

THE PUZZLE IN TRADEMARK COLLATERAL

Xuan-Thao Nguyen, February 14, 2018

If trademarks are important corporate assets, do banks lend against trademarks? Or do banks accept trademark collateral merely as part of a blanket lien? Do banks treat trademarks differently than patents in lending, including venture lending? This first empirical study will attempt to answer these questions. I extract and analyze security interest filings in trademarks and patents against the backdrop of secured transactions law and banking regulations. Based on the data, banks seem to have an aversion for trademark collateral and, by practice, treat most trademarks as idle assets. Moreover, the data suggests a different pattern of banks' lending related to trademarks. Banks rely on the byproduct of trademarks in its lending practices.