

Alternative Measures of Innovation and Firm Performance

Patents are a widely studied and commonly used proxy of innovative activity by firms, even though they are an outcome of innovative activity. Lots of innovation may not result in patent. Patents and patent applications have been matched to firms in commercially available datasets (e.g. ComputStat) as well as confidential microdata (e.g. the Longitudinal Business Database (LBD)). Administrative data on trademarks and copyrights, a compliment to patent data, are less studied alternative measures of innovation.

The purpose of this paper is to describe a new matched dataset and the combined characteristics of the trademarks, copyrights, and firms to develop a series of stylized facts. What are the characteristics of the firms that apply for intellectual property protection through trademarks and copyright? What are the characteristics of the trademarks owned by different types of firms (large vs. small, young vs. old, industry composition). Patent activity is generally concentrated in the manufacturing sector, where trademarks and copyrights are activities that are more widely distributed across sectors.

Currently, I have detailed information on all trademark applications from the early 1980's to August 2008. I also have copyright applications for 2008 and 2009. The combined number of trademark and copyright applications in 2009 numbers over 734,000, significantly more than the number of patent applications (482,871). Hence, these alternative measures of intellectual property represent significant activity on the part of firms and are relatively understudied.