House Debate on the Trademark Law Revision Act of 1988
(October 19, 1988)

[Excerpted from the Congressional Record (Daily Ed.), for October 19, 1988, beginning at page 10411]

Mr. Kastenmeier. Mr. Speaker, I move to suspend the rules and pass the Senate bill (S. 1883) to amend the Trademark Act of 1946 to make certain revisions relating to the registration of trademarks, and for other purposes, as amended. The Clerk read as follows:

S. 1883
Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I----TRADEMARK LAW REVISION

SEC. 101. SHORT TITLE.
This title may be cited as the "Trademark Law Revision Act of 1988".

SEC. 102. REFERENCE TO THE TRADEMARK ACT OF 1946.
Except as otherwise expressly provided, whenever in this title 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 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").

[10412]

SEC. 103. 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, under circumstances showing the good faith of such person, 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 of the mark or in such near resemblance to the mark as to be like ly, when used on or in connection with the goods of such other person, to cause confusion, or to cause mistake, or to deceive, however, except for 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 after the date on which the notice of allowance with respect to a mark is issued under section 13(b)(2) to an applicant under subsection (b) of this section, the applicant shall 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 the 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, 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 (e) of section 2. The notice of registration shall specify the goods or services for which the mark is registered.
"(2) The Commission shall extend, for one additional 6--month period, the time for filing the statement of use under paragraph (1), upon written request of the applicant before the expiration of the 6--month period provided in paragraph (1). In addition to an extension under the preceding sentence, the Commissioner may, upon a showing of good cause by the applicant, further extend the time for filing the statement of use under paragraph (1) for periods aggregating not more than24 months, pursuant to written request of the applicant made before the expiration of the last extension granted under this paragraph. Any request for an extension under this paragraph 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. The Commissioner shall issue regulations setting forth guidelines for determining what constitutes good cause for purposes of this paragraph.
"(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 for the refusal. An applicant may amend the statement of use.
"(4) The failure to timely file a verified statement of use under this subsection shall result in abandonment of the application.".

SEC. 104. TRADEMARKS REGISTRABLE ON PRINCIPAL REGISTER.
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 used 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 tht confusion, mistake, or deception is not likely to result form 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 registration s 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)--
(A) by striking out "applied to" and inserting in lieu thereof "used on or in connection with"; and
(B) by 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. 105. SERVICE MARKS REGISTRABLE.
Section 3 (15 U.S.C. 1053) is amended--
(1) in the first sentence--
(A) by striking out "used in commerce"; and
(B) by striking out "except when" and all that follows through "mark is used"; and
(2) by striking out the second sentence.

SEC. 106. COLLECTIVE AND CERTIFICATION MARKS REGISTRABLE.
Section 4 (15 U.S.C. 1054) is amended--
(1) in the first sentence--
(A) by striking out "origin used in commerce," and inserting in lieu thereof "origin,"; and
(B) by striking out "except when" and inserting in lieu thereof "except in the case of certification marks when"; and
(2) by striking out the second sentence.

SEC. 107. USE BE 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 with 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. 108. 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. 109. CERTIFICATE OF REGISTRATION ON THE PRINCIPLE REGISTER.
Section 7 (15 U.S.C. 1057) is amended--
(1) by 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 of the mark, of the registrant's ownership of the mark, and of the registrant's

exclisive 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 in the certificate.";
(2) by redesignating subsections (c), (d), (e), (f), and (g) as subsections (d), (e), (f), (g), and (h), respectively;
(3) 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 which is pending or has resulted in registration of the mark; 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 timely files an application under section 44(d) to register the mark which is pending or has resulted in registration of the mark.";
(4) in subsection (d), as redesignated by paragraph (2) of this section, by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee";
(5) in subsection (f), as redesignated by paragraph (2) of this section, by striking out "fee required by law" and inserting in lieu thereof "prescribed fee"; and
(6) in subsection (h), as redesignated by paragraph (2) of this section, by striking out "required fee" and inserting in lieu thereof "prescribed fee".

SEC. 110. DURATION OF REGISTRATION.
Section 8(a) (15 U.S.C. 1058(a) is amended--
(1) by striking out "twenty" and inserting in lieu thereof "ten"; and
(2) by 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 attaching to the affidavit a specimen of facsimile showing current use of the mark, or showing that any".

SEC. 111. RENEWAL OF REGISTRATION.
Section 9 (15 U.S.C. 1059) is amended--
(1) in subsection (a) by striking out "twenty" and inserting in lieu thereof "ten"; and
(2) in subsection (c) by striking out "1(d) hereof" and inserting in lieu thereof "1(e) of this Act".

SEC. 112. ASSIGNMENT.
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) hereof" and inserting in lieu thereof "1(e) of this Act".

SEC. 113. EXAMINATION OF APPLICATION.
Section 12(a) (15 U.S.C. 1062(a) is amended--
(1) by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee"; and
(2) 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 required by section 1(d) of this Act, the".

SEC. 114. OPPOSITION TO MARKS.
Section 13 (15 U.S.C. 1063) is amended--
(1) by inserting "(a)" before "Any person";
(2) by striking out "required fee" and inserting in lieu thereof "prescribed fee"; and
(3) by 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, a certificate of registration shall be 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. 115. CANCELLATION OF REGISTRATIONS.
Section 14 (15 U.S.C. 1064) is amended--
(1) in the matter preceding subsection (a)--
(A) by inserting "as follows" after "be filed"; and
(B) by striking out "1905--" and inserting in lieu thereof "1905:";
(2) in subsection (a)--
(A) by striking out "(a) within" and inserting in lieu thereof "(1) Within"; and
(B) by striking out "; or" and inserting in lieu thereof a period;
(3) in subsection (b)--
(A) by striking out "(b) within" and inserting in lieu thereof "(2) Within"; and
(B) by striking out "; or" and inserting in lieu thereof a period;
(4) by amending subsection (c) to read as follows:
"(3) 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 under thisAct, or contrary to similar prohibitory provisions of such prior Acts for a registration under such Acts, 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.";
(5) in subsection (d)--
(A) by striking out "(d) at" and inserting in lieu thereof "(4) At"; and
(B) by striking out "; or" and inserting in lieu thereof a period;
(6) in subsection (e)--
(A) by striking out "(e) at" and inserting in lieu thereof "(5) At"; and
(B) by striking out "(1)", "(2)", "(3)", and "(4)" and inserting in lieu thereof "(A)", "(B)", "(C)", and "(D)", respectively; and
(7) in the proviso at the end of the section by striking out "subsections (c) and (e)" and inserting in lieu thereof "paragraphs (3) and (5)".

SEC. 116. INCONTESTABILITY OF RIGHT TO USE MARK.
Section 15 (15 U.S.C. 1065) is amended--
(1) by striking out "subsections (c) and (e)" and inserting in lieu thereof "paragraphs (3) and (5)";
(2) in paragraph (3) by striking out "subsections (1) and (2) hereof" and inserting in lieu thereof "paragraphs (1) and (2) of this section"; and
(3) in paragraph (4) 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. 117. 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. 118. ACTION OF COMMISSIONER IN PROCEEDINGS.
Section 18 (15 U.S.C. 1068) is amended--
(1) by striking out "or restrict" and inserting in lieu thereof "the registraition, 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) by striking out "or may refuse" and inserting in lieu thereof "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) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

SEC. 119. APPLICATION OF EQUITABLE PRINCIPLES.
Section 19 (15 U.S.C. 1069) is amended by striking out the second sentence.

SEC. 120. APPEALS.
Section 21 (15 U.S.C. 1071) is amended--
(1) in subsection (a)(1)--
(A) by striking out "section 21(b) hereof" each place it appears and inserting in lieu thereof "subsection
(b) of this section";
(B) by striking out "section 21(a)(2) hereof" and inserting in lieu thereof "paragraph (2) of this subsection"; and
(C) by striking out "said section 21(b)" and inserting in lieu thereof "subsection (b) of this section";
(2) 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) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).";
(3) in subsection (b)(1)--
(A) by striking out "section 21(a) hereof" and inserting in lieu thereof "subsection (a) of this section";
(B) by striking out "section 21(a)" and inserting in lieu thereof "subsection (a) of this section"; and
(C) by adding at the end thereof the following: "However, no final judgment shall be entered in favor of an applicant under section 1(b) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).";
and
(4) in subsection (b)(3), by striking out "(3)" and all that follows through the end of the first sentence and inserting in lieu thereof the following:

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"(3) In any case where there is no adverse party, a copy of the complaint shall be served on the Commissioner, and, unless the court finds the expense to be unreasonable, 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. 121. SUPPLEMENTAL REGISTER.
Section 23 (15 U.S.C. 1091) is amended--
(1) by inserting "(a)" before "In addition" in the first paragraph;
(2) by inserting "(b)" before "Upon the" in the second paragraph;
(3) by inserting "(c)" before "For the purposes" in the third paragraph;
(4) in subsection (a), as designated by paragraph (1) of this section--
(A) by striking out "paragraphs (a)," and inserting in lieu thereof "subsections (a),";
(B) by striking out "have been in lawful use in commerce by the proprietor thereof, upon" and inserting in lieu thereof "are in lawful use in commerce by the owner thereof, on";
(C) by striking out "for the year preceding the filing of the application"; and
(D) by inserting before "section 1" the following: "subsections (a) and (e) of";
(5) in subsection (b), as designated by paragraph (2) of this section, by striking out "fee herein provided" and inserting in lieu thereof "prescribed fee"; and
(6) by striking out the last paragraph.

SEC. 122. CANCELLATION ON SUPPLEMENTAL REGISTER.
Section 24 (15 U.S.C. 1092) is amended--
(1) by striking out "verified" in the second sentence;
(2) by 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,";
(3) by striking out "is not used by the registrant or"; and
(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) before the mark is registered, if such applicant cannot prevail without establishing constructive use pursuant to section 7(c).".

SEC. 123. PROVISIONS OF ACT APPLICABLE TO SUPPLEMENTAL REGISTER.
Section 26 (15 U.S.C. 1094) is amended--
(1) by inserting "1(b)," after "sections"; and
(2) by inserting "7(c)," after "7(b)".

SEC. 124. REGISTRATION ON PRINCIPAL REGISTER NOT PRECLUDED.
Section 27 (15 U.S.C. 1095) is amended by adding at the end thereof the following: "Registration of a mark on the supplemental register shall not constitute an admission that the mark has not acquired distinctiveness.".

SEC. 125. NOTICE OF REGISTRATION.
Section 29 (15 U.S.C. 1111) is amended by striking out "as used".

SEC. 126. CLASSIFICATION OF GOODS AND SERVICES.
Section 30 (15 U.S.C. 1112) is amended--
(1) by inserting "or registrant's" after "applicant's";
(2) by striking out "may file an application" and inserting in lieu thereof "may apply";
(3) 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 or she is using or has a bona fide intention to use the mark in commerce:"; and
(4) by 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. 127. INNOCENT INFRINGEMENT AND VIOLATIONS OF SECTION 43(a).
Section 32(2) (15 U.S.C. 1114(2)) is amended to read as follows:
"(2) Notwithstanding any other provision of this Act, the remedies given to the owner of a right infringed under this Act or to a person bringing an action under section 43(a) shall be limited as follows:
"(A) Where an infringer or violator is engaged solely in the business of printing the mark or violating matter for others and establishes that he or she was an innocent infringer or innocent violator, the owner of the right infringed or person bringing the action under

section 43(a) shall be entitled as against such infringer or violator only to an injunction against future printing.
"(B) Where the infringement or violation complained of is contained in or is part of paid advertising matter in a newspaper, magazine, or other similar periodical or in an electronic communication as defined in section 2510(12) of title 18, United States Code, the remedies of the owner of the right infringed or personbringing the action under section 43(a) as against the publisher or distributor of such newspaper, magazine, or other similar periodical or electronic communication shall be limited to an injunction against the presentation of such advertising matter in future issues of such newspapers, magazines, or other similar periodicals or in future transmissions of such electronic communications. The limitations of this subparagraph shall apply only to innocent infringers and innocent violators.
"(C) Injunctive relief shall not be available to the owner of the right infringed or person bringing the action under section 43(a) with respect to an issue of a newspaper, magazine, or other similar periodical or an electronic communication containing infringing matter or violation matter where restraining the dissemination of such infringing matter or violating matter in any particular issue of such periodical or in an electronic communication would delay the delivery of such issue of transmission of such electronic communication after the regular time for such delivery or transmission, and such delay would be due to the method by which publication and distribution of such periodical or transmission of such electronic communication is customarily conducted in accordance with sound business practice, and not due to any method or device adopted to evade this section or to prevent or delay the issuance of an injunction or restraining order with respect to such infringing matter or violating matter.
"(D) As used in this paragraph-- "(i) the term 'violator' means a person who violates section 43(a); and "(ii) the term 'violating matter' means matter that is the subject of a violation under section 43(a).".

SEC. 128. REMEDIES.
(a) Prima Facie Evidence of Exclusive Right To Use Mark.----Section 33(a) (15 U.S.C. 1115(a)) is amended--
(1) by inserting "the validity of the registered mark and of the registration of the mark, of the registrant's ownership of the mark, and of the" after "prima facie evidence of";
(2) by inserting "or in connection with" after "in commerce on";
(3) by striking out "an opposing party" and inserting in lieu thereof "another person"; and
(4) by inserting ", including those set forth in subsection (b)," after "or defect".
(b) Conclusive Evidence of Exclusive Right To Use Mark.----Section 33(b) (15 U.S.C. 1115(b)) is amended--
(1) in subsection (b) by amending the matter 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 of the mark, 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 in the renewal application filed under the provisions of section 9 if the goods or services

specified in the renewal are fewer in number, 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 be subject to proof of infringement as defined in section 32, and shall be subject to the following defenses or defects:";
(2) in paragraph (3) by inserting "on or" after "goods or services";
(3) in paragraph (4)----(A) by striking out "trade or service"; and
(B) by striking out "to users";
(4) in paragraph (5) by striking out "registration of the mark under this Act or" and inserting in lieu thereof "(A) the date of the 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 before the effective date of the Trademark Law Revision Act of 1988, or (C)";
(5) in paragraph (7) by striking out the period and inserting in lieu thereof "; or"; and
(6) by adding at the end of the subsection the following:"(8) That equitable principles, including laches, estoppel, and acquiescence, are applicable.".
(c) Injunctions.----Section 34(a) (15 U.S.C. 1116(a)) is amended in the first sentence by inserting "or to prevent a violation under section 43(a)" after "Office".
(d) Notice ofSuit toCommissioner.----Section 34(c) (15 U.S.C. 116(c)) is amended----(1) by striking out "proceeding arising" and inserting in lieu thereof "proceeding involving a mark registered"; and
(2) by striking out "decision is rendered, appeal taken or a decree issued" and inserting in lieu thereof "judgment is entered or an appeal is taken".
(e) CivilActionsArisingFromUse ofCounterfeitMarks.----Section 34(d)(1)(B) (15 U.S.C. 1116(d)(1)(B)) is amended by inserting "on or" after "designation used".

SEC. 129. RECOVERY FOR VIOLATION OF RIGHTS. Section 35(a) (15 U.S.C. 1117(a)) is amended in the first sentence by inserting ", or a violation under section 43(a)," after "Office".

SEC. 130. DESTRUCTION OF INFRINGING ARTICLES.
Section 36 (15 U.S.C. 1118) is amended in the first sentence----(1) by inserting ", or a violation under section 43(a)," after "Office"; and
(2) by inserting after "registered mark" the following: "or, in the case of a violation of section 43(a), the word, term, name, [PAGE H 10415] symbol, device, combination thereof, designation, description, or representation that is the subject of the violation,".

SEC. 131. 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 insrting in lieu thereof "(b)"; and
(2) by striking out "servicemarks" each place it appears and inserting in lieu thereof "service marks".

SEC. 132. UNREGISTERED MARKS, DESCRIPTIONS, AND REPRESENTATIONS.
Section 43(a) (15 U.S.C. 1125(a)) is amended to read as follows:

"(a) Any person who, on or in connection with any goods or services, or any container for goods, uses in commerce any word, term, name, symbol, or device,or any combination thereof, or any false designation of origin, false or misleading description of fact, or false or misleading representation of fact, which--
"(1) is likely to cause confusion, or to cause mistake, or to deceive as to the affiliation, connection, or association of such person with another person, or as to the origin, sponsorship, or approval of his or her goods, services, or commercial activities by another person, or
"(2) in commercial advertising or promotion, misrepresents the nature, characteristics, qualities, or geographic origin of his or her or another person's goods, services, or commercial activities, shall be liable in a civil action by any person who believes that he or she is or is likely to be damaged by such act.".

SEC. 133. INTERNATIONAL MATTERS.
Section 44 (15 U.S.C. 1126) is amended--
(1) in subsections (c), (d), (f), (g), and (h) by striking out "paragraph (b)" each place it appears and inserting in lieu thereof "subsection (b)";
(2) in subsection (a) by striking out "herein prescribed" and inserting in lieu thereof "required in this Act";
(3) 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)";
(4) 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 hasa bona fide intention to use the mark in commerce";
(5) in subsection (d)(3) by striking out "foreing" and inserting in lieu thereof "foreign";
(6) 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.";
(7) in subsection (f) by striking out "paragraphs (c), (d)," and inserting in lieu thereof "subsections (c), (d),"; and
(8) in subsection (i) by striking out "paragraph (b) hereof" and inserting in lieu thereof "subsection (b) of this section".

SEC. 134. CONSTRUCTION AND DEFINITIONS.
Section 45 (15 U.S.C. 1127) is amended--
(1) by 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 the mark with respect to the nature and quality of the goods or services on or in connection with which the mark is used.";
(2) by 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 or her business or vocation.";
(3) by amending the paragraph defining "trademark" to read as follows: "The term 'trademark' includes any word, name, symbol, or device, or any combination thereof--

"(1) used by a person, or "(2) which a person has a bona fide intention to use in commerce and applies to register 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 or the goods, even if that source is unknown.";
(4) 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--
"(1) used by a person, or
"(2) which a person has a bona fide intention to use in commerce and applies to register 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.";
(5) 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-- "(1) used by a person other than its owner, or "(2) which its owner has a bona fide intention to permit a person other than the owner to use in commerce
and files an application to register 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.";
(6) by amending the paragraph defining "collective mark" to read as follows:"The term 'collective mark' means a trademark or service mark--
"(1) used by the members or a cooperative, an association, or other collective group or organization, or "(2) which such cooperative, association, or other collective group or organization has a bona fide intention to use in commerce and applies to register on the principal register established by this Act, and includes marks indicating membership in a union, an association, or other organization.";
(7) by amending the paragraph defining "mark" to read as follows:"The term 'mark' includes any trademark, service mark, collective mark, or certification mark.";
(8) by amending the matter which appears between the paragraph defining "mark", and the paragraph defining "colarable 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,or if the nature of the goods makes such placement impracticable, then on documents associated with the goods or their sale, 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 with the services.
"A mark shall be deemed to be 'abandoned' when either of the following occurs:
"(1) When its use has been discontinued with intent not to resume such use. Intent not to resume may be inferred from circumstances. Nonuse for two conseutive years shall be prima facie evidence of abandonment. 'Use' of a mark means the bona fide use of that mark made in the ordinary course of trade, and not made merely to reserve a right in a mark.
"(2) When any course of conduct of the owner, including acts of omission as well as commission, cause the mark to become the generic name for the goods or services on or in connection with which it is used or otherwise to lose its significance as a mark. Purchaser motivation shall not be a test for determining abandonment under this paragraph.".

SEC. 135. 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 effection date of the Trademark Law Revision Act of 1988 shall remain in force for a period of 10 years.".

SEC. 136. EFFECTIVE DATE.
This title and the amendments made by this title shall become effective on the date which is one year after the date of enactment of this Act.

TITLE II----SATELLITE HOME VIEWER ACT

[OMITTED]

The Speakerpro tempore. Is a second demanded?

Mr. Moorhead. Mr. Speaker, I demand a second.

The Speakerpro tempore. Without objection, a second will be considered as ordered.
There was no objection.

The Speakerpro tempore. The gentleman from Wisconsin [Mr. Kastenmeier] will be recognized for 20 minutes, and the gentleman from California [Mr. Moorhead] will be recognized for 20 minutes.
The Chair recognizes the gentleman from Wisconsin [Mr. Kastenmeier].

Mr. Kastenmeier. Mr. Speaker, I yield myself such time as I may consume.
I am pleased today to bring before the House today S. 1883, the Trademark Law Revision Act of 1988. This bill provides a comprehensive revision of the Lanham Act, which is the Federal trademark law. S. 1883 revises the trademark laws so that they will conform with current day market practices. The bill before you today is the product of extensive

negotiations and compromises between both Houses of Congress, and has been agreed upon by all interested parties.
I wish to congratulate my colleague and ranking minority member of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, CarlosMoorhead, for his tireless efforts on behalf of this legislation. I extend congratuations as well to the senior Senator from Arizona, DennisDeConcini, who also provided early and unceasing support for this bill.

Trademarks are important for both consumers and businesses. Trademarks allow consumers to identify and intelligently pick and choose among products. Businesses can and should be assured that their products will not be confused with other products, and that consumers will know that the products they want to buy are in fact the ones that they are buying. For consumers, trademarks provide can provide assurances of quality and services. For businesses, trademarks are a kind of badge of honor, and it is important that their investments in those marks be protected.

Because the trademark laws in essence permit businesses to monopolize their marks, those laws often raise difficult questions about freedom of speech. During the course of our consideration of this legislation, those difficult issues were raised and sometimes hotly contested. I am pleased to say that this bill resolves those issues satisfactorily, and that our important constitutional freedoms have been preserved. The provisions on dilution, material omissions, and tarnishment and disparagement that were originally proposed have been deleted from this legislation. The provision revising section 43(a) to prohibit a kind of commercial defamation has been carefully limited to commercial advertising and promotion. Therefore, consumer reporting, editorial comment, political advertising, and other constitutionally protected material is not covered by this provision. I wish to extend special thanks to all of those who so ardently spoke out about their concerns about these issues.

S. 1883 makes major changes in the Lanham Act. For example, it revises the registration to permit applications based on an applicant's intention to use the mark. This is something the trademark community has advocated for many years. It reduces the registration term from 20 to 10 years, which will free up otherwise unavailable marks. It revises the Lanham Act in the many instances where it is out of date and inconsistent with current market practices.
It is true that S. 1883 does not satisfy all parties in all respects. I believe it is fair to say that the trademark community wanted more protection for trademarks. Some of the provisions they sought have been deleted from the legislation because of the serious first amendment issues those provisions raised. I also believe, however, that the trademark community should and must be satisfied with this legislation, since it provides the comprehensive revision it sought, and that no new trademark laws will be required in the immediate future.

Consumer interests have also been the subject of compromise in this legislation. As reported by the House Committee on the Judiciary, the bill would have explicitly acknowledged that consumers have standing to sue for violations of section 43(a), which

provides a cause of action for unfair competitive acts such as false and misleading advertising. The agreement, however, deleted this provision from the bill. While I support the deletion as part of the necessary compromise on this bill, it is unfortunate in the long run. I continue to believe that consumers already have standing to sue under current law, and that the provision that was deleted only clarified that law.

In sum, S. 1883 is not only an important modernization of the trademark laws, but it also protects our important first amendment rights. I believe that it is a bill worthy of your support.

S. 1883, as considered by the House today, makes important changes in the language approved by the Committee on the Judiciary. It also carries forward several critical decisions made by the committee. The following is an explanation of those changes and decisions:
Section 1

S. 1883 adds to subsection (b) the language "under circumstances showing the good faith of such person." This addition strengthens the congressional intention that the circumstances surrounding the application show that the applicant's intention to use the mark ultimately, and within the specified time limits, is in fact bona fide. Courts should consider these circumstances, or the lack of them, when issues surrounding the validity of the application are raised.

Pursuant to Section 1(d)(1), the initial period in which to file the statement of use is 6 months. It may be automatically extended for another 6 months. Section 1(d)(2) provides that any further extensions may be granted only if the applicant shows "good cause" for the extension. The extensions for good cause may not exceed periods aggregating a maximum of 24 months. In other words, applicants must show that there was good cause for their failure to use their marks within the initial one year [PAGE H 10420] period. this requirement is in addition to, and supplements, the requirement that the applicants must have a continued bona fide intention to use the mark. The Commissioner of Patents and Trademarks should promulgate guidelines for potential registrants so that it is clear what may constitute "good cause."

Section 1(d)(1) makes clear that, in reviewing the statements submitted by the applicant pursuant to this section, the Patent and Trademark Office has the discretion to examine the effect, if any, of those statements on the application with respect to the factors set forth in subsections (a) through (e) of section 2, relating to what trademarks are not registrable. See House Report 100--1028 at 9.

Section 7(b)
This section clarifes the evidentiary benefits given to a registration on the principal register. It conforms to the same provision in section 33(a).

Section 8(a)

This section provides that a registrant filing the affidavit of use required during the sixth year of registration must supply the same information that is required for renewing a registration.

Section 10
S. 1883 prohibits the assignment of "intent to use" applications, except in certain narrowly prescribed circumstances.

Although language in proposed section 7(d) regarding restrictions on the issuance of a certificate of registration under circumstances evidencing an intention to evade the law's proscription has been deleted, courts must, when appropriate, examine the circumstances surrounding use of a mark and the issuance of a certificate of registration. If the evidence shows that the relevant parties have improperly evaded the prohibition on assignments, the certificate of registration has been improperly issued and should be voided. Section 10 carries forward the Committee's decision not to include in the bill certain proposals relating to the recording of security interests in a trademark at the Patent and Trademark Office.

Section 18
The section currently provides that in proceedings before the Trademark Trial and Appeal Board, certain actions may be taken with regard to pending applications and to registrations. A proposed addition makes clear that certain final judgments involving "intent to use" applicants may not be issued until use is made and the mark is registered. This provision applies only in the context of this administrative proceeding, and not to any lawsuits in the courts.

Section 21
Language added in subsection (a)(4) is identical to that added in Section 18. It relates to the suspension of certain final judgments by the United States Court of Appeals for the Federal Circuit when a decision of the Patent and Trademark Office is appealed. Similar language is also added so subsection (b)(1), relating to appeals from the decision of the Commissioner or Trademark Trial and Appeal Board.
As in section 18, these suspensions of final judgments relate only to administrative proceedings, and not to actions initiated in the courts.

Section 24
Language similar to that in sections 18 and 21 is added here, delaying final judgment for an "intent to use" applicant in certain instances. Again, this language relates only to administrative proceedings, and not actions initiated in the courts.

Section 27
The added language, relating to registration on the supplemental register, simply carries forward the holding in California Cooler, Inc. v. Loretto Winery, Ltd., 774 F.2d 1451 (9th Cir. 1985).

Section 32(2)

This section differs from current law in two important respects. First, it is updated to include electronic media, incorporating the definition set forth in the Electronic Communications Privacy Act, codified at 18 U.S.C. 2510 (12).
Second, the revision sets forth critical constitutional protections that underlie changes made in section 43(a). It exempts from liability "innocent" disseminators of offending material, whether that material constitutes a violation of Section 32(1), relating to infringement, or of proposed Section 43(a), relating to false and misleading commercial advertising. Most prominently, the change protects newspapers, magazines, broadcasters, and other media from liability for the innocent dissemination of commercial false advertising, including promotional material. The word "innocent" is intended to encompass the constitutional standards set forth in New York Times v. Sullivan, 376 U.S. 254 (1964) and its progeny. See also, Bose v. Consumers Union, 466 U.S. 485 (1984), which assumed the application of the New York Times v. Sullivan standard to a state product disparagement action. Cf. Hustler Magazine v. Falwell, U.S.----, 108 S.Ct. 876 (1988) (applying the New York Times standard in an invasion of privacy action).

Section 33(a)
This provision simply makes the language in Section 33(a) consistent with that in section 7(b). It also provides that defenses available in suits involving an incontestable registration are also available in suits involving a non--incontestable registration.

Section 33(b)
This section clarifies the evidentiary benefits given to a registration on the principal register which has become incontestable. It also provides that equitable principles may be applied in suits involving incontestable registrations.

Section 34
Subsection (a) provides that injunctions are available to prevent a violation arising under Section 43(a). For a detailed discussion of the remedies now being madeapplicable to Section 43(a) violations, see the discussion of section 43(a) below.
S. 1883 reflects the House Committee on the Judiciary's decision not to include certain proposed language amending subsection (b) to suspend a final judgment in favor of an "intent to use" applicant. This language would have applied to proceedings in the courts, and has been deleted for the reasons discussed in House Report 100--1028 at apage 4.

Section 35
This section provides that damages may be available to a party bringing an action under section 43(a). For a detailed discussion of the remedies now being made applicable to section 43(a) violations, see the discussion of section 43(a) below.

Section 36
This section provides that a court may order the destruction of labels and similar material in cases involving a violation of section 43(a). For a detailed discussion of the remedies now being made applicable to Section 43(a) violations, see discussion of section 43(a) below.

Section 43
Subsection (a) currently covers false designations of origin and false descriptions or representations with regard to a person's own products. It has been held, however, that Section 43(a) does not cover such statements with regard to the products of another. Bernard Food Industries v. Dietene Co., 415 F.2d 1279 (7th Cir. 1969), cert denied, 397 U.S. 912 (1970). To recitfy this situation, it was proposed toadd the words "or another person's" to section 43(a).
The proposal thus raised the issue of commercial defamation in the context of section 43(a) and, as a result, a host of constitutional problems. The proposal was not limited to commercial speech, and appeared to apply to private citizens, the news media, and business competitors alike. No scienter was required. In addition, the subsection appeared to cover false statements of opinion as well as fact.
To avoid legitimate constitutional challenge, it was necessary to carefully limit the reach of the subsection. Because section 43(a) will not provide a kind of commercial defamation action, the reach of the section specifically extends only to false and misleading speech that is encompassed within the "commercial speech" doctrine by the United States Supreme Court. See, e.g., Central Hudson Gas & Electric Corp. v. Public Service Commission of New York, 447 U.S. 557 (1980); Virginia State Board of Pharmacy v. Virginia Citizens Consumers Council, Inc., 425 U.S. 748 (1976). In addition, subsection (a) will extend only to false and misleading statements of fact. Gertz v. Robert Welch, Inc., 418 U.S. 323, 339--40 (1974). As noted in the discussion of section 32(2), critical constitutional protections modify the changes made in section 43(a), and certain "innocent" disseminators of material that constitutes a violation of subsection (a) are protected from liability. Thus, through section 32(2), innocent dissemination and communication of false and misleading advertising, including promotional material, by the media are excluded from the reach of section 43(a). For a defendant who is a member of the media to be found liable under section 43(a), the plaintiff must show that the defendant was not "innocent" under section 32(2) and, as noted, that state of mind must encompass the New York Times v. Sullivan standard.
S. 1883 is limited in another important sense. It uses the word "commercial" to describe advertising or promotion for business purposes, whether conducted by for--profit or non--profit organizations or individuals. Political advertising and promotion is political speech, and therefore not encompassed by the term "commercial." This is true whether what is being promoted is an individual candidacy for public office, or a particular political issue or point of view. It is true regardless of whether the promoter is an individual or a forprofit entity. However, if a political or other similar organization engages in business conduct incidental to its political functions, then the business conduct would be considered "commercial" and would fall within the confines of this section.
Section 34, 35, and 36 specifically provide that the remedies set forth in those sections will not apply, in appropriate form, to violations of section 43(a). Obviously, these remedies will now apply to those who are protected under section 32(2).

As Jerome Gilson, the noted trademark commentator, has written about USTA's proposal to limit the proposed change in section 43(a) to commercial speech:
"Under this proposed change only false or misleading "advertising or promotion"

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Would be actionable, whether it pertained to the advertiser itself or another party. The change would exclude all other misrepresentations from section 43(a) coverage. These others are the type which raise free speech concerns, such as a Consumer Report which reviews and may disparage the quality of stereo speakers or other products, misrepresentations made by interested groups which may arguably disparage a company and its products because of the company's failure to divest its South African holdings, and disparaging statements made by commentators concerning corporate product liability and injuries to the public (e.g., A.H. Robins and the Dalkon shield cases, or the Manville Corporation asbestos cases). All of these would be judged by first amendment law (including New York Times v. Sullivan) and not section 43(a) law... Product disparagement based on false representations would be actionable only if they were made in the context of advertising or promotion, not in connection with Consumer Report publications." n1

As Mr. Gilson correctly notes, the proposed change in section 43(a) should not be read in any way to limit political speech, consumer or editorial comment, parodies, satires, or other constitutionally protected material. Nor should it be read to change the standards in current law with respect to comparative advertising, which assists consumers in choosing among various competing products. The section is narrowly drafted to encompass only clearly false and misleading commercial speech.

The provision in section 43(a) granting consumers standing to sue has been deleted from the bill. This provision would have clarified that consumers have standing to sue under section 43(a). The plain meaning of the statute already includes consumers, since it grants any "person" the right to sue. See discussion in House Report 100--1028 at 13--15.
The committee's decision not to include proposed provisions relating to dilution, material omissions, and tarnishment and disparagement in section 43 is carried forward. By this decision, current law remains in effect.

Sections 34, 35, and 36 of the Lanham Act now apply only to the enforcement of rights relating to a registered mark. Section 43(a), relating to the enforcement of rights by the owner of a unregistered mark or a person otherwise adjudicating rights under that section, does not provide for any remedies.
A majority of Federal courts have already held that Section 35(a) applies to cases brought under Section 43(a) even though those cases do not involve the enforcement of rights in registered marks.n2 This result is somewhat surprising in light of Section 35's clear limitation to violations of a right in a registered mark.n3

To clarify the situation, S. 1883 authorizes, but does not require,n4 the application of all of the remedies set forth in sections 34, 35, and 36 to the violation of rights involving unregistered marks. The bill specifically incorporates section 35's language limiting the court's remedial power pursuant to the principles of equity. Courts must, on a case--by--case basis, assess the exact nature of the circumstances presented by the plaintiff.n5

Historically, courts have rarely assessed damages or awarded lost profits in trademark cases unless the defendant has engaged in counterfeiting.n6 Injunctions have been the usual form of relief. According to the Second Circuit in a recent opinion:

[S] ection 35's phrase "subject to the principles of equity [should be construed] to preclude any monetary relief 'where an injunction will satisfy the equities of the case's and where there has been no showing of fraud or palming off [citations omitted].n7 Courts have assessed enhanced damages even more rarely.n8

Section 29 of the Lanham Act currently requires that a plaintiff who has registered a mark is precluded from recovering damages and profits unless he or she has provided either statutory or actual notice of registration to the defendant. S. 1883 does not specifically require a plaintiff proceeding under Section 43(a), and who does not have a registered mark, to provide such notice before recovering damages or profits. However, as part of the equitable balancing process in a Section 43(a) case, the courts should examine the extent of knowledge that the defendant had of the plaintiff's rights. By not requiring notice in a section 43(a) action, it may initially appear that S. 1883 creates an unfair discrepancy between actions involving registered marks and those involving unregistered marks. However, as noted above damages are rarely awarded in the vast majority of section 43(a) actions. Where damages are awarded, it is because the defendant has acted with obvious awareness of the plaintiff's rights, engaging in deliberate, willful conduct such as "passing off." Thus, the discrepancy is more apparent than real.

Section 35 currently, and as now extended to section 43(a), clearly precludes the courts from assessing punitive damages.n9 In addition, Section 35 authorizes the assessment of attorneys' fees only in "exceptinal circumstances." The language, in conjunction with judicial decisions, permits the assessment of attorneys' fees only upon a showing of bad faith or similar intentional conduct.n10 Such fees may be awarded to either the plaintiff or the defendant, depending on the conduct of the parties that gave rise to the litigation. Section 34 currently authorizes the courts to issue injunctions in Lanham Act cases.n11 Under the proposed revision, Section 34 would be extended to Section 43(a) violations. As in current law, courts must follow the general rules set forth in the Federal Rules of Civil Procedure.n12 The most important prerequisite to the issuance of a final injunction is the absence of an adequate legal remedy.n13 The party seeking a preliminary injunction must also prove the likelihood of irreparable injury viewed in the context of the threat of potential harm, the probability of success on the merits, that the balance of hardships tips in favor of the moving party, and that issuance of an injunction is in the public interest.n14

Mr. Speaker, I have some brief thoughts about title II of the bill, which is identical to H.R. 2848, passed by the House 2 weeks ago.
H.R. 2848----the Satellite Home Viewer Act of 1988----was made a part of S. 1883 to accommodate several key Members in the other body.
As you know, the Earth station/copyright legislation that you and I started working on several years ago has become a very popular piece of legislation. We improved it in the

House Judiciary Committee. The Committee on Energy and Commerce, with its sequential referral, improved it more. The bill has garnered so much support in both the House and the other body, and among interested parties----spanning consumer interests, copyright proprietors and others in the telecommunications industry----that its passage by the Senate, without referral to committee, was made possible. Specifically, several key Senators----including the chairman of the Senate Judiciary Subcommittee on Patents, Trademarks and Copyrights [Mr. DeConcini] and the chairman of the Senate Judiciary Subcommittee on Law and Technology [Mr. Leahy] and

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Senator Hatch made a proposal to the House. If we could accommodate the Senate on one of its priorities----the Trademark Law Revision Act----we could link the bills and send them to the President in the same package. Senator DeConcini's subcommittee would forego hearings on the Satellite Home Viewer Act and the Senate would defer to the House entirely on the issue.

Following up on this proposal, my subcommittee and Senator DeConcini's subcommittee, with valuable input from the minority, engaged in extensive negotiations to achieve a compromise on the trademark law revisions. We achieved such a compromise, that was not only agreeable to the subcommittees but also to the administration and the U.S. Trademark Association as well.

To bring title II to the House floor again has required a bipartisan effort spanning two House committees. I thank the ranking minority member [Mr. Moorhead] for his efforts. I would also like to reiterate the efforts of three other subcommittee members who have worked very hard on the legislation. They are Mr. Boucher, Mr. Synar, and Mr. Bryant. All of these Members are on the House Committee on Energy and Commerce, and assisted in ensuring forward movement of the Earth station bill. In addition, I very much appreciate the efforts of the chairman of our sister Commerce Committee subcommittee, Mr. Mardey. The Earth station bill would not have initially passed and would not be before us today if it were not for the close working relationship of our two subcommittees and the respect that we have for each other's work. Last, and certainly not least, I would like to thank the chairman of the Committee on Energy and Commerce, Mr. Dingell, for his cooperation and support.
Mr. Moorhead. Mr. Speaker, I yield myself such time as I may consume.
(Mr. Moorheadasked and was given permission to revise and extend his remarks.
Mr. Moorhead. Mr. Speaker, I rise in support of S. 1883 and would like to ask the gentleman from Wisconsin [Mr. Kastenmeier], a question regarding the amendment to the bill incorporating title II.

I believe that title II----entitled the "Satellite Home Viewer Act of 1988"----is exactly the same as the text of H.R. 2848, previously passed by the House by voice vote on October 5, 1988. Could the gentleman briefly explain the title II amendment and indicate why it is made a part of S. 1883?

Mr. Kastenmeier. Mr. Speaker, will the gentleman yield?

Mr. Moorhead. Mr. Speaker, I yield to the gentleman from Wisconsin.

Mr. Kastenmeier. Mr. Speaker, the gentleman is completely correct about contents of title II, identical to H.R. 2848, passed by the House 2 weeks ago.
The Satellite Home Viewer Act of 1988 was made a part of this bill essentially as an accommodation to several key Members in the other body. I have been assured after we pass the bill before us, it will be acceptable to the other body and will be passed without amendment and sent directly to the President for his signature.
With the trademark compromise in hand, all we need to do is link the two pieces of the puzzle together and the result is a two--title bill before us today.

One further thought, in order to provide a clear legislative history for Earth station legislation, I must make reference to the House Report, No. 100--887, parts I and II compiled by the House Committee on the Judiciary and the House Committee on Energy and Commerce. I refer back to the debate that occurred on the House floor on October 5, 1988, when we first passed the Satellite Home Viewer Act of 1988. These legislative materials will remain an integral part of the bill's legislative history.
Mr. Moorhead. I agree with the expalanation of the gentleman from Wisconsin. I would like to add the name of the ranking minority Member of the Subcommittee on Telecommunications and Finance, the gentleman from New Jersey [Mr. Rinaldo], to the list of Members we thank.

Last, I would reiterate to the other body that this is a package that we have put together to accommodate the key Senators. Once it arrives in the Senate, the 2--part package cannot be amended with nongermane amendments and then sent back to the House for further consideration. The bill will die if this occurs.
The version of trademark law revision now before us, is dramatically different from the version of the bill considered by the House Judiciary Committee, H.R.5372. Unlike that bill, this legislation more closely reflects the comprehensive approach to trademark law revision envisioned by S. 1883, which passed the other body last May, and H.R. 4156, the bill I introduced in the House. The legislation before us reflects a compromise and I believe that it enjoys the wide consensus of support that developed around the legislation I introduced. The legislation contains an intent--to--use application system which responds to the needs of American businesses. It balances their need for greater certainty in the marketplace with significant safeguards against abuse. It is consistent with our obligations under the Paris Convention, and at the same time, it eliminates the advantage foreign companies enjoy in applying for U.S. trademark rights. It also replaces the commercial "sham" of token use with a reasonable, workable alternative that preserves the integrity of U.S. trademark law.

A second major element of this legislation is its modernization of section 43(a) of the Lanham Act. Over the past 42 years, section 43(a) has evolved into a Federal law of unfair competition and now serves as a valuable tool for dealing with false advertising. This legislation codifies what the courts are now interpreting section 45(a) to mean and logically extends it to provide that false advertising statements a person makes about

another person's goods or services are as actionable as false statements a person makes about his or her own products or services. I would like to make clear that sec. 43(a) should not be construed to preempt State unfair competition laws.

It also assures that appropriate remedies are available under the section by amending the statute to specifically provide that the remedies of injunctive relief, monetary awards and destruction orders are available in actions brought under section 43(a). Here again, this is not an expansion of the law, but merely a codification of what the courts are now doing. For example, seven circuits now hold that monetary relief is available in certain circumstances.

A third element of this legislation is its revisions to the Lanham Act which eliminate "deadwood" trademarks from the register. It reduces the term of registration from 20 to 10 years, it increases the requirements trademark owners must meet in order to maintain their rights and it strengthens the Lanham Act's definition of use in commerce.
The legislation contains many other worthwhile provisions as well and none have sparked any controversy.

There are two major provisions not contained in this legislation which I would like to briefly comment on. Unlike the bill I introduced and the Senate--passed bill, this version of S. 1883 does not include a provision protecting famous distinctive marks from uses by others which will dilute these famous mark's distinctive value and it does not include a provision for a centralized system governing the creation and enforcement of security interests in trademarks.

In conclusion, the version of S. 1883 now before us accomplishes most of what we set our to do when we undertook consideration of trademark law revision earlier this year. Its enactment will represent a major achievement of the 100th Congress, and I urge its adoption.

Mr. Kastenmeier. Mr. Speaker, I yield 2 minutes to the gentleman from Oklahmla [sic] [Mr. Synar] who has been both a great help on the trademark bill, and particularly on the Satellite Home Viewer Act of 1988, played a crucial role in the Committee on Energy and Commerce and the Committee on the Judiciary, making sure

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that that met the test and passed the House.
(Mr. Synarasked and was given permission to revise and extend his remarks.)
Mr. Synar. Mr. Speaker, let me join in this chorus of approval for this bill which we have before us today. I am particularly interested in title II of S. 1883, because it is also a product of 3 years of negotiation and compromises with a variety of groups, including the cable and movie industries, the backyard dish owners, program distributors, networks and their affiliates, as well as independent stations.
None of these organizations now oppose the bill. As the chairman pointed out, this passed the Committee on Energy and Commerce on which I serve, as well as the Committee on the Judiciary, by voice vote.

Title II of this bill will put dish owners on the same footing as the cable subscribers for the receipt of superstation signals.
A recent court decision has suggested it may be in violation of our copyright laws in this country for satellite carriers to retransmit those signals to home dish owners. The bill creates a temporary compulsory license that expires in 6 years. After 4 years the statutory rate expires and the royalty rate is established by binding arbitration.
It insures the network signals will be available to dish owners in so--called "white areas." The Federal Communications Commission is given the authority to impose syndicated exclusivity on independent signals if it is feasible.

Mr. Speaker, I want to thank the chairman of the subcommittee, the gentleman from Wisconsin [Mr. Kastenmeier], the gentleman from Virginia [Mr. Boucher], the gentleman from Massachusetts [Mr. Markey], and the gentleman from Louisiana [Mr. Tauzin] for their outstanding service in this area, particularly my dear friend, the gentleman from California, [Mr. Moorhead] who has assisted us as this title has journeyed through both the Committee on Energy and Commerce and the Committee on the Judiciary.

Mr. Moorhead. Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. Fish].
(Mr. Fishasked and was given permission to revise and extend his remarks, and include extraneous matter.)

Mr. Fish. Mr. Speaker, as an original cosponsor of the Trademark Law Revision Act, as introduced by the gentleman from California [Mr. Moorhead], I am very pleased with the revised version of S. 1883 that the gentleman from Wisconsin [Mr. Kastenmeier] has brought to the floor. I was very disappointed by the version of this legislation reported by the subcommittee and this revised bill is a substantial improvement. It retains most of the essential elements found in H.R. 4156 as introduced and should therefore be very well--received by the trademark community and by trademark practitioners.

The list of organizations that have gone on record in support of the Trademark Law Revision Act, as introduced and as passed by the Senate is one of the most impressive I have seen in many years and therefore, submit that list for inclusion in the Record. In addition, although the administration opposed the reported version of H.R. 5372, I am confident that it will be able to support the revised bill. I believe it will also gain the acceptance of the other body.

I would like to comment on one provision which was taken out of H.R. 5372 which was reported by the Judiciary Committee and which is not found in this compromise. It would have provided consumers with standing to sue under section 43(a) of the Lanham Act. This provision, which had not been studied or evaluated by anyone for its long--term effects on Federal unfair competition law, would have radically altered the nature of the Lanham Act and would have had the likely effect of turning the Federal courts into a small claims court.

I urge a favorable vote for S. 1883.

SUPPORTERS OF THE TRADEMARK LAW REVISION ACT (S. 1883; H.R. 4156)
(This list is based on correspondence received by the United States Trademark Association; it does not purport to be complete)
INDUSTRY, TRADE AND LABOR ORGANIZATIONS Chamber of Commerce of the United States, Chemical Manufacturers Association, Intellectual Property Owners, Inc., International Ladies' Garment Workers' Union, International Franchise Association, International Union, UAW. National Association of Manufacturers Association, Union Label & Service Trade Department AFL--CIO, The United States Trademark Association.
BAR ASSOCIATIONS American Bar Association----PTC Law Section, American Intellectual Property Law Association, Austin Patent Law Association, California Bar Association, Chicago Bar Association, Colorado Bar Association.
Connecticut Patent Law Association, Licensing Executives Society USA/Canada, Association of the Bar of New York City, New York County Lawyears'Association, The New York Patent, Trademark and Copywright Law Association, Philadelphia Patent Law Association, Utah State Bar.

GOVERNMENT
U.S. Department of Commerce, U.S. Patent and Trademark Office.

CORPORATIONS
Air Products and Chemicals, Inc.; Alcon Laboratories, Inc.; American Cyanamid Company; Amoco Corporation; Apple Computer, Inc.; Ashland Petroleum Company; Becton Dickinson and Company; BP America Inc.; Calvin Klein Cosmetics Corporation; Chevron Corporation. Control Data Corporation; The Walt Disney Company; The Dow Chemical Company; Dr Pepper Company; Eastman Kodak Company; Eaton Corporation; Eli Lilly and Company; Exxon Corporation; Frito--Lay, Inc.; Game Time.
General Electric Company; Hasbro, Inc.; H.J. Heinz Company; Hewlett--Packard Company; Hillenbrand Industries, Inc.; Hilton Hotels Corporation; Jockey International, Inc.; Kenner Products; Kimberly--Clark Corporation; Kentucky Fried Chicken Corporation. Kraft, Inc.; McDonnell Douglas Corporation; McIlhenny Inc.; Mack Trucks, Inc.; Mars Incorporated; Miles Laboratories, Inc.; Mrs. Fields Inc.; National Gypsum Company; Nestle Foods Corporation; Ocean Spray Cranberries, Inc.
Opryland USA, Inc.; Owens--Corning Fiberglas Corporation; PepsiCo, Inc.; Phillips Petroleum Company; Pioneer Hi--Bred International Inc.; Pitney Bowes; Pizza Hut, Inc.; Playtex, Inc.; PPG Industries, Inc.; A.H. Robins Company. Scott Paper Company; Selame Design; The ServiceMaster Company; The Seven--Up Company; Schering--Plough Corporation; SmithKline Beckman Corporation;Sterling Drug Inc.; Taco Bell; Thomson and Thomson, Inc.; Weight Watchers International; United Technologies; White Consolidated Industries, Inc.; Xerox Corporation.

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[Remainder of Satellite Transmission Act debate OMITTED]

FOOTNOTES:
(n1) Footnote 1. Letter to Tara McMahon, Majority Counsel, Senate Committee on the Judiciary Subcommittee on Patents, Copyrights and Trademarks, October 10, 1988.)
(n2) Footnote 2. Centaur Communications Ltd. v. A/S/M Communications, Inc., 830 F. 2d 1217, 1229 (2d Cir. 1987); WSM, Inc. v. Wheeler Media Services, Inc., 810 F.2d 113, 116 (6th Cir. 1987); U--Haul Int'l, Inc. v. Jar Tran Inc., 793 F.2d 1034, 1041--42 (9th Cir. 1986); Richard v. Auto Publishers, Inc., 735 F.2d 450, 453--58 (11th Cir. 1984); Metric & Multi--Standard Components Corp. v. Metric's Inc., 635 F.2d 710, 715 (8th Cir. 1980). Compare Blau Plumbling, Inc. v. S.O.S. Fix--it, Inc., 781 F.2d 604, 612 (7th Cir. 1986); Standard Terry Mills, Inc. v. Shen Mfg. Co., 803 F.2d 778, 782 (3d Cir. 1986).)
(n3) Footnote 3. In construing the Lanham Act, the United States Supreme Court has noted that "(s) tatutory construction must begin with the language employed by Congress and the asumption that language accurately expresses the legislative purpose." Park'N Fly, Inc. v. Dollar Park and Fly, Inc., 469 U.S. 189, 194 (1985).)
(n4) Footnote 4. 2 J.T. McCarthy, Trademarks and Unfair Competition section 30:28 ("(T) he federal courts have held that (section) 35 of the Lanham Act does not mean that a successful plaintiff is entitled in all cases to a monetary award in addition to injunctive relief.") and section 30:25 (2d ed. 1984).)
(n5) Footnote 5. 2 R. Callman, Unfair Competition Trademarks and Monpolies section 9.20 (L. Altman 4th ed. 1982); 1 J. Gilson, Trademark Protection and Practice, section 8.08(1), at 8--173 to 8--174 (1988) ("Generally... the more aggravated, willful and fraudulent the defendant's conduct, the greater will be the judicial propensity to grant monetary relief."). The Second Circuit, in Getty Petroleum Corp. v. Bartco Petroleum Corp., No. 87--7668 (2d Cir. Sept. 22, 1988), correctly concluded that the remedies available under section 35 do not include the assessment of punitive damag es.)
(n6) Footnote 6. See, e.g., Polo Fashions, Inc. v. Magic Trimmings, Inc., 603 F. Supp. 13, 19 (S.D. Fla. 1982) (where the defendant acted willfully to perpetuate a fraud).)

(n7) Footnote 7. Getty Petroleum Corp. v. Bartco Petroleum Corp., supra note 5. See also, Reader's Digest v. Conservative Digest, Inc., 821 F.2d 800, 807 (D.C. Cir. 1987) (profits should be awarded only when a defendant's infringement is "willful" or in "bad faith"); Nalpac Ltd. v. Corning Glass Works, 784 F.2d 752, 755 (6th Cir. 1986) (to obtain damages the plaintiff must show that the defendant acted deliberately); Frisch's Restaurant, Inc. v. Elby's Big Boy, 661 F. Supp. 971, 989 (S.D. Ohio 1987) (no damages will be awarded unless there is a showing of fraud or passing off); 2 J.T. McCarthy, Trademarks and Unfair Competition section 30:25 (2d ed. 1984).)
(n8) Footnote 8. See e.g., Ford Motor Co. v. B& H Supply Inc., 646 F. Supp. 975, 988 (D. Minn. 1986) (where the court denied increased damages despite a finding of willfulness).
(n9) Footnote 9. Getty Petroleum Corp. v. Bartco Petroleum Corp., supra note 5; 1 J.GILSON, TRADEMARK PROTECTION AND PRACTICE section 8.08[2], at 8--178 to 8--179 (1988 (commenting that by including the phrase "not as a penalty," Congress meant to preclude the assessment of punitive damages.) (n10) Footnote 10. Noxell Corp. v. Firehouse No. 1 Bar--B--Que Restaurant, 771 F.2d 521 (D.C. Cir. 1985); 2 J.T. McCarthy, Traddemarks [sic] and Unfair Competition section 30:30 (2d ed. 1984).
(n11) Footnote 11. Kane, Trademark Law: A Practitioner's Guide 251--52 (1987).
(n12) Footnote 12. Fed. R. Civ. Pro. 65. See generally 11 C. Wright and A. Miller, Federal Practice and Procedure section 2941 et seq. (1973) (hereinafter cited as Wright and Miller).
(n13) Footnote 13. Wright and Miller at section 2942.
(n14) Footnote 14. Wright and Miller at section 2947. See also, Imperial Chemical, Ltd. v. National Distillers and Chemical Corp. 354 F.2d 459 (2d Cir. 1965).)