

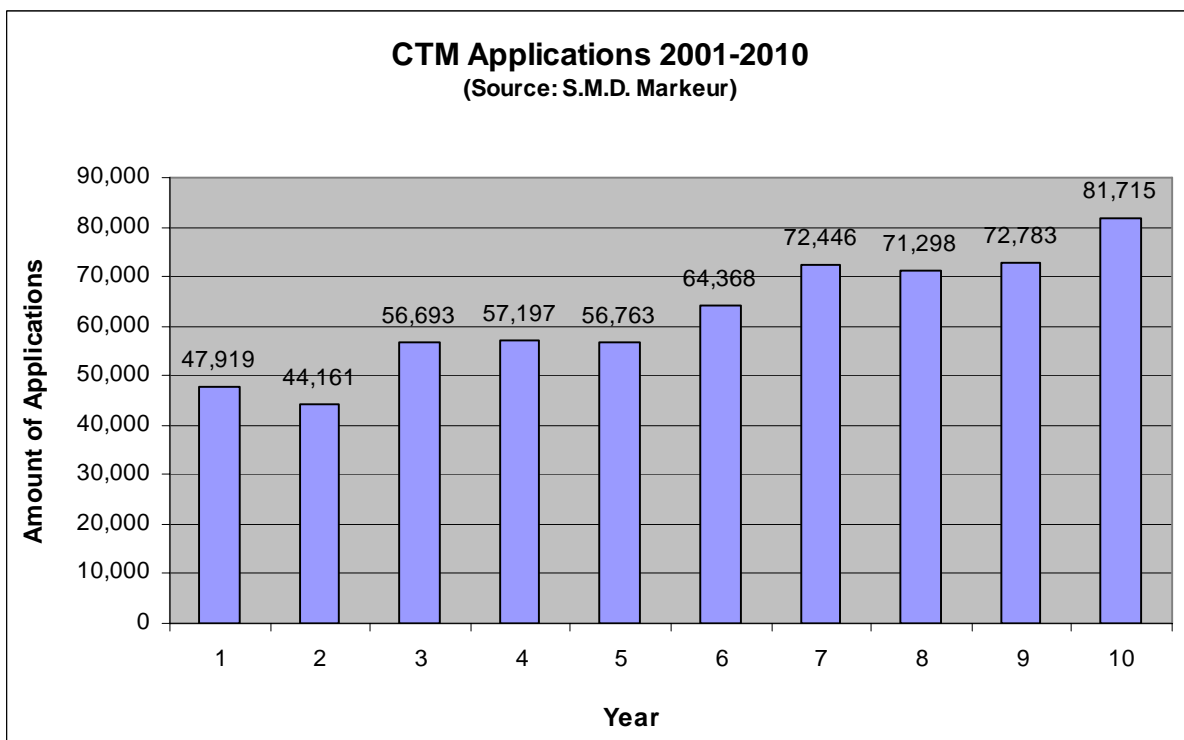
## Community Trademarks: Positive Trend in 2010

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*During recent years, an ongoing trend towards European Community Trademarks (CTM) could be noted. A further significant increase in CTM filings could be seen in 2010. More and more companies seek to protect their trademarks throughout the European Union.*

*Trademark holders appear again to be expecting a more friendly business climate. Most of the top applicants showed strong growth rates. The most significant growth was recorded in the electronics industry and in the pharmaceutical industry. The outperformer of the year was a consumer goods producer.*

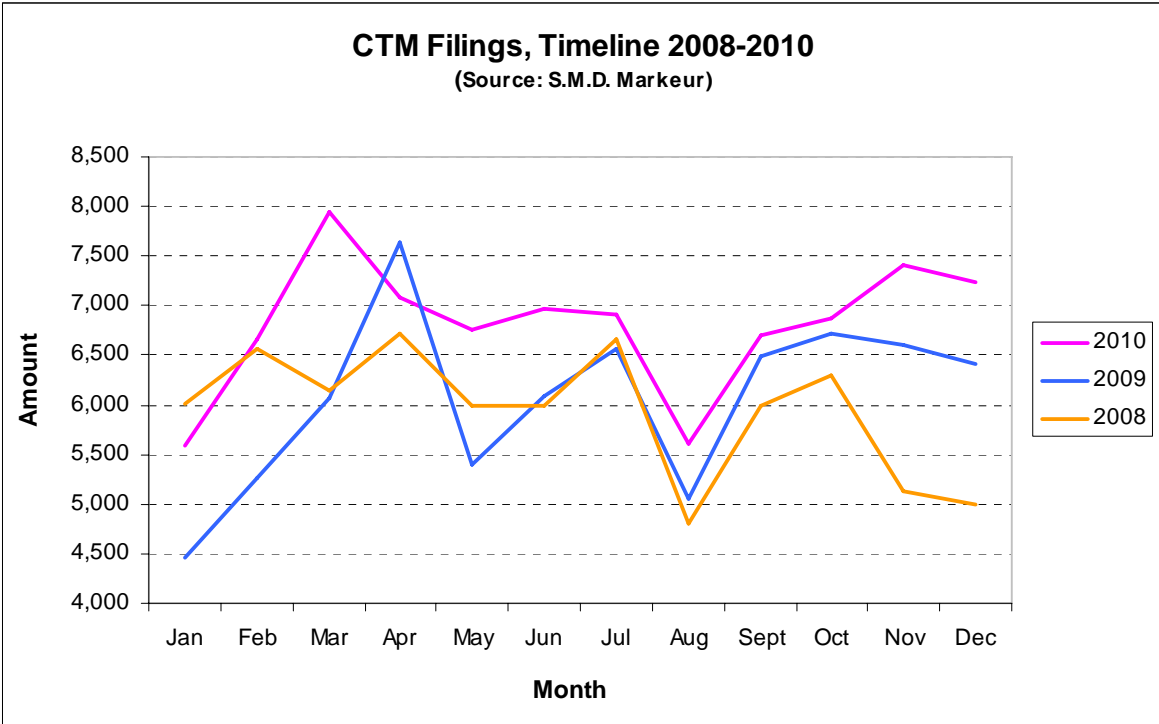
Again in 2010, there was another substantial growth in CTM filings: 81,715 trademarks were recorded at the Office of Harmonization for the Internal Market (OHIM) during 2010 – excluding International Registrations designating the European Union. This is 12.27 percent more than the year before. Then, protection throughout the European territory was claimed for 72,782 marks.



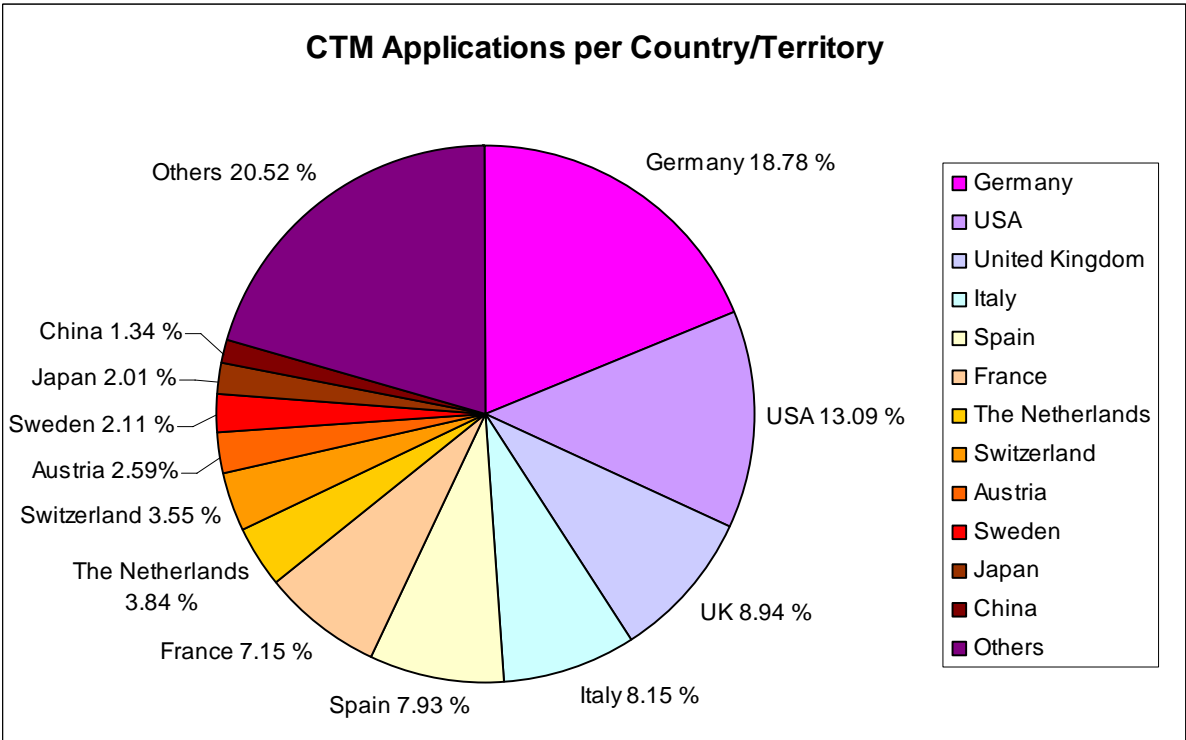
### Economic recovery is driving CTM filings

Following the recession of 2008 and 2009, filing activity started to recover at the end of 2009. This positive trend continued during 2010. Throughout most of the year, European applications moved well above the previous year's level (see diagram *CTM Filings, Timeline 2008-2010*). Trademark owners are again investing in new products and trademarks. They have no doubt become more optimistic again about the economic climate.

As to national filings, it can be stated however, that several European countries, such as Germany, Austria, Sweden, Spain, Italy, Benelux have not seen substantial increases in their national filings. This may indicate a general shift from national trademarks to European trademarks due to the 2009 fee reduction and an accelerated registration procedure of OHIM. On the other hand, there are some countries, for example UK and France, which experienced an increase in national filings. This implies that national filings remain important at least for some countries.



As in previous years, most of the CTM applications originated in Germany (18.78 percent) and the USA (13.09 percent). The breakdown per country (see diagram *CTM Applications per Country/Territory*) showed that a further 8.94 percent of CTM applications originated in the United Kingdom, 8.15 percent in Italy and 7.93 in Spain. More than 2 percent of CTM filings originated in Japan and a further 1.34 percent in China.



### Top Applicants show strong growth rates

The ranking shows the most active companies as to CTM trademark applications in 2010. Most of them conducted more filings than the year before. Some of them had strong growth rates – for example footwear manufacturer Skechers. The U.S. company filed 171 CTM trademarks in 2010. The year before, it had only 30. Numerous of their filings related to particular trendy fitness shoes with a rounded sole that are alleged to shape the body (class 25; clothing, footwear, headgear).

Rank 2010 (2009)	Company	Location	Filings 2010	Filings 2009	+ / - percent
1 (1)	LG Electronics Inc.	Seoul, KR	250	219	14,16
2 (2)	Novartis AG	Basel, CH	211	161	31,06
3 (4)	Johnson & Johnson	New Brunswick, US	182	128	42,19
4 (57)	Skechers U.S.A. Inc.	Manhattan Beach, US	171	30	470,00
5 (9)	BSH Bosch und Siemens Hausgeräte GmbH	Munich, DE	136	94	44,68
6 (7)	Novomatic AG	Gumpoldskirchen, AT	130	107	21,50
7 (5)	The Procter & Gamble Company	Cincinnati, US	120	119	0,84
8 (8)	L'Oreal S.A.	Paris, FR	98	105	-6,67
9 (19)	Bayer AG	Leverkusen, DE	75	54	38,89
10 (59)	Novo Nordisk A/S	Bagsværd, DK	70	29	141,38
11 (-)	Illinois Tool Works Inc.	Glenview, US	69	20	245,00
12 (-)	Medisana AG	Neuss, DE	60	14	328,57
13 (-)	Pfizer Inc.	New York, US	58	24	141,67
14 (3)	Nintendo Co., Ltd.	Kyoto, JP	55	155	-64,52
15 (18)	Reckitt & Colman (Overseas) Ltd.	Hull, UK	55	54	1,85

The most significant rise was recorded in the electrical and electronics industries (LG Electronics, BSH Bosch und Siemens Hausgeräte) as well as the pharmaceutical and healthcare industries (Novartis, Johnson & Johnson, Novo Nordisk, Medisana, Pfizer).

LG Electronics was again ranked first in 2010, as in the previous year. The company could increase its filings by another 14 percent compared to the year before. As recent as two years ago, it had announced in a press release its intention to grow strongly through rapid innovation. The aim was to become one of the top three companies for electronics, information and telecommunication in the world. Today, LG is regarded the second largest manufacturer of TV sets and third largest for mobile phones.

A newcomer in the Top 15, Illinois Tool Works, ranked eleventh. The global industrial company had 69 CTM filings in 2010. In the previous year, it had only applied for 20 European trademarks. The year before though, it had filed 116 CTMs.

It is rather common for owners of large trademark portfolios to file more actively every two or three years and modestly in between. This may be due to industry or company specific innovation cycles for strategic projects. Some of the companies apply for certain trademarks in advance for a potential market entry at a later time. This may be the reason for Nintendo's filing behaviour. For example, while the electronic games producer had 53 filings "only" in 2008, it improved to 155 in 2009. In 2010, its filings declined to 55, which is roughly the same number as two years before. Arguably, some 2009 trademarks were filed "just in case".

Other companies undertook a complete change of trademark strategy. Three years ago, Deutsche Telekom for example had announced that it was aiming at increasing profitability, concentrating on key business units and focusing its market positioning. Consequently, Deutsche Telekom cleared up its brand portfolio. Previously, it incorporated the Telekom “T” in many trademarks. Step by step, the “T” was then eliminated from all other product and unit names. Today, it stands only for the company itself. Deutsche Telekom reduced its filings from 183 in 2008 to 109 in 2009. In 2010, it applied for 26 European trademarks only. Incidentally, none of them carry the Telekom “T”. L’Oreal also seems to be re-focussing on key brands: While it announced two-digit growth in sales, it reduced filings slightly during recent years from 125 in 2008 to 105 in 2009, with a further decrease to 98 in 2010.

Regardless of individual company strategies, it can clearly be seen that trademark owners again trust in a better overall business climate and that there is an ongoing positive trend towards Community Trademarks.

### **Methodology**

The statistics refer to Community Trademark filings at the Office of Harmonization for the Internal Market (OHIM) in Alicante, Spain. Filings were analyzed regardless of their state of proceeding and not considering International Registrations designating the European Union. Changes of name, mergers, spin-offs, acquisitions etc. remained unconsidered during the course of the year. The chronological segmentation was undertaken according to the year of filing. Filing only constitutes a small part of companies’ economic activity. Notably, the ranking cannot and does not represent a statement on the economic success or value of the companies included in the survey.