

Relationship Between Public Companies And Trademark Registration

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Abstract

Every public company should have its own brand or visual identity. This is a retrospective analysis of the relationship between the number of public companies in Brazil and the number of trademarks registered with the INPI. The objective is to identify the relationship between the dependent variables "Public Companies" and "Trademark Registration" in a 10-year time frame. Secondary, open data were accessed on the list of public companies in the period from 2012 to 2022 and the volume of trademarks registered in the period from 2019 to 2019. The main results indicate an upward trend in new registered companies and a downward trend in trademark registration. No positive relationship was found between the registration of new companies and trademark registration.

Keywords: *Intellectual Property, Design, Copyright.*

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I. Introduction

Many companies are unaware of how to incorporate Design into their organization with legal certainty. A company's brand is an asset, as it is an intangible asset, and some business owners end up not giving it the due value. A brand can have significant economic value, and over time it can even increase in value, which is why it must be protected by registering the brand with the National Institute of Industrial Property (INPI). Innovation, being a fundamental part of a company's effectiveness, according to Lima (2022), when it comes to the development of innovations and the search for competitiveness in the business environment, the theme of "Intellectual Property" (IP) becomes necessary.

Trademark registration is the means of acquiring exclusivity over the name and image of a product or service, and the financial losses can be huge due to not being able to use a brand because it was not registered first, or having to change the name after investing heavily in design, marketing, and advertising. In a survey conducted by Sebrae with Individual Microentrepreneurs - MEI, Microenterprises - ME and Small Businesses - EPP in Brazil, only 1 (one) in every 3 (three) entrepreneurs (34%), of the 4,002 interviews conducted, had already sought information about registering their brand (SEBRAE, 2018a).

According to Ladeira (2022), business managers do not apply for trademark registration for several reasons, such as lack of knowledge of the importance of brand protection, difficulties in using the INPI website, and lack of knowledge of how to apply for registration. However, according to Lima (2022), the decision not to use such an IP asset is simply because they do not consider it a priority for the company at the moment. This thinking can be justified by the low level of business management maturity, which reflects the lack of a sharp and strategic look at the growth of competitiveness and dynamism in the business environment.

The benefits of trademark registration go beyond prohibiting unauthorized use by third parties. A registered trademark provides legal security by guaranteeing the owner the right to exclusive use and improves the brand's reputation. As a valuable asset for the organization, the visual representation of a brand can provide a stable market for a company by distinguishing it from competitors and enabling recognition and identification by the user. According to Zozzoli (2010), having a strong brand that is recognized as having high value by customers is a determining factor in the contemporary market, since the brand begins to have meaning when the public begins to perceive it. With information technology and the Internet, the challenge is to launch new companies that truly generate value for the consumer, so marketing is necessary to ensure that a new product or service is introduced into the market and sold in order to be successful. For de Freitas Martins y Merino (2016), design can be a strategy for organizations that seek innovation and differentiation, amidst numerous competitive

actions, in a Design Management model integrated with an organizational structure that aims at a positive perception of the company's image by the public. Design is one of the factors that provides greater competitiveness, helping to attract users and sell products. With an increasingly competitive market, the organizational environment needs to differentiate itself and structure itself strategically. Therefore, it is essential to become aware of the importance of trademark registration, and thus be able to achieve better marketing positioning in the market.

According to a survey by Souza (2002, apud de Freitas Martins, 2004), SEBRAE Nacional selected design as one of the priority areas for its work in the universe of micro and small companies. Because it is an effective way of adding value to products and services, it currently stands out as one of the main factors for the success of a company, from the development of products and services to their marketing through cost optimization, and is also an essential factor in planning, production and marketing strategy.

Design as a strategic planning for companies (Franzato, 2023) establishes brand positioning practices and processes that are beneficial for managing corporate identity. According to de Freitas Martins (2004), managing design activities as a business management need is recognizing the importance of Design as one of the decisive variables of business effectiveness. For de Freitas Martins (2004), image is the only value that cannot be copied, as it has been built over the long term and through a series of combined strategies and factors.

Lima (2022) considers that it becomes evident that companies that strategically use IP assets, in addition to playing their fundamental role in protecting the company's image and the signs that distinguish and individualize its products and services, also influence the professionalization of the management of organizations, which, consequently, contributes to the construction of more robust organizational structures, regardless of the company's size or the time of operation of the business.

Decision-making based on the company's strategic planning provides economic viability, for Teh et al. (2008) once intellectual capital is recognized as one of the main generators of wealth for companies, special attention must be given to its management because, once formalized, captured and leveraged, it can produce assets of even greater value.

Moreira et al. (2014) mention that intellectual capital is one of the main generators of wealth for companies, and special attention must be given to its management and to the process of creating value through the use of intangible assets in the organization, transforming information into knowledge and knowledge into business.

Objective

To identify the relationship between the dependent variables "Open Companies" and "Trademark Registration"

Variables considered

Independent: Temporal evolution

Dependent: Number of open companies; Number of Trademark Registrations at INPI

Formulated hypotheses

H0: $r = 0$ - there is no relationship between the variables or this relationship occurs by chance

H1: $r \neq 0$ - there is a natural and true relationship between the variables.

II. Method

This is a retrospective study with analysis of secondary, public and official data from the Brazilian government. In order to find newly opened companies in Brazil, it was necessary to conduct a study, where the main instrument was the Mapa de Empresas, a tool made available by the Federal Government that provides indicators related to the number of companies registered in the country. Analyzing and correlating data on newly opened companies with trademark registrations from the Distribution Map of active companies in the third quarter of 2022.

The number of companies opened in the period from 2012 to 2022 was considered, and the volume of trademarks registered per year in the services category in the period from 2012 to 2019 was analyzed. The time frame corresponds to the official data available at the time of the search.

A descriptive analysis of the data was performed relating to the fiscal year. From the results presented graphically, a linear regression was performed to identify the trend line and its slope.

III. Results

Table 1 shows the total number of trademark applications from 2012 to 2019, segregating between registered, requested and filed trademarks in the services category, and of this total we have the number of mixed trademarks. We can see that there is a greater number of applications for the mixed trademark type. The

table shows the number of companies opened in each year for this same period and the slope measurement in order to show that while the number of companies opened increases progressively, the number of trademark applications is inconsistent and shows a negative slope.

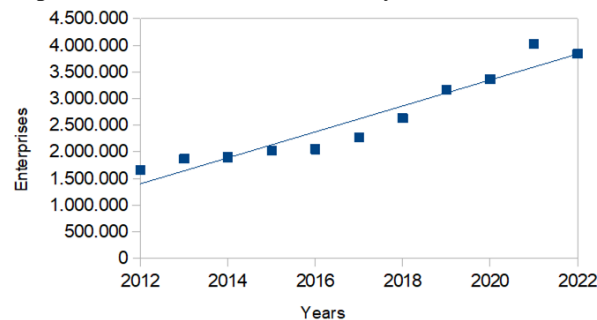
Table 1 Number of applications for service marks and companies opened with inclination.

Year	Brands with “service”					Entrepreneur Opened
	Total	Mixed	Registered	Required	Filed	
2019	44	35	24	9	11	3170000
2018	52	45	26	10	16	2630000
2017	28	21	8	1	19	2270000
2016	36	32	18	0	18	2050000
2015	39	31	12	2	25	2020000
2014	47	43	15	0	32	1900000
2013	64	52	15	0	49	1870000
2012	34	29	9	1	24	1660000
Slope	-0,027	-0,041	0,243	0,443	-0,154	0,000

Source: (Brazil, 2023)

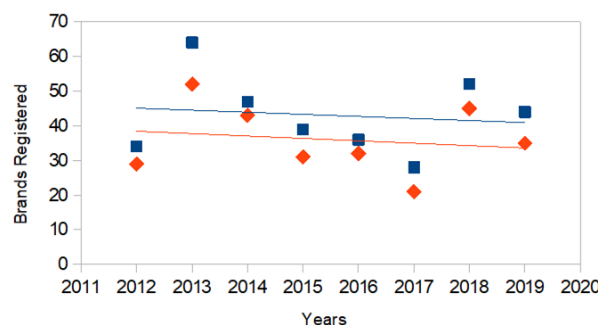
In Figure 1, the graph represents the number of new companies in the period from 2012 to 2022 and suggests a positive slope, while even with fluctuations over the years, the number of companies created continues to rise.

Figure 1. Number of companies created in Brazil in the years 2012 to 2022 and linear regression.



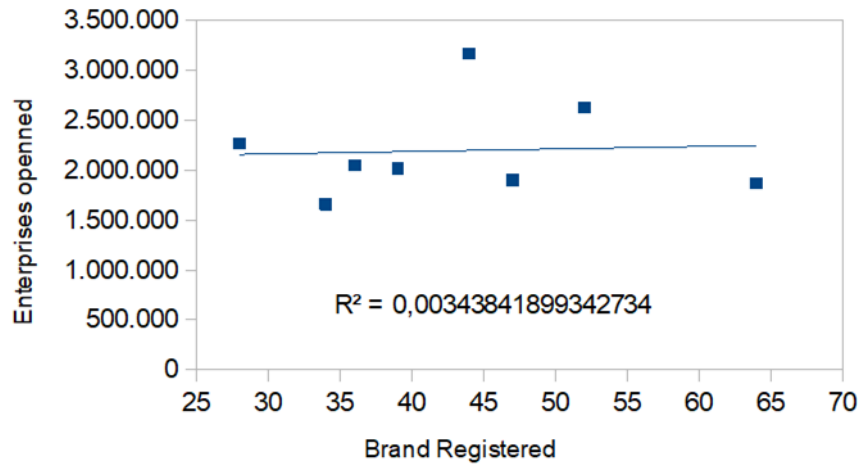
Although the Federal Government has made available the total number of trademarks and mixed trademarks from 2012 to 2019, we can observe throughout this period that there was a negative trend in both trademark registrations and the registration of “mixed” trademarks (Figure 2). The preference for mixed trademarks is due to the fact that this type of registration requires greater design participation, as it has a nominative representation, which comprises only the name, and a graphic element that implies the use of a drawing or symbol to represent a concept.

Figure 2. Total number of trademarks and mixed trademarks registered with the INPI between 2012 and 2019.



The R^2 tells us that there was no correlation between the variables of publicly traded companies and registered trademarks, since the association between the elements was not linear, so the coefficient cannot be represented adequately because it does not find any reasonable connection between the variables (Figure 3).

Figure 3. Publicly traded companies and trademark registration. Correlation R^2 .



IV. Discussion

The data shows that the number of companies opened each year has grown consistently, although there have been fluctuations over the years, it continues to increase. While the number of trademark applications shows variations and a downward trend, it is important to analyze the factors that may be influencing this decrease and that may be leading companies to reconsider their branding strategies. In addition, the digital environment, which has expanded rapidly, may have changed the way brands position themselves and are perceived by the public. This drop in trademark applications may indicate a market adaptation to new realities, requiring companies to innovate and reinvent themselves to remain relevant and competitive.

For Oliveira (2014), brands that were previously concerned with maintaining contact with their customers through analog means immediately followed the same tactic in the virtual environment. As a result, the Internet has allowed advertising creativity to expand exponentially, presenting the public with strategies that were not possible to be carried out in traditional media.

According to Cameira (2016), the brand is one of the main assets of a company. When treated appropriately, a registered trademark creates value and influence. From a business perspective, it is the security of future profits, but from a legal perspective, it is an independent piece of intellectual property. The large number of trademarks registered in industrial and intellectual property institutes requires corporations to register and protect their assets even before they are created. Since a significant portion of economic growth originates from inventions, this allows for an increase in the ability to compete, creating companies and trademarks. When managed appropriately, the brand not only increases the value of the company (Ortiz Porras, et al, 2023), but also significantly influences consumer perception and the company's position in the market. This not only boosts the competitive capacity of companies, but also stimulates entrepreneurship and the creation of new businesses and brands. Therefore, effective brand management, including its registration and legal protection, is essential for the success and growth of companies in the current business scenario. The 'Registered Trademark' was therefore born in response to a new need: to protect companies against fraud, imitations and counterfeits. This recognition of their legal protection gave brands their authentic economic status (Costa, 2003).

As cited by dos Santos Gonzales (2017), the advent of the Internet made communication from everyone to everyone, together with digital media, it changed people's daily habits, revolutionized information, established behavior parameters and imposed profound changes in relationships, especially after the emergence of social networks, we see that marketing and advertising have been reconfigured. This form of digital interactivity requires, however, a team of communication and marketing professionals prepared to manage the organization's brand. For da Cunha Recuero (2005), in recent years the popularization of digital technologies has made social networks mediated by platforms play a central role in the changes experienced in the most diverse aspects of social life, particularly in labor relations.

Digital media has helped define brand/product promotion strategies as a communication space within social networks, transforming social networks into essential communication spaces. Through digital marketing, companies have the opportunity to expand their business and position their brands in a meaningful way in society.

According to Costa (2003), communication plays a fundamental role, being the way in which the strategic values of identity, culture and image are communicated. We are all consumers of images, we acquire images present in products and services, often seeking them unconsciously. Identity is an element valued by companies, and can be perceived through their brand and a solid corporate image.

The preference for observing registrations of mixed brands is due to the fact that it requires greater design participation, by combining nominative and figurative elements or only by nominative elements with drawn spelling. It was possible to observe that there was a negative inclination for new registrations of mixed brands and that there was no correlation between the variables of open companies and registered brands, since the association between the elements was not linear. This phenomenon can be attributed to its ability to integrate verbal and figurative elements harmoniously, allowing for greater creative expression and visual identity. This combination requires more active design participation, resulting in brands that not only communicate verbally, but also evoke visual associations that can strengthen consumer recognition and memorization.

However, when analyzing the data, a negative trend is noted in relation to new registrations of mixed brands. Furthermore, the analysis did not reveal a significant correlation between the number of companies opened and the number of registered brands, indicating that this relationship does not follow a linear pattern. In other words, even with an increase in the number of companies, registrations of mixed brands may not be seen as the most relevant choice in the identity positioning strategy of companies, which further complicates the interpretation of this phenomenon. It is also important to consider that the dynamics of brand registrations reflect design trends, market strategies and consumer perception.

For Matias-Pereira (2003), there is a growing concern regarding the protection of intellectual property in the Internet environment. Issues such as the relationship between brands and control over the circulation of intellectual and artistic works require new studies to examine whether it is possible to measure the economic and social losses generated by this fragility.

Tarsitano and Navacinsk (2004) describe the brand as the greatest asset a company can have and it is through the articulation of its strategies that it is possible to transform the existence of a product into an affective, dynamic and diversified relationship between its brand and the consumers who make their purchasing choices based on it. This marketing-brand interrelationship configures another dimension of the concept of brand equity (Aaker, 1998). This does not mean that it is dissociated from the concept of the financial and patrimonial value of the brand, but both complement each other, to the extent that their values are reinforced by communication.

Through the brand, a company can communicate and establish an emotional connection (Alves, 2022) with its target audience. Furthermore, during the creation and consolidation of a company, strategic decisions related to identity and image can define the future direction and success of the company. It is at this stage that the foundations are laid for the construction of a solid and coherent identity, which aligns with the target audience and the company's long-term objectives.

Recognizing the importance of corporate identity and legal protection (Silva, 2023), together with trademark registration, and understanding the decisive impact of the creation and consolidation moment, are essential steps for the development of a new company and influence the success and growth of emerging companies. Furthermore, what a company seeks goes beyond a well-known brand (DOWLING, 2018). To achieve a high reputation, companies depend mainly on the quality of their products and their stability in the market. However, these factors should be combined with a series of variables, such as strategic communications. In this way, it can be said that the variables are not related. Normality happens by chance.

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