

EXPLANATORY MEMORANDUM TO
THE TRADE MARKS (AMENDMENT) RULES 2006

2006 No. 3039

1. This explanatory memorandum has been prepared by the Department of Trade and Industry and is laid before Parliament by Command of Her Majesty.

2. Description

2.1 These Rules amend the Trade Marks Rules 2000 (SI 2000/136) and the Trade Marks (Amendment) Rules 2001 (SI 2001/3832).

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative background

4.1 These rules are made under sections 65 and 78 of the Trade Marks Act 1994.

5. Extent

5.1 This instrument extends to all of the United Kingdom, including the Isle of Man.

6. European Convention on Human Rights

As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy Background

7.1 The United Kingdom is a party to the Nice Agreement Concerning the International Classification of Goods and Services for the Purposes of the Registration of Marks. Under the Agreement there are a series of “class headings” and each heading includes a list of goods or services falling within that class. Periodically the class headings and the goods and services falling within the class are changed under that Agreement.

7.2 As a party to the Agreement the United Kingdom must change its trade mark classifications whenever the Nice Classifications change. The next change is due to come into force on 1st January 2007. These Rules give effect to that new change.

7.3 The approach in the past has been to set out the class headings in the Schedule, but to assume the incorporation of the list of goods and services by reference. This approach was a continuation of the regime which was necessary under the Trade Marks Act 1938. However, the Department has reconsidered its implementation of the Nice Agreement and the powers granted by the Trade Marks Act 1994 and adopted a new approach to the drafting of the classification provisions of the Trade Marks Rules 2000. This new approach is implemented by these Rules.

8. Impact

8.1 A Regulatory Impact Assessment has been prepared and is attached to this memorandum.

9. Contact

Mike Foley at the Patent Office: tel: 01633 811402 or, email: mike.foley@patent.gov.uk . Who can answer any questions in relation to this Instrument.

FULL REGULATORY IMPACT ASSESSMENT FOR THE TRADE MARKS (AMENDMENT) RULES 2006

Amendment to the Trade Marks Rules 2000 to implement changes required to remain in compliance with the 9th Edition of the Nice Classification.

1. Title of Proposal

1.1 The implementation of 9th Edition of the Nice Classification, which will take effect from 1 January 2007.

2. Purpose and intended effect of measure

The objective

2.1 The Trade Mark Rules 2000 are to be amended in order to reflect the classification changes implemented on 1 January 2007 with the introduction of the 9th Edition of the International Classification of Goods and Services.

3. Consultation

3.1 The Patent Office took the decision not to formally consult on the changes to classification. This was because:

- a) this is a minor technical change with relatively limited – and no negative - impact on business,
- b) there is no change to the primary legislation – only to Classification to which it refers, and
- c) the change is required in order to satisfy an international obligation.

3.2 The Patent Office has carried out informal consultations at each stage of the negotiating process. It has:

- informed groups of user representatives of the proposed changes prior to discussion at the Preparatory Working Group Sessions and Committee of Experts Meetings held in Geneva to prepare for the 9th Edition of the Nice Classification. No comments were received at the time.
- Following the Meeting in Geneva, the proposals were again put to groups of user representatives for their consideration. Again, no comments were received.

Those consulted were the Institute of Trade Mark Attorneys, the Chartered Institute of Patent Attorneys and the Trade Mark Patents and Designs Federation.

3.3 Notice of the change to the class headings in the Classification was posted on the UK Patent Office website www.patent.gov.uk in April 2006. Comments on the changes were invited but no substantive comments were received.

4. Options – Costs and Benefits

Option 1 – to do nothing

4.1 If the United Kingdom fails to amend the Trade Mark Rules 2000 to adopt the revised Nice Classification, it will stand alone in operating a redundant classification system. For instance, the UK interacts with two international organisations which register trade marks, namely, the Office for Harmonisation of the Internal Market (OHIM) which processes Community trade marks and the World Intellectual Property Organisation (WIPO) which administer the international registration of trade marks. Marks registered at OHIM have effect in the UK and if the two Offices operate differing classification systems that would place an unnecessary burden on British business.

4.2 The failure to amend would also have a detrimental impact on UK applicants in financial terms. For example, if a firm decided to make simultaneous trade mark applications at the UK office and OHIM, it would need to double check on the classification to ensure the applications were not rejected. In the case of an application made by a British firm at WIPO for an international registration based on the old classification, WIPO would initially reject that application on the grounds it was incorrectly classified. Delay would be caused by the need to reclassify the case.

Option 2 – to amend the rules as proposed

4.2 The benefits from these Rule amendments are not easily quantifiable in monetary terms. The change in classification will provide a more logical grouping of services which ought to lead to faster searching of the register.

4.3 Linking the Rules to the current Nice Classification rather than to a Schedule setting out the headings from the classification will avoid having to refer to the Rules in order to determine which classification is relevant at a given time, making it easier to understand, particularly important for the increasing number of unrepresented users of the office.

4.4 The UK classification practice will always be in step with the current Nice Classification without the need for further revisions to the Rules.

4.5 Applicants involved in law enforcement services and legal services (*what exactly do you mean here?*) will now only need to apply in one class and will therefore save having to pay an extra class fee for applying in two classes.

5. Compliance Costs for Businesses

5.1 Businesses will not incur any extra costs in complying with this change in classification. The Small Business Service has therefore not been consulted.

6. Securing Compliance

6.1 In order to assist applicants cope with the changes to the classification, the Registrar has published full details of the change on our website.

6.2 The Registry will provide a free reclassification service for all proprietors who wish to update their old/existing registrations to the new classification.

6.3 As part of the examination of a trade mark application, the classification and specification of goods or services are scrutinised. In the event of an application being filed in an incorrect class, the present procedure is not to reject the application but to contact the applicant and seek agreement to amend his application. That procedure will continue in the future.

7. Implementation Plan

7.1 The classification changes will take effect from 1 January 2007. The rule changes should take effect from this date also.

8. Monitoring and Evaluation

8.1 It is not necessary to monitor and review the operation of the rule amendments after they are introduced.

9. Recommendation

9.1 It is recommended that the changes are made to the Trade Marks Rules 2000. The change in classification will provide a more logical grouping of services which should lead to faster searching of the Register and enable the United Kingdom to satisfy its international obligations.

Declaration

I have read the Regulatory Impact Assessment and I am satisfied that the benefits justify the costs.

16th November 2006

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Minister of State for Science and Innovation

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