HR 2322

79TH CONGRESS 2d. Session

HOUSE OF REPRESENTATIVES REPORT No. 2322

PROVIDING FOR REGISTRATION AND PROTECTION OF TRADE--MARKS USED IN COMMERCE AND TO CARRY OUT PROVISIONS OF CERTAIN INTERNATIONAL CONVENTIONS JUNE 24, 1946----Ordered to be printed

Mr. LANHAM from the committee of conference, submitted the following

CONFERENCE REPORT
[To accompany H.R. 1654]The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1654) to provide for the registration and protection of trade--marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
That the Senate recede from its amendments numbered 1, 9, 10, 11, 12, and 34.That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 7, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, and 35, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: becomes the common descriptive name of an article or substance on which the patent has expired, on and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: Act; or

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(d) at any time In the case of a certification mark on the ground that the registrant (1) does not control or is not able legitimately to exercise control over, the use of such mark, or (2) engages in the production or marketing of any goods or services to which the mark is applied, or (3) permits the use of such mark for other purposes than as a certification mark, or (4) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies.
On page 44 of the House bill strike out beginning with line 18 down to and including line 2 on page 45 and insert in lieu thereof the following:
The term "certification mark" means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.

The term "collective mark" means a trade--mark or service mark used by the members of a cooperative, an association or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization.
And the Senate agree to the same.

Amendment numbered 6:
That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment as follows:
In lieu of the matter proposed to be inserted by the Senate amendment insert the following:
Provided. That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (d) of this section any mark registered on the principal register established by this Act, and the prescribed fee shall not be required.
And the Senate agree to the same.

Amendment numbered 8:That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment as follows:
Omit the matter proposed to be inserted by the Senate amendment and on page 18, line 23, of the House bill strike out "hereof." and insert the following: hereof; and
(4) no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance, patented or otherwise.
And the Senate agree to the same.

Amendment numbered 28:
That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

[3]
(7) That the mark has been or is being used to violate the antitrust laws of the United States. And the Senate agree to the same.

FRANK W. BOYXIN.FRITZ G. LANHAM.FRED A. HARTLEY. JR.
Managers on the Part of the House.

CLAUDE E. PEPPER.

JOSEPN C. O'MAHONEY.

A.W. HAWKES. Managers on the Part of the Senate.

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STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE
The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1654) to provide for the registration and protection of trade--marks used in commerce, to carry out the provisions of certain

international conventions, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment changes the House provision by refusing registration to a mark which, when applied to the goods of the applicant, is descriptive. Under the House bill, a mark is refused registration only if it is "merely" descriptive. The Senate recedes.

Amendment No. 2: This amendment makes clear that, under section 5 of the House bill, the use by related companies of a registered mark or a mark sought to be registered must be legitimate. The House recedes.

Amendment No. 3: This amendment provides that marks which become descriptive of a patented article are subject to cancellation at any time. The House recedes with an amendment making subject to cancellation at any time any mark which becomes the common descriptive name of an article or substance on which the patent has expired. While this change in section 14(c) adds as a ground for cancellation the fact that the registered mark has become the common descriptive name of an article or substance on which the patent has expired, this specific provision is not intended to affect the applicability of the subsection to registered marks used on or in connection with nonpatented articles or substances where the mark is the common descriptive name of the goods and has become "abandoned" as that term is used in this section and defined in section 45.

Amendment No. 4: This amendment provides that registration of collective and certification marks obtained contrary to section 4 are subject to cancellation at any time. The House recedes.

Amendment No. 5: This amendment adds a new subsection (d) to section 14 to provide that a certification mark is subject to cancellation if the registrant (1) does not or is not constituted so as legitimately to exercise control over the use of such mark, (2) produces or markets any goods or services to which the mark is applied, (3) permits the use of such mark for other purposes than as a certification mark, or (4) refuses the use of such mark on nondiscriminatory and reasonable terms by all persons producing or marketing goods or services to which the mark is applied who maintain the standards or conditions which such mark certifies. The House recedes with amendments clarifying clauses (1) and (4), and with amendments to the definition of collective and certification marks in section 45 which are rendered necessary by the inclusion in section 14 of subsection (d).

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Amendment No. 6: This amendment permits the head of any Government department or agency to apply for cancellation of collective and certification marks without the payment of the prescribed fee. The House recedes with an amendment permitting the Federal Trade Commission to apply for cancellation, on the grounds specified in section 14 (c) and (d), of any mark registered on the principal register without the payment of the prescribed fee.

Amendment No. 7: This amendment is technical, conforming to the inclusion in the bill by amendment No. 5 of the new section 14 (d). The House recedes.

Amendment No. 8: This amendment adds a new paragraph (1) to section 15 providing that if a mark or trade name becomes descriptive of a patented article, the right of a registrant to use such mark may be contested at any time: The House recedes with an amendment omitting such paragraph (1) and inserting a new paragraph (4) which provides that no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance, patented or otherwise.

Amendments Nos. 9, 10, 11, and 12. These amendments are clerical and technical and are rendered unnecessary in view of the action taken on amendment No. 8. The Senate recedes.

Amendment No. 13: This amendment increases the fee for filing each original application for registration of a mark in each class on either the principal or the supplemental register proposed by the House from $15 to $25. The House recedes.

Amendment No. 14: This amendment increases the fee for filing each application for renewal of registration in each class proposed by the House from $15 to $25. The House recedes.

Amendment No. 15: This amendment increases the fee for filing notice of claim of benefits of the bill for a mark to be published under section 12 (c) proposed by the House from $5 to $10. The House recedes.

Amendment No. 16: This amendment increases the fee for filing notice of opposition or application for cancellation proposed by the House from $10 to $25. The House recedes.
Amendment No. 17: This amendment increases the fee for filing an appeal from an examiner in charge of the registration of marks to the Commissioner of Patents proposed by the House from $20 to $25. The House recedes.

Amendment No. 18: This amendment increases the fee for filing an appeal from an examiner in charge of interferences to the Commissioner of Patents proposed by the House from $20 to $25. The House recedes.

Amendment No. 19: Since the United States is no longer an adherent to the protocol establishing the International Bureau, Habana, this amendment eliminates (1) the fee of $15 proposed by the House for filing in each class each application communicated to the United States from the International Bureau, and (2) the fee of $10 proposed by the House for filing and transmitting application in each class, including certificate, to the International Bureau. The House recedes.

Amendment No. 20: This amendment increases the fee for certifying manuscript copies proposed by the House from 75 cents to $1. The House recedes.

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Amendment No. 21: This amendment increases the fee for each additional registration or application which may be included under a single certificate proposed by the House from 25 to 50 cents. The House recedes.

Amendment No. 22: The House bill proposed a fee of 50 cents for each brief from the digest of assignments of 200 words or less, with an additional fee of 10 cents for each additional 100 words or fraction thereof. This amendment changes this provision by prescribing a fee of $1 for each brief from the digest of assignments of 200 words or less. The House recedes.

Amendment No. 23: This amendment increases the additional fee proposed by the House for a single printed copy of statement and drawing, if certified, for the grant, from 50 cents to $1. The House recedes.

Amendment No. 24: This amendment increases the fee for the certificate proposed by the House from 50 cents to $1. The House recedes.

Amendment No. 25: This amendment increases the fee for copy of certificate of renewal proposed by the House from 50 cents to $1. The House recedes.

Amendment No. 26: The House bill proposed for photographic copies of records, a fee of 20 cents per page; if certified, for the certificate, an additional fee of 50 cents. This amendment changes this provision by providing that the fee for photographic copies of records and drawings shall be the reasonable cost of making them. The House recedes.

Amendment No. 27: In conformity with amendment No. 26, this amendment eliminates the fee of 20 cents per sheet for photographic copies of drawings proposed by the House. The House recedes.

Amendment No. 28: This amendment provides that the use of a registered mark in violation of the antitrust laws shall constitute a defense to a suit by the registrant. The House recedes with an amendment substituting the words "to violate" for the words "in violation of". This amendment provides an additional defense to the conclusive evidence rule of a certificate of registration of a mark which has become incontestable under section 15. It does not and is not intended to enlarge, restrict, amend, or modify the substantive law of trade--marks either as set out in other sections of this act or as heretofore applied by the courts. The amendment does not and is not intended to affect the validity of the mark nor affect the right of the registrant to continue use or enforce his rights in the mark. Under such circumstances, the certificate is only prima facie evidence of his exclusive right to use and he must be prepared to carry the additional burden of proof as though his mark had not become incontestable.

Amendment No. 29: Inasmuch as court fees are prescribed by the act of September 27, 1944, this amendment eliminates the provision in section 34 that for each notice with respect to any action, suit, or proceeding arising under the bill required and furnished to the Com

missioner of Patents by the clerk of the court, a fee of 50 cents shall be taxed by the clerk as costs of suit. The House recedes.

Amendment No. 30: This amendment amends the definition of the term "related company" to exclude any person who does not legitimately control or is not legitimately controlled by the

registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used. The House recedes.

Amendments Nos. 31 and 32: These amendments are clerical; the House recedes.

Amendment No. 33: The House bill provides that nothing contained in the bill shall be construed as "limiting or restricting" any statute in force on the effective date of the bill which does not relate to trademarks. This amendment amplifies the stipulation by adding that nothing contained in the bill shall be construed as "modifying or repealing" any such statute. The House recedes.

Amendment No. 34: This amendment provides that nothing contained in the bill shall be construed as limiting, etc., any statute which does not relate to trade names (as well as any statute which does not relate to trade--marks as provided in the House bill). The Senate recedes.

Amendment No. 35: The House bill provides that nothing contained in the bill shall be construed as restricting or increasing the authority of any Federal regulatory agency except as may be specifically provided in the bill. This amendment includes any Federal department in this provision. The House recedes.

FRANK W. BOYKIN.

FRITZ G. LANHAM.

FRED A. HARTLEY, Jr.,
Managers on the Part of the House.
[Extracted from the Congressional Record for June 25, 1946, beginning at page 7522]

PROTECTION OF TRADE--MARKS----CONFERENCE REPORT

Mr. LANHAM.

Mr. Speaker, I call up the conference report on the bill (H.R. 1654) to provide for the registration and protection of trade--marks used in commerce, to carry out the provisions of certain international conventions and for other purposes, and ask unanimous consent that the statement of the managers on the part of the House be read in lieu of the report.
The Clerk read the title of the bill.
The SPEAKER. Is there objection to the request of the gentleman from Texas [Mr. LANHAM]?
There was no objection.
The Clerk read the statement.
The conference report and statement are as follows:

CONFERENCE REPORT
The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1654) to provide for the registration and protection of trade--marks used in commerce, to carry out the provisions of certain international conventions, and for other

purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:
That the Senate recede from its amendments numbered 1, 9, 10, 11, 12, and 34.
That the House recede from its disagreement to the amendments of the Senate numbered 2, 4, 7, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 29, 30, 31, 32, 33, and 35, and agree to the same.

Amendment numbered 3: That the House recede from its disagreement to the amendment of the Senate numbered 3, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following: "Becomes the common descriptive name of an article or substance on which the patent has expired, or"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with the following amendments: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:
"Act; or (d) at any time in the case of a certification mark on the ground that the registrant (1) does not control, or is not able legitimately to exercise control over, the use of such mark, or (2) engages in the production or marketing of any goods or services to which the mark is applied, or (3) permits the use of such mark for other purposes than as a certification mark, or (4) discriminately refuses to certify or to continue to certify the goods or services of any person who maintains the standards or conditions which such mark certifies."
On page 44 of the House bill strike out beginning with line 18 down to and including line 2 on page 45 and insert in lieu thereof the following:
"The term 'certification mark means a mark used upon or in connection with the products or services of one or more persons other than the owner of the mark to certify regional or other origin, material, mode of manufacture, quality, accuracy or other characteristics of such goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.'
"The term 'collective mark' means a trademark or service mark used by the members of a cooperative, an association, or other collective group or organization and includes marks used to indicate membership in a union, an association or other organization."
And the Senate agree to the same.

Amendment numbered 6: That the House recede from its disagreement to the amendment of the Senate numbered 6, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted

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by the Senate amendment insert the following:
"Provided. That the Federal Trade commission may apply to cancel on the grounds specified in subsections (c) and (d) of this section any mark registered on the principal register established by this Act, and the prescribed fee shall not be required." And the Senate agree to the same.

Amendment numbered 8: That the House recede from its disagreement to the amendment of the Senate numbered 8, and agree to the same with an amendment, as follows: Omit the matter

proposed to be inserted by the Senate amendment and on page 18, line 23, of the House bill strike out "hereof" and insert the following: "hereof; and (4) no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance, patented or otherwise."
And the Senate agree to the same.

Amendment numbered 28: That the House recede from its disagreement to the amendment of the Senate numbered 28, and agree to the same with an amendment, as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:
"(7) That the mark has been or is being used to violate the antitrust laws of the United States."
And the Senate agree to the same.

FRANK W. BOYKIN.

FRITZ G. LANHAM.

FRED A. HARTLEY. Jr.
Managers on the Part of the House.

CLAUDE E. PEPPER.

JOSEPH C. O'MAHONEY.

A.W. HAWKES.
Managers on the Part of the Senate.

STATEMENT
The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 1654) to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of certain international conventions, and for other purposes, submit the following statement in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report:

Amendment No. 1: This amendment changes the House provision by refusing registration to a mark which, when applied to the goods of the applicant, is descriptive. Under the House bill, a mark is refused registration only if it is "merely" descriptive. The Senate recedes.

Amendment No. 2: This amendment makes clear that, under section 5 of the House bill, the use by related companies of a registered mark or a mark sought to be registered must be legitimate. The House recedes.

Amendment No. 3: This amendment provides that marks which become descriptive of a patented article are subject to cancellation at any time. The House recedes with an amendment making subject to cancellation at any time any mark which becomes the common descriptive name of an article or substance on which the patent has expired. While this change in section 14(c) adds as a

ground for cancellation the fact that the registered mark has become the common descriptive name of an article or substance on which the patent has expired, this specific provision is not intended to affect the applicability of the subsection to registered marks used on or in connection with nonpatented articles or substances where the mark is the common descriptive name of the goods and has become "abandoned" as that term is used in this section and defined in section 45.

Amendment No. 4: This amendment provides that registration of collective and certification marks obtained contrary to section 4 are subject to cancellation at any time. The House recedes.

Amendment No. 5: This amendment adds a new subsection (d) to section 14 to provide that a certification mark is subject to cancellation if the registrant (1) does not or is not constituted so as legitimately to exercise control over the use of such mark, (2) produces or markets any goods or services to which the mark is applied, (3) permits the use of such mark for other purposes than as a certification mark, or (4) refuses the use of such mark on nondiscriminatory and reasonable terms by all persons producing or marketing goods or services to which the mark is applied who maintain the standards or conditions which such mark certifies. The House recedes with amendments clarifying clauses (1) and (4), and with amendments to the definition of collective and certification marks in section 45 which are rendered necessary by the inclusion in section 14 of subsection (d)

Amendment No. 6: This amendment permits the head of any Government department or agency to apply for cancellation of collective and certification marks without the payment of the prescribed fee. The House recedes with an amendment permitting the Federal Trade Commission to apply for cancellation, on the grounds specified in section 14 (c) and (d), of any mark registered on the principal register without the payment of the prescribed fee.

Amendment No. 7: This amendment is technical, conforming to the inclusion in the bill by amendment No. 5 of the new section 14 (d). The House recedes.

Amendment No. 8: This amendment adds a new paragraph (1) to section 15 providing that if a mark or trade name becomes descriptive of a patented article, the right of a registrant to use such mark may be contested at any time. The House recedes with an amendment omitting such paragraph (1) and inserting a new paragraph (4) which provides that no incontestable right shall be acquired in a mark or trade name which is the common descriptive name of any article or substance, patented or otherwise.

Amendments Nos. 9, 10, 11, and 12: These amendments are clerical and technical and are rendered unnecessary in view of the action taken on amendment No. 8. The Senate recedes.

Amendment No. 13: This amendment increases the fee for filing each original application for registration of a mark in each class on either the principal or the supplemental register proposed by the House from $15 to $25. The House recedes.

Amendment No. 14: This amendment increases the fee for filing each application for renewal of registration in each class proposed by the House from $15 to $25. The House recedes.

Amendment No. 15: This amendment increases the fee for filing notice of claim of benefits of the bill for a mark to be published under section 12 (c) proposed by the House from $5 to $10. The House recedes.

Amendment No. 16: This amendment increases the fee for filing notice of opposition or application for cancellation proposed by the House from $10 to $25. The House recedes.

Amendment No. 17: This amendment increases the fee for filing an appeal from an examiner in charge of the registration of marks to the Commissioner of Patents proposed by the House from $20 to $25. The House recedes.

Amendment No. 18: This amendment increases the fee for filing an appeal from an examiner in charge of interference to the Commissioner of Patents proposed by the House from $20 to $25. The House recedes.

Amendment No. 19: Since the United States is no longer an adherent to the protocol establishing the International Bureau, Habana, this amendment eliminates (1) the fee of $15 proposed by the House for filing in each class each application communicated to the United States from the International Bureau, and (2) the fee of $10 proposed by the House for filing and transmitting application in each class, including certificate, to the International Bureau. The House recedes.

Amendment No. 20: This amendment increases the fee for certifying manuscript copies proposed by the House from 75 cents to $1. The House recedes.

Amendment No. 21: This amendment increases the fee for each additional registration or application which may be included under a single certificate proposed by the House from 25 cents to 50 cents. The House recedes.

Amendment No. 22: The House bill proposed a fee of 50 cents for each brief from the digest of assignments of two hundred words or less, with an additional fee of ten cents for each additional one hundred words or fraction thereof. This amendment changes this provision by prescribing a fee of $1 for each brief from the digest of assignments of two hundred words or less. The House recedes.

Amendment No. 23: This amendment increases the additional fee proposed by the House for a single printed copy of statement and drawing, if certified, for the grant, from 50 cents to $1. The House recedes.

Amendment No. 24: This amendment increases the fee for the certificate proposed by the House from 50 cents to $1. The House recedes.

Amendment No. 25: This amendment increases the fee for copy of certificate of renewal proposed by the House from 50 cents to $1. The House recedes.

Amendment No. 26: The House bill proposed for photographic copies of records, a fee of 20 cents per page; if certified, for the certificate, an additional fee of 50 cents. This amendment

changes this provision by providing that the fee for photographic copies of records and drawings shall be the reasonable cost of making them. The House recedes.

Amendment No. 27: In conformity with amendment No. 26, this amendment eliminates the fee of 20 cents per sheet for photographic copies of drawings proposed by the House. The House recedes.

Amendment No. 28: This amendment provides that the use of a registered mark in violation of the antitrust laws shall constitute a defense to a suit by the registrant. The House recedes with an amendment substituting the words "to violate" for the words "in violation of." This amendment provides an additional defense to the conclusive evidence rule of a certificate of registration of a mark which has become incontestable under section 15. It does not and is not intended to enlarge, restrict, amend, or modify the substantive law of trade--marks either as set out in other sections of this Act or as heretofore applied by the Courts. The amendment does not and is not intended to affect the validity of the mark nor affect the right of the registrant to continue use or enforce his rights in the mark. If it is established that a registrant has used or is using his registered mark, which has become incontestable, as the legal, causal, and efficient instrumentality to violate the antitrust laws of the United States, such registrant is denied the benefit of the rule that the certificate of registration is conclusive evidence of his exclusive right to use the mark. Under such circumstances, the certificate is only prima facie evidence of his exclusive right to use and he must be prepared to carry the additional burden of proof as though his mark had not become incontestable.

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Amendment No. 29: Inasmuch as court fees are prescribed by the Act of September 27, 1944, this amendment eliminates the provision in section 34 that for each notice with respect to any action, suit, or proceeding arising under the bill required and furnished to the Commissioner of Patents by the clerk of the court, a fee of 50 cents shall be taxed by the clerk as costs of suit. The House recedes.

Amendment No. 30: This amendment amends the definition of the term "related company" to exclude any person who does not legitimately control or is not legitimately controlled by the registrant or applicant for registration in respect to the nature and quality of the goods or services in connection with which the mark is used. The House recedes.

Amendments Nos. 31 and 32: These amendments are clerical; the House recedes.

Amendment No. 33: The House bill provides that nothing contained in the bill shall be construed as "limiting or restricting" any statute in force on the effective date of the bill which does not relate to trade--marks. This amendment amplifies the stipulation by adding that nothing contained in the bill shall be construed as "modifying or repealing" any such statute. The House recedes.

Amendment No. 34: This amendment provides that nothing contained in the bill shall be construed as limiting, etc., any statute which does not relate to trade names (as well as any statute which does not relate to trade--marks as provided in the House bill). The Senate recedes.

Amendment No. 35: The House bill provides that nothing contained in the bill shall be construed as restricting or increasing the authority of any Federal regulatory agency except as may be specifically provided in the bill. This amendment includes any Federal department in this provision. The House recedes.

FRANK W. BOYKIN.

FRITZ G. LANHAM.

FRED A. HARTELY. Jr.,
Managers on the Part of the House.

Mr. LANHAM. Mr. Speaker, this is the trade--mark bill that has passed the House on three or four different occasions. The purpose of it is to protect legitimate business and the consumers of the country. The Senate placed certain amendments upon the bill which were objectionable to the House conferees in some of their features, but they were so modified and amended in the conference that we are presenting a full conference report and all the conferees are in agreement. Mr. Speaker, I yield to my distinguished friend and colleague and fellow conferee the gentleman from New Jersey [Mr. HARTLEY].

Mr. HARTLEY. Mr. Speaker, I concur in everything that the gentleman from Texas has said. We feel that the position of the House was sustained in the conference.

Mr. LANHAM. Mr. Speaker, the legislative history of this act is long and extensive. Many hearings have been held over a period of almost 8 years. Those hearings may, and probably will, be referred to by the courts in construing and interpreting the provisions of the act. However, there is one provision in the act which has no recorded legislative history, and in order that the purpose and intent of the House may be made perfectly clear, I wish this statement to appear in the Record as an explanation of our intent and as a part of the legislative history of the act.
This Trade--Mark Act places in one statute all the Federal law relating to the subject and repeals the prior laws specifically referred to in its provisions. It reenacts much prior legislation and creates new rights, some of which are substantive and other procedural. It implements out international commitments and brings the trade--mark law of the United States down to date, recognizing the changes in business and commercial practices since the act of 1905 became the law.
The Senate amended the act and the conference committee has reconciled its differences. I believe it necessary, however, that specific reference be made to one amendment in order that its interpretation may be made clear.
Paragraph (b) of section 33 of the act has been amended by adding subparagraph (7) in the following words:
(7) That the mark has been or is being used to violate the antitrust laws of the United States.
The prior statutes enacted by Congress on this subject provide that the certificate of registration shall be prima facie evidence of ownership and the right to use the mark. H.R. 1654 changes this rule and provides that "the right of the registrant to use such registered mark in commerce for the goods or services on or in connection with which such registered mark has been in continuous

use for five consecutive years subsequent to the date of such registration and is still in use in commerce shall be incontestable" if the conditions of section 15 of the act are met. Section 33 (a) of this act reenacts the prima facie evidence rule which is applicable from and after the date of registration of a mark under the act of March 3, 1881, the act of February 20, 1905, and under this bill. Section 33 (b) provides that where the registered mark has become incontestable under section 15, the certificate of registration shall be conclusive evidence of the registrant's "exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate."

However, section 33(b) contains seven exceptions to the rule that the certificate of registration shall be conclusive evidence of the rights of the registrant even where the provisions of section 15 have been met. Some doubt has been expressed on the following points:

First. Do these seven exceptions, including the amending paragraph (7) with reference to the violation of the antitrust laws of the United States, lay down substantive rules of law or substantive defenses which go to the validity and enforceability of the mark, or do they relate only to the weight of evidence to be given to the certificate of registration?

Second. What is the meaning of the words "used to violate the antitrust laws," as found in paragraph (7) of paragraph (b) of section 33?

It is clear from the language of the act and from the congressional history of the act as it is found in the hearings and reports that the seven "defenses or defects" listed under paragraph (b) of section 33 are intended to relate to and to affect the weight of the evidence to be given to the certificate of registration where the owner claims the benefit of the incontestable rule and where the opposite party can, by the weight of the evidence, establish any one of the things listed in the seven paragraphs in paragraph (b); but these seven paragraphs are not intended to enlarge, restrict, amend, or modify the substantive law of trade--marks either as set out in other sections of the act or as heretofore applied by the courts under prior laws. A trade--mark registrant who is shown to have used his mark to violate the antitrust laws is denied the benefit of the rule that his certificate of registration is conclusive evidence of his right of ownership and his right to the exclusive use of the mark. Under these circumstances, his certificate of registration is only prima facie evidence of his right and he must be prepared to carry the additional burden of proof as is necessary under the laws and statutes as they existed prior to the passage of this act. One of the valuable new rights created by the act is the incontestable right after 5 years' use of the mark and the corollary thereto that the certificate of registration is conclusive evidence of ownership and the right to the exclusive use of the mark. This new and valuable right is denied to any trade--mark registrant who is shown to have used his mark to violate the antitrust laws, but this provision does not and is not intended to deprive the registrant of any rights he would possess or enjoy if this act were not enacted into law. Stated in other terms, proof of violation of the antitrust laws of the United States by a registrant in the use of his mark does not under this act destroy the validity of or the right of the registrant to continue to use the mark, but it places on him a burden of proof in the event of litigation which others do not have to carry, by diluting the weight the court is to give to his certificate of registration as evidence of ownership and the right to use the mark. This is the intent and effect and the only intent and effect of the seven subparagraphs of paragraph (b) of section 33.

Although the words "used to violate the antitrust laws of the United States" are general in their nature, their meaning is clear. A registrant of a trade--mark might violate the antitrust laws by entering into an agreement to restrict output or to suppress competition and yet the use made by the registrant of his trade--mark to his business might have no legal, causal, or efficient relation

to the violation of these laws. The relation of the trade--mark to these illegal acts might be purely physical or coincidental. If a trade--mark should be used the legal, causal, and efficient instrumentality to effect a contract, agreement, or arrangement which violates the antitrust laws, then the actual use of the mark to carry out such a scheme would constitute a use in violation of the antitrust laws; but if the mark is in no true sense an essential legal element of the unlawful conduct, then the fact that the registrant may have violated the antitrust laws would

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not bring paragraph (7) of paragraph (b) of section 33 into operation.

The SPEAKER. The question is on agreeing to the conference report. The conference report was agreed to. A motion to reconsider was laid on the table. [Extracted from the Congressional Record (Senate) of June 28, 1946, beginning at page 7872]

REGISTRATION OF TRADE MARKS----CONFERENCE REPORT

Mr. PEPPER, Mr. President, I call up the conference report on House bill 1654, to provide for the registration and protection of trade--marks used in commerce, to carry out the provisions of certain international conventions, and for other purposes. (See conference report printed in Record of June 27, 1946, at p. 7635.)
Mr. PEPPER, Mr. President, I move that the Senate proceed to the consideration of the report.
The motion was agreed to.
Mr. PEPPER, Mr. President, this is the trade--mark bill which has passed the House of Representatives three times and the Senate twice. The report of the conferences is unanimous. I hope the report will be agreed to. Two of the other conferees, the Senator from Wyoming [Mr. O'MAHONEY] and the Senator from New Jersey [Mr. HAWXES], wish to make statements with reference to the agreement.
Mr. O'MAHONEY, Mr. President, the trade--mark bill is of such great importance that I have a feeling that a statement should be made to explain briefly and concisely the effect of the Senate amendments which, with slight modifications, have been accepted by the House conferees. I make this statement because in reading the Record of the proceedings in the House with regard to the bill, I felt that there might be some misinterpretation of the language which was employed by one of the Members of the House in attempting to explain the Senate amendment.
The statement of the managers on the part of the House, which was printed at length in the RECORD of the House proceedings in accordance with the rule, makes what I conceive to be a correct description of the effect of the amendment added by the Senate, making the use of a trade--mark to violate the anti--trust laws a defense to a suit by the trade--mark registrant.
It should be remembered, in the first place, that this trade--mark bill is an attempt to perfect the system under which trade--marks are now registered in the United States.
The Constitution of the United States does not give Congress any original power with respect to trade--marks as it does with respect to patents and copyrights. The Constitution, as every Member of the Senate knows, prescribed that Congress should have the power to grant exclusive rights to the use of inventions for limited periods. The trade--mark is a right which is acquired under the common law, and is a permanent right.
The bill which came from the House upon several occasions undertook to provide that trade--marks under certain circumstances and conditions should be incontestable, but, in the view of

Senators, did not contain sufficient safeguards against restraints of trade. The word "incontestable" is perfectly clear and understandable. After the period prescribed in the act a trade--mark should become incontestable.
It appeared, however, from the history of litigation in the United States, that trade--marks from time to time----not at all as a general practice, I want it understood, but only from time to time----have been used in the violation of the anti--trust laws. It was also felt that under the language of the bill trade names could be used to prolong a patent monopoly after the expiration of a patent. One of the Senate amendments, agreed to with slight modification by the House, was intended to eliminate this possibility. I think it is effective for that purpose.
The trade--mark has come into existence under the common law for the purpose of protecting both the consumer and the producer. The trade--mark or trade name is designed to give notice to the public that the commodity to which it is attached is produced by a particular producer. Thereby the consumer knows that this particular producer is the one who has produced the material he seeks to buy.
There have been occasions, however, when trade--marks have been misused. There have been occasions when trade--marks have been used in connection with cartel agreements. There have been occasions when trade--marks have been used to restrain the trade and to the disadvantage of little business.
So it was provided by a Senate amendment that one of the defenses or defects which would make a trade--mark contestable even after this period was a showing that the trade--mark had been

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or was being used to violate the antitrust laws of the United States.
The Senate adopted the amendment. The amendment was changed in conference to make it perfectly clear that what was meant was that the trade--mark itself was being used to violate the antitrust laws.
It should be understood from the language of the law----and I shall read it now so that there can be no possible ground for misinterpretation----that the use of a mail to violate the antitrust laws is a defense to an infringement suit. Section 33
(b) provides:
If the right to use the registered mark has become incontestable under section 15 hereof, the certificate shall be conclusive evidence of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or services specified in the certificate, subject to any conditions or limitations stated therein except when one of the following defenses or defects is established.
I emphasize that last clause:
except when one of the following defenses or defects is established. Then seven defenses or defects are listed. They are as follows:
(1) That the registration or the incontestable right to use the mark was obtained fraudulently; or
(2) That the mark has been abandoned by the registrant; or
(3) That the registered mark has been assigned and is being used, by or with the permission of the assignee, so as to misrepresent the source of the goods or services in connection with which the mark is used; or
(4) That the use of the name, term, or device charged to be an infringement is a use, otherwise than as a trade or service mark, of the party's individual name in his own business, or of the individual name of anyone in privity with such party, or of a term or device which is descriptive

of and used fairly and in good faith only to describe to users the goods or services of such party, or their geographic origin; or
(5) That the mark whose use by a party is charged as an infringement was adopted without knowledge of the registrant's prior use and has been continuously used by such party or those in privity with him from a date prior to the publication of the registered mark under subsection (a) or (c) of section 12 of this act: Provided, however. That this defense or defect shall apply only for the area in which such continuous prior use is proved.
(6) That the mark whose use is charged as an infringement was registered and used prior to the publication under subsection (a) or (c) of section 12 of this act of the registered mark of the registrant, and nor abandoned: Provided, however. That this defense or defect shall apply only where the said mark has been published pursuant to subsection (c) of section 12 and shall apply only for the area in which the mark was used prior to the date of publication of the registrant's mark under subsection (a) or (c) of section 12 of this act.

(7) That the mark has been or is being used to violate the antitrust laws of the United States. Mr. President, the point which I wish to make perfectly clear is that the use of such a mark to violate the antitrust laws, constitutes a defense in an infringement suit. The House managers so stated in their statement to the House. Now I read from the statement of the House managers:
Amendment No. 28: This amendment provides that the use of a registered mark in violation of the antitrust laws shall constitute a defense to a suit by the registrant. The House recedes with an amendment substituting the words "to violate" for the words "in violation of". This amendment provides an additional defense to the conclusive evidence rule of a certificate of registration of a mark which has become incontestable under section 15. It does not and is not intended to enlarge, restrict, amend, or modify the substantive law of trade--marks, either as set out in other sections of this act or as heretofore applied by the courts. The amendment does not and is not intended to affect the validity of the mark nor affect the right of the registrant to continue use or enforce his rights in the mark. If it is established that a registrant has used or is using his registered mark, which has become incontestable, as the legal, causal, and efficient instrumentality to violate the antitrust laws of the United States, such registrant is denied the benefit of the rule that the certificate of registration is conclusive evidence of his exclusive right to use the mark. Under such circumstances, the certificate is only prima facie evidence of his exclusive right to use and he must be prepared to carry the additional burden of proof as though his mark had not become incontestable.
Here I emphasize the first sentence:
This amendment provides that the use of a registered mark in violation of the antitrust laws shall constitute a defense to a suit by the registrant.
I did not want the Record. Mr. President, before the approval of the conference report, to be susceptible of any misunderstanding. It is a matter of great importance to the consumers of the United States that they shall know that trade--marks are being used as it was intended under the common law that they should be used. By reason of the invention of the radio, the great improvement in communications, the invention of the airplane and the great improvement in travel, it is now possible for management in a central point to send goods all over the country, indeed, all over the world. And it is possible to abuse trade--marks. But is of such great importance to the public of the United States that restraints of trade shall not be permitted, that the Senate inserted this amendment to make it a defense to an infringement suit as well as to

make it a ground of contestability if it should be shown that the registrant was using the mark itself to violate the antitrust law.

As the Senator from New Jersey [Mr. HAWKES], one of the conferees, has well said in a notable speech which he made to a graduating class in New York State a week or so ago, those who seek equity must do equity; and when we seek the protection of the laws of the United States we must be prepared to do so with clean hands. The Senator from New Jersey has announced that principle, which is, of course, old in the law of equity, and to which we all subscribe.

The intent of Congress to protect the public from the abuse of trade--marks and trade names was demonstrated by the adoption of an amendment permitting the Federal Trade Commission to apply to cancel a mark. This proviso reads as follows:

Provided. That the Federal Trade Commission may apply to cancel on the grounds specified in subsections (c) and (d) of this section any mark registered on the principal register established by this act, and the prescribed fee shall not be required.

Mr. HAWKES, Mr. President, the Senator from Wyoming suggested that I read the report. I think it is unnecessary to take the time of the Senate to do so, because I had printed in the RECORD a statement which will be found in the RECORD of June 27, on page 7636.

First, I should like to thank the Senator from Wyoming for his cooperation. I think he has made a very clear statement, and I am sure that he does not misunderstand what happened the other day when he was not on the floor of the Senate.

Mr. O'MAHONEY, Oh, certainly not.

Mr. HAWKES. There was no intention of doing anything contrary to the wishes of the Senator. I should like to read into the RECORD the last paragraph of the statement I had printed in the RECORD yesterday. I should like to have it go into the RECORD as my statement at this point:

Although the words "used to violate the antitrust laws of the United States" are general in their nature, their meaning is clear. A registrant of a trade--mark might violate the antitrust laws by entering into an agreement to restrict output or to suppress competition and yet the use made by the registrant of his trade--mark in his business might have no legal, causal, or efficient relation to the violation of these laws. The relation of the trade--mark to these illegal acts might be purely physical or coincidental. If a trade--mark should be used as the legal, causal, and efficient instrumentality to effect a contract, agreement, or arrangement which violates the antitrust laws, then the actual use of the mark to carry out such a scheme would constitute a use in violation of the antitrust laws; but if the mark is in no true sense an essential legal element of the unlawful conduct, then the fact that the registrant may have violated the antitrust laws independently of the mark or its use would not bring paragraph (7) of paragraph (b) of section 33 into operation.

Mr. O'MAHONEY. Mr. President, I might make a comment on what the Senator has said. I read the last sentence of his statement:

But if the mark is in no true sense an essential legal element of the unlawful conduct, then the fact that the registrant may have violated the antitrust laws independently of the mark or its use would bring paragraph

(7) of paragraph (b) of section 33 into operation.

That is just shading it a little too much, as I pointed out to the Senator yesterday. Paragraph (7) was not intended, as I read it, to say, as the Senator has said in his statement, that the use of the trade--mark should be in itself the single, only, legal, causal, and efficient instrumentality which violates the law. In other words, what I want to make clear is that the use in the statement the Senator has read of the phrase

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"an essential legal element of the unlawful conduct" should not be interpreted as so narrowing the effect of a trade--mark violation of the antitrust law that nevertheless the trade--mark owner could use the trade--mark in such violation, but if it were shown that some other act were the proximate cause of the violation, then the trade--mark should become incontestable. That is what we mean when we say, as I have quoted the Senator's words, that the holder of the trade--mark must come into court with clean hands.
Mr. PEPPER. Mr. President, would my fellow conferees agree that the Senator from New Jersey is not saying that he is insisting that the trade--mark must be the sole and efficient cause? The Senator from New Jersey is not saying that the trade--mark must be used in the violation of the antitrust laws as the sole and efficient cause, but it must at least be one of the active, proximate causes in the violation.
Mr. O'MAHONEY. That is correct.
Mr. HAWKES. I am thoroughly in agreement with that. In other words, the trade--mark, to have its incontestability removed, must have been a part of the process of violating the antitrust laws. The Senator from Wyoming agrees with that?
Mr. O'MAHONEY. There is no question about that.
Mr. HAWKES. I think we are all in agreement.
The PRESIDENT pro tempore. The question is on agreeing to the conference report.
The report was agreed to.

81st Congress, 2d Session

IN THE HOUSE OF REPRESENTATIVES
JUNE 12, 1950

Mr. Bryson introduced the following bill: which was referred to the Committee on the Judiciary

A BILL
To amend the statute relating to certificates of trade--mark registrations.
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled.