

Singapore's timid local trademark scene belies its branding strength: exclusive data analysis Singapore - Timothy Au

Brand strategy
IP offices
Brand management
Brand value
Private practice issues
In-house issues

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- Low corruption and investment in people makes Singapore the strongest nation brand
- Trademark-intensive sectors contribute 50% to GDP; manufacturing is top industry
- Low volume of local filings as foreign and Madrid applications dominate

In this week's country data report, we analyse the small but mighty trademark profile of Singapore. As well as exploring its nation brand strength, we identify its most important trademark-intensive industries and reveal who the leading brand owners are both in value and portfolio size.

An innovation hub with a trademark-heavy focus

For three consecutive years, Singapore has been named the world's strongest nation brand, according to Brand Finance's annual country rankings. Its international reputation is bolstered by its efficient public transportation systems, high quality education system and effective governance. Importantly, it also consistently ranks as the 'cleanest' country in Asia in terms of corruption in the public sector – and its reputation in this regard [continues to improve with each passing year](#).

According to the latest [Brand Finance Nation Brand report](#), the country has managed to maintain its position at the top of the brand strength rankings in large part due to its heavy investment into its people. In particular, the government's launch of the SkillsFuture initiative – a one-stop portal for education, training and career guidance – allows every Singaporean aged 25 and over to receive S\$500 for professional development, while the number of people undertaking training each year grows. As Brand Finance notes, the country's demonstrates a nurturing element in the development of its people that many other nations do not.

These elements have all served as a robust foundation for the trademark scene, with trademark-intensive industries contributing to 50% of GDP, according to [a report](#) by the International Trademark Association's (INTA) Impact Study Committee. This figure is considerably higher than those of the other countries – Thailand, Malaysia, Philippines and Indonesia – examined in the study, which can be attributed to Singapore's lack of significant primary industries.

Singapore is also home to a strong IP regime, one that helps to foster innovation. The government [unveiled a 10-year long master plan](#) in 2013 to strengthen the innovation ecosystem and guide the country towards becoming a global IP hub in Asia. The Intellectual Property Office of Singapore (IPOS) has been doing its part in this endeavour, too. For example, in its [latest annual report](#), IPOS explains that it has lowered fees to make IP protection more affordable, while it has taken steps to help businesses and entrepreneurs with developing their brands, such as with its 'Mark Your Trade' programme, which offered burgeoning entrepreneurs assistance on trademark registration, IP clinics and marketing opportunities.

Indeed, IPOS itself scores very highly in *World Trademark Review's* [IP office innovation rankings](#), coming fifth overall among all the IP offices in the world.

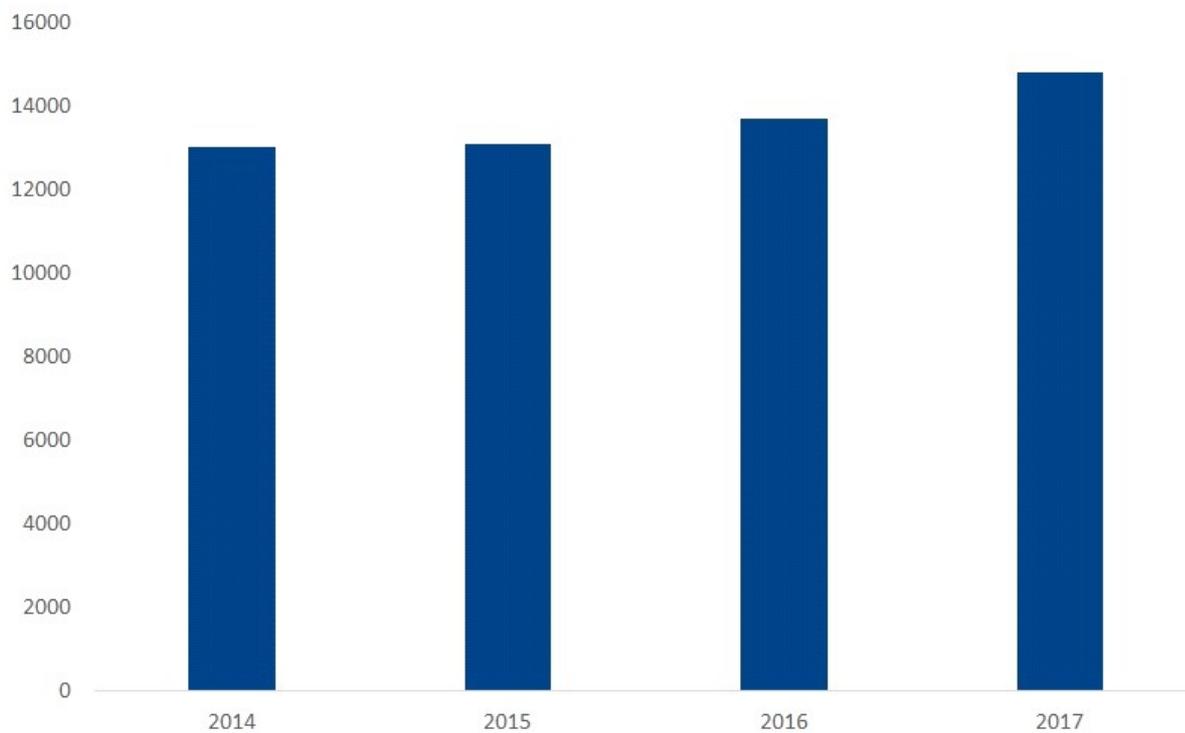
Ranking	Office	Total class count	Online metrics					Value-added propositions				Knowledge and public outreach			
			Website user rating	E-filing user rating	Website accessibility	Third-party database	Third-party office actions	Dispute mediation	Brand-based facilitation	IP advice for SMEs	Liaising on enforcement	Public events	Use of social media	Release of research	Attending non-IP events
5	Singapore	45,332	Accomplished/offered	Accomplished/offered	Accomplished/offered	Partially accomplished/offered	Partially accomplished/offered	Accomplished/offered	Accomplished/offered	Accomplished/offered	Accomplished/offered	Accomplished/offered	Accomplished/offered	Accomplished/offered	Accomplished/offered

Key	Accomplished/offered	Partially accomplished/offered	Not accomplished/offered
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International brands lead the filing charge

On the back of the Singaporean economy's [faster-than-expected growth in 2017](#), the number of trademark applications at IPOS has increased over the past year. Filings have also gradually risen over the last few years, as seen below, but the growth has become more pronounced with each passing year since 2014.

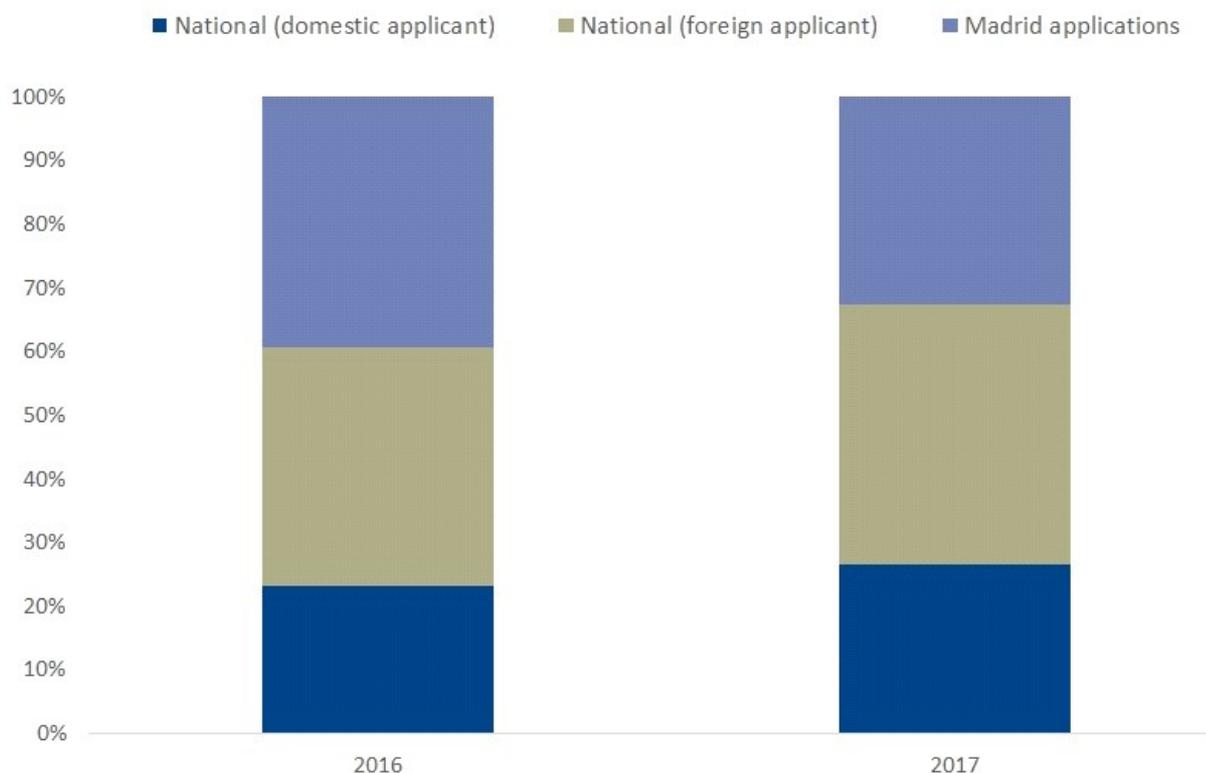
Number of applications at IPOS – 2014-2017 (view full-size here):



Source: CompuMark

What stands out about the spread of filings in Singapore is that, unlike in almost every other country, foreign applicants file more trademarks than domestic applicants (see graph below). Additionally, the Singaporean register has a higher proportion of applications made through the Madrid system than almost any other register in the world. The exceptions are Norway and Switzerland, which also have a greater number of filings from foreign applicants compared to domestic ones due to the high volume of international registration designations.

Percentage of national applications and international registrations – 2016-2017 ([view full-size here](#)):



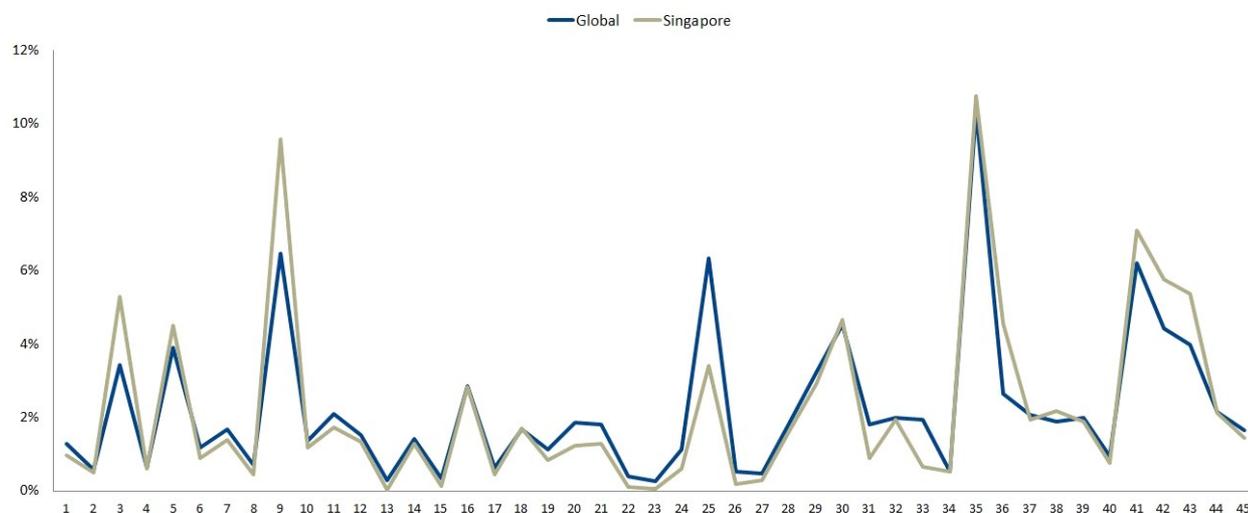
Source: CompuMark

Francine Tan, managing director at [Francine Tan Law Corporation](#), explains: “The low number of domestic applications stems from a combination of factors. Singapore is a very small country with little manufacturing and no agriculture, and the level of understanding and awareness of the importance of trademark registration is still not as mature as in other countries. There are still many local start-ups focusing on patents while missing out on the tremendous value a brand can have. As such, the brands we see dominating Singapore in general are mostly foreign brands – however, this is slowly changing and we are seeing more players venture out to establish their own brands.”

As to the high number of Madrid filings, Lorraine Anne Tay, head of IP and technology of the Singapore office of [Bird & Bird](#), notes that the trend reflects the fact that the country is an important and strategic market, especially within the ASEAN region: “Foreign companies are keen to invest and protect their brands here. Although some companies are still filing nationally, increasingly many more are seeking protection through Madrid applications, which is a cheaper option and allows companies to stretch their budgets and protect more internationally.”

The importance of Singapore as a market will continue, meaning that – in addition to a relatively untapped domestic market for local counsel – international filings will continue to be an important revenue stream. As to the type of marks being applied for, the chart below shows the percentage of filings in Singapore across all 45 Nice classes in comparison to the global average:

Percentage of filings by trademark class – 2017 ([view full-size here](#)):



Source: CompuMark

Singapore boasts a noticeably higher-than-average share of Class 9 (computer software) filings. This should not come as a surprise given the state’s interest and focus on the technology sector. Indeed, as noted in INTA’s Impact Study Committee report, manufacturing activities account for most of the trademark-intensive sector contributions to the economy and the production of computer and electronic equipment specifically dominates. The other main contrast with international patterns is the lower number of filings in Class 25 (clothing). Tay points out that this reflects the more sophisticated consumer market here, with attention being diverted to R&D, while lower cost jurisdictions would be used as a manufacturing hub for items such as clothing.

Unlike the other four countries surveyed in the INTA report, trademark-intensive services also make up a significant proportion of such contributions, with retail activities and information and communication being the main two service industries. This helps to explain why the proportion of marks for goods versus services are in line with the global average; but, according to data from trademark searching and watching [CompuMark](#), applications for service marks are growing at a faster rate as of 2017.

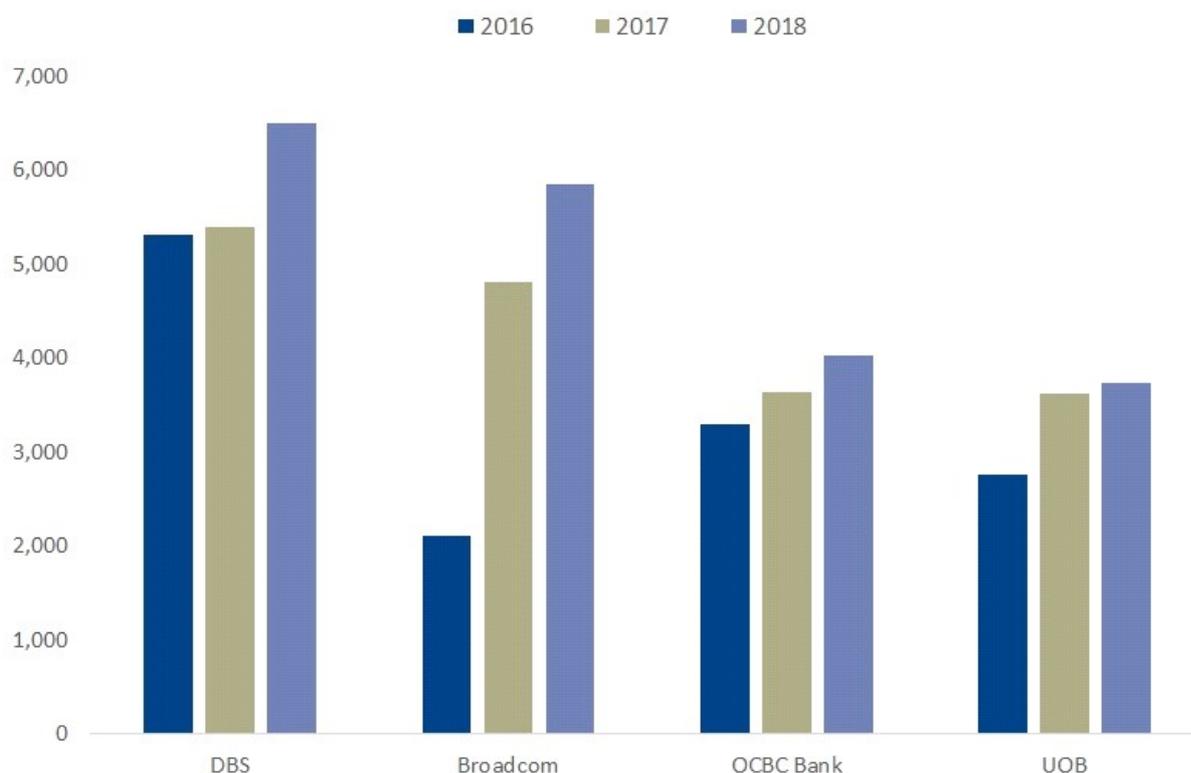
Tan avers that the spread of filings by class is completely consistent with the local market share in terms of consumer spending and notes that the higher proportion of Class 43 (hotel and restaurant services) applications can be attributed to the country’s heavy investment in infrastructure to cater for the tourism industry, which has in turn led to many restaurants, bars and entertainment outlets to spring up in recent years. Tay concurs: “More players are entering the hospitality and food and beverage industries and many use Singapore as a possible hub for expansion through joint ventures or franchising opportunities.”

Broadcom on its way to the top of the league

Given its small population and land size, Singapore’s home-grown brands will rarely wield the same clout as their large counterparts from major jurisdictions such as the United States or China. As such, only four Singaporean brands make the cut in Brand Finance’s list of the [world’s 500 most valuable brands](#): DBS, Broadcom, OCBC and UOB.

That said, all four of its leading brands – three of which are from the banking sector – have demonstrated year-on-year growth in the last few years:

Top four Singaporean brands by brand value – 2016-2018 ([view full-size here](#)):

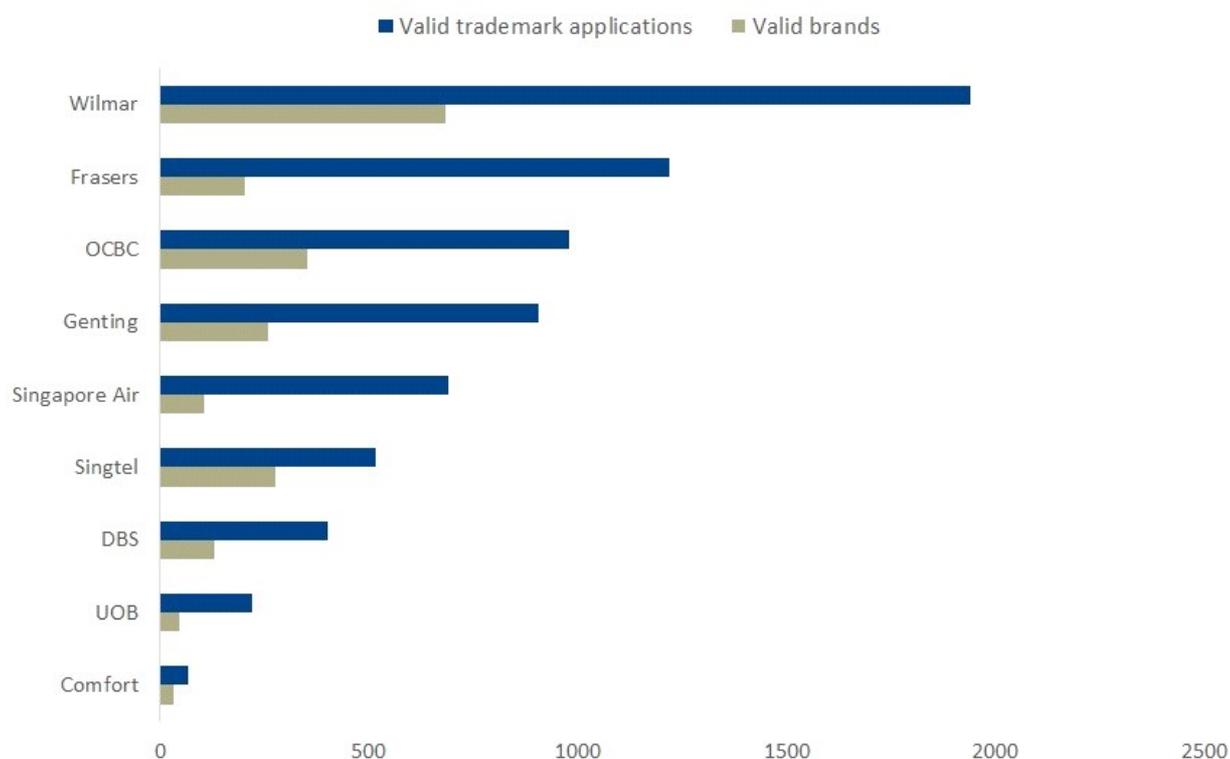


Source: Brand Finance

Broadcom stands out not only because it operates in the technology, instead of banking, sector, but also because of its rocketing growth. The more than doubling of its brand value in 2017 can be explained by Avago Technologies' purchase of Broadcom (ultimately going by the name of Broadcom Limited) for \$37 billion – which at the time was the largest tech deal in history. The deal was finalised in early 2016 and granted the Broadcom brand a significant uplift. If it maintains its current trajectory, it will very soon become Singapore's most valuable brand.

Outside of the top four brands, there is much greater sectoral diversity. The other leading brands range from airlines to hospitality to telecommunications. With respect to their trademark portfolio sizes, Wilmar is a clear leader here: the leading Asian agribusiness group brandishes just shy of 2,000 valid trademarks according to trademark management platform [TrademarkNow](#). It also utilises a significant variety of brands, with almost twice as many valid brands as second-place OCBC.

Trademark portfolio size of most valuable Singaporean brands – 2017 ([view full-size here](#)):

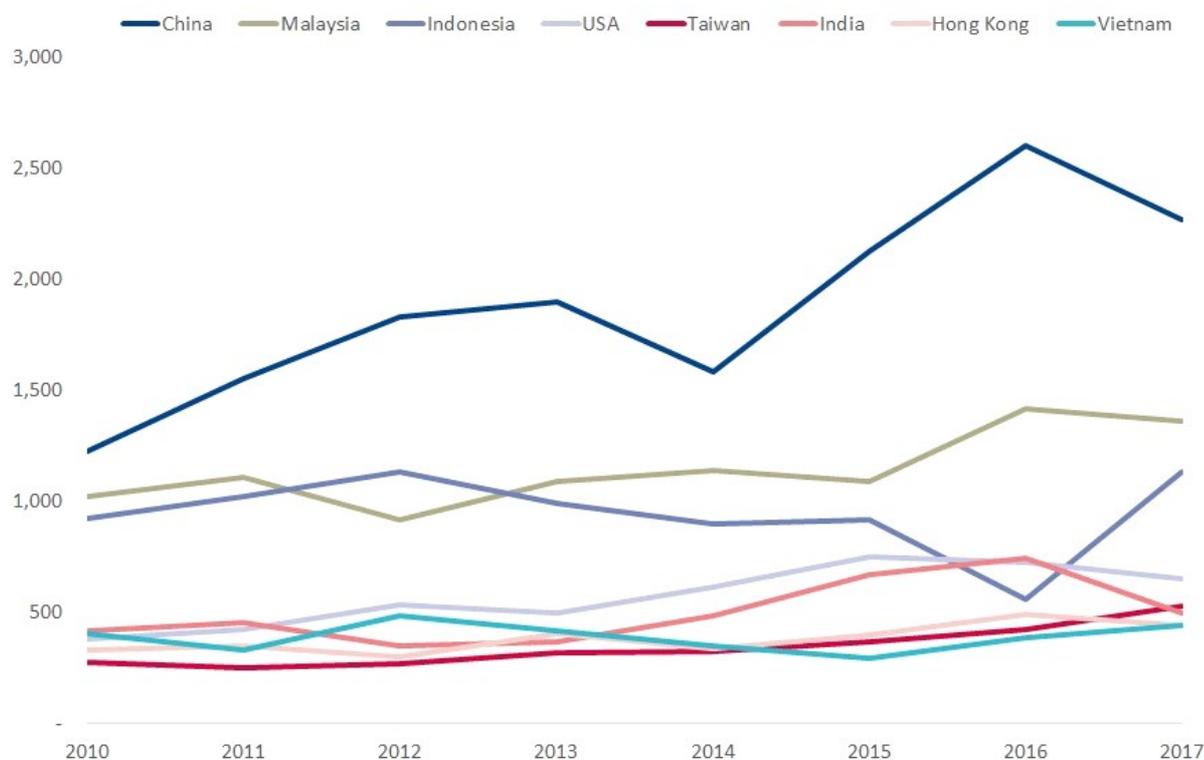


Source: TrademarkNow

International filings mostly contained within Asia

As we saw above, local rights holders in Singapore tend to file significantly less domestically compared to applicants from other jurisdictions. When it comes to where they file on the international stage, proximity is the key factor. As seen below, China is, unsurprisingly, the top choice. With the exception of the US, the preferred destinations are all within Asia, with a strong focus on South East Asia in particular.

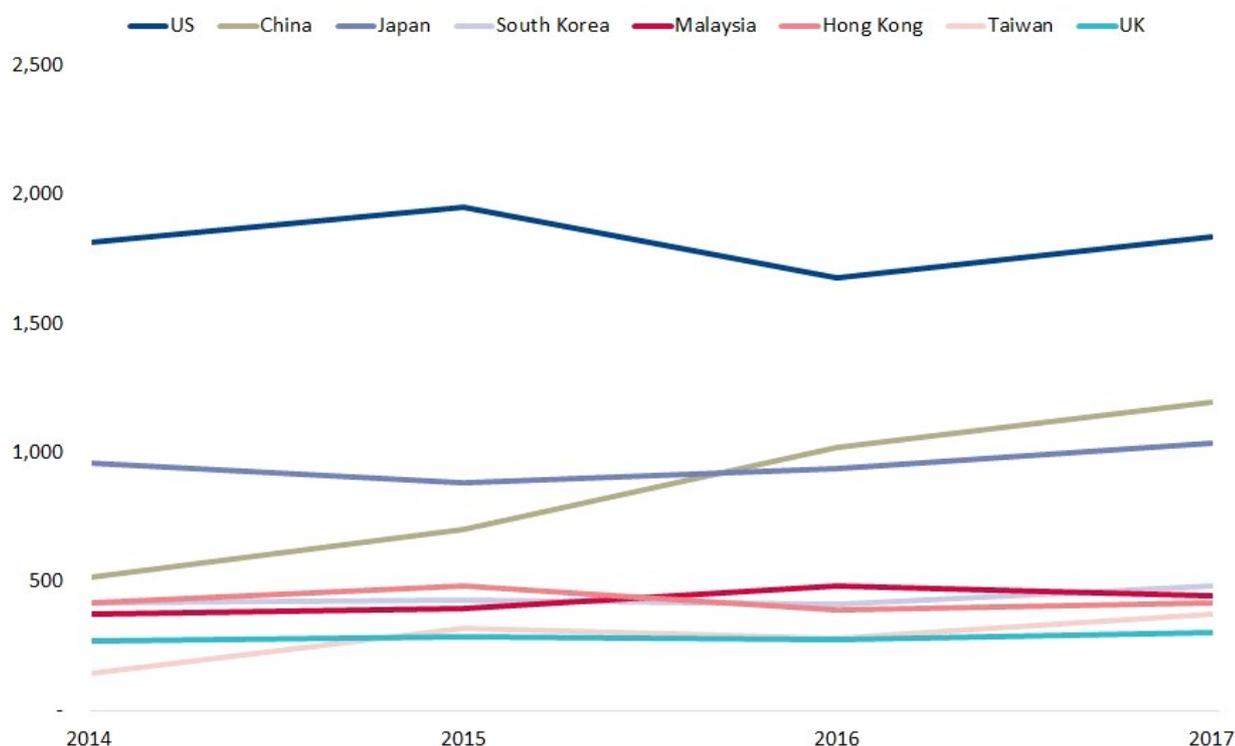
Singaporean filings by foreign IP office – 2010-2017 ([view full-size here](#)):



Source: CompuMark

In terms of foreign filers looking into Singapore, US applicants are the most keen (see graph below). However, the key trend here is the importance of filings from Chinese rights holders. While filings from all other countries have remained static or fluctuated only slightly, there has been a perceptible rise in applications from China in the last few years; it has already overtaken Japan to become the second largest source of foreign applications.

Foreign filings into Singapore by country – 2014-2017 ([view full-size here](#)):



Source: CompuMark

That Singapore is often identified as a tax haven has contributed to increasing interest from foreign enterprises. However, this may change as Asian economies commit to new standards of transparency to tackle corporate tax avoidance at the risk of losing foreign investment. Nevertheless, with an English-speaking population, low corruption levels, and a vigorous innovation ecosystem – not to mention top-performing IP office – Singapore will undoubtedly remain a location of interest for brand owners around the world hoping to gain a strategic foothold in Asia.

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