



Intellectual  
Property  
Office

# The Trade Mark Guide

A handbook for analysing and interpreting  
trade mark data



Published by The Intellectual Property Office  
First edition, March 2019  
First published March 2019

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## **1st edition - March 2019**

This handbook has been created using the expertise of UK trade mark examiners. For this reason, while attempts have been made to correctly report practice of other Intellectual Property (IP) offices this may not always be possible.

It is intended that this handbook will grow organically. New topics of relevance will be added and updates based upon international practice will be made as such information becomes available.

To discuss the content of this handbook or suggest future content, please contact the Informatics team at [informatics@ipo.gov.uk](mailto:informatics@ipo.gov.uk).

## What is a trade mark?

A trade mark is a sign which can distinguish the trade origin of goods and/or services from those of competitors. They are considered acceptable if distinctive or, in other words, can be recognized as a sign that differentiates the origin of goods or services from those of other sources.

### A trade mark may include<sup>1</sup>:

- Words
- Sounds
- Logos
- Colours
- Shapes
- A combination of these

Pages 2 and 3 show examples of these type of trade marks.

### A trade mark cannot:

- Be offensive, for example contain rude or explicit content.
- Describe the goods or services it will relate to, for example the word 'cotton' could not be a trade mark for a cotton textile company.
- Be misleading, for example, use the word 'organic' on goods which are not organic.
- Be a three-dimensional shape associated with your trade mark, for example, the shape of an egg for eggs.
- Be too common and non-distinctive, for example, a simple statement like 'we lead the way'.
- Look too similar to state symbols like flags or hallmarks, based on World Intellectual Property Organization (WIPO) guidelines<sup>2</sup>.

These criteria may differ in other countries or areas.

1 For a more detailed explanation see <https://www.gov.uk/how-to-register-a-trade-mark/what-you-can-and-cant-register>.

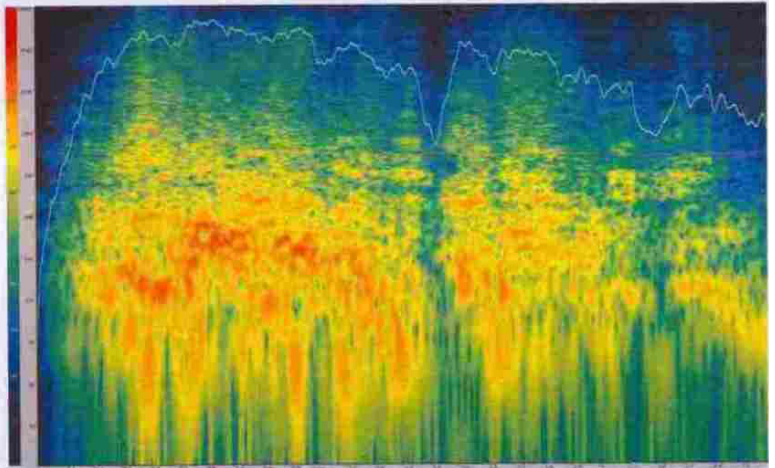
2 [http://www.wipo.int/meetings/en/doc\\_details.jsp?doc\\_id=52129](http://www.wipo.int/meetings/en/doc_details.jsp?doc_id=52129)

## Sounds

McDonalds® - "I'm loving it"<sup>3</sup>

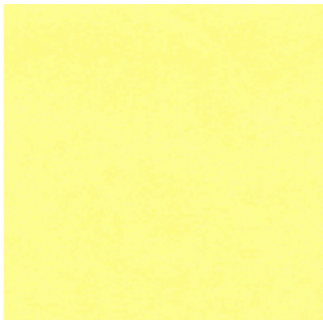


20th Century Fox® - Lion roar<sup>4</sup>



## Colours

3M® - Canary yellow (as applied to Post-it® notes)<sup>5</sup>



<sup>3</sup> Trade mark number EM003661907

<sup>4</sup> Trade mark number EM005170113

<sup>5</sup> Trade mark number EM002550457

## Shapes

Fender Musical Instruments Corporation®<sup>6</sup>



Jack Daniels®<sup>7</sup>



## Figurative

Kellogg's®<sup>8</sup>



Champion®<sup>9</sup>



6 Trade mark number UK00002050647

7 Trade mark number UK00002548074

8 Trade mark number EM001509017

9 Trade mark number UK00001175606

## Trade mark data

The release of trade mark data differs between jurisdictions. In the UK, applications are made public at the time of application through an online register<sup>10</sup> although this data may change during the processing of the application.

The following are the key stages in the life of a trade mark in the UK:

**Application** - the filing of a trade mark.

**Publication/advertisement** - publication happens if a trade mark application is accepted and deemed suitable for registration. Information regarding the acceptance of any application is confidential until publication. From publication there is a two month period in which parties may oppose the registration. This may be extended upon request for a further one month period.

**Registration** - those trade marks that are deemed acceptable by a trade mark examiner and have not faced/successfully overcome opposition are registered.

**In force** - registered trade marks remain protected through payment of renewal fees once every ten years. There is no limitation on the length of time for which a trade mark can be renewed. The first trade mark filed at the UK Intellectual Property Office<sup>11</sup> was for Bass Pale Ale<sup>®</sup><sup>12</sup> in 1876. This trade mark is still in force today.



<sup>10</sup> [www.gov.uk/government/publications/ipo-trade-mark-data-release](http://www.gov.uk/government/publications/ipo-trade-mark-data-release)

<sup>11</sup> The Intellectual Property Office has been the operating name of the Patent Office since 2007. Therefore this trade mark would have originally been filed at the Patent Office.

<sup>12</sup> Trade mark number UK00000000001



Analysis of trade mark data usually takes place at one of these four life cycle stages and should depend on the type of analysis required. For example, analysis of registered trade marks is not necessarily a fair reflection of how many applications were made and analysis of applications is not a fair reflection of the trade marks registered.

To facilitate analysis some countries have released trade mark data in an open, analysable format<sup>13</sup>. In other countries the data is available upon request. There is currently no single source of trade mark data that allows analysis of trade marks in all, or many, countries at once<sup>14,15</sup>.

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13 For example the UKIPO <https://www.gov.uk/government/publications/ipo-trade-mark-data-release> and IP Australia <https://data.gov.au/dataset/intellectual-property-government-open-data-2015>

14 Although this is an area being explored by colleagues at IP Australia with a database called [TM-Link](#)

15 This is possible for published patent applications via PATSTAT <http://www.epo.org/searching/subscription/raw/product-14-24.html>, a worldwide statistical database of patents produced by the European Patent Office. <http://www.epo.org/searching/subscription/raw/product-14-24.html>

## Are all trade marks equal?

The coverage provided by a trade mark is set out in the specification of goods/services registered. The IP office processing the application judges whether a trade mark is distinctive in relation to the coverage requested by the applicant.

A trade mark could be used to protect the firm name of a multinational corporation, the name of a product with a niche market, a sound used in an advertising campaign or a colour of a particular brand. Each of these examples relates to a single trade mark, yet the coverage and use could notably differ between them.

The importance or commercial success of what is protected by the trade mark can only be considered after the protection has been exercised; this may be in the form of launching a product, service, business or enforcing the right against others. Even then, doing so is incredibly difficult. This is discussed further in the “[Value of a trade mark](#)” section.

An identical trade mark may also be registered in the same jurisdiction by different applicants and may even overlap with an existing trade mark should the earlier rights holder raise no legal objection. For example, in the UK, the word ‘Polo®’ is used by different applicants in relation to a type of mint and a model of car<sup>16</sup>.

The more successful a trade mark becomes, in its initial area of interest, there may be a greater incentive for the owner to increase the scope of coverage into other areas. For example, some confectionary manufacturers have expanded the use of their trade marks into the ice cream market as this market has evolved; as Mondelez International Inc., formerly Kraft Foods, did in 2018 by releasing the Toblerone Ice Cream; based upon the distinctively shaped chocolate of the same name.

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16 Trade mark numbers EM000751933 and EM000751933 respectively.

Similarly, successful trade marks have been used on a range of merchandising which bears no relation to the original scope of coverage. For example, Harley-Davidson Inc. are famous for selling motorcycles but have since branched out into selling branded clothing.

In time, trade in these products may surpass the value of trade in the initial goods of interest.

This suggests that all trade marks are not equal. Trade marks differ in terms of coverage and intent for use. Furthermore a trade mark may be registered in the same jurisdiction by different applicants. This demonstrates that it is important to understand what a trade mark represents, and the extent to which it is comparable to other trade marks, when undertaking analysis.

## Trade marks as a proxy for innovation

Innovation is considered a driver for economic growth.

Throughout history society has developed on the back of key innovations such as the spinning jenny, mass production, the home computer, or the World Wide Web.

Innovation may be difficult to identify particularly as there is no agreed definition or measure of it.

Measuring innovation is of particular interest to governments to determine:

- How innovative a country is?
- Where innovation is taking place?
- How can innovation be fostered and cultivated?

There is no direct measure for innovation so researchers use other measures as a proxy. Some consider patents to have a strong link to innovation<sup>17</sup>. Unlike patents, the link between trade marks and innovation or, perhaps more appropriately, innovation and the commercialisation of innovation, is less clear.

There are many definitions of innovation. The UK Government consider innovation to be the “successful exploitation of new ideas”<sup>18</sup>. A much broader definition is doing something new with an existing idea, method or product.

A trade mark indicates the trade origin of a product or service. This product or service may or may not be innovative. There is not necessarily any financial or social benefits for a product or service protected by a trade mark.

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17 <https://www.gov.uk/government/publications/the-patent-guide>

18 See [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/238751/7345.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/238751/7345.pdf) pg 12

It is clear that an innovative product may have a trade mark. However, the purpose of the trade mark is to identify the trade origin of the product/service and not to indicate whether the product/service is innovative.

Not all innovations could be protected by a trade mark. Innovations that are a method or are not commercially available may not require such branding. Even for highly innovative products/services the trade mark may simply identify the end product/service rather than any innovative components in the provision of the product/service.

As a trade mark reflects the trade origin of a product or service, and not innovative activity, it is difficult to see what further inferences could be made.

## Nationality

Geographical representations are common in trade mark analysis. They allow comparisons between trade mark systems or the filing habits of applicants in different countries.

Trade marks do not have a nationality. A trade mark is registered by a national or regional IP office for that jurisdiction and records the countries of residence/reported place of business for the applicant(s).

## Jurisdiction

Jurisdiction represents the geographical area in which trade mark protection is applied. For example, a US trade mark is one registered at the United States Patent and Trademark Office (USPTO) and only provides protection within the USA. A trade mark may be applied for in multiple jurisdictions.

A trade mark may be owned by different applicants in different jurisdictions and/or relate to different products. For example, the word Polo has been used to protect a mint and a car.

Trade marks may contain the same wording but protect different products between and within jurisdictions. This is discussed more within the “[Trade mark classification](#)” section

Similarly, an identical product sold internationally may be known by a different trade mark in each jurisdiction. For instance, consider the use of the Milky Way® trade marks owned by Mars Inc. They have a trade mark registered in Europe<sup>19</sup> and in the USA<sup>20</sup>. Both of these trade marks relate to chocolate bars called Milky Way® but the underlying products differ between countries (the US version of the Milky Way® is called a Mars® in other countries<sup>21</sup>).

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19 Trade mark number EM000001389

20 Registered number 4535789

21 EUIPO Trade mark number 000001157

This is very different to the patent process, where the same invention in multiple jurisdictions must have the same owner/s and patent applications relating the same invention must have been filed in all desired jurisdictions worldwide within a year of the original application.

## Residency

Residency is the address the applicant(s) state on the application. This is the only indication of ownership on a trade mark application.

Residency is self-reported and for this reason may be an inaccurate measure for use in analysis. This may be common when considering multinational companies that have different business activities at different locations. In such instances the address of the trade mark applicant could be:

- a. The location where the trade mark was created but not the location of the underlying item being protected.
- b. The location where the underlying item was being protected but not where the trade mark was created.
- c. The location where the trade mark and the underlying item were created.
- d. A location that neither the trade mark or the underlying item were created.

A trade mark may have multiple applicants who may have multiple residencies. During analysis it is important to consider the impact of multiple applicants. Simply counting one trade mark per applicant will lead to double counting the number of trade marks. The use of fractional counting could be used when double counting is undesirable<sup>22</sup>.

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22 The results from fractional counting could also be undesirable as they are unlikely to appear as whole numbers. For example, three applicants would be attributed a third of a trade mark each.

## Trade mark classification

Classifications, or classes, are the system of grouping goods or services. Specifications are set out in separate classes by the applicant at the time of filing. However the specifications and classes may be amended downwards during the processing of the application and may be limited post registration<sup>23</sup>; either voluntarily or through legal process. It is the role of a trade mark examiner to assess the distinctiveness of the trade mark for the specification within each individual class applied for.

Classifications are used for analysis as they provide an insight into areas of potential use and have been counted to measure the breadth of scope of a registered trade mark. However, there are a number of considerations to be aware of when using trade mark classification data for analysis.

### Classification schemes

The World Intellectual Property Organisation (WIPO) maintains the Nice Classification (NCL) scheme<sup>24</sup>. This is the most commonly used classification scheme by most national and regional IP offices.

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23 This may be to correct errors, to overcome an objection made to the distinctiveness of the mark or possibly to assist in overcoming potential legal action from the owners of earlier rights

24 For more information see <http://www.wipo.int/classifications/nice/en/>



## Classification structure

The Nice Classification Scheme (NCL) has 45 classes each represented by a number from 1-45. Classes 1-34 relate to goods while classes 35-45 relate to services<sup>25</sup>. For example:

### Class 1

*Chemicals used in industry, science and photography, as well as in agriculture, horticulture and forestry; unprocessed artificial resins, unprocessed plastics; manures; fire extinguishing compositions; tempering and soldering preparations; chemical substances for preserving foodstuffs; tanning substances; adhesives used in industry.*

These classes define broad areas, referred to as class headings, but are not a definitive list of all goods/services that may be covered by the class.

## Application of classes

An applicant may request, and have registered, a trade mark in one or more of the 45 classes. The class is not necessarily reflective of the ultimate use but more a measure of the applicant's desire/intentions for use. In the UK, after a period of five years, registered trade marks can be subject of legal proceedings on the basis of non-use of the mark; this may not apply to all jurisdictions.

An applicant may apply for the widest scope of protection possible to cover any potential future uses. An additional fee is levied by IP offices for additional classes but this may be ineffective at discouraging such blanket requests for protection, especially for larger applicants.

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25 Full details of the Nice classification scheme are located at <http://web2.wipo.int/classifications/nice/nicepub/en/fr/edition-20150101/taxonomy/>

## **Classification between jurisdictions**

The structure of classifications may be shared between IP offices but the rules and incentives to apply are not. Such differences make it difficult to compare counts of classes between jurisdictions.

In many jurisdictions each additional class requires a fee. Prior to March 2016, an application to the EUIPO (who register an EU-wide trade mark) included three classes, with each subsequent class requiring an additional fee. In some jurisdictions each trade mark application may only cover a single class and so multiple applications must be made to attain broader coverage.

There is no universal pricing structure for additional classes. The cost of additional classes may be levied by the IP office to:

- Incentivise requesting the primary protection required rather than the broadest possible protection.
- To contribute towards the costs of examining the trade mark; the more classes the more extensive the examination.

Differing pricing structures provide applicants different incentives regarding the scope of protection they request.

## **The use of classes in analysis**

The classes requested by an applicant indicate the broad areas they require protection. However, the requirement for protection may be influenced by the rules and pricing of individual IP offices. With such differences it is worthwhile questioning the appropriateness of comparisons of classes across jurisdictions.

Trade mark specifications and classes may change throughout time. Provision of historical records may differ depending on IP office. This may make certain forms of analysis difficult, if not impossible.

## Trade mark quality

Quality is an important consideration within intellectual property research. This handbook does not provide guidance on how to measure trade mark quality because it has neither an accepted measure or legal definition.

From the perspective of individual IP offices a trade mark is either able to be registered or it is not; there is no consideration of quality.

A consumer may have a view about trade mark quality. This is likely to be closely aligned with personal satisfaction of the end product/service or perception of the brand reputation.

While the content of the trade mark is unlikely to affect satisfaction, brand reputation may be built upon it.

In intellectual property research the term quality is sometimes used instead of the term value. This is discussed further in the "[Value of a trade mark](#)" section.

## The value of a trade mark

Research projects have aimed to determine the value of intellectual property rights in terms of overall protection and individual instances of what is being protected.

### Are all trade marks of equal value?

Trade marks, and trade mark value, differ from other forms of intellectual property rights for they are in addition, rather than related, to producing a product or service. For this reason it could be suggested that in isolation, the initial trade mark application has little intrinsic worth<sup>26</sup>.

Trade mark value may grow with the strengthening of brand reputation or public awareness. Once a brand is established, an existing trade mark may infer a level of value for new products and services. For example, products that are updated periodically may benefit from public awareness of the existing brand<sup>27</sup>.

This demonstrates that trade marks are not necessarily created equally. It is also clear that, once registered and with a product on the market, the value of trade marks differ due to commercial success of the goods/services allied to the trade mark.

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26 There are of course cases where this is not true. For example consider trade mark squatting; where applicants speculatively file trade marks in growing jurisdictions for trade marks already valuable in other jurisdictions. The effect, and reason, of doing this is to ransom the trade mark should the first applicant expand to the new market. In some cases such applications are to outright block the use established brand. Such applications have clear value; although the intent to use the trade mark is questionable.

27 The British Brands Group have produced useful information regarding the nature and the value of brands <https://www.britishbrandsgroup.org.uk/brands/>.

## What are the difficulties of determining trade mark value?

It is very difficult to directly value a trade mark as it is often not possible to untangle its' value from that of other contributions.

Such contributions may include, but not limited to:

- The factors of production - land, labour, capital and enterprise.
- The protection of the resulting products or services, whether formal or informal - for example, patents, design rights, copyright, trade secrets and trade agreements etc.
- Efforts getting the product or service to market - for example logistics, networks, branding not protected by a trade mark and advertising, amongst others.

Determining the value of the trade mark and these contributions is likely to be difficult even for the individual, business or company that owns it. However, in some instances, a revenue stream may be associated with what is considered the most important component.

For example consider Lipitor®<sup>28</sup>, a cholesterol-lowering drug that helps reduce the risk of heart attacks and strokes invented by Pfizer Inc. This is considered to be the most valuable patent in history, with total revenue of greater than \$125 billion<sup>29</sup>. This considers the patent, not the trade mark, to be the single, or at least the main, contributor to this valuation. This is because pharmaceuticals can be considered simple products for they are a single invention often with minimal amounts of branding.

28 Trade mark number UK00002044177

29 Crain's New York Business, 2011 [https://www.crainsnewyork.com/article/20111228/HEALTH\\_CARE/111229902/lipitor-becomes-world-s-top-selling-drug](https://www.crainsnewyork.com/article/20111228/HEALTH_CARE/111229902/lipitor-becomes-world-s-top-selling-drug) It is not entirely clear from this article whether the link between this market value and the patent was made by Pfizer Inc. or those reporting the information.

For such products it may be possible to highlight a specific attribute within which the greater part of the value is held<sup>30</sup>.

The majority of products and services could be considered more complex; for example a smart phone is likely to have at least one trade mark, a unique design, brand reputation/loyalty, an established logistics network to market and hundreds, if not thousands, of patents. For such products and services isolating a main contributing element is often difficult, if not impossible.

### **Can a trade mark be valued?**

This suggests that it is difficult, if not impossible, to value a trade mark or trade mark protection.

There are instances where trade marks have been directly valued through their sale. For example Shop Direct Home Shopping Ltd paid \$8.24m for the Woolworths® brand name<sup>31</sup>. Furthermore, online exchanges created to buy and sell trade marks<sup>32</sup> allow a direct way of identifying the perceived value of a trade mark. While these show the perceived value of trade marks that have been sold it provides little insight on the macro level for the perceived value of trade marks in general.

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30 Of course in doing so ignores the contribution of the overall Pfizer® brand, and how this contributed to Lipitor's® success, although this contribution may be limited to the end consumer since many medications are distributed by prescription only.

31 <http://news.bbc.co.uk/1/hi/business/8117433.stm>

32 For example <http://www.ustrademarkexchange.com/trademarks-for-sale/>



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**Published: March 2019**

DPS-007241



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