A BILL

To amend the Act entitled "An Act 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."

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,
That this Act may be cited as the "Trademark Law Revision Act of 1988".

SEC. 2. For purposes of this Act, the Act entitled "An Act 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" shall be referred to as the "Trademark Act of 1946".

SEC. 3. Section 1 of the Trademark Act of 1946 *(15 U.S.C. 1051)* is amended by--

(1) inserting a section heading before section 1 to read as follows: "REQUIREMENTS FOR APPLYING TO REGISTER TRADEMARKS ON THE PRINCIPAL REGISTER";
(2) striking out "may register his" and inserting in lieu thereof "may register his"
(3) redesignating paragraph (1),(2),and (3) of subsection (a) as subparagraph (A), (B), and (C), respectively;
(4) redesignating subsections (a), (b), and (c) as paragraph (1),(2), and (3), respectively;
(5) inserting "(a)" after "SECTION 1.";
(6) striking out "actually" in subparagraph (C), as redesignated herein; and
(7) adding at the end thereof the following:

(b) A person who has a bona fide intention to use a trademark in commerce may apply to register the trademark under this Act on the principal register hereby established:

"(1) By filing in the Patent and Trademark Office--

"(A) a written application, in such form as may be prescribed by the Commissioner, verified by the applicant, or by a member of the firm or an officer of the corporation or association applying, specifying applicant's domicile and citizenship, applicant's bona fide intention to use the mark in commerce, the goods in connection with which the applicant has a bona fide intention to use the mark and the mode or manner in which the mark is intended to be used in connection with such goods, and including a statement to the effect that the person making the verification believes himself, or the firm, corporation, or association in whose behalf he makes the verification, is entitled to use the mark in commerce, and that no other person, firm, corporation, or association, to the best of his knowledge and belief, has the right to use such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to decisive: *Provided,* That in the case of every application seeking concurrent use the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any use by other, the goods in connection with which and the areas in which such use exists, the periods of such use, and the goods and area for which the applicant has a bona fide intention to use the mark in commerce and desires registration. However, with the exception of applications filed pursuant to section 44 of this Act, no mark shall be registered until the applicant has met the requirements of section 13(b)(2) hereof; and

"(B) a drawing of the mark.

"(2) By paying in the Patent and Trademark Office the filing fee.

"(3) By complying with such rules or regulations, not inconsistent with law, as may be

prescribed by the Commissioner.

"(c) At any time during examination of an application filed under subsection (b), an applicant who has made use of the
mark in commerce may claim the benefits thereof for purposes of this Act, by amending his application to bring it into
conformity with the requirements of subsection (a).".

SEC. 4. Section 2 of the Trademark Act of 1946 (U.S.C. 1052) is amended--

(1) by amending subsection (d) to read as follows:

"(d) Consists of or comprises a mark which so resembles a mark registered in the Patent and Trademark Office, or a mark which is the subject of a previously filed pending application, or a mark or trade name previously used in the United States by another and not abandoned, as to be likely, when applied to the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: *Provided,* That when the Commissioner determines that confusion, mistake, or deception is not likely to result from the use by more than one person of the same or similar marks under conditions and limitations as to the mode or place of use of the marks or the goods in connection with which such marks are used, concurrent registrations may be issued to such persons when they have become entitled to use such marks prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this Act; or (2) July 5, 1947, in the case of registrations previously issued under the Act of March 3, 1881, or February 20, 1905, and continuing in full force and effect on that date; or (3) July 5, 1947, in the case of applications filed under the Act of February 20, 1905, and registered after July 5, 1947. Use prior to the filing date of any pending application or a registration shall not be required when the owner of such application or registration consents to the grant of a concurrent registration to the applicant. Concurrent registrations may also be issued by the Commissioner when a court of competent jurisdiction has finally determined that more than one person is entitled to use the same or similar marks in commerce. In issuing concurrent registrations, the Commissioner shall prescribe conditions and limitations as to the mode or place of use of the mark or the goods in connection with which such mark is registered to the respective persons;"; and

(2) in subsection (f) by striking out "five years" through the end of the subsection and inserting in lieu thereof "five years next preceding an offer of proof by the applicant".

SEC. 5. Section 3 of the Trademark Act of 1946 *(15 U.S.C. 1054)* is amended by--

(1) striking out "used in commerce" in the first sentence; and
(2) striking out the second sentence.SEC. 6. Section 4 of the Trademark Act of 1946 *(15 U.S.C. 1054)* is amended by--
(1) striking out "origin used in commerce," and inserting in lieu thereof "origin,";
(2) striking out "except when" in the first sentence and inserting in lieu thereof "except in the case of certification marks when"; and
(3) striking out the second sentence.

SEC. 7. Section 5 of the Trademark Act of 1946 *(15 U.S.C. 1055)* is amended by adding at the end thereof the following: "First use of a mark by a person, which use is controlled by the registrant or applicant for registration of the mark in respect to the nature and quality of the goods or services, shall inure to the benefit of the registrant or applicant." SEC. 8. Section 6(b) of the Trademark Act of 1946 *(15 U.S.C. 1056*(b)) is amended by striking out "(d)" and inserting in lieu thereof "(e)". SEC. 9. Section 7 of the Trademark Act of 1946 *(15 U.S.C. 1057)* is amended by--

(1) amending subsection (b) to read as follows:

"(b) A certificate of registration of a mark upon the principal register provided by this Act shall be prima facie evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce on or in connection with the goods or service specified in the certificate, subject to any conditions or limitation stated therein";

(2) redesignating subsection (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively; and

(3) inserting between subsection (b) and subsection (d), as redesignated herein, the following:

"(c) Contingent on the registration of a mark on the principal register established herein, the filing of the application to register such mark shall constitute constructive use of the mark, conferring a right of priority, nationwide in effect, on or in connection with the goods or services specified in the registration against any other person except for a person whose mark has not been abandoned and, who prior to such filing--

"(1) has used the mark;

"(2) has filed an application to register the mark on the principal register and that application is pending or has resulted in registration of the mark on the principal register; or

"(3) has filed a foreign application to register the mark on the basis of which he has acquired a right of priority by the timely filing under section 44(d) of an application to register the mark on the principal register and that application is pending or has resulted in registration of the mark on the principal register."

SEC. 10. Section 8(a) of the Trademark Act of 1946 *(15 U.S.C. 1058a)* is amended by--

(1) striking out "twenty" and inserting in lieu thereof "ten"; and
(2) striking out "showing that said mark is in use in commerce or showing that its" and inserting in lieu thereof "setting forth those goods or services recited in the registration on or in connection with which the mark is in use in commerce and having attached thereto a specimen or facsimile showing current use of the mark, or showing that any".

SEC. 11. Section 9(a) of the Trademark Act of 1946 *(15 U.S.C. 1059*(a)) is amended by striking out "twenty" and inserting in lieu thereof "ten".

SEC. 12. Section 10 of the Trademark Act of 1946 (15U.S.C. 1060) is amended to read as follows:

"ASSIGNMENT AND GRANT OF SECURITY INTEREST

"SEC. 10. (a) A registered mark or a mark for which application to register has been filed shall be assignable with the goodwill of the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark. However, no application to register a mark under section 1(b) shall be assignable prior to the filing of the verified statement of use under section 13(b)(2), except to a successor to the business of the applicant, or portion thereof, to which the mark pertains.

"(b)(1) A security interest in a registered mark or a mark for which application to register has been filed may be obtained and will be superior to any interest subsequently granted to a third party, provided--

"(A) the party granted the security interest obtains a security interest in the goodwill or the business in which the mark is used, or with that part of the goodwill of the business connected with the use of and symbolized by the mark;

"(B) the mark is not subject to a valid, prior perfected security interest; and "(C) notice of such interest is filed in the Patent and Trademark Office within ten days after being granted. "(2) A party granted a security interest in a registered mark or a mark for which application to register has been filed may, after default by the party granting the security interest, require the debtor to assign the mark to--

"(A) a transferee who is also being assigned that part of the goodwill of the business connected with the use of and symbolized by the mark; or

"(B) the party holding the security interest, even though such party does not presently engage in the business to which the mark relates, provided that the secured party either subsequently engages in the business to which the mark relates or holds the mark only for the purpose of subsequently transferring the mark along with the goodwill associated with the mark and that such subsequent transfer occurs prior to dissipation of the goodwill.

"(3) A security interest in a mark obtained pursuant to this section will extend to the consideration received upon the sale, exchange, collection or other disposition of the mark for ten days after receipt of the consideration by the transferor and will then unless a financing statement or other document is filed as required by appropriate State law.

"(c) In any assignment of or grant of a security interest in a mark it shall not be necessary to include the goodwill of the business connected with the use of and symbolized by any other mark used in the business or by the name or style under which the business is conducted.

"(d) Assignments and grants or security interest shall be by instruments in writing duly executed. Acknowledgment shall be prima facie evidence of the execution of an assignment or a grant of a security interest and when recorded in the Patent and Trademark Office the record shall be prima facie evidence of execution. An assignment of or grant of a security interest in a mark shall be void as against any subsequent purchaser or other entity being granted an interest for a valuable consideration without notice, unless recorded in the Patent and Trademark Office within three months after the date thereof or prior to such subsequent purchase in the case of an assignment, or within ten days after the grant of any security interest.

"(e) A separate record of documents submitted for recording under this section shall be maintained in the Patent and Trademark Office. Such record shall include any release, cancellation, discharge, or satisfaction relating to any conveyance or other instrument affecting title to or any interest in a registered mark or a mark for which application to register has been filed.

"(f) An assignee or holder of a security interest not domiciled in the United States shall be subject to and comply with the provisions of section 1(d) of this Act.".

SEC. 13. Section 12(a) of the Trademark Act of 1946 *(15 U.S.C. 1062a)* is amended by striking out "to registration, the" and inserting in lieu thereof "to registration, or would be entitled to registration upon the acceptance of the statement of use prescribed in section 13(b)(2) of this Act, the".

SEC. 14. Section 13 of the Trademark Act of 1946 *(15 U.S.C. 1063)* is amended by--

(1) inserting "(a)" before "Any person"; and
(2) adding at the end thereof the following:"(b) Unless registration is successfully opposed--

"(1) a mark entitled to registration on the principal register based on an application filed under section 1(a) or pursuant to section 44, shall be registered in the Patent and Trademark Office, and a certificate of registration issued, and notice of the registration shall be published in the Official Gazette of the Patent and Trademark Office; or *****

"(2) a notice of allowance shall be issued to the applicant if he applied for registration under section 1(b). Within six months following the date of the notice of allowance, the applicant must file in the Patent and Trademark Office, together with such number of specimens or facsimiles of the mark as used in commerce as may be required by the Commissioner an d payment of the prescribed fee, a verified statement that the mark is in use in commerce and specifying the date of applicant's first use of the mark and the date of applicant's first use of the mark in commerce, those goods or services specified in the notice of allowance on or in connection with which the mark is used in commerce and the mode or manner in which the mark is used in connection with such goods or services. Subject to examination and acceptance of the statement of use, the mark shall be registered in the Patent and Trademark Office, and a certificate of registration issued, for those goods or services recited in the statement of use for which the mark is entitled to registration and notice of registration shall be published in the Official Gazette of the Patent and Trademark Office. The

notice shall specify the goods or services for which the mark is registered.

"(A) The time for filing the statement of use shall be extended for an additional six--month period upon written request of the applicant prior to expiration of the six--month period. Such request shall be accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the notice of allowance on or in connection with which the applicant h as a continued bona fide intention to use the mark in commerce. UP to six further extensions of six months each shall be obtained when requested prior to the expiration of the extended period and accompanied by a verified statement that the applicant has a continued bona fide intention to use the mark in commerce and specifying those goods or services identified in the most recent extension for which the applicant has a continued bona fide intention to use the mark in commerce. Each request for an extension shall be accompanied by payment of the prescribed fee.

"(B) The Commissioner shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if a refusal, the reasons therefor. An applicant may amend his statement of use and may seek review by the Commissioner of a final refusal.

"(C) The failure to timely file a verified statement of use shall result in abandonment of the application.".

SEC.15. Section 14(c) of the Trademark Act of 1946 *(15 U.S.C. 1064*(C)) is amended to read as follows:

"(c) at any time if the registered mark becomes the generic name for the goods or services, or a portion thereof, for which it is registered, or has been abandoned, or its registration was obtained fraudulently or contrary to the provisions of section 4 or of subsection (a), (b), or (c) of section 2 for a registration here--under, or contrary to similar prohibitory provisions of such prior Acts for a registration thereunder, or if the registered mark is being used by, or with the permission of, the registrant so as to misrepresent the source of the goods or services in connection with which the mark is used. If the registered mark becomes the generic name for less than all of the goods or services for which it is registered, a petition to cancel the registration for only those goods or services may be filed. A registered mark shall not be deemed to be the generic name of goods or services solely because such mark is also used as a name of or to identify a unique product or service. The primary significance of the registered mark to the relevant public rather than purchaser motivation shall be the test for determining whether the registered mark has become the generic name of goods or services in connection with which it has been used; or"

SEC.16. Section 15(4) of the Trademark Act of 1946 *(15 U.S.C. 1065*(4)) is amended by striking out "the common descriptive name" and inserting in lieu thereof "the generic name."

SEC. 17. Section 18 of the Trademark Act of 1946 *(15 U.S.C. 1068)* is amended by--

(1) striking our "or restrict" and inserting in lieu thereof "the registration, in whole or in part, may modify the application or registration by limiting the goods or services specified therein, may otherwise restrict or rectify with respect to the register";

(2) striking out "or" before "may refuse"; and

(3) adding at the end thereof the following:"However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered."SEC.18 .Section 21 of the Trademark Act of 1946 *(15 U.S.C. 1071)* is amended--

(1) in subsection (a), by striking out "section 21(b)" each place it appears and inserting in lieu thereof "subsection (b)";

(2) in subsection (a), by striking out "Section 21(a)(2)" and inserting in lieu thereof "paragraph (2) of this subsection";

(3) in subsection (a)(4), by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b)who alleges likelihood of confusion prior to the mark

being registered.";

(4) in subsection (b), by striking out "section 21(a)" each place it appears and inserting in lieu thereof "subsection (a)";

(5) in subsection (b)(1), by adding at the end thereof the following:"However, no final judgment shall be entered in favor of an applicant under section1(b) who alleges likelihood of confusion prior to the mark being registered."; and

(6) in subsection (b)(3), by amending the first sentence of such paragraph to read as follows:

"(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Commissioner, and, unless otherwise directed by the court, all the expenses of the proceeding shall be paid by the party bringing the case, whether the final decision is in favor of such party or not.".

SEC. 19. Section 23 of the Trademark Act of 1946 *(15 U.S.C. 1091)* is amended by--

(1) inserting "(A)" before "In addition"in the first paragraph;

(2) inserting "(b)" before "Upon the" in the second paragraph;

(3) inserting "(c)" before "For the purposes" in the third paragraph;

(4) striking out "paragraphs (a)", in subsection (a), as designated herein, and inserting in lieu thereof "subsections (a),";

(5) striking out "have been in lawful use in commerce by the proprietor thereof, upon" in subsection (a), as designated herein, and inserting in lieu thereof "are in use in commerce by the owner thereof, on";

(6) striking out "for the year preceding the filing of the application" in subsection (a), as designated herein;

(7) inserting before"section 1" in subsection (a), as designated herein, the following:"subsections(a) and (d) of";

(8) adding at the end of subsection (c), as designated herein, the following: "The filing of an application to register a mark on the supplemental register, or registration of a mark thereon, shall not constitute an admission that the mark is not eligible for registration on the principal register established herein."; and

(9) striking out the last paragraph.SEC 20. Section 24 of the Trademark Act of 1946 *(15 U.S.C. 1092)* is amended by--

(1) striking out "was not entitled to register the mark at the time of his application for registration thereof," and inserting in lieu thereof "is not entitled to registration,"; and (2) by adding at the end thereof the following:"However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered.".

SEC. 21. Section 26 of the Trademark Act of 1946 *(15 U.S.C. 1094)* is amended by--

(1) inserting "1(b)," after "sections"; and

(2) inserting "7(c)," after "7(b)".

SEC.22. Section 30 of the Trademark Act of 1946 *(15 U.S.C. 112)* is amended by striking out "goods and services upon or in connection with which he is actually using the mark" and inserting in lieu thereof "goods or services on or in connection with which he is using or he has a bona fide intention to use the mark in commerce".

SEC.23. Section 33(a) of the Trademark Act of 1946 *(15 U.S.C. 1115*(a)) is amended by--

(1) inserting "the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the" after "prima facie evidence of";

(2) inserting "or in connection with" after "in commerce on"; and

(3) inserting ",including those set forth in subsection (b)," after "or defect".SEC. 24. Section 33(b) of the Trademark Act of 1946 *(15 U.S.C. 115*(b)) is amended by--

(1) amending the matter in subsection (b) before paragraph (1) to read as follows:

"(b) To the extent that the right to use the registered mark has become incontestable under section 15, the registration shall be conclusive evidence of the validity of the registered mark and of the registration thereof, of the registrant's ownership of the mark, and of the registrant's exclusive right to use the registered mark in commerce. Such conclusive evidence shall relate to the exclusive right to use the mark on or in connection with the goods or services specified in the affidavit filed under the provisions of section 15 or, if fewer in number, the renewal application filed under the provisions of section 9 hereof, subject to any conditions or limitations in the registration or in such affidavit or renewal application. Such conclusive evidence of the right to use the registered mark shall b e subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:"; and

(2) adding at the end of the subsection, the following:

"In addition, equitable principles, including laches, estoppel, and acquiescence, where applicable, may be considered and applied.".

SEC.25. Section 34 of the Trademark Act of 1946 *(15 U.S.C. 116)* is amended--

(1) in subsection (a) by--
(A) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act"; and

(B) adding at the end thereof the following:

"However, no final judgment shall be entered in favor of an applicant under section 1(b) who alleges likelihood of confusion prior to the mark being registered."; and

(2) in subsection (c) by striking out "proceeding arising" and inserting in lieu thereof "proceeding involving a mark registered".

SEC. 26. Section 35(a) of the Trademark Act of 1946 *(15 U.S.C. 117*(a)) is amended by striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act".

SEC. 27. Section 36 of the Trademark Act of 1946 *(15 U.S.C. 118)* is amended by--

(1) striking out "of the registrant of a mark registered in the Patent and Trademark Office" and inserting in lieu thereof "protected under this Act"; and
(2) striking out "registered mark" and inserting in lieu thereof "mark". SEC.28. Section 43(a) of the Trademark Act of 1946 *(15 U.S.C. 1125*(a)) is amended to read as follows: "(a)(1) Any person who uses in commerce on or in connection with any word, term, name, symbol, or device or any

container for goods, any word, term, name, symbol, or device or any combination thereof, or who shall engage in any act, trade practice, or course of conduct, which--

"(A) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another, or to the origin, sponsorship, or approval of his goods, services, or
commercial activities by another; or

(B) by use of a false designation of origin or of a false or misleading description or representation, or by omission of material information, misrepresents the nature, characteristics, or qualities of his or another person's goods, services, commercial activities or their geographic origin; or

"(C) is likely to disparage or tarnish a mark used by another ;

shall be liable in a civil action by an y person who believes that he is or is likely to be damaged in his business or profession by such action.

"(2) The relief provided in this subsection shall be in addition to and shall not affect those remedies otherwise available under this Act, under common law, or pursuant to any statute of the United States: *provided,* That nothing in this subsection shall be construed so as to preempt the jurisdiction of any State to grant relief in cases of unfair competition.".

SEC.29. Section 43 of the Trademark Act of 1946 *(15 U.S.C. 112)* is amended by adding at the end thereof the following new subsection:

"(c)(1) The owner of a famous mark registered under the Act of March 3, 1881, or the Act of February 20, 1905, or on the principal register established herein shall be entitled, subject to the principles of equity, to an injunction against another person's use in commerce of a mark, commencing after the registrant's mark becomes famous, which causes dilution of the distinctive quality of the registrant's mark, and to obtain such other relief as is provided in this subsection. In determining whether a mark is distinctive and famous, a court may consider factors such as, but not limited to--

"(A) the degree of inherent or acquired distinctiveness of the mark;"(B) the duration and extent of use of the mark on or in connection with the goods or services;"(C) the duration and extent of advertising and publicity of the mark;"(D) the geographical extent of the trading area in which the mark is used;"(E) the channels of trade for the goods or services with which the mark is used;

(F) the degree of recognition of the mark in its and in the other person's trading areas and channels of trade; and

"(G) the nature and extent of use of the same or similar marks by third parties.

"(2) The registrant shall be en titled only to injunctive relief in an action brought under this subsection, unless the subsequent user willfully intended to trade on the registrant's reputation or to cause dilution of the registrant's mark. If such willful intent is proven, the registrant shall also be entitled to the remedies set forth in sections 35(a) and 36 hereof, subject to the discretion of the court and the principles of equity.

"(3) Ownership of a valid registration under the act of 1881 or the Act of 1905 or on the principal register established herein shall be a complete bar to an action brought by another person, under the common law or statute of a State, seeking to prevent dilution of the distinctiveness of a mark, label, or form of advertisement.".

SEC. 30. Section 44 of the Trademark Act of 1946 (15 U.S.C.1126) is amended--

(1) by striking out "paragraph (b)" each place it appears and inserting in lieu thereof "subsection (b)";
(2) in subsection (d)(2) by striking out "but use in commerce need not be alleged" and inserting in lieu thereof 'including a statement that the applicant has a bona fide intention to use the mark in commerce";
(3) in subsection (d)(3), by striking out "foreing" and inserting in lieu thereof "foreign";
(4) in subsection (e) by adding at the end thereof the following: "The application must state the applicant's bona fide intention to use the mark in com--merce, but use in commerce shall not be required prior to registration.";and
(5) in subsection (f), by striking out "paragraphs (c),(d)," and inserting in lieu thereof "subsections (c), (d),".

SEC. 31. Section 45 of the Trademark Act of 1946 *(15 U.S.C. 1127)* is amended by--

(1) amending the paragraph defining "related company" to read as follows:

"The term 'related company' means any person whose use of a mark is controlled by the owner of themark in respect to the nature and quality of the goods or services on or in connection with which the

mark isused.";

(2) amending the paragraph defining "trade name" and "commercial name' to read as follows:

"The terms 'trade name' and 'commercial name' mean any name used by a person to identify his businessor vocation.";

(3) amending the paragraph defining "trademark' to read as follows:

"The term 'trademark' means any word, name, symbol, or device or any combination thereof used by aperson, or which a person has a bona fide intention to use in commerce an d applies for registration on theprincipal register established by this Act, to identify and distinguish his goods,m including a unique product,from those of others and to indicate the source of the goods, even if that source is unknown.";

(4) amending the paragraph defining "service mark" to read as follows:

"The term 'service mark' means any word, name, symbol, or device or any combination thereof used bya person, or which a person has a bona fide intention to use in commerce and applies for registration on theprincipal register established by this Act, to identify and distinguish the services of one person, including aunique service, from those of others and to indicate the source of the services, even if that source is unknown.Titles, character names, and other distinctive features of radio or television programs may be registered asservice marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.";

(5) amending the paragraph defining "certification mark" to read as follows:

"The term 'certification mark' means any word, name, symbol, or device or any combination thereof usedby a person other than its owner, or for which there is a bona fide intention for such use in commerce throughthe filing of an application for registration on the principal register established by this Act, to certify regionalother origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goodsor services or that the work or labor on the goods or services was performed by members of a union or otherorganization.";

(6) amending the paragraph defining "collective mark" to read as follows:

"The term 'collective mark' means a trademark or service mark used by the members of a cooperative, anassociation, or other collective group or organization, or which such membership have a bona fide intentionto use in commerce and apply for registration on the principal register established by this Act, and includesmarks indicating membership in a union, an association, or other organization.";

(7) amending the paragraph defining "mark" to read as follow:"The term 'mark' includes any

trademark, service mark, collective mark, or certification mark.";

(8) amending the matter which appears between the paragraph defining "mark", and the paragraphdefining "colorable imitation" to read as follows:

"The term 'use in commerce' means use of a mark in the ordinary course of trade, commensurate with thecircumstances, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall bedeemed to be in use in commerce (1) on goods when it is placed in any manner on the gods or their containersor the displays associated therewith or on the tags or labels affixed thereto, or if the nature of the goods makes

such placement impracticable then on documents associated with the goods or their sale, and the goods are sold or transported in commerce, and (2) on services when it is used or displayed in the sale or advertising of services and the services are rendered in commerce, or the services are rendered in more than one State or in this and a foreign country and the person rendering the services is en gaged in commerce in connection therewith.

"A mark shall be deemed to be 'abandoned'--

"(1) When its use has been discontinued with intent not to resume. In tent not to resume may be inferred from circumstances. Nonuse for two consecutive years shall be prima facie

evidence of abandonment. 'Use' means use made in the ordinary course of trade, commensurate with the circumstances, and not made merely to reserve a right in a mark; or

"(2) when any course of conduct of the owner, including acts of omission as well as commission, causes the mark to become the generic name for the goods for the goods or services or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this subparagraph.

"The term 'dilution' means the lessening of the distinctive quality of a famous mark through use of the mark by another person, regardless of the presence or absence of (1) competition between the users of the mark, or (2) likelihood of confusion, mistake, or deception arising from that use.".

[The following material is excerpted from the Congressional Record (Daily Ed.) of March 15, 1988, beginning at page E665]

[Remarks on Introduction of H.R. 4156 by Rep. Moorhead]

Mr. MOORHEAD. Mr. Speaker, I would like to bring to the attention of my colleagues a bill I am introducing today to modernize our country's 41--year--old trademark law, the Lanham Act. This legislation is comprehensive and it is significant. Importantly, however, it does not depart from the principles and policies that have governed the use and protection of trademarks in the United States for over 100 years.

Today, a large U.S. corporation may spend hundreds of thousands, if not millions, of dollars to develop a new product and bring it to the marketplace. While the stake is not so large in dollar terms for a small business or individual entrepreneur, it is just as significant in relative terms because a small concern may have invested everything it has in developing, packaging and selling its one product. Unfortunately, current U.S. law makes this process unduly risky by introducing unnecessary uncertainty into what is already a very uncertain undertaking. Moreover, U.S. trademark law favors being used by someone else. When this happens, it can cost them a sizable investment of time, resources and money by forcing them to begin again the process of selecting and clearing a trade or service mark, designing and developing packaging, and preparing and planning advertising and promotional materials. Even worse, it can lead them into a lawsuit.

While the centerpiece of this legislation provides for a dual system permitting applications to register marks on the basis of intent--to--use as well as on actual use, the bill contains several other provisions which directly complement this proposal and further enhance U.S. trademark law. These changes will benefit all aspects of the economy. They will enhance the ability of U.S. law to protect consumers from confusing the products they select. They will improve the competitiveness of industry by permitting it to operate more efficiently and with greater certainty. They will facilitate the entry of new companies, products and services into the marketplace by decreasing the number of unused marks that certainly clog the register. And they will give the courts greater guidance in resolving trademark disputes and determining trademark rights.

In this regard, the bill will:

Halve the term of a Federal trademark registration from 20 to 10 years and increase the requirements for maintaining a registration once it is obtained so that only those marks which are in use appear on the Federal trademark register; foreign companies seeking to obtain and register trademark rights in the United States. The legislation I introduce today considerably reduces the risk of trade or service mark (both brand names and logos) selection and registration, addresses the inequity that gives foreign trademark owners an advantage and generally strengthens and improves our trademark system.

The legislation puts American and foreign businesses on essentially the same footing when they apply to register

trademarks in the United States. It does this by allowing domestic applicants to file applications to register

marks without first using these marks in commerce; they can base their applications on an intention to use the mark, rather than on actual use, as the law currently requires. While the bill eases the application requirements for U.S. business, it increases them for foreign applicants. Presently, foreign companies can file and obtain a U.S. trademark registration without first using the mark at all, anyplace. They do not even have to state that they have an intention to use the mark in the United States. If enacted, this legislation would require that they state such an intent.

Permitting U.S. business to apply to register marks based on a bona fide intent--to--use the mark in commerce also decreases the uncertainty they face when introducing new products or services by giving them greater assurance that the mark they select will not conflict with one that is already being used by someone else. When this happens, it can cost them a sizable investment of time, resources and money by forcing them to begin again the process of selecting and clearing a trade or service mark, designing and developing packaging, and preparing and planning advertising and promotional materials. Even worse, it can lead them into a lawsuit.

While the centerpiece of this legislation provides for a dual system permitting applications to register marks on the basis of intent--to--use as well as on actual use, the bill contains several other provisions which directly complement this proposal and further enhance U.S. trademark law. These changes will benefit all aspects of the economy. They will enhance the ability of U.S. law to protect consumers from confusing the products they select. They will improve the competitiveness of industry by permitting it to operate more efficiently and with greater certainty. They will facilitate the entry of new companies, products and services into the marketplace by decreasing the number of unused marks that certainly clog the register. And they will give the courts greater guidance in resolving trademark disputes and determining trademark rights.

In this regard, the bill will:

Halve the term of a Federal trademark registration from 20 to 10 years and increase the requirements for maintaining a registration once it is obtained so that only those marks which are in use appear on the Federal trademark register;

Eliminate the contrived, commercially transparent practice of "token use" as a means of obtaining U.S. trademark rights;

Prevent trading on the goodwill that has been built in particularly famous and distinctive marks by protecting those marks from use that would dilute their distinctiveness and possibly confuse consumers as to the sponsorship of the goods or services with which the mark is used;

Promote fair competition by preventing companies from making misrepresentations about their competitor's products or services;

Protect trademarks from use by others that tarnishes or disparages the mark's reputation; and

Clarify certain provisions of the act which have been interpreted differently by the courts thereby increasing the consistency with which trademark and unfair competition law will continue to evolve.

It has been many years since Congress addressed trademark law in a comprehensive way. This legislation, which is the product of over 2 years of study, analysis, debate and consensus--building among trademark owners and practitioners of all sizes, from all parts of the country and from all types of businesses and industries offers us just that opportunity.

The provisions of companion legislation, introduced in the Senate last November by Senator DECONCINI, have already been endorsed by the United States Trademark Association, under whose auspices the proposals contained in the legislation were developed, the Patent, Trademark and Copyright Section of the American Bar Association, the American Intellectual Property Law Association, Intellectual Property Owners, Inc., the Cosmetic, Toiletry and Fragrance Association, the International Franchise Association, the Pharmaceutical Manufacturers Association, the U.S. Chamber of Commerce, several State and local bar associations and many large and small businesses. This cross--section of endorsements, which is steadily expanding, reflects the broad range of support this legislation enjoys. I urge my colleagues to

support it as well.

[The following material is excerpted from the Congressional Record (Daily Ed.) of May 13, 1988, beginning at page S5864]

[First Senate Debate on the Trademark Law Revision Act of 1988]

Mr. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. 1883. The PRESIDING OFFICER. The clerk will report. The assistant legislative clerk read as follows:

A bill, S. 1883, to amend the Act entitled "An Act 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."

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on the Judiciary, with an amendment to strike all after the enacting clause and insert in lieu thereof, the following: