Union Calendar No. 607

100TH CONGRESS 2D SESSION

H.R. 5372

[Report No. 100--1028]

To amend the Trademark Act of 1946 to make certain revisions relating to the registration of trademarks, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 23, 1988

Mr. KASTENMEIER introduced the following bill; which was referred to the Committee on the Judiciary

OCTOBER 3, 1988

Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

A BILL

To amend the Trademark Act of 1946 to make certain revisions relating to the registration of trademarks, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Trademark Law Revision Act of 1988".

SEC. 2. REFERENCE TO THE TRADEMARK ACT OF 1946.

Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of 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", approved July 5, 1946 (15 U.S.C. 1051 and following) (commonly referred to as the "Trademark Act of 1946").

SEC. 3. APPLICATION TO REGISTER TRADEMARKS.

Section 1 (15 U.S.C. 1051) is amended--

(1) in the matter before subsection (a), by striking out "may register his" and inserting in lieu thereof "may apply to register his or her";

(2) by redesignating paragraphs (1), (2), and (3) of subsection (a) as subparagraphs (A), (B), and (C), respectively;
(3) by redesignating subsections (a), (b), and (c) as paragraphs (1), (2), and (3), respectively;
(4) by inserting "(a)" after "Section1.";
(5) in subsection (a)(1)(A), as redesignated by this section--
(A) by striking out "applied to" and inserting in lieu thereof "used on or in connection with"; and
(B) by striking out "goods in connection" and inserting in lieu thereof "goods on or in connection";
(6) in subsection (a)(1)(C), as redesignated by this section, by striking out "actually";
(7) in subsection (a)(2), as redesignated by this section, by striking out "filing" and inserting in lieu thereof "prescribed";
(8) by redesignating subsection (d) as subsection (e); and
(9) by inserting before subsection (e), as redesignated by paragraph (8) of this section, 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 on or 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 on or in connection with such goods, including a statement to the effect that the person making the verification believes himself or herself, or the firm, corporation, or association in whose behalf he or she makes the verification, to be entitled to use the mark in commerce, and that no other person, firm, corporation, or association, to the best of his or her 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 used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive; however, with the exception of applications filed pursuant to section 44, no mark shall be registered until the applicant has met the requirements of subsection (d) of this section; and
"(B) a drawing of the mark.
"(2) By paying in the Patent and Trademark Office the prescribed 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 of such use for purposes of this Act, by amending his or her application to bring it into conformity with the requirements of subsection (a).
"(d)(1) Within six months following the date of the notice of allowance provided in section 13(b)(2), 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 and 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 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 on or 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 shall be 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. Such examination may include an examination of the factors set forth in subsections (a) through (f) of section 2. The notice of registration shall specify the goods or services for which the mark is registered.

"(2) In exceptional circumstances the Commissioner may, upon written request of the applicant before the expiration of the 6--month period required by paragraph (1), extend the time, for periods aggregating not more than 18 months, for filing a verified statement of use required by such paragraph. 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 has a continued bona fide intention to use the mark in commerce. Any request for an extension under this paragraph shall be accompanied by payment of the prescribed fee.

"(3) The Commissioner shall notify any applicant who files a statement of use of the acceptance or refusal thereof and, if the statement of use is refused, the reasons therefor. An applicant may amend the statement of use.

"(4) The failure to timely file a verified statement of use under this subsection shall be considered to be an abandonment of the application.".

SEC. 4. TRADEMARKS REGISTRABLE ON PRINCIPAL REGIS-TER.

Section 2 (15 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 or trade name previously used in the United States by another and not abandoned, as to be likely, when applied on or in connection with the goods of the applicant, to cause confusion, or to cause mistake, or to deceive: Provided, That if the Commissioner determines that confusion, mistake, or deception is not likely to result from the continued 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 on or 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 as a result of their concurrent lawful use in commerce prior to (1) the earliest of the filing dates of the applications pending or of any registration issued under this Act; (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 on or in connection with which such mark is registered to the respective persons;";
(2) in subsection (e) by striking out "applied to" each place it appears and inserting in lieu thereof "used on or in connection with"; and
(3) in subsection (f) by--
(A) striking out "applied to" and inserting in lieu thereof "used on or in connection with"; and
(B) striking out "five years" and all that follows through the end of the subsection and inserting in lieu thereof "five years before the date on which the claim of distinctiveness is made.".

SEC. 5. SERVICE MARKS REGISTRABLE.
Section 3 (15 U.S.C. 1053) is amended by striking out "used in commerce" in the first sentence.

SEC. 6. COLLECTIVE AND CERTIFICATION MARKS REGIS-TRABLE.
Section 4 (15 U.S.C. 1054) is amended by striking out "origin used in commerce," and inserting in lieu thereof "origin,".

SEC. 7. USE BY RELATED COMPANIES.
Section 5 (15 U.S.C. 1055) is amended by adding at the end thereof the following: "If first use of a mark by a person is controlled by the registrant or applicant for registration of the mark in respect to the nature and quality of the goods or services, such first use shall inure to the benefit of the registrant or applicant, as the case may be.".

SEC. 8. DISCLAIMER OF UNREGISTRABLE MATTER.
Section 6(b) (15 U.S.C. 1056(b)) is amended by striking out "paragraph (d)" and inserting in lieu thereof "subsection (e)".

SEC. 9. CERTIFICATE OF REGISTRATION ON THE PRINCIPAL REGISTER.
Section 7 (15 U.S.C. 1057) is amended--
(1) by redesignating subsections (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively;
(2) by inserting after subsection (b) the following:
"(c) Contingent on the registration of a mark on the principal register provided by this Act, 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 which 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 or she has acquired a right of priority, and has timely filed an application under section 44(d) to register the mark on the principal register which is pending or has resulted in registration of the mark on the principal register.";
(3) in subsection (d), as redesignated by paragraph (1) of this section--
(A) in the collaborative first sentence by striking out ", but the" and inserting in lieu thereof ". No certificate of registration may be issued to a related company of the applicant if the application was filed under section 1(b), if the use in commerce relied upon in the affidavit of use was use by the related company and if, at the time such use was made, there was an agreement between the applicant and the related company that the mark should be assigned to the related company. The"; and
(B) by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee";
(4) in subsection (f), as redesignated by paragraph (1) of this section, by striking out "fee required by law" and inserting in lieu thereof "prescribed fee"; and
(5) in subsection (h), as redesignated by paragraph (1) of this section, by striking out "required fee" and inserting in lieu thereof "prescribed fee".

SEC. 10. DURATION OF REGISTRATION.
Section 8(a) (15 U.S.C. 1058(a)) is amended by striking out "twenty" and inserting in lieu thereof "ten".

SEC. 11. RENEWAL OF REGISTRATION.
Section 9(a) (15 U.S.C. 1059(a)) is amended by striking out "twenty" and inserting in lieu thereof "ten".

SEC. 12. ASSIGNMENT AND GRANT OF SECURITY INTEREST.
Section 10 (15 U.S.C. 1060) is amended--
(1) in the first sentence by striking out "and in any such assignment" and inserting in lieu thereof the following: ". 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 1(d), except to a successor to the business of the applicant, or portion thereof, to which the mark pertains, if that business is ongoing and existing. In any assignment authorized by this section"; and
(2) in the last paragraph by striking out "1(d)" and inserting in lieu thereof "1(e)".

SEC. 13. EXAMINATION OF APPLICATION.
Section 12(a) (15 U.S.C. 1062(a)) is amended by--
(1) striking out "fee herein provided" and inserting in lieu thereof "prescribed fee"; and
(2) 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 required by section 1(d) of this Act, the".

SEC. 14. OPPOSITION TO MARKS.
Section 13 (15 U.S.C. 1063) is amended by--
(1) inserting "(a)" before "Any person";
(2) striking out "required fee" and inserting in lieu thereof "prescribed fee"; and

(3) 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 the applicant applied for registration under section 1(b).

SEC. 15. CANCELLATION OF REGISTRATIONS.
Section 14(c) (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 hereunder, 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 on or 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 on or in connection with which it has been used; or"

SEC. 16. INCONTESTABILITY OF RIGHT TO USE MARK.
Section 15(4) (15 U.S.C. 1065(4)) is amended by striking out "the common descriptive name of any article or substance, patented or otherwise" and inserting in lieu thereof "the generic name for the goods or services or a portion thereof, for which it is registered".

SEC. 17. INTERFERENCE.
Section 16 (15 U.S.C. 1066) is amended by striking out "applied to the goods or when used in connection with the services" and inserting in lieu thereof "used on or in connection with the goods or services".

SEC. 18. ACTION OF COMMISSIONER IN PROCEEDINGS.
Section 18 (15 U.S.C. 1068) is amended by striking out "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".

SEC. 19. APPEALS.
Section 21 (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) hereof" and inserting in lieu thereof "paragraph (2) of this subsection"; and
(3) in subsection (b)(1), by striking out "section 21(a)" each place it appears and inserting in lieu thereof "subsection (a)".

SEC. 20. CANCELLATION ON SUPPLEMENTAL REGISTER.
Section 24 (15 U.S.C. 1092) is amended by striking out "verified" in the second sentence;

SEC. 21. PROVISIONS OF ACT APPLICABLE TO SUPPLEMENTAL REGISTER.
Section 26 (15 U.S.C. 1094) is amended by--
(1) inserting "1(b)," after "sections"; and
(2) inserting "7(c)," after "7(b)".

SEC. 22. NOTICE OF REGISTRATION.
Section 29 (15 U.S.C. 1111) is amended by striking out "as used".

SEC. 23. CLASSIFICATION OF GOODS AND SERVICES.
Section 30 (15 U.S.C. 1112) is amended by--
(1) inserting "or registrant's" after "applicant's";
(2) striking out "may file an application" and inserting in lieu thereof "may apply";
(3) 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 or she is using or has a bona fide intention to use the mark in commerce:"; and
(4) amending the proviso to read as follows: "Provided, That if the Commissioner by regulation permits the filing of an application for the registration of a mark for goods or services which fall within a plurality of classes, a fee equaling the sum of the fees for filing an application in each class shall be paid, and the Commissioner may issue a single certificate of registration for such mark.".

SEC. 24. INFRINGEMENT.
Section 32(2) (15 U.S.C. 1114(2)) is amended by striking out "injunction" and inserting in lieu thereof "injunctive".

SEC. 25. REMEDIES.
(a) Prima Facie Evidence of Exclusive Right To Use Mark----Section 33(a) (15 U.S.C. 1115(a)) is amended by inserting "or in connection with" after "prima facie evidence of".
(b) Conclusive Evidence of Exclusive Right To Use Mark.----Section 33(b) (15 U.S.C. 1115(b)) is amended in paragraph
(5) by striking out "registration of the mark under this Act or" and inserting in lieu thereof "(A) the date of constructive use of the mark established pursuant to section 7(c), (B) the registration of the mark under this Act if the application for registration is filed prior to the effective date of the Trademark Law Revision Act of 1988, or (C)".
(c) Injunctions.----Section 34(d) (15 U.S.C. 1116(d)) is amended--
(1) in paragraph (1)(A) by inserting "on or" after "using a counterfeit mark"; and

(2) in paragraph (4)(B)(iii) by inserting "on or" after "used a counterfeit mark".

SEC. 26. JURISDICTION.
(a) Jurisdiction of Courts.----Section 39 (15 U.S.C. 1121) is amended by inserting "(a)" after "Sec. 39.".
(b) Certain Actions by States Precluded.----Section 39a (15 U.S.C. 1121a) is amended--
(1) by striking out "Sec. 39a." and inserting in lieu thereof "(b)"; and
(2) by striking out "servicemarks" each place it appears and inserting in lieu thereof "service marks".

SEC. 27. CONSUMER STATNDING.
Section 43(a) (15 U.S.C. 1125(a)) is amended by inserting ", including a consumer," before "who believes".

SEC. 28. INTERNATIONAL MATTERS.
Section 44 (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) by striking out "sections 1, 2, 3, 4, or 23" and inserting in lieu thereof "section 1, 3, 4, 23, or 44(e)";
(3) 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";
(4) in subsection (d)(3) by striking out "foreing" and inserting in lieu thereof "foreign";
(5) 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 commerce, but use in commerce shall not be required prior to registration."; and
(6) in subsection (f) by striking out "paragraphs (c), (d)," and inserting in lieu thereof "subsections (c), (d),".

SEC. 29. CONSTRUCTION AND DEFINITIONS.
Section 45 (15 U.S.C. 1127) is amended--
(1) by amending the paragraph defining "trademark" to read as follows:
"The term 'trademark' includes any word, name, symbol, or device or any combination thereof used by a person, or which a person has a bona fide intention to use in commerce and for which such person applies for registration on the principal register established by this Act, to identify and distinguish his or her goods, including a unique product, from those manufactured or sold by others and to indicate the source of the goods, even if that source is unknown.";
(2) by 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 by a person, or which a person has a bona fide intention to use in commerce and for which such person applies for registration on the principal register established by this Act, to identify and distinguish the services of one person, including a unique service, from the services 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 as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.";
(3) by 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 used by a person other than its owner, or for which there is a bona fide intention for such use in commerce through the filing of an application for registration on the principal register established by this Act, to certify regional or other origin, material, mode of manufacture, quality, accuracy, or other characteristics of such person's goods or services or that the work or labor on the goods or services was performed by members of a union or other organization.";
(4) by 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, an association, or other collective group or organization, or which such entity has a bona fide intention to use in commerce and for which it applies for registration on the principal register established by this Act, and includes marks indicating membership in a union, an association, or other organization.";
(5) by amending the matter which appears between the paragraph defining "mark", and the paragraph defining "colorable imitation" to read as follows:
"The term 'use in commerce' means the bona fide use of a mark in the ordinary course of trade, and not made merely to reserve a right in a mark. For purposes of this Act, a mark shall be deemed to be in use in commerce--
"(1) on goods when--
"(A) it is placed in any manner on the goods or their containers or the displays associated therewith or on the tags or labels affixed thereto, and
"(B) 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 the United States and a foreign country and the person rendering the services is engaged 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. Intent 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 and not made merely to reserve a right in 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 or services or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.".

SEC. 30. PENDING APPLICATIONS.
The Trademark Act of 1946 is amended by adding at the end thereof the following:
"Sec. 51. All certificates of registration based upon applications for registration pending in the Patent and Trademark Office on the effective date of the Trademark Law Revision Act of 1988 shall remain in force for a period of 10 years.".

SEC. 31. EFFECTIVE DATE.

This Act and the amendments made by this Act shall become effective on the date which is one year after the date of enactment of this Act.