

# Interbrand Best Global Brands 2012 survey results announced

By Gaelyn Scott

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The results of the Interbrand Best Global Brands 2012 survey were announced at an event in Johannesburg on Wednesday 3 October 2012.

Coca Cola retained its number one spot and got a valuation of US\$ 77 billion. Technology is, however, where all the action is at the moment (witness the tablet wars involving Apple, Samsung and Google), and it's the tech brands that once again dominate the rankings - Apple comes in at number two with a valuation of US\$ 76 billion, followed closely by IBM (3), Google (4), Microsoft (5), Intel (8) and Samsung (9).

Apple was a star performer, going up six places from its 2011 ranking, and seeing its value increase by 129%. Something that prompted Interbrand to say: "Jobs recognised that a brand is so much more than a logo... He also recognized that a brand is what connects a business with the hearts and minds of consumers... Increasingly associated with the luxury sector, Apple now produces items that consumers feel that they must own to fit in socially."

Unfortunately not all tech companies fared as well. Nokia saw its brand value drop significantly and slip from 14th place to 19th, Blackberry dropped from the mid-50s to number 93, and Yahoo just made the list at number 97. As for the company with the much-hyped listing, Facebook, came in at number 69.

## Other industry trends

The old traditional brands are still in the mix, although they're perhaps a bit more thereabouts than there these days. GE and McDonalds may be at six and seven (although clearly not at sixes and sevens), but Kellogg's (29), Colgate (47), Nestle (57) and Shell (75) must be a little concerned. New-age brands, on the other hand, look good, for example Amazon (21) and EBay (36). Car manufacturers did well with Toyota (10th), Mercedes (11th) and BMW (12th). The financiers are also still hanging in there, with JP Morgan (32nd), HSBC (33rd) and Goldman Sachs (48th).

Judging by the performance of the alcohol brands - Budweiser (31), Jack Daniels (81) and Smirnoff (90) - people continue to drown their sorrows, and the presence of Moet & Chandon (98), not to mention Porsche (72) and Ferrari (99), suggests that there are still a considerable number of high rollers out there.

The number of fashion and luxury brands in the list would seem to confirm this, with Louis Vuitton (17) topping the list, followed by a company that was recently in <u>trade mark litigation</u> with Christian Louboutin about red-soled shoes, Zara (37), Gucci (38), Hermes (63) and Cartier (68). US brands dominate the top 100, although there are some big European brands

in there like H&M (23) and Ikea (28), Japanese brands like Canon (30) and Sony (40), and Korean brands like Hyundai (53) and Kia (87). There are surprisingly few Chinese brands on the list.

## From a trade mark law perspective

From a trade mark law perspective, the Interbrand list is a smorgasbord. There are examples of those trade marks that lawyers like so much, the made-up and meaningless names that are so easy to protect and so easy to enforce - examples include Google, Xerox and Adidas (apparently a contraction of the founder's name). There are names that, although slightly suggestive of their products, are still distinctive enough to be protectable, like Coca Cola, Microsoft and EBay. There are geographic names and ordinary dictionary words that are used fancifully and that are therefore good trade marks, like Amazon, Pampers, Visa and GAP.

There are personal names and surnames that have become distinctive through enormous use, like Louis Vuitton, John Deere, Ford and Disney. There are initials and acronyms like UPS, KFC and SAP (no not them, the computer people!). There are letter and numeral combinations like 3M. There are marks where there's distinctiveness in the stylisation of the word or letter, like the Coca Cola logo, the McDonalds 'M', and the Budweiser signature. There are stand-alone logos like those belonging to Apple, Nike, and Shell, and there are logos that are used together with brand names, like those of Mercedes, VW and Audi.

There are logos and stylisations where colour plays a major role, like those of Google, EBay and Microsoft. There are brands that are used primarily by way of licensing or franchising arrangements, like McDonalds and KFC, there are brands that feature strongly in co-branding relationships like Intel and American Express, and there are brands where the owner is on to the fact that the name gets used genercially far too often, like Kleenex, which has the words 'Brand Tissues' appearing alongside the name.

#### Lessons learned

What lessons can we learn from the survey? Well, for starters, it's clear that brands are often worth an absolute fortune. For many companies, the brand is the single most valuable asset, especially in cases where there's little in the way of bricks and mortar, or plant and machinery - think companies like Google, Yahoo and Facebook. A brand can obviously be valued, it can be sold either with or without the company, and it an be used as security for finance (Ford put its logo up as security recently in order to obtain the finance it needed to survive the Great Recession).

Many of the brands that have made it big are inherently distinctive. Which suggest that lawyers may be on to something when they say that you should adopt distinctive rather than descriptive brand names. Yes, it may be easier to market the product initially if the name says what the product is, but it will be difficult to get a trade mark registration for it, and it will be difficult to stop competitors using similar names. In the long term, the decision to choose a distinctive name will pay off.

It goes without saying that the brands that are in the top 100 have all been protected - registered not only for the products for which they are used, but in certain cases also those for which they are likely to be used, possibly through brand extension, licensing or co-branding. They are no doubt registered in the countries where they are used at present, but also in those countries where they are likely to be used in the future. Yes trade mark protection may sometimes seem quite expensive, but it's small beer when compared with the benefits it provides and the value it adds. Don't believe me: try selling a business that has no trade mark protection!

#### ABOUT GAELYN SCOTT

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Gaelyn Scott is a director at ENSafrica and head of the firms IP department. Gaelyn has 20 years' experience and specialises in strategic brand management and the enforcement of IP rights, both locally and internationally, with extensive experience in Africa.

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