

**Regulatory Impact Analysis**  
**of the**  
**Singapore Treaty on the Law of Trademarks**

**July 2010**

## Summary of RIA

Summary of Regulatory Impact Analysis (RIA)			
Department/Office: <b>Department of Enterprise, Trade and Innovation</b>		Title of Legislation:	
Stage: <b>Internal Draft</b>		Date: <b>July 2010</b>	
Related Publications:			
Available to view or download at: <a href="http://www.deti.ie/science/ipr/trademarks.htm">http://www.deti.ie/science/ipr/trademarks.htm</a>			
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<p>Policy options considered.</p> <p>1. Ratification of the Singapore Treaty</p> <p>2. Maintain Status quo</p> <p>.</p> <p>Preferred Option: Proceed with ratification of the Treaty.</p>			
OPTIONS			
	COSTS	BENEFITS	IMPACTS
1	Possible attendance at Extraordinary Assembly and Working Group meetings if such meetings were called.	Ireland will be acting in concert with some of the major players in the intellectual property world	Participation in a modern, international harmonized system of Trade mark administration
2	No direct financial costs	No significant benefit would result from non-ratification	Non-ratification would pose a reputational risk to Ireland

## **1. Policy Context and Objective**

### **1.1 Introduction**

The aim of this Regulatory Impact Analysis (RIA) is to consider whether Ireland should ratify the Singapore Treaty on the Law of Trademarks ("the Singapore Treaty"). The objective of the Singapore Treaty is to create a modern and dynamic international framework for the harmonisation of administrative trademark registration procedures. Ratification of the Treaty would require an amendment to Section 29(4) of the Trade marks Act 1996, and some amendment to secondary legislation dealing with the trade mark Rules.

The Singapore Treaty entered into force on 16 March 2009, following the deposit of the instruments of ratification and accession by the tenth State (Australia) of its instrument of ratification. The objective of the Treaty is to create a modern and dynamic international framework for the harmonisation of administrative trademark registration procedures. Other States who have ratified the Treaty include France, Spain, Denmark, Poland and United States of America. More than 50 countries have committed to ratification. A list of signatory and ratifying countries is contained in the Appendix.

The Treaty is optional so there is no legal deadline for an Irish accession. However, should a decision be made to ratify the Singapore Treaty, an amendment to primary legislation will first be required in order to effect the necessary change to Section 29(4) of the Trade Marks Act 1996.

### **1.3 Background**

The Singapore Treaty was adopted at a Diplomatic Conference in Singapore in March 2006. The Treaty revises and updates the Trademark Law Treaty which was adopted by World Intellectual Property Organization (WIPO) member states on 27 October 1994, as part of an international effort to harmonize the administrative procedures of trademark offices worldwide (Ireland acceded to the Trade Mark Law treaty on 13 July 1999). Over the years, the rise in electronic filing and other technological advancements, changes in the scope of trademark protection, and the resolution of voting rights of intergovernmental organizations in WIPO treaties led to the need to update the 1994 Treaty in response to these developments.

Whilst the earlier Treaty will continue in its own right, the Singapore Treaty will apply exclusively to States that are party to both instruments. The Treaty applies to the procedural aspects of trade mark applications, and its provisions reflect the worldwide growth in e-commerce, providing consistent rules for electronic lodgement of trade mark applications and associated communications. It also further simplifies and streamlines administrative trade mark procedures. The Singapore Treaty effectively updates and modernises the standards found in the Trademark Law Treaty, but does not replace it. The Treaty does not harmonise substantive requirements of national trade mark law, and therefore provides no substantive obligations regarding the protection of trade marks.

### **1.3 Objectives of the Singapore Treaty**

The objective of the Singapore Treaty is to create a modern and dynamic international framework for the harmonisation of administrative trademark registration procedures. The Singapore Treaty reflects the various worldwide developments that have occurred since the early 1990's as well as simplifying and streamlining various administrative procedures. While the provisions of the earlier Trademark Law Treaty are maintained, a number of additional provisions are included in the Treaty. The main additional provisions are:

#### *Electronic Communications*

Contracting Parties can choose how they receive communications and whether they accept correspondence, including trade mark applications, by electronic means only, in paper only, or by either means. In addition to allowing electronic communications, the Treaty gives contracting parties the flexibility to choose the mode of communication and the means of transmittal they prefer.

#### *Expanded Scope of Trade Marks*

The Singapore Treaty provides for the wider range of signs that are gaining popularity and acceptance around the world. Whereas the 1994 Treaty only covers visible signs, non-visible signs such as sounds and smells, in addition to non-traditional marks such as three-dimensional marks and holograms are now provided for. The Singapore Treaty does not require a country to amend its laws to allow registration of these kinds of signs. Where a country allows them, it sets the maximum requirements a Contracting Party may require for applications with hologram marks, motion marks, colour marks, position marks and marks consisting of non visible signs.

#### *Licences*

Maximum administrative standards a national office can require for recording, amendment and cancellation of licence interests are included. Under the Treaty non-recordal of a licence shall not affect the validity of the registration of the mark or the protection of that mark. Recordal of a license may not be required as a condition for the use of a mark by a licensee to be deemed to constitute use by the holder in proceedings relating to the acquisition, maintenance and enforcement of marks. Recordal of a license may also not be required as a condition for a licensee to join infringement proceedings initiated by the holder or to obtain infringement damages through such proceedings, although any state or intergovernmental organization may still declare through a reservation that it requires license recordal as a condition in this regard.

#### *Relief Measures in case of failure to Comply with Time Limits*

The Treaty introduces appropriate relief measures where a deadline is missed. Three possible types of relief measures are provided for:

- extension of the time limit;
- continued processing; and
- reinstatement of rights if the trademark office found that the failure to meet the time limit occurred despite due care taken, or if the failure was unintentional.

Irish trade mark holders would be expected to benefit in export markets of countries acceding to the Singapore Treaty which provides a consistent application process and a modern system of trade mark administration.

*Formation of an Assembly*

An Assembly of Contracting Parties has been created with the power to deal with matters concerning the development of the Treaty including amendments to the Treaty Regulations. The earlier Treaty did not provide for such an Assembly so changes to the Regulations could not be dealt with in this way. The new provision will facilitate the making of changes to take account of technological developments impacting trade mark administration.

**1.2 Trade Mark Activity in Ireland**

The table below sets out the level of International Trade Mark registrations designating Ireland.

<b>International Registrations Designating Ireland</b>				
<b>Year Ended</b>	<b>Received</b>	<b>Advertised</b>	<b>Opposed</b>	<b>Protected</b>
<b>2009</b>	<b>1,871</b>	<b>2,139</b>	<b>21</b>	<b>2,368</b>
<b>2008</b>	<b>2,506</b>	<b>2,256</b>	<b>23</b>	<b>2,333</b>
<b>2007</b>	<b>2,930</b>	<b>2,691</b>	<b>35</b>	<b>2,850</b>
<b>2006</b>	<b>2,506</b>	<b>2,256</b>	<b>23</b>	<b>2,333</b>

**1.4 Irish Legislation and the Singapore Treaty**

Ireland’s legislation is broadly consistent with the requirements of the Treaty. However, should Ireland proceed with ratification, a change to Section 29(4) of the Trade Marks Act 1996, will be required.

Article 19(2) of the Singapore treaty provides that recordal of a licence cannot be required as a condition for any right of the licensee to obtain damages in any infringement proceedings. However, Section 29(4) of the Trade Marks Act 1996, provides that unless an application to record a licence is made within 6 months of the transaction (unless a Court is satisfied that it was not practicable for such an application to be made before the end of that period), the licensee will not be entitled to damages (or an account of profits) for any period before the application was filed.

The recordal of licences is desirable for public policy reasons, i.e. for public information purposes so that any person looking at the Trade Marks Register should be able to see whether a particular person is using a Trade Mark as a licensee or whether they are using it independently of the Trade Mark registrant, in which case this might indicate that several people are using the same Trade Mark and that the rights in the registered trade mark may be diluted. It is proposed to amend Section 29(4) of the Trade Marks Act 1996, so that recordal of a licence would be required for a licensee to claim **costs** in an infringement action. It is intended that this change would enable Ireland accede to the

Singapore treaty while promoting the public policy objective of providing public information.

Some changes will also be required to secondary legislation.

## **2. Options**

### **Option 1: Ratification of the Singapore Treaty**

Ratification of the Singapore treaty will ensure that Ireland's legislation reflects administrative developments in intellectual property practice internationally. It would allow Ireland to maintain its position among the developed countries of the world which provide essential legislative provisions that afford protection of intellectual property rights in a global economy.

### **Option 2: Maintain the Status Quo**

Doing nothing in this matter would mean that the Ireland has not ratified the Singapore Treaty, thereby foregoing the opportunity to partake in a modern, international, harmonized system of trade mark administration. International trade mark holders who may chose to protect their trade marks in Ireland could not expect to benefit, as they would in countries acceding to the Treaty, from a consistent application process and system of trade mark administration. Among the countries who have ratified the Treaty to date are EU members Spain, Denmark, Poland, Latvia and Romania. The United States and Australia have also ratified the Treaty and a number of other countries, including the United Kingdom, are initiating the ratification process.

## **3. Identification of Costs, Benefits and Impact**

### **3.1 Costs of Ratification**

#### *Government*

Ireland's ratification of the Singapore treaty would not involve any additional Government costs. The treaty is administered by the World Intellectual Property Office (WIPO). Ireland is a member of WIPO and our membership fee is paid by members regardless of the number of WIPO treaties ratified by Member States.

Should Ireland ratify the Treaty, this will signal our intention to participate in the Assembly which deals with matters concerning the Treaty. Attendance at the Assembly will not, however, give rise to additional costs because the Assembly will meet annually at the same time as the WIPO General Assembly. Ireland is already funded by WIPO to cover our attendance at the General Assembly. If attendance at Extraordinary Assembly meetings or working group meetings was considered necessary, the costs arising would be a matter for the Department of Enterprise, Trade and Innovation. There are no proposals at present for any such meetings.

### *Irish Patents Office*

As the change to Irish legislation required is of a minor administrative nature, the costs of operating the requirements of the Treaty have been deemed by the Patents office to be negligible.

### *Business*

There would be no distinct costs to Irish business as a requirement of ratification of the Singapore Treaty. In general the treaty will result in further harmonization. This will facilitate trade and foreign investment as well as lower transaction costs.

### **Costs of Non-Ratification (Option 2)**

Maintaining the status quo would not give rise to costs but would disadvantage Irish business in the long term by denying it the opportunity to avail of a reduction in business compliance costs. This is because the Treaty makes procedures more user-friendly, more consistent internationally and thus less time-consuming for applicants.

### **3.2 Benefits of Ratification (Option 1)**

A number of benefits of ratification have been highlighted during the consultation process undertaken by the Department of Enterprise, Trade and Innovation. These are summarized below:

- The Trade Mark Law Treaty of 1994 is in force in Ireland. As the Treaty revises and updates the Trade Mark Law Treaty it would make sense for Ireland to ratify the Treaty so that it can benefit from the updates that the Treaty will provide.
- The Treaty applies to the procedural aspects of trade mark applications and its provisions reflect the worldwide growth in ecommerce. Irish legislation and practice for the past number of years has encouraged the use of e-commerce in business and ratification of this Treaty would be a further step in that direction.
- The Strategy document '*Building Ireland's Smart Economy: A Framework for Sustainable Economic Renewal*' stresses the importance of intellectual property rights to Ireland's economic recovery. It is therefore important that our legislation and practice are up to date and keep pace with international developments.
- In ratifying the Treaty Ireland will be acting in concert with some of the major players in the intellectual property world such as the USA and Australia who have already ratified the Treaty and the UK which is the process of so doing. For Ireland not to ratify the Treaty in such circumstances would put us at a commercial disadvantage. As these countries in particular, together with the other countries who have already ratified the Treaty, are trading partners of Ireland, it would be of benefit to the Irish economy to ensure that Ireland's intellectual property laws and practice stay on par with those of its major trading partners. It is certainly something that would be considered by businesses in those countries when considering whether to seek intellectual property protection in Ireland or not. Indeed as Ireland and the UK are frequently in competition when

international businesses are deciding where to locate in Europe, Ireland will clearly be at a disadvantage if the UK has ratified this Treaty and Ireland has not.

- With the formation of an Assembly comprised of one delegate from each contracting party, Ireland will be able to participate in the future direction of the administration of international trade mark law. This Assembly will deal with the development of the Treaty and hence make changes to keep pace with the development of technology worldwide. Ireland should be an active participant in the Assembly. Whilst participating in such an Assembly will no doubt give rise to some small costs there is no doubt that the significant long-term advantages for the country far outweigh the minimal costs.

### **Benefits of Maintaining Status Quo (Option 2)**

It is hard to see what benefit failing to Ratify the Singapore treaty would have for Ireland. The aims of the Treaty are to reduce business compliance costs and to make national Trade Mark registration systems more user-friendly for applicants and owners of registered Trade Marks. While countries could adopt the standards and rules in the Singapore Treaty without becoming party to it, ratification of the Treaty would contribute to the realization of the aims of the treaty and send a clear signal to the international community of Ireland's commitment to provide an efficient and effective trade mark registration regime that is consistent with international best practice.

All in all there are no perceived advantages to Ireland in not proceeding with ratification.

### **3.3 Impact of Ratification**

#### *General*

Ireland has ratified the Trademark Law Treaty 1994. Irish trade mark holders would be expected to benefit in export markets of countries acceding to the Treaty which provides a consistent application process and a modern system of trade mark administration. Accession will also allow Ireland an ongoing opportunity, through participation in the Assembly created under the Treaty, thereby providing an ongoing opportunity to participate in any deliberations aimed at enhancing its provisions.

Ireland's legislation is broadly consistent with the requirements of the Treaty. Should Ireland proceed with ratification a number of changes in existing legislative provisions may be required in specific areas, e.g. on foot of the Treaty's provisions in relation to relief measures and the provisions on recordal of licenses.

The alternative option to ratification is to maintain the status quo and to continue to monitor developments on ratification by other countries.

#### *Social, Cultural and Environmental*

The Singapore Treaty only covers trade mark registration procedures. It does not involve harmonization of substantive trade mark law. There are no perceived social, cultural or environmental costs arising from ratification.

### *National Competitiveness*

There will be no direct costs to business arising from ratification. Harmonization of trade mark procedural matters is desirable from an Irish commercial perspective and should lead to improved services and possible cost reduction for Irish Businesses registering trade marks in the countries of fellow signatories to the Treaty.

### *Consumers / Economy*

Ratification is not expected to result in any costs for consumers or for the economy as a whole. It should ultimately lead to cost reductions for Irish exporting businesses.

### *Other*

Ratification will not impact on socially excluded or vulnerable groups and will not lead to compliance burdens. Given that the UK is in the process of ratifying the Treaty, impact on north-south or east-west relations would be broadly positive as a result of both jurisdictions participating in an international system provides a consistent trade mark application process and a modern system of trade mark administration.

### **Impact of Non-Ratification (Option 2)**

Failing to ratify the Singapore treaty could result in a loss to Ireland's reputation with regard to best practice in terms of Intellectual Property Law and leave Irish business at a disadvantage by delaying the access to the benefits of participation in a modern, international system of trade mark administration.

## **3.4 Summary of Costs, Benefits and Impact of Each Option**

### *Ratification (Option 1)*

Ratification of the Singapore treaty would be a positive Step. The Treaty will lead to further harmonization and will facilitate trade and foreign investment and lower transaction costs. Similarly the treaty is expected to result in administrative efficiency and will reinforce Ireland's commitment to provide an efficient and effective trade mark system. The advantages outlined in the preceding sections above far outweigh the maintenance of the status quo.

Government costs would only arise from attendance at Extraordinary Assembly or working party meetings. Irish business will benefit over time from lower transaction costs. Ireland will maintain a positive reputation in terms of its Intellectual Property law. Remaining impacts arising from ratification are generally positive and neutral.

### *Maintain Status Quo (Option 2)*

A decision not to proceed with Ratification would avoid the need to make changes to the Trade Mark legislative system, although the extent of such change is relatively minor given that our existing legislative provisions are broadly in line with the requirements of the Singapore system.

Maintaining the status quo would not give rise to any cost on the public purse. However, Ireland would be unable to participate in Assembly meetings. As this country is serious about the development of Intellectual Property in the economy, it is considered that we should be active participants in the Assembly.

As noted in Section 3.2 above, it is difficult to perceive any particular advantages that would result from non-ratification of the Treaty. A particular impact of non-ratification is in the area of possible reputational damage regarding our commitment to best international practice in the field of trade mark administration.

### **3.5 Conclusion and Preferred Option.**

Ratification of the Singapore Treaty is considered to be the preferred option for the reasons set out above. It offers a number of advantages while maintenance of the status quo does not offer any significant advantage and runs the risk of reputational damage regarding our participation in an international system of trade mark administration.

## **4. Consultation**

### **4.1 Stakeholders Consulted**

A consultation process was undertaken mid 2009 on whether Ireland should ratify the Singapore Treaty or not. The consultation document was put on the then Department of Enterprise, Trade and Innovation's website. In addition the following were consulted directly: the Controller and relevant personnel in the Patents Office, the Association of Patent and Trade Mark Attorneys, Small Firms Association, Irish Small and Medium Enterprises Association, Irish Business and Employers Confederation, Consumers Association of Ireland, The Bar Council of Ireland, Law Society of Ireland, LES Britain & Ireland, Irish Exporters Association, Association of Pharmaceutical Manufacturers in Ireland, Irish Pharmaceutical Healthcare Association, IDA Ireland, Licensing Executive Society, Enterprise Ireland and Dublin City University

### **4.2 Summary of Responses Received**

A reasonable number of responses were received and most of the points raised have been addressed in the earlier part of the RIA. Overall the majority of responses were strongly in favour of Ratification, although one response, while not opposing Ratification, did not consider that there was any pressing need for ratification in Ireland.

The advantages of ratification referred to Ireland's participation in the Trade Mark Law Treaty of 1994 and ratification of the Singapore treaty would allow us to benefit from updates in any new treaty provisions. Ratification would also reinforce Ireland's ongoing efforts to encourage e-commerce in business and to develop systems in the Patents Office to accommodate electronic filing of trade mark applications. The importance of Irish legislation and practice keeping pace with international developments was also highlighted. Ireland should also take account of the fact that many of her trading partners have ratified the Treaty. Participation in the Assembly would also enable Ireland to participate in the future direction of the administration of trade mark law.

Two possible disadvantages of ratification were noted: the cost involved in participating in the Assembly and the need to make some legislative changes. Additional costs would only arise in the case of Extra-ordinary Assembly and Working Party meetings and would be minimal. There are no proposals at present for any such meetings. Furthermore,

it was considered that the long-term advantages in having such a key role in the Assembly would outweigh any perceived short-term disadvantage. The required amendment to the Trade Marks Act, 1996 to facilitate ratification would bring us into line with the relevant provisions in UK trade mark law. The Attorney General's Office have advised that the current provision in our law which conflicts with the Singapore Treaty imposes too heavy a penalty. In these circumstances an amendment would be desirable in any event.

## **5. Enforcement and Compliance**

There are no enforcement and compliance issues. As Ireland's Ratification of the treaty is deemed to be in the national interest, the matter will be brought before the Government for cabinet approval and, as a prelude, to amendment of Section 29(4) of the Trade Marks Act 1996.

The changes in the legislation to enable such Ratification would have to be enacted before we could ratify the Treaty.

## **6. Review**

The Annual Report of the Patents Office ([http://www.patentsoffice.ie/en/publications\\_report.aspx](http://www.patentsoffice.ie/en/publications_report.aspx)) provides information on the number of Trade Marks granted to applicants from within the State and WIPO's annual report (<http://www.wipo.int/about-wipo/en/report.html>) provides statistics on the number of international trade marks granted that designate Ireland. These statistics will enable the monitoring of the effect of Ratification of the Singapore Treaty on trade mark activity into the future.

Ratification would also allow us to participate in any review of the Treaty's performance and impact internationally and to partake in proposing amendments/improvements to its provisions.

## **7. Publication**

A copy of the Regulatory Impact Analysis is published on the Department of Enterprise, Trade and Innovation's website: <http://www.deti.ie/science/ipr/trademarks.htm>

## **8. References**

Singapore Treaty - <http://www.wipo.int/treaties/en/ip/singapore/>

Trade Marks Act 1996 - <http://www.irishstatutebook.ie/1996/en/act/pub/0006/index.html>

Patents Office Annual Reports - [http://www.patentsoffice.ie/en/publications\\_report.aspx](http://www.patentsoffice.ie/en/publications_report.aspx)

## **9. Appendix**

A list of countries that have signed or ratified the Singapore Treaty is included in the Appendix.

## Appendix

<b>Contracting Party</b>	<b>Status</b>	<b>Entry Into Force</b>
Australia	In Force	March 16, 2009
Austria	Signature	
Belgium	Signature	
Bosnia and Herzegovina	Signature	
Bulgaria	In Force	March 16, 2009
Burkina Faso	Signature	
Cameroon	Signature	
Central African Republic	Signature	
China	Signature	
Congo	Signature	
Costa Rica	Signature	
Croatia	Signature	
Czech Republic	Signature	
Democratic People's Republic of Korea	Signature	
Democratic Republic of the Congo	Signature	
Denmark	In Force	March 16, 2009
Dominican Republic	Signature	
Estonia	In Force	August 14, 2009
Finland	Signature	
France	In Force	November 28, 2009
Ghana	Signature	
Guinea	Signature	
Haiti	Signature	
Hungary	Signature	
Iceland	Signature	
Italy	In Force	September 21, 2010
Kenya	Signature	
Kyrgyzstan	In Force	March 16, 2009
Latvia	In Force	March 16, 2009
Lebanon	Signature	
Liechtenstein	In Force	March 3, 2010
Lithuania	Signature	
Luxembourg	Signature	
Madagascar	Signature	
Mali	In Force	December 1, 2009
Mauritania	Signature	
Mexico	Signature	
Netherlands	Accession	
New Zealand	Signature	

Papua New Guinea	Signature	
Poland	In Force	July 2, 2009
Portugal	Signature	
Republic of Moldova	In Force	March 16, 2009
Romania	In Force	March 16, 2009
Russian Federation	In Force	December 18, 2009
Senegal	Signature	
Singapore	In Force	March 16, 2009
Slovakia	In Force	May 16, 2010
Spain	In Force	May 18, 2009
Switzerland	In Force	March 16, 2009
Tajikistan	Signature	
The former Yugoslav Republic of Macedonia	Signature	
Togo	Signature	
Turkey	Signature	
Ukraine	In Force	May 24, 2010
United Kingdom	Signature	
United States of America	In Force	March 16, 2009
Uruguay	Signature	
Uzbekistan	Signature	