutional approaches towards trademark protection, this Report cannot do full justice to the rich institutional frameworks that have emerged in different parts of the world. However, we hope that this Report lays the foundation for additional research in this area and we look forward to addressing remaining knowledge gaps in our future work and in our continuous dialogue with Member States.

Francis GURRY
Director General

ACKNOWLEDGEMENTS

This Report was developed under the general direction of Francis Gurry (Director General). It was prepared and coordinated by a team led by Carsten Fink (Chief Economist) and comprising Intan Hamdan-Livramento (Economist) and Sacha Wunsch-Vincent (Senior Economist), all from WIPO's Economics and Statistics Division.

Sören Simon Petersen in the Economics Section provided background research and made written contributions to Chapter 1.

The IP Statistics Section and the Data Development Section provided much of the data used in this Report, especially for Chapter 1.

Marcus Höpperger from the Law and Legislative Advice Division, Brands and Designs Sector, offered valuable advice throughout the conceptualization, development, and drafting of the Report, and he made written contributions to Chapter 2.

Background reports were prepared by Atif Ansar, Carol Corrado, Emmanuelle Fortune, Carl Benedikt Frey, Georg von Graevenitz, Janet Hao, Christian Helmers, Laurence Joly, Benjamin Mitra-Kahn, Sridhar Moorthy, Amanda Myers and Philipp Schautschick. Additional background analysis and written contributions were provided by Marina Filgueiras Jorge, Stéphane Lhuillery, Travis Lybbert, Kazuyuki Motohashi, Sergio Paulino de Carvalho, Siriporn Pittayasophon and Marcos Segantini.

Giovanni Napolitano and Nuno Pires de Carvalho from the Intellectual Property and Competition Policy Division provided helpful input for Chapter 3.

The Report team benefitted greatly from external reviews of the draft chapters from Tony Clayton, Stuart Graham, Damien Neven, and Nathan Wajsman. Additional comments and data were provided by Ty Gray, Christine Greenhalgh, V. Kumar, Antonella Liberatore, Tony Lisanti, Glenn Mac Stravic, Joscelyn Magdeleine, Andreas Maurer, Christophe Mazenc, Julio Raffo, David Roache-Turner, Elizabeth Webster and Erik Wilbers.

Thanks also go to Interbrand, Brand Finance and BrandZ for kindly making available the brand value data presented in Chapter 1 and for offering comments.

Samiah Do Carmo Figueiredo and Caterina Valles Galmès provided valuable administrative support.

Finally, gratitude is due to Brenda O'Hanlon for editing the Report, to the Communications Division for designing the Report, and to the Printing and Publication Production Section for their printing services. All worked hard to meet tight deadlines.

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TECHNICAL NOTES

COUNTRY INCOME GROUPS

This Report relies on the World Bank income classification of 2011 to refer to particular country groups. The classification is based on gross national income per capita, and it establishes the following four groups: low-income economies (USD 1,025 or less); lower middle-income economies (USD 1,026 to USD 4,035); upper middle-income economies (USD 4,036 to USD 12,475); and high-income economies (USD 12,476 or more).

More information on this classification is available at *http://data.worldbank.org/about/country-classifications*.

IP DATA

The majority of the IP data published in this Report are taken from the WIPO Statistics Database, which is primarily based on WIPO's annual IP statistics survey and data compiled by WIPO in processing international applications and registrations filed through the Patent Cooperation Treaty, Madrid, and the Hague systems.

Data are available for download from WIPO's Statistics webpage at: www.wipo.int/ipstats/en. WIPO's annual World Intellectual Property Indicators, freely available on the same webpage, provides additional information on the WIPO Statistics Database.

Every effort has been made to compile IP statistics based on the same definitions, and to ensure international comparability. The data are collected from IP offices using WIPO's harmonized annual IP statistics questionnaires. However, readers must keep in mind that national laws and regulations for filing IP applications or for issuing IP rights, as well as statistical reporting practices, differ across jurisdictions.

Please note that, due to the continual updating of missing data and the revision of historical statistics, data provided in this Report may differ from previously published figures and the data available on WIPO's webpage.

EXECUTIVE SUMMARY

Brands are an important aspect of everyday life. Consumers have strong preferences for which smartphones offer the best functionality, which airlines provide the best service, which fashion accessories garner the most attention from friends and colleagues. Brands help consumers to exercise their preferences in the marketplace. They come with a reputation for quality, functionality, reliability and other attributes, ultimately enabling consumers to exercise choice in their decision-making. Equally important, they come with a certain image – whether for luxury, trendiness or social responsibility – which consumers care about, and which in turn influences which goods and services they purchase.

For companies, in turn, brands are valuable strategic assets and a source of competitive advantage. Accordingly, companies have gained rich experience in determining how their branding choices affect their sales and profits. A large volume of academic studies across a variety of disciplines offer many insights into successful branding practices. Numerous specialized consulting firms stand ready to offer advice – whether on broad questions of branding strategy or narrow questions of advertising effectiveness.

By comparison, evidence on the economy-wide implications of branding is still limited. For example, how much do companies invest in branding relative to other tangible and intangible assets? In which ways are there markets for brands? How do branding choices affect the functioning of market competition? Do branding activities affect the pace of product innovation?

For policymakers, it is important to understand the ways in which branding activities interact with the broader economy. Branding investments affect consumer welfare and, in the long term, can influence the rate of economic growth. In addition, governments have some influence on the branding activities of companies – including through the protection of trademarks. In order to promote consumer choice and maintain vibrant competition in the marketplace, governments need to assess the effectiveness of existing policies and adapt them in light of the evolving needs of the marketplace and new evidence on the behavior of companies and individuals.

This Report endeavors to make an analytical contribution in this respect. It does so in three ways. First, it sets the scene by describing key trends and patterns of branding activity across the globe. Second, it reviews the role of trademarks – the form of intellectual property (IP) that protects the exclusivity of brands – and presents evidence informing trademark policy choices. Finally, it explores how branding activities affect market competition and innovation, thus relating branding to broader company strategies and industrial organization.

The changing face of Branding

The face of branding has changed throughout history. In order to set the scene, Chapter 1 reviews available evidence and assembles new data to explore how the economic contribution of brands has shifted and how branding behavior has evolved.

Globalization and technology have left their mark on branding

While informal forms of branding already played some role in long-distance cross-border trade during the Middle Ages, it was the creation of mass markets during the Industrial Revolution that made branding a core element of economic activity. Overall, three interrelated trends stand out:

- First, globalization and the rise of the Internet have prompted brands to more easily transcend national borders. At the same time, companies in low- and middle-income economies increasingly seek to develop their own brands – or to acquire them from abroad.

- Second, today, rather than just advertising a product, companies work to create and deliver a "brand experience" for the consumer. Companies increasingly have to manage not only product quality, but also their reputation as good global citizens, paying attention to how socially and environmentally responsible they are perceived to be.

- Third, brand communication takes place through a larger number of more fragmented, frequently changing and more interactive channels. In addition, the increasing availability of detailed customer data harbors the promise of more targeted and thus more efficient branding strategies.

- Fourth, branding is no longer the purview of companies alone. Increasingly, individuals, civil society organizations, as well as governmental and intergovernmental organizations are adopting an active approach to branding.

Global branding investments approach half a trillion dollars...

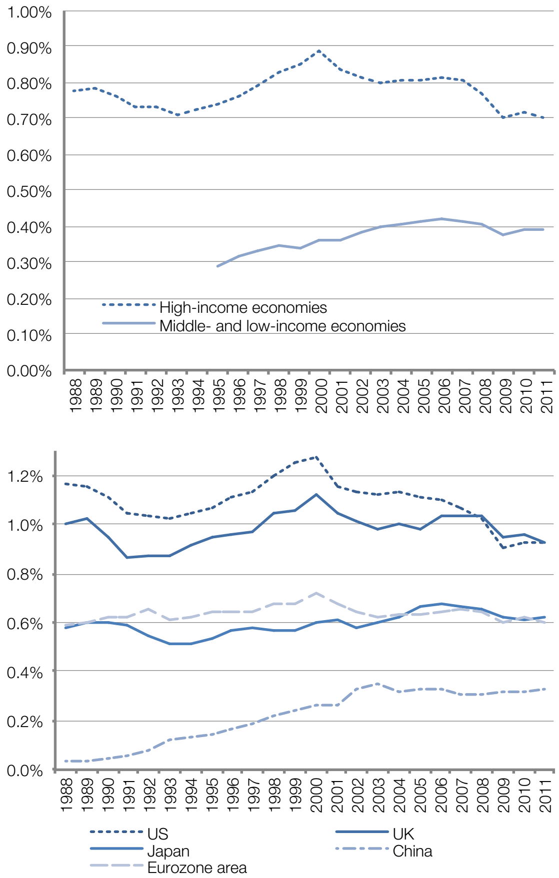
Available data on advertising expenditures reveal that they make up between 0.6 and 1.5 percent of GDP in most high-income countries, and are growing towards similar levels in fast-growing middle-income economies. Globally, advertising expenditures stand at a level that is equivalent to about one-third of global research and development (R&D) expenditures.

However, advertising expenditures only partially portray the multifaceted nature of modern branding activities. Ideally, one would like to capture all company expenses which contribute to the goodwill that brands command in the marketplace. Using such an approach, the Report estimates that global branding investments by companies stood at USD 466 billion in 2011. Across countries, branding investments correlate closely with the level of economic development. Interestingly, however, rapidly growing middle-income economies such as China and India today invest more in branding than high-income countries did when they were at a comparable stage of development.

Relative to GDP, branding investments are stable or falling for high-income economies, whereas they are increasing for low- and middle-income countries and, especially, for China (see Figure 1).

Figure 1: Branding investments have grown relative to economic output in low- and middle- income economics

Branding investments in high- versus low- and middle-income economies, as a percentage of GDP, 1988- 2011



See Figure 1.6

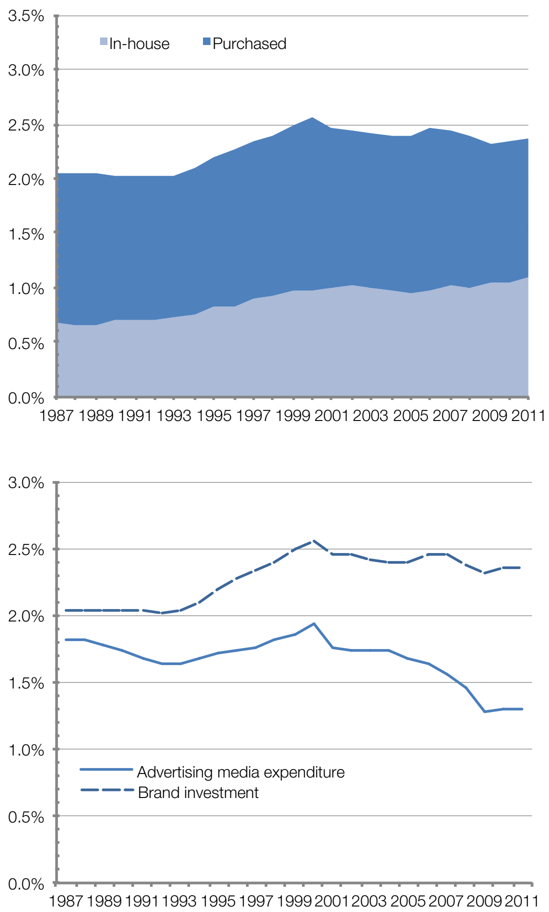
...although more complete data for the United States suggest that this is a lower-bound estimate

Due to data limitations, the Report's estimate of branding investments worldwide still does not completely capture all branding activities. In particular, they exclude strategic marketing, corporate communications and other bought-in services that contribute to brand perception. More importantly, they also exclude "own-account" branding expenditures.

Available data only allow for a more accurate estimate of branding investments for the United States (US). This estimate points to an overall magnitude of investments that is more than twice as large as the estimate generated by the less complete approach. In addition, instead of trending downward, branding investments have increased since the 1990s (see Figure 2), and stood at USD 340 billion in 2010. In the period from 1987 to 2011, investments in branding accounted for close to a quarter of all intangible asset investments in the US. Notably, they exceeded investments in R&D and design.

Figure 2: Better estimate of branding investments in the US shows higher magnitude and positive trend

Components of new metrics for US business branding investment (top) and US business branding investments versus advertising media expenditure (bottom), both as a percentage of GDP, 1987-2011



See Figure 1.7

Table 1: Brands account for a considerable share of companies' market capitalization

Value of the top 10 brands in absolute terms and as a share of companies´ market capitalization, 2013

Interbrand			BrandZ			Brand Finance		
Company	Brand value 2013 (in billion USD)	Brand value as a percentage of market capitalization	Company	Brand value 2013 (in billion USD)	Brand value as a percentage of market capitalization	Company	Brand value 2013 (in billion USD)	Brand value as a percentage of market capitalization
Apple	98.3	58.0%	Apple	185.1	41%	Apple	87.3	19%
Google	93.3	20.7%	Google	113.7	39%	Samsung	58.8	32%
Coca-Cola	79.2	39.3%	IBM	112.5	56%	Google	52.1	18%
IBM	78.8	26.9%	McDonald's	90.3	94%	Microsoft	45.5	18%
Microsoft	59.6	22.9%	Coca-Cola	78.4	46%	Wal-Mart	42.3	18%
General Electric	47	19.9%	AT&T	75.5	43%	IBM	37.7	19%
McDonald's	42	43.9%	Microsoft	69.8	27%	General Electric	37.2	16%
Samsung	39.6	35.2%	Marlboro	69.4	NA	Amazon	36.8	27%
Intel	37.3	20.0%	Visa	56.1	49%	Coca-Cola	34.2	20%
Toyota	35.4	17.8%	China Mobile	55.4	25%	Verizon	30.7	23%
Average	**61**	**30.5%**		**91**	**46.7%**		**46**	**21%**

See Table 1.1

Some brands offer considerable value in the marketplace

Private sector estimates of the market value of different brands point to the considerable commercial weight of selected brands. The average value of the top 10 brands in three widely used brand rankings ranges from USD 46 billion to USD 91 billion. In addition, the total value of the top 100 global brands grew by between 19 and 24 percent in the period 2008 to 2013, despite the global economic downturn. The estimated brand values account for a significant share of companies´ market capitalization (see Table 1).

Among the top 100 brands, the technology sector – including brands such as Apple, Google, IBM, Intel, Microsoft and Samsung – dominates all three rankings. While most top brands are from high-income economies, brands from fast-growing middle-income economies are gaining some ground. In particular, the share of middle-income economies in the total value of the top 500 brands in the Brand Finance ranking increased from 6 percent to 9 percent between 2009 and 2013.

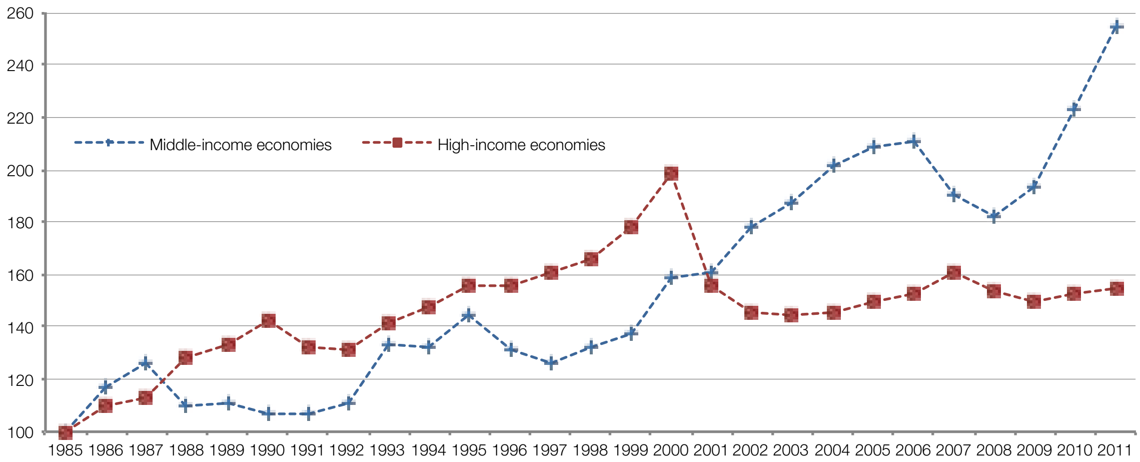
The demand for trademarks has grown substantially – in absolute terms and in proportion to economic activity...

Trademarks are the most widely used form of registered IP throughout the world. In particular, many low- and middle-income countries see companies intensively filing for trademarks, even if they make comparatively less use of other IP forms.

Over the course of the last four decades, the demand for trademarks has intensified to unprecedented levels. After a slow start in the early 20st century, trademark activity accelerated significantly in the mid-1970s at the United States Patent and Trademark Office (USPTO) and even earlier at the Japanese Patent Office (JPO); other IP offices followed suit in the 1980s. Middle-income economies, in turn, started to experience a rapid rise in trademark filings in the late 1980s and 1990s. In most economies, the number of trademark filings correlates with the business cycle; accordingly, there were sharp declines in the number of filings both following the dotcom boom in the late 1990s and following the onset of the most recent financial crisis. By 2001, China's trademark office had become the top recipient of trademark filings, a position China was not to gain in patent filings until 2011.

Figure 3: Most countries have seen use of the trademark system intensify

Trademark applications divided by GDP, index (1985 = 100), 1985-2011



See Figure 1.12

For both high-income and middle-income economies, the use of trademarks relative to GDP increased considerably between 1985 and 2011. While high-income economies increased their trademark filing intensity by a factor of 1.6, middle-income economies increased it by a factor of 2.6 during this period (see Figure 3).

...driven by a multitude of factors

The Report identifies a multitude of factors that account for the growth in trademark filings:

- Economic growth has come along with the creation of new companies and the introduction of new goods and services, thus intensifying demand for trademarks.

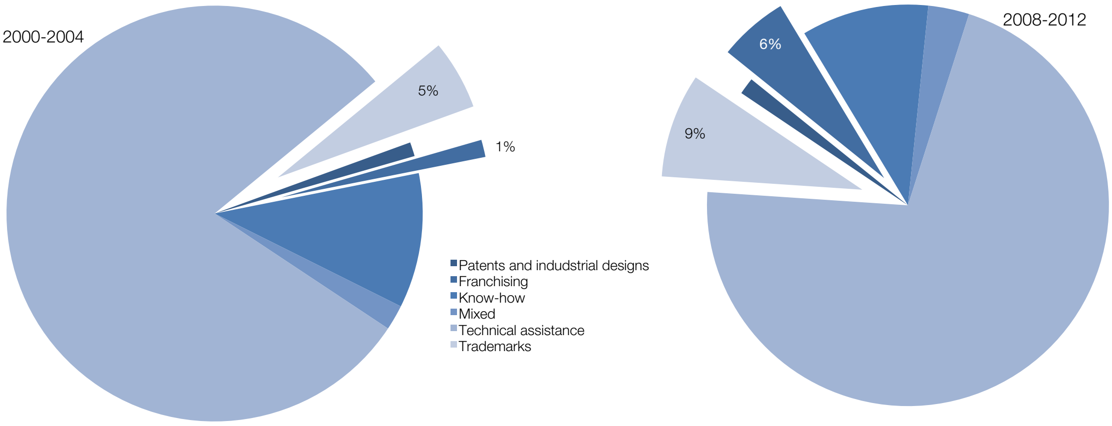
- The shift towards services – that are increasingly provided competitively – has prompted the rapidly growing use of trademarks in the service sector.

- The globalization of economic activity has prompted trademark holders to take their brands to more and more places. This includes trademark holders from low- and middle-income countries, who account for an increasing proportion of non-resident filings throughout the world.

- The emergence of the Internet has spurred trademark filings in a number of ways. It has spearheaded the creation of new firms, business models and services. The digital marketplace has increased the importance of brand reputation, as consumers engage in transactions at a distance. At the same time, brand owners face online sales of counterfeit goods and other forms of misuse of their trademarks, increasing their need for legal protection.

Figure 4: Trademark licenses and franchises account for a growing share of registered technology contracts in Brazil

Distribution of registered contracts by type of contract, 2000-2004 and 2008-2012



See Figure 1.22

The precise empirical importance of these factors is not yet well understood. Other factors – such as increased strategic use of the trademark system and regulatory changes – may well have contributed to the rapid growth in filings.

Markets for brands enable companies to enlarge the reach of their brands

Markets for brands play an important but underappreciated economic role. Similar to patents, brands are increasingly licensed, bought and sold at the national and international levels. Markets for brands allow companies to diversify their business and to expand into additional product categories. In addition, they enable companies to access competences outside their own core strategic assets, and to generate new revenues without substantial investments into building or acquiring additional know-how or manufacturing capability.

The limited and fragmented data points that are available suggest that the entertainment and sports sectors account for the greatest number of trademark licenses – including, for example, the licensing of cartoon characters and sport clubs to manufacturers of toys, food products, home decor, clothes and footwear. Other top licensors operate in the apparel, automotive, and consumer electronics sectors.

Franchising is an even bigger market – with a high level of activity in almost all countries. Europe accounts for the largest number of franchising brands, whereas Asia leads the field in the number of franchising establishments. Markets for franchises are, however, largely domestic – i.e., brand owners and franchisees reside in the same country.

While generally growing, the number of cross-border trademark licensing and franchising transactions seems modest when compared with other IP-based transactions. Receipts related to software, copyright and industrial processes account for the bulk of IP-related cross-border trade. This pattern also appears to hold in middle-income countries. For example, in Brazil – one of the few countries for which detailed data are available – royalty payments are mostly associated with know-how and technical assistance services, even if the share of trademark licenses and franchise agreements has increased over time (see Figure 4).

The economics of trademarks

Against the background of these trends, Chapter 2 takes a closer look at the economics of the trademark system. It explores the reasons why governments protect trademarks and it also discusses the various choices facing policymakers in this area.

Trademarks reduce search costs

Economic research has shown that brands play an important role in bridging so-called asymmetries of information between producers and consumers. In many modern markets, product offerings differ across a wide range of quality characteristics. Consumers, in turn, cannot always discern these characteristics at the moment of purchase; they spend time and money researching different offerings before deciding which product to buy. Brand reputation helps consumers to reduce these search costs. It enables them to draw on their past experience and other information about products – such as advertisements and third party consumer reviews. However, the reputation mechanism only works if consumers are confident that they will purchase what they intend to purchase. The trademark system provides the legal framework underpinning this confidence. It does so by granting exclusive rights to names, signs and other identifiers in commerce. In addition, by employing trademarks, producers and sellers create concise identifiers for specific goods and services, thereby improving communication about those goods and services.

By lowering search costs, trademarks create incentives for companies to invest in higher quality goods and services: producers will be confident that consumers are able to identify higher quality offerings in the marketplace and not confuse them with lower quality ones. In short, where consumers are uncertain about the quality of the products they are considering buying, trademarks play an important role in preventing market failure.

Indeed, the market-enabling role of trademarks becomes evident when exploring the impact of counterfeiting activity. Where consumers are unable to distinguish fake goods from genuine goods, they can no longer rely on the reputation mechanism to guide their purchases. Producers, in turn, have a reduced incentive to invest in product differentiation, thus undermining product quality and diversity. Society is bound to be worse off.

Notwithstanding this general conclusion, there are cases of consumers purchasing counterfeit products fully aware that their purchases are not the genuine products. The welfare effects of this type of "non-deceptive" counterfeiting activity are more complex, as consumers of fake goods may derive image benefits from pretending that they own the genuine brand. Evidence suggests that the precise nature of these image benefits differs across products, and that they depend on consumer attitudes and social context, thus making few generalizations possible.

The design of the trademark registration process matters

As an economic principle, protecting trademarks generates little controversy. However, designing trademark laws and institutions entails choices that determine how effectively the system fulfills its market-enabling role. Over time, different approaches to trademark protection have emerged in different countries. New business models, the increased sophistication of branding, and the evolving nature of the marketplace constantly challenge existing practices and prompt new or refined approaches.

One key institutional choice concerns the design of the trademark registration process. The registration of a trademark is usually the most important vehicle for securing exclusive rights to a brand. The typical tasks of trademark offices consist of examining the applications they receive for registration, publishing those applications, considering possible third party oppositions against them, registering successful applications, and maintaining the register as the official record of trademark ownership.

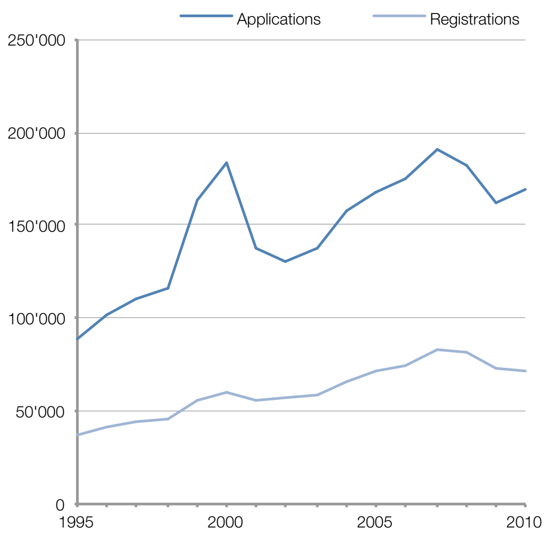
In performing these tasks, trademark offices need to promote accessibility to the trademark system – especially for smaller, more resource-constrained applicants. In addition, they need to ensure transparency and legal certainty, while balancing the interests of right holders and those of third parties. More recently, questions have arisen concerning the extent to which trademark offices should seek to limit the possible "cluttering" of their trademark registers; "cluttered" registers risk reducing the space of names and other signs available for new trademarks. While the precise extent of cluttered registers and their costs are uncertain, there is some evidence that they negatively affect at least some market participants. However, this question merits further study – especially in light of the rapid increase in the number of trademarks filed over the past decades, as described above.

One important question in relation to the design of the registration process is to what extent the registration of a trademark application should be conditional on the applicant actually using the trademark – notably, by selling products bearing the trademark in the marketplace. Some countries do not require any use of a trademark. Other offices – such as the European Union's Office for Harmonization in the Internal Market (OHIM) – require such use, but do not require the applicant to demonstrate use during the registration process. Yet again others are stricter, and require that applicants furnish proof of use before registering a trademark. For example, at the USPTO, applicants can file an "intent-to-use" application whereby they need to establish use within three years of the office approving the application; only after they have done so will the office actually register the application. Interestingly, more than half of the intent-to-use trademarks filed at the USPTO do not result in a registration (see Figure 5).

Figure 5: Intentions to use often do not result in actual use

Applications and registrations for intent-to-use trademarks at the USPTO, by filing year, 1995-2010

Intent-to-use applications



See Figure 2.3

Similarly, research which compares common trademark applications at OHIM and the USPTO suggests that many applications that see registration at the former office, do not do so at the latter office because applicants fail to establish use. In other words, the implementation of the use requirement has an important bearing on registration outcomes.

A second important design question is to what extent offices examine whether new applications pose a conflict with earlier trademarks in different ownership – in particular, whether their co-existence would likely cause confusion in the marketplace. One argument against examining all incoming trademark applications on such "relative grounds" is that it requires considerable resources; only a minority of new applications raise a conflict with a prior trademark, and those cases may be best resolved through opposition proceedings. An argument in favor of relative grounds examination is that not all trademark owners – especially small businesses – have the capacity to monitor and, if necessary, oppose conflicting new applications; more generally, relative grounds examination contributes to greater legal certainty. While less robust compared to the evidence on the use requirement, studies suggest that relative grounds examination matters: stronger relative grounds examination is associated with fewer registrations and fewer opposition proceedings.

At the international level, several instruments that facilitate the administrative process of obtaining trademark protection in several countries have emerged – notably the so-called Madrid registration system. One long-standing and challenging area of international cooperation concerns the protection of well-known trademarks – including household names such as Coca-Cola, Mercedes, and Sony that are recognized by a substantial part of the public. National laws provide special treatment for such trademarks, affording them protection even when they are not registered in a particular jurisdiction. However, what precisely qualifies as "well known" is context specific. Offices and courts consider a range of factors in order to determine whether a particular trademark is well known in the domestic context. One of those factors may be the extent to which a particular trademark is well known abroad, as a trademark's recognition easily transcends national borders. International cooperation can thus be helpful in providing information that can assist relevant authorities to evaluate a trademark's international reach. At a minimum, this can be done by providing information on where a trademark is registered and for how long. A more ambitious form of cooperation would be to establish a framework for exchanging information on well-known trademarks, possibly resulting in a directory of such trademarks.

Branding, Innovation, and Competition

Having focused on the function of the trademark system, Chapter 3 takes a wider perspective and explores how companies' branding strategies interact with their innovation strategies and how they affect market competition.

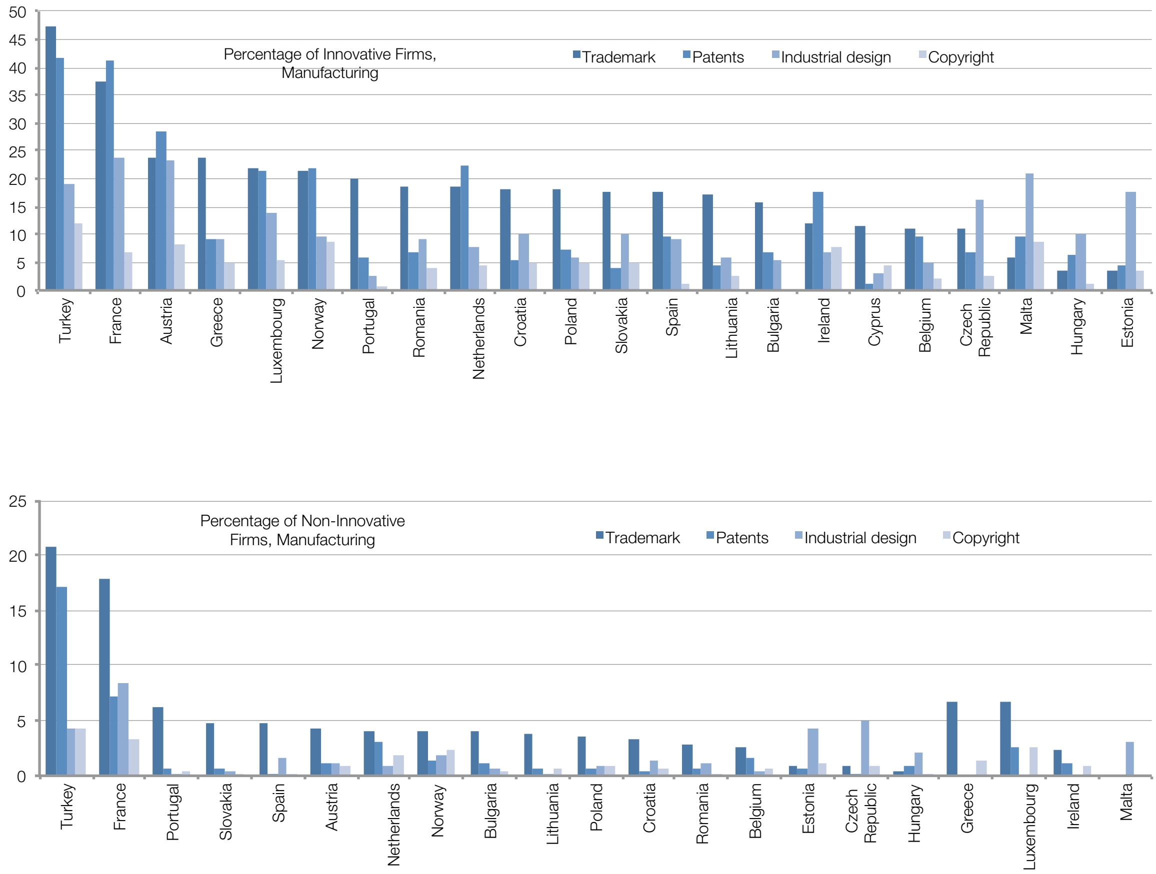
Branding generally complements innovation...

Through branding, companies can increase the demand for their products and enhance the willingness of consumers to pay for them. In particular, advertising activities raise awareness of a company's products among interested consumers. Strong brand reputation – and at the extreme, outright brand loyalty – makes consumers willing to accept higher prices, as switching to a competing brand would entail additional search costs. Moreover, branding enables firms to associate an image with their offerings. For many products – especially luxury goods – image is an important product feature in and of itself that consumers may care about when deciding which offering to purchase. Through image-focused branding, companies can carve out a niche and can generate a higher willingness to pay among consumers whose preferences align with the product's image.

Branding can therefore be an important source of market power from which companies can benefit when they innovate. In particular, evidence has shown that branding is one of the most important mechanisms for firms to secure returns on investments in R&D. Accordingly, firms that invest more in innovation also invest more in branding. Similarly, innovative firms that most frequently rely on patents, industrial designs and copyright also most frequently rely on trademarks (see Figure 6).

Figure 6: Innovative firms rely most frequently on trademarks

Manufacturing firms using different IP instruments, as a percentage of all manufacturing firms



See Figure 3.2

This evidence suggests that branding generally complements innovation. How precisely branding activities support innovation investments depends, however, on a number of product-specific and industry-specific characteristics. One such characteristic is whether consumers can immediately ascertain a product's innovative features upon purchase, or whether they need to experience the product before assessing how useful those features are. Research has shown that advertising mainly plays an informative role in the former case, whereas it plays a persuasive role in the latter case. To the extent that advertising leads to repeat purchases in the latter case, companies have a stronger motive to invest in advertising. Indeed, some studies have argued that, for this reason, the highest quality products should attract the most advertising.

...even if at times they can be substitutes

While evidence generally supports a complementary relationship between branding and advertising, in certain situations companies may find it more profitable to differentiate themselves through image rather than through product innovation. Much depends on market-specific circumstances, such as the importance of product image for consumers and the scope for technological innovation. For example, companies are more likely to compete on the basis of brand image rather than product innovation for mature and inexpensive convenience goods, such as ready-to-eat cereals, soft drinks and chocolate bars.

Occasionally, strong brands can raise competition concerns

As highlighted above, brands can be an important source of market power. In most cases, this does not raise any concerns about brand owners behaving in an anticompetitive manner. Consumers generally benefit from the reputation of brands, even if it makes them less price sensitive. Similarly, trademark exclusivity generally promotes orderly competition in the marketplace by preventing consumer confusion. In particular, trademarks only prevent one company from selling its product under another company's name; it does not prevent companies from selling otherwise identical products.

However, in certain situations, strong brands can create high barriers to market entry, as new competitors may not be able to bear the high advertising costs of inducing consumers to switch to their products. There are two particular circumstances where competition authorities have assessed the competitive consequences of strong brands and, at times, have intervened:

- Mergers and acquisitions (M&As) can lead to the concentration of brands in the hands of one or a few companies, posing the risk of collusive behavior and the formation of dominant market positions.

- When licensing their trademarks, owners of strong brands may impose certain restrictions on their licensees – such as resale price maintenance or limits on carrying the products of competitors – that can unduly extend the brand owners' market power.

Conclusion

The evidence presented in this Report is intended to offer insights into the economy-wide role of branding. The Report highlights that branding has become a central strategic asset for companies; it explores how the trademark system supports consumer choice and orderly competition in the marketplace; and it explains why branding is a key element of a vibrant innovation ecosystem. Unquestionably, certain trends in branding strategy and trademark use are better understood than others. The Report points to a number of areas where more statistical data and new investigations could offer fresh insights, and thus lays the foundation for future research work.