ITI Position Paper: E-Labeling

Introduction: Current Challenges

What challenges result from increasing the number of product labels, marks, and markings?

Government product regulations in the information and communications technology (ICT) sector set mandatory requirements for product labels, marks, and markings to be affixed on products and packaging. These are meant to convey information to consumers and keep companies honest about their products' regulatory compliance.

Third party testing or certification organizations also set contractual requirements for registered trademark symbols to be affixed on products, to verify that the third party performed the product testing and certification.

In recent years, the number of product labels, marks, and markings has increased. A typical product intended for the global market could now have up to 20 or more marks and labeling requirements. Mainly driven by new standards and regulatory domains (e.g., environmental), the problem is exacerbated by the redundancy of labels, marks, and markings. This redundancy arises because individual government regulators and third parties are typically focused on their own unique needs rather than making efforts to establish, harmonize, or align to a single global labeling program.
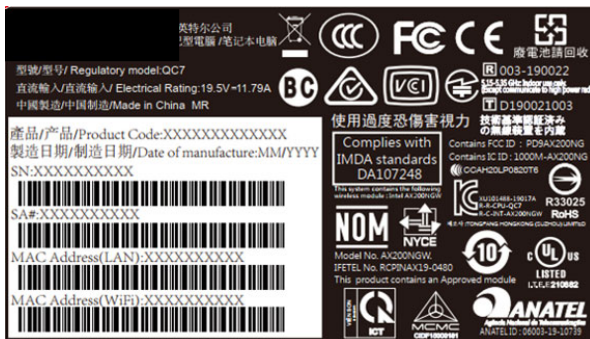
Traditional label, crowded with information, difficult to read, confusing to consumers and regulators alike.

Hybrid traditional/e-label, able to better fit on the device with a QR code that is scannable, linking to a website with clear and legible regulatory information.

As ICT manufacturers are required to squeeze more and more labels, marks, and markings onto products, the situation is especially challenging for:

- ICT products that are small (and getting smaller),
- ICT products for which aesthetically pleasing design is important,
- Consumers/users who are confused by clusters of labels, marks, and markings, and
- Budgets earmarked for tracking the correct labels, marks, and markings for products and for updating labels over time (e.g., revising label artwork, scrapping old inventory, etc.).

Solutions: Electronic Labeling

What is an electronic label?

Electronic-labeling, or e-labeling, is an electronic means to display regulatory and other important information to consumers and regulators more effectively and efficiently than physical labeling does. This can be done on a product's own built-in display, by providing a link to an internet website, or by providing a scannable source. E-labeling can exist in combination with, or as an alternative to, traditional physical product markings and statements.

E-labeling does not undermine each economy's right to regulate and certify ICT products for public health, safety, security, or other reasons.

What are the advantages of using e-labels?

E-labels provide several advantages over physical labels, marks, and markings:

1. E-labels allow for greater information and utility (e.g., the ability to translate freely between different languages) due to their creation of unlimited "real estate" for markings and information. Because information is stored digitally, the only constraint to an increase in required information is storage space.
2. E-labels make regulatory enforcement simpler and more efficient because the electronic databases to which they refer can be updated in real time.
3. E-labels reduce physical waste, materials used, and environmental impacts, particularly when they are updated digitally rather than physically.
4. E-labels reduce regulatory burdens on product innovation by satisfying labeling requirements with less space and by shortening launch schedules.
5. E-labels cut costs by reducing expenditures on physical materials.
6. E-labels can exist almost indefinitely whereas physical labels can be damaged and/or destroyed over a product's lifetime.
7. E-labels enhance product aesthetics to a new level, resulting in customer satisfaction and high sales volume.

Current Progress

Which countries currently allow some form of e-labeling?

Between 2010 and 2021, Argentina, Australia, Brazil, Canada, China, Ghana, Japan, Malaysia, Mexico, New Zealand, Singapore, South Africa, South Korea, Taiwan, Thailand, the United Arab Emirates, the United States, and Vietnam have allowed some form of e-labeling.

Timeline showing:
- 2010: Japan
- 2012: South Africa
- 2013: New Zealand
- 2014: Canada; USA
- 2015: Argentina; Australia; China; Ghana; Malaysia; South Korea
- 2018: Thailand (for the Telecomms industry)
- 2019: Mexico; Singapore; Taiwan
- 2020: Brazil; UAE; Vietnam

While ITI members support government regulations that permit e-labeling, we recognize that regulation alone is insufficient to achieve the best outcome. Indeed, proliferation of e-labeling programs without global coordination will create new, exponentially impactful problems if left unchecked. Government regulators should align to a single international standard on e-labeling to prevent disproportionate burdens on ICT manufacturers and to enhance the ease of doing business across markets.

What is the standard for e-labels?

ISO/IEC 22603 is an international standard series that establishes the requirements for e-labeling. The scope of this position paper covers the content described in the documents *ISO/IEC 22603-1:2020* and *ISO/IEC 22603-2:202X* and refers to the principles described in *ITI Views on Standards and Technical Regulations[1]*.

- ***ISO/IEC 22603-1:2020[2]***
    - The scope of this standard (Part 1) addresses the general requirements which would be applicable to all types of products regardless of industry. Subsequent Parts address specific requirements for unique types of products.
- ***ISO/IEC 22603-2:2020X[3]***
    - The scope of this standard (Part 2) addresses the specific requirements which are applicable to all types of electronic devices with an integral display such as cell phones, computer tablets, all-in-one desktop and laptop computers, monitors, and printers.

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[1] https://www.itic.org/dotAsset/928dcce8-4e10-4db6-b481-15fd0aa6a79e.pdf
[2] Currently in development. Expected to move to FDIS stage and be published in 2021.
[3] Currently in development. Expected to move to FDIS stage and be published in 2021.

Which aspects of ISO/IEC 22603 have been adopted?

ISO/IEC 22603-1, Part 1 of the standard which addresses the general requirements applicable to all types of products regardless of industry and *ISO/IEC 22603-2*, Part 2 of the standard which addresses the specific requirements applicable to all types of electronic devices with an integral display, have both been universally approved and are in the process of being adopted.

Recommendations for Regulators

ITI recommends regulators permit e-labeling. We also recommend regulators reference the international standards *ISO/IEC 22603-1:2020* and *ISO/IEC 22603-2:202X* or reference equivalent regional or national standards, or relevant parts of them as the technical basis in their respective regulations. As noted in ITI's 2020 Global Benchmark Report, *ICT Product Safety Regulations and their Impact on the Ease of Doing Business[4]*, incorporation of international standards can significantly enhance the ease of doing business in markets around the world.

Conclusion

The requirements for physical labels, marks, and markings on products in many economies around the world are increasingly outdated and burdensome. E-labeling presents a modern, flexible solution by providing unlimited "real estate" for regulatory information, a quick and simple means of updating databases, physical waste reductions, fewer regulatory burdens, lower costs, and longer lifetimes than physical labels. However, e-labeling should not fragment the global marketplace by setting unique requirements in each country. We recommend regulators base their e-labeling programs on the international standards, *ISO/IEC 22603-1:2020* and *ISO/IEC 22603-2:202X.*

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[4] https://www.itic.org/policy/ITI2020EaseofDoingBusinessReport.pdf