**INNOVATION EVERYWHERE**

New indicators based on trademarks point to a wealth of incremental and marketing innovations in addition to technological innovations. Countries with strong manufacturers or a specialisation in information and communication technology tend to turn to patents rather than trademarks. Countries with a large services sector tend to engage more in trademark protection. Catching-up countries have a lower propensity to innovate or to seek protection (patent or trademark) for their innovations than OECD countries.

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**What is a triadic patent?**

Triadic patent families are defined as those patents applied for at the European Patent Office (EPO), the Japan Patent Office (JPO) and the US Patent and Trademark Office (USPTO) to protect a same invention. Triadic patents are typically of higher value and eliminate biases arising from home advantage and the influence of geographical location.

**What is a cross-border trademark?**

Trademark counts are also subject to home bias, as firms tend to file trademarks first in their home country. Cross-border trademarks are here defined as applications at the USPTO except for the United States and countries with a high propensity to file trademarks in the United States (Australia, Canada, Israel, Mexico and New Zealand). For these countries, counts are based on the relative share of their filings at the JPO and the European Office for Harmonization in the Internal Market (OHIM). This method is used to obtain information on trademarks commercialised abroad, hence the name “cross-border trademarks”.

**Why use trademarks as indicators of innovation?**

A trademark is a sign that distinguishes the goods and services of one undertaking from those of other undertakings. Firms use trademarks to launch new products on the market in order to signal novelty, promote their brand and appropriate the benefits of their innovations. It has been shown that the number of trademark applications is highly correlated with other innovation indicators. As their perimeter of application is very broad, they convey information not only on product innovations, but also on marketing innovations and innovations in the services sector. An advantage of using trademarks as an innovation indicator is that data on trademark applications are publicly available immediately after the filing. Trademark-based indicators can thus provide up-to-date information on the level of innovative activity. See chapter notes for more information.

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