Trademark Registration Treaty

On September 3, 1975 the Trademark Registration Treaty (TRT), signed at Vienna, Austria, on June 12, 1973, was transmitted by the President to the Senate of the United States with a view to receiving its advice and consent to ratification. Legislation designed to implement the TRT has been prepared by the Patent and Trademark Office in the Department of Commerce.

Following a suggestion by the General Accounting Office, the Patent and Trademark Office is planning a survey of a random sample of United States trademark owners who would have a direct interest in the TRT and in the changes required in United States trademark law. In order to provide the interested public with the information on which the sampled companies will base their responses, the complete draft legislation, including Summary, Statement of Purpose and Need and Sectional Analysis is reproduced below. A copy of the survey questionnaire will be published in a future issue of the OFFICIAL GAZETTE.

The text of the TRT was reproduced in the OFFICIAL GAZETTE of July 24, 1973. Some post conference documents, including a history of the Treaty, were reproduced in the OFFICIAL GAZETTE of February 11, 1974. The report of the United States delegation to the Vienna Conference was reproduced in the OFFICIAL GAZETTE of February 11, 1975. Additional copies of the material reproduced below as well as the previous OFFICIAL GAZETTE publications are available upon request to the Commissioner of Patents and Trademarks.

DONALD W. BANNER,
Commissioner of Patents and Trademarks.
Date: July 11, 1978.

SUMMARY

In 1973, the United States and thirteen other countries signed the Trademark Registration Treaty. This Treaty was transmitted to the Senate on September 3, 1975, with a view to advice and consent to receiving its ratification.

The Trademark Registration Treaty will establish an international trademark filing arrangement, through which persons and companies residing in one of the member States can more easily register trademarks (including service marks, and collective and certification marks) and maintain these property rights in all of the member States. Since the Treaty is not self--executing, the instrument of United States ratification will not be deposited until the necessary implementing legislation is enacted.
The proposed implementing legislation effects the necessary changes in the trademark statutes and provides to persons filing domestic applications the same benefits in the United States as those accorded under the Treaty. The implementing legislation would not come into force until the Treaty enters into force. Entry into force requires the deposit of instruments of ratification or accession by five States.

STATEMENT OF PURPOSE AND NEED

The enclosed bill would amend the Trademark Act of 1946 (60 Stat. 427, as Amended, 15 U.S.C. 1051 et seq.) to implement the Trademark Registration Treaty and make certain of its benefits available to persons filing national applications of United States trademark registration.

First, the bill would implement the Trademark Registration Treaty (TRT), an agreement adopted on June 12, 1973, by the Vienna Diplomatic Conference on Industrial Property to facilitate the protection of trademarks used or intended to be used in international commerce. This Treaty was signed by the United States and was transmitted by the President to the Senate of the United States on September 3, 1975, with a view to receiving its advice and consent to ratification.

Ratification of the Treaty and its implementation by this bill would enable United States nationals and residents to avail themselves of the advantages offered by the Treaty when it has entered into force with respect to the United States. In addition to the procedural implementing provisions, the bill would effect certain changes in the Trademark Act of 1946 (60 Stat. 427, as Amended, 15 U.S.C. 1051 et seq.) that are required to be made in order to comply with certain conditions and requirements of the Trademark Registration Treaty. These changes would not come into effect until the entry into force of the Treaty.

Second, the bill also makes modifications in the present law to provide to United States nationals and residents the same benefits when filing national applications for trademark registration in the United States Patent and Trademark Office as would be available to such applicants in the United States if filing under the Treaty.

Purpose of Trademark Registration Treaty
The Trademark Registration Treaty has as its primary purpose the establishment of a trademark filing arrangement through which persons and companies residing in one of the member States can more easily register trademarks (including service marks, and collective and certification marks) and maintain these property rights in all of the member States. Separate actions in approximately 150 jurisdictions (i.e. States, possessions, territories, etc.) are now required by United States companies in order to extend the protection of a trademark throughout the world. The complexity and high cost of establishing and protecting trademarks in international markets through the diverse national laws and procedures is a serious problem for businessmen seeking to further their commercial objectives by the sale of trademarked products across national boundaries. However, if trademark protection in potential foreign markets is not secured promptly, the unprotected mark is frequently appropriated by a "pirate" or may even be coincidentally adopted by another.

The entry into force of the Trademark Registration Treaty would help alleviate these problems by establishing an alternative international registration procedure through which the effects of national trademark registration in member countries could be secured, maintained and renewed on a central international register of marks. With a few exceptions, the effects of international registration in each participating State would remain subject to the substantive requirements of the national laws of such State.

History of Treaty Development
The Trademark Registration Treaty is the culmination of continuous efforts, since 1965, by the United States, to participate in an acceptable international arrangement to facilitate the protection of trademarks in international commerce. Consideration was first given to the possibility of United States adherence to the Madrid Agreement for the International Registration of Marks, a special arrangement under the Paris Convention for the Protection of Industrial Property. The Madrid Agreement, in force since 1891, has long operated successfully among twenty--three countries, principally European.

By 1968, it became apparent that there was substantial U.S. private sector opposition to adherence to the Madrid Agreement in its present form, largely because of certain of its features which, it was argued, would be contrary to the interests of United States firms.

From 1968 to 1970, there were efforts to revise the Madrid Agreement to correct these alleged deficiencies, but these efforts were not successful. However, whereas there was opposition to our adherence to the Madrid Agreement, interested private groups continued to urge United States participation in an acceptable trademark registration treaty.

In September, 1970, a United States sponsored resolution to develop a new trademark registration treaty was adopted unanimously by the competent administrative organs of the Paris Convention. After several drafts and examination by three Committees of Experts and several Consultants' groups, a final draft was considered at a diplomatic conference held in Vienna, Austria, from May 17 to June 12, 1973. Fifty States and thirty--one international organizations (governmental and non--governmental) were represented at the conference. On June 12, 1973, the Trademark Registration Treaty was signed by eight countries, including the United States, and remained open for signature until December 31, 1973, by which date a total of fourteen countries had become signatories. The Treaty will enter into force six months after five States have deposited their instruments of ratification or accession. To date, none of the signatory States has ratified the Treaty. Four States (Congo, Gabon, Togo, and Upper Volta) have deposited instruments of accession.

Main Features of Treaty

The Trademark Registration Treaty will establish a multilateral trademark filing arrangement for residents or nationals of its member countries, which provides easier procedures for securing, administering and maintaining national trademark registration effects in other countries by filing a single international application, securing a single international registration and maintaining a record of such rights on a central international register. International registration amounts to central recording of a "bundle of national rights" rather than a separate property right.

With some exceptions (as noted below), the substantive aspects of rights are regulated by each member State according to its national law. The main features of the Treaty are as follows.

1. A national or resident of a member State may file directly with the International Bureau of the World Intellectual Property Organization an international application designating the States in which protection of the trademark is desired. Any number of States, including the applicant's home State, may be designated.

2. The international application may claim the priority (Paris Convention "right of priority") of an earlier first application to register the same trademark.

3. The application is subject to an international fee plus a fee for each designated State (not higher than 100% of the total fees for national registration).

4. After a brief examination as to formal requirements, the trademark is registered by the International Bureau. The details of the international registration are promptly published in English and French in an international gazette and communicated to each of the designated States.

5. Unless refused by a designated State, the international registration is accorded the same legal effect as if the same trademark were registered nationally in that State. The time limit for the initial notice of refusal, including all reasons or possible reasons for refusal, is fifteen months from the date of the international publication. The reasons for refusal cannot be different from those applicable to national applications.

6. If initially refused by any designated State, the owner is notified of the refusal and is guaranteed the same procedural rights of re--examination and/or remedies available in the case of refusals of national trademark applications. Further proceedings are not subject to any Treaty time limits, and are carried out directly between the owner and the concerned national office.

7. The effects of an international registration may be cancelled in any designated State according to the national law of that State. The effect of cancellation is limited to the State in which the legal action for cancellation was brought.

8. An international registration may be renewed at ten year intervals by a single renewal application filed with the International Bureau.

9. States not originally designated may be added later by requesting the recording of later designations of the new States.

10. Assignments, changes of name, limitations of the goods and/or services, etc. may be recorded by filing a single international request, with the same legal effect as if recorded in the national registers.

11. Non--use of the trademark during an initial period of three years counted from the filing date cannot result in refusal or cancellation by any State. However, any State may require that the owner declare his intention to use the trademark in that State and may further provide in its law that no action for infringement may be commenced until the continuing use of the trademark in that State has started and that any remedy (e.g. damages or profits) may relate only to the period after use has commenced.

The benefits of the Treaty will be available only to nationals or residents of member countries. As to such persons, the Treaty may be used to secure protection in a few countries, or in many, depending upon the extent of the commercial interests.

The Treaty provides that the contracting States shall constitute a Union for the international registration of marks. The provisions for administration of the Union are similar to those established for the Patent Cooperation Treaty, which was transmitted to the Senate on September 12, 1972, and was favorably acted on by that body on October 30, 1973.

The Regulations annexed to the Treaty provide rules concerning administrative requirements and procedures and details useful in implementation of the Articles.

Interest of Other Countries

In addition to the United States, the signatories of the TRT include a number of major trading countries (e.g. Federal Republic of Germany, United Kingdom, Italy, Sweden, Austria). Others are awaiting developments in the United States, which furnished primary impetus to the negotiations. In particular, the interest of most Western European countries is contingent

upon United States ratification, primarily because of the existence of the Madrid Agreement. The Trademark Registration Treaty is more modern than the Madrid Agreement, has more advantages for trademark owners and eliminates features which have long inhibited the territorial growth of the Madrid system. However, the position of the Madrid Agreement members is dependent upon the interest of major countries outside that Union in the new arrangement. Of these, the United States is clearly the most important. However, Japan, United Kingdom, Canada, and the Scandinavian group are among other countries outside the Madrid Union which are known to be seriously considering participating in the TRT arrangement, or, failing that, in some other multilateral agreement, such as Madrid.

Main Advantages

The main advantages of the Treaty are the simplified procedures provided in order to secure national registration effects, to maintain the rights thereby acquired, and to continue these rights by renewal. Other benefits are the time limits for national refusal notifications and the limitations on national use requirements.

The Treaty will not be a panacea for all trademark problems. It will establish what is essentially a multilateral trademark filing arrangement, reserving (except for a few points) the substantive aspects of rights to regulation on a country--by--country basis under the national law of each country. However, by limiting participation to States having previously adhered to the Paris Convention for the Protection of Industrial Property, it assimilates or applies the norms and standards of trademark protection law which have been agreed to by the eighty--seven member countries of that Union over the almost 100 years of its existence. The fact that its filing, maintenance and administrative procedures are independent of national procedures means that a framework for future development of international substantive standards and further rationalization of procedures is provided. Also, since trademark piracy is best dealt with preemptively by prompt filing and diligent maintenance practices, the Treaty attacks this problem directly by facilitating the filing and maintenance procedures.

Even the short range objectives and benefits will not be immediately realized upon United States ratification. Five States must ratify before the Treaty enters into force. To date, only eighteen out of the eighty--seven potential member States have taken positive steps (i.e. fourteen signatories and four adherents). The benefits of simplified filing and maintenance will accrue in proportion to the number of member States.

Effect on U.S. System----Cost

As the Treaty matures in terms of the number of participating States, one of its effects will probably be an increase of foreign origin filings in this country (present foreign origin filings are less than 10% of total filings). It is fundamental that the benefits of simplification accrue in both directions. To the extent that any increased filings reflect existing commercial rights, this result would be consistent with a fundamental purpose of the federal trademark registration system, i.e. the central recording of marks in which rights may exist. Because registration is not mandatory in order to secure rights in a trademark in the United States (and this would not change under the Treaty), the U.S. system is designed to encourage federal registration, in order to provide centralized information to those searching for and selecting new marks for new products or services to be sold in commerce. Part of the increase, as explained later, may result from permitting the filing and registration of marks based on an intent to use as an alternative to actual use.

Since the intent to use amendments to be effected by the bill will not come into force until the date of entry into force of the Treaty, none of the financial consequences will accrue until after that date. It is assumed that entry into force will occur promptly after United States ratification, if not before that date. Assuming action by the 95th Congress, increased incremental costs and manpower requirements of the Patent and Trademark Office have been estimated as shown in the following chart.

[IMAGE OMITTED]

An important caveat is that many of the assumptions on which the above estimates are based are, at this point, very speculative. Also, since the Treaty provides for the assessment of country designation fees (paid centrally) at a level equal to the fees for national registration, any increased operational costs of the Patent and Trademark Office due to increased filings will be offset to the same extent as under the national system. The above cost estimate does not reflect these partially offsetting fees.
Additional cost factors, too remote for attempting to estimate at this time, involve contributions to the World Intellectual Property Organization (WIPO) which will serve as the International Bureau under the Treaty. Article 34(5) of the Treaty establishes a working capital fund, constituted by a single payment made by each contracting State. Based on the experience in the case of other treaties administered by WIPO, it is believed that consideration of any working capital fund would be deferred, at least, until several years after the Treaty enters into force. The amount of the initial payment of each contracting State to this fund is computed with due regard to the number of international applications are filed by residents of that State. Thus, a direct relationship exists between the amount of the payment by the United States and the use of the TRT by U.S. companies. In starting up for operations under TRT, the International Bureau will have to establish a budget financed from fees and charges for services rendered by the International Bureau, from sales of publications and other miscellaneous income. While the Madrid Agreement, also administered by WIPO, has operated at a profit for many years, and the TRT is designed to be self--supporting under normal circumstances (Article 34(4)), the possibility of deficits cannot be ruled out altogether. Deficits would be covered out of the working capital fund, which fund would then be reimbursed by the States. Deficits are not expected to be of any significant magnitude. Contributions to the working capital fund would be the responsibility of the Department of State.

Effect on U.S. Trademark Law
Participation in the international system will require that our national trademark law be amended in a number of respects. The most fundamental change is one which would permit the securing of a national registration in the United States based on intention to use the trademark applied for, and provide for an initial period of 3 years during which nonuse of the mark could not be a basis for refusing or cancelling such registration. Consistent with the Treaty, the proposed legislation provides that infringement actions in the courts would continue to be contingent upon the commencement of use, however.

As explained by the President in forwarding the Treaty to the Senate for its advice and consent, there is a sharp difference of opinion among interested persons, firms and associations in the United States as to the desirability of making this change, and, to a lesser extent, other less significant changes, required by the Treaty, in our national law.

The essence of the change in United States law is that it would move us from the strict use approach (today held to only by the United States, and a few other countries, e.g. Republic of Philippines, Panama) to the middle position, i.e. a use or intention to use system similar in principle to that of the British. The change is believed to be more consistent with the legitimate needs of businessmen, especially where international trade is contemplated.

Intention To Use Legislation

In fact, legislation permitting the filing of a trademark application based on an intent to use was widely supported in the private sector and, in the 91st Congress, identical House and Senate bills, substantially the same as the earlier Senate bills, were introduced at the request of the Administration (S. 3110, McClellan; H.R. 14050 Kastenmeier). This legislation was not reintroduced in the 93rd and 94th Congresses, however, since it was known at an early stage in the Treaty negotiations that the use requirements of the United States would be affected.

The support of intention to use legislation in the United States had its foundation in domestic concerns. Under present law actual use of a mark is a prerequisite to the filing of an application for registration. Thus, every applicant for federal registration, in addition to other requirements, must specify in his application the date of first use of the mark and the date of first use in commerce over which Congress has control (usually interstate commerce).

As applied to the adoption of new trademarks, the requirement of establishing use of a mark prior to applying for its registration is unrealistic since the time interval between clearance and adoption of a trademark and use of commercial quantities varies from several months to several years depending upon the products involved. Typically, before a consumer product is marketed commercially, there is considerable time and effort expended in the developmental effects. After having undertaken the effort and expense of creating and planning the promotion of a new mark, however, the businessman may find that the mark is not registrable because of conflict with another mark or some other reason. These problems led to the drafting and introduction of intent to use legislation.

Canada, in 1954, after careful study, adopted a system permitting applications for registration on the basis of an owner's proposed use. The Canadian system is favorably regarded by businessmen, as are the intention to use systems of many other nations. Approximately one--half of the trademark applications filed today in Canada are based on proposed use, rather than actual use, evidencing the usefulness and acceptability of the system.

Differences Between Previous Intention To Use Legislation and the Treaty

Although similar in terms of their substantive effect, the "intent to use" amendments previously proposed in this country do not satisfy the requirements of the Treaty. There are two basic differences:

(1) The time period under the Treaty during which use may not be required cannot be less than 3 years, counted from the filing date.

Under the "intent to use" bills, the time period was flexible, depending upon the length of time consumed by the examination, i.e. 90 days, counted from the date of allowance of the application by the examiner (a shorter period if the application were opposed). Although entirely dependent upon pendency experience of the Patent and Trademark Office, the period

of permitted non--use of most of the applied for marks under those bills would have been in the approximate range of one to two years, counted from the filing date.

Whereas the Treaty permits the "reserving" of a mark for an initial 3 years, more extended "reserving" may be precluded under Article 19(3) and this is done in the proposed implementing legislation. Thus, the 3 year period cannot be extended except for extraordinary reasons. The fact that an application is still pending at the date of expiration of the 3 years may not be accepted as a reason for extension. The use requirements after 3 years are the same as under present law.

(2) Under the Treaty, the national registration effect of an international registration may not, for the initial three year period, be refused or cancelled on the ground of non--use. However, any country may provide that the right to sue for infringement of the registered mark (even during the three years) is subject to the condition of use, i.e. no right to sue until after continuous use has commenced; and that any remedy may relate only to the period after use has commenced.

Under the "intent to use" bills, an application could be filed, and priority secured, based on intent to use, without actual use, but the registration would not issue until a declaration demonstrating actual use had been filed and accepted.

The implementing legislation takes into account the above differences, as the Treaty requires. Also, in all respects, the benefits to applicants from the 3 year use moratorium are accorded to United States residents filing regular national applications in the United States as well as to those applicants filing under the Treaty.

A BILL
To amend the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946, as amended.
Be it enacted by the Senate and the House of Representatives of the United States of America in Congress assembled, that,
in order to carry out the provisions of the Trademark Registration Treaty and extend its benefits to citizens and residents of the United States pursuant to the authority of Congress to regulate commerce within its control, section 1 of the Act entitled "An Act to provide for the registration and protection of trademarks used in commerce, to carry out the provisions of international conventions, and for other purposes," approved July 5, 1946 (60 Stat. 427), as amended, is amended to read as follows:

"(a) Any person who is the owner of a trademark which is used or intended to be used in commerce may register that trademark on the principal register hereby established, subject to the conditions and requirements of this Act.

"(b) Application by a person described in section 1(a) to register a trademark on the principal register may be made:

(1) By paying in the Patent and Trademark Office the filing fee and filing in such Office--
(A) A written application, in such form as may be prescribed by the Commissioner, signed by the applicant or by a duly appointed representative of the applicant, specifying the applicant's

domicile and citizenship and the particular goods in connection with which the trademark is used or intended to be used in commerce;
(B) A drawing of the trademark;
(C) Except where the declaration under section 1(c) is filed together with the application, a declaration of the applicant's intention to use the trademark in commerce in connection with the goods specified in the application; and by complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner; or

(2) By designating the United States in an international registration, or in the recording of any later designation in an international registration, published and notified to the Patent and Trademark Office in conformity with the Trademark Registration Treaty: Provided, That--
(A) the person applying was entitled to file international applications, is entitled to own international registrations, and is the Owner of the international registration of the trademark sought to be registered under this Act; and
(B) a declaration of such person's intention to use the trademark in commerce in connection with the goods specified in the international registration is notified to the Patent and Trademark Office in conformity with the said Treaty.

"A person whose international application, or request for the recording of later designation, designating the United States, has been declined by the International Bureau may apply to register the same trademark under paragraph (1) of this subsection. If the application under paragraph (1) is filed in the Patent and Trademark Office prior to the expiration of two months, counted from the date of the notification by the International Bureau of its declining of the corresponding international application or request, and if the Commissioner determines that such declining was not justified, the application shall be treated as if it had been filed on the date which would have been the international registration date or the recording date of the later designation had the declining not taken place.

"(c)(1) The applicant of an application for registration under this Act, or the registrant of a registration issued on the basis of such application, shall file in the Patent and Trademark Office, in such form as may be prescribed by the Commissioner, a declaration stating that the trademark is in use in commerce and that such use commenced on or prior to the date of expiration of three years counted from the filing date of the application, and specifying the date of his first use of the trademark, the date of his first use of the trademark in commerce, those of the particular goods identified in the registration, or, if the registration has not been issued, in the application for registration, in connection with which the trademark is used, and the mode or manner in which the trademark is used in connection with such goods. The declaration shall be signed by the registrant or his duly appointed representative, or, if the registration has not been issued, by the applicant or his duly appointed representative, and it shall be accompanied by such number of specimens or facsimiles of the trademark as actually used as may be prescribed by the Commissioner. Where the declaration concerns an application filed under, or registration issued pursuant to, section 1(b)(2), it may, in such form as may be prescribed by the Commissioner or in the form prescribed by the Trademark Registration Treaty, be filed with the International Bureau, with the same effect as if it had been filed in the Patent and Trademark Office on the date on which it was received by the International Bureau.

(2) The declaration under paragraph (1) of this subsection may be filed together with the application to which it pertains, or later: Provided, That unless such declaration has been filed prior to the expiration of four years, counted from the filing date, the Commissioner shall

cancel the registration, if issued, or refuse the application for registration, if pending. If the declaration is accepted in respect of fewer than all of the goods stated in the registration or identified in the application, the application or registration shall be limited by the Commissioner to those of the particular goods specified in the declaration in connection with which the mark is in use in commerce.

(3) If an application for registration is pending after the expiration of the three--year period referred to in paragraph (1) of this subsection, or if a registration is relied upon in an opposition or cancellation proceeding under this Act which was filed, or which is pending, after the expiration of such period, the Commissioner may require that the declaration under this subsection in respect of such application or registration be filed within such earlier period as he may prescribe: Provided, That such earlier period shall not expire earlier than 2 months, counted from the date of a notice mailed to the applicant or registrant.

(4) If a person who applied for registration of a trademark under this Act, or any successor, assignee or related company of such applicant, shall subsequently apply for registration under this Act of the same or a substantially equivalent trademark on or prior to the date of expiration of five years from the filing date of the said earlier application in respect of all or fewer than all of the goods recited in the said earlier application, the three--year period referred to in paragraph (1) of this subsection shall, in respect of those of the goods which are the same, be counted from the filing date of the said earlier application, or if there were more than one such earlier application, from the filing date of the earliest of them: Provided, That this paragraph shall not be applicable if a declaration of use conforming to the requirements of this subsection is filed together with the said subsequently filed application.

(5) Upon a satisfactory showing by the applicant or registrant that his failure to commence use of the mark in commerce on or prior to the date of expiration of the three--year period referred to in paragraph (1) of this subsection was due to extraordinary circumstances which excuse such failure and was not due to any intention to abandon the mark, the Commissioner may extend the date of expiration of the said period and of the time limit for filing the declaration under this subsection: Provided, That the said expiration dates may not be extended for the reason that the application for registration was pending after the date of expiration of the said three--year period.

(6) The Commissioner shall notify the applicant or registrant who files the above prescribed declaration of his acceptance or refusal thereof and, if a refusal, the reasons therefor.

"(d) In any application in respect of which the declaration under section 1(c) has been filed, the applicant may claim concurrent use. If concurrent use is claimed, the applicant shall state exceptions to his claim of exclusive use, in which he shall specify, to the extent of his knowledge, any concurrent use by others, the goods in connection with which and the areas in which each concurrent use exists, the periods of each use, and the goods and area for which the applicant desires registration.

"(e) If the applicant is not domiciled in the United States he shall designate by a written document filed in the Patent and Trademark Office the name and address of some person resident in the United States on whom may be served notices or process in proceedings affecting the trademark. Such notices or process may be served upon the person so designated by leaving with him or mailing to him a copy thereof at the address specified in the last designation so filed. Unless filed with the application, the document designating such person

shall be filed on or prior to the date on which the applicant, or the registrant of any registration issued on the basis of such application, replies to any communication by the examiner, or otherwise institutes or defends any proceeding under this Act, relating to such application or registration. Until such person has been designated, or if the person so designated cannot be found at the address given in the last designation, such notices or process may be served upon the Commissioner."

SEC. 2. The first sentence of section 3 of such Act is amended by striking out "used in commerce."

SEC. 3. The first sentence of section 4 of such Act is amended by striking out "used in commerce" and by inserting, following "exercising," the words "or intending to exercise."

SEC. 4. Section 5 of such Act is amended by inserting, fol--lowing "used" (first occurrence), the words ", or is intended to be used,"; and by inserting, following "use" (both occurrences), the words "or intention to use."

SEC. 5(a) The second sentence of section 7(a) of such Act is amended by inserting, following "date" (third occurrence), the words "of issue"; by striking out "date on which the application for registration was received in the Patent and Trademark Office" and inserting in lieu thereof the words "filing date"; and by changing the period at the end of the sentence to a colon and adding the following proviso:
"Provided, That if the declaration under section 1(c) has not been filed, this fact shall be indicated in lieu of the dates of first use of the mark."

(b) A new sentence is added to section 7(a) of such Act reading as follows:
"The Commissioner shall cause a notice concerning the issuance of the registration to be published in the Official Gazette of the Patent and Trademark Office."

(c) Section 7(b) of such Act is amended to read as follows:
"Subject to any conditions and limitations stated therein, 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 registration, of the registrant's ownership of the mark, and of the right of the registrant to prevent registration under this Act by any other person, except a lawful concurrent user, of the mark either in the identical form as reproduced in the registration, or in such near resemblance thereto as to be likely, when applied to the goods or services of such other person, to cause confusion or to cause mistake, or to deceive."

(d) Section 7(d) of such Act is amended by inserting, preceding the first sentence of such subsection,

"(1)" and by adding, at the end thereof, the following new paragraphs:

"(2) The registrant of any registration under this Act may limit the goods and/or services specified in his registration by filing an application, in such form as may be prescribed by the Commissioner, for the recording of such limitation or, in the case of a registration issued on the basis of an application under section 1(b)(2), or renewed pursuant to section 9(b) (2), by filing at the International Bureau a request for the recording of a limitation, in respect of the United States, of the goods and/or services of the international registration on the basis of which such registration was issued. The Commissioner shall refuse to record any limitation

requested by the registrant if its effect would be to enlarge the scope of the goods and/or services beyond that of the goods and/or services specified in the registration. The recording by the International Bureau of a limitation of the goods and/or services, in respect of the United States, of an international registration shall, unless refused by the Commissioner, have the same effect as if such limitation had been entered in the records of the Patent and Trademark Office on the same date of such recording."

"(3) Where the Commissioner has limited the goods and/or services of any registration pursuant to the provisions of paragraph (2) of this subsection, or sections 1(c)(2), 8(a)(2), or 9(c)(2) of this Act, appropriate entry of such limitation shall be made in the records of the Patent and Trademark Office and, if requested by the registrant, upon the certificate of registration or, if such copy is lost or destroyed, upon a certified copy thereof."

(e) Section 7 of such Act is amended by adding, after subsection 7(g), the following new subsection:

"(h)(1) Appropriate entry shall be made in the records of the Patent and Trademark Office of any recording notified to it by the International Bureau in respect of a registration issued on the basis of an application under section 1(b)(2), or renewed pursuant to section 9(b)(2), unless the effect of such recording has been refused in conformity with the provisions of this Act or of the Trademark Registration Treaty.

(2) The Commissioner shall notify the International Bureau as provided in the Trademark Registration Treaty before making any entry, other than as specified in paragraph (1) of this subsection, in the records of the Patent and Trademark Office in respect of a registration issued on the basis of an application under section 1(b)(2), or renewed pursuant to section 9(b)(2), and the entry in such records shall not be made until the corresponding entry has been annotated and published by the International Bureau as provided in the said Treaty."

SEC. 6 Section 8(a) of such Act is amended to read as follows:

"(1) The initial term of a registration under this Act shall be 10 years counted from the filing date:
Provided, That the registration of any mark under the provisions of this Act shall be cancelled by the Commissioner at the end of 6 years counted from its date of issue, unless, within 1 year next preceding the expiration of such 6 year period, the registrant shall file in the Patent and Trademark Office, in such form as may be prescribed by the Commissioner, an affidavit or declaration showing that the mark is still in use in commerce. Special notice of the requirement for such affidavit or declaration shall be attached to each certificate of registration. Where the affidavit or declaration concerns a registration issued pursuant to section 1(b)(2), it may, in the form prescribed herein, or in the form prescribed by the Trademark Registration Treaty, be filed with the International Bureau, with the same effect as if it had been filed in the Patent and Trademark Office on the same date as the date on which it was received by the International Bureau.

(2) If the affidavit or declaration of use under paragraph (1) of this subsection is accepted in respect of fewer than all of the goods and/or services stated in the registration, the registration shall be limited by the Commissioner to those of the particular goods and/or services specified in the affidavit or declaration in connection with which the mark is still in use in commerce.

(3) Upon a satisfactory showing by the registrant that his nonuse of the mark in commerce is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark, the Commissioner may extend the time for filing the affidavit or declaration under this section."

SEC. 7 Section 9 of such Act is amended to read as follows:

"(a) The owner of a mark which is still in use in commerce may renew his registration of that mark for periods of ten years from the end of each expiring period of the registration, subject to the conditions and requirements of this Act.

"(b) Renewal of a registration by a person described in section 9(a) may be effected:

(1) By paying in the Patent and Trademark Office the prescribed fee and filing in such Office--
(A) within the six months next preceding the date of expiration of the period for which the registration was issued or renewed, an application for renewal; or
(B) prior to the expiration of six months counted from the date of expiration of the period for which the registration was issued or renewed, an application for late renewal, on payment of the additional fee herein prescribed; and by complying with such rules or regulations, not inconsistent with law, as may be prescribed by the Commissioner; or

(2) By the renewal of an international registration in respect of which the United States is a designated State, published and notified to the Patent and Trademark Office in conformity with the Trademark Registration Treaty, Provided: That the person applying is entitled to own international registrations and is the Owner of the international registration of the mark sought to be renewed under this Act.
If the Commissioner refuses an application for renewal of a registration filed under paragraph (1), he shall notify the registrant of his refusal and the reasons therefor. The provisions of section 1(e) shall be applicable to any person not domiciled in the United States who applies for or effects the renewal of a registration under this Act.

"(c)(1) The registrant of a registration renewed under this Act shall file in the Patent and Trademark Office, in such form as may be prescribed by the Commissioner, a declaration stating that the mark is still in use in commerce, and specifying those of the particular goods and/or services identified in the registration on or in connection with which the mark is so used. The declaration shall be signed by the registrant or by his duly appointed representative, and shall be accompanied by a specimen or facsimile showing current use of the mark. Where the renewal is effected pursuant to section 9(b)(2), the declaration may, in the form prescribed herein, or in the form prescribed by the Trademark Registration Treaty, be filed with the International Bureau, with the same effect as if it had been filed in the Patent and Trademark Office on the date on which it was received by the International Bureau.

(2) The declaration under paragraph (1) of this subsection may be filed together with the application for renewal under section 9(b)(1), or, in the case of a renewal effected pursuant to section 9(b)(2), with the demand for renewal of the corresponding international registration filed with the International Bureau, or later: Provided, That unless such declaration has been filed prior to the expiration of six months, counted from the starting date of the term of renewal, the Commissioner shall cancel the registration. If the declaration is accepted in

respect of fewer than all of the goods and/or services stated in the registration, the registration shall be limited by the Commissioner to those of the particular goods specified in the declaration in connection with which the mark is still in use in commerce.

(3) Upon a satisfactory showing by the registrant that his nonuse of the mark in commerce is due to special circumstances which excuse such nonuse and is not due to any intention to abandon the mark, the Commissioner may extend the time for filing the declaration under this section.

(4) The Commissioner shall notify the registrant who files the above prescribed declaration of his acceptance or refusal thereof and, if a refusal, the reasons therefor."

SEC. 8(a) Section 10 of such Act is amended by inserting, preceding the first sentence of such section,

"(a)(1)," by striking out "(d)" in the last sentence and inserting in lieu thereof "(e)," and by adding at the end of such section the following new paragraphs:

"(2) A change in the ownership of a registration or application for registration under this Act may be recorded in the Patent and Trademark Office in such form as may be prescribed by the Commissioner, or, in the case of an application filed or registration issued pursuant to section 1(b)(2), or renewed pursuant to section 9(b)(2), by recording the change in Ownership, in respect of the United States, of the international registration on the basis of which such application was filed or such registration was issued. The recording by the International Bureau of a change in the Ownership, in respect of the United States, of an international registration shall, if valid, have the same effect as if such change had been entered in the records of the Patent and Trademark Office on the same date as the date of such international recording.

"(3) The recording of a change in ownership pursuant to paragraph (2) which is the result of an assignment of the registered or applied for mark shall, as of the date of such recording, be accorded the same effects as those which are accorded to the recording of such assignment: Provided, That within three months from the date of notice of such recording, mailed to the person who applied therefor, or, where the recording is effected by the International Bureau, from the date of publication of such international recording, instruments of assignment conforming to the requirements of paragraph (1) have been recorded in the Patent and Trademark Office.

"(4) Any person, not entitled to file international applications, who has, nevertheless, become the owner of an application filed or registration issued pursuant to section 1(b)(2), or renewed pursuant to section 9(b)(2), other than as a result of a contract between him and the previous applicant or registrant, may file an application for registration of the same mark under section 1(b)(1). If the application under section 1(b)(1) is filed by such person in the Patent and Trademark Office within two years from the said change in ownership and prior to six months after the expiration of the initial term, or of the then running term of renewal, of the international registration on which such application or registration is based, it shall, in respect of those of the goods and/or services which are the same, be treated as if it had been filed on the same date as the date on which the designation of the United States in such corresponding international registration took effect: Provided, That such application under section 1(b) (1) conforms to all of the requirements of this Act."

(b) Section 10 of such Act is amended by adding the following subsections:

"(b) Instruments evidencing changes in the name of the applicant or registrant may be recorded in the Patent and Trademark Office, in such form as may be prescribed by the Commissioner, or, in the case of a registration issued on the basis of an application filed under section 1(b)(2), or renewed pursuant to section 9(b)(2), by recording the change in the name of the Owner of the international registration on the basis of which such registration was issued. The recording by the International Bureau of a change in the name of the Owner of an international registration, in which the United States is a designated State, shall, if valid, have the same effect as if it had been entered in the records of the Patent and Trademark Office on the same date as the date of such recording.

"(c) Where at any time, as a result of a final decision in any proceeding under this Act, it is determined that a recording made under this section is void or that such recording was made contrary to the requirements of the Act, the Commissioner shall, upon request of any interested party, cause an appropriate correction to be entered in the records of the Patent and Trademark Office. If such recording was effected on the basis of a recording in respect of an international registration, the Commissioner shall, if appropriate, deny the effect of such international recording and notify the International Bureau accordingly, as prescribed in the Trademark Registration Treaty."

SEC. 9 Section 12(a) of such Act is amended to read as follows:
"Upon the filing of an application for registration, the Commissioner shall refer the application to the examiner in charge of the registration of marks, who shall cause an examination to be made. Unless the application has been previously withdrawn or abandoned, the mark shall be published in the Official Gazette of the Patent and Trademark Office at such time as the Commissioner shall prescribe, not later than 12 months, counted from the filing date of the application. In the case of an applicant claiming concurrent use, or in the case of an application to be placed in an interference as provided for in section 16 of this Act, the mark may be published subject to the determination of the rights of the parties to such proceedings."

SEC. 10 Section 12(b) of such Act is amended by striking out "6" in two places and inserting, in lieu thereof "3" and by adding at the end thereof:
"Except for the failure of an applicant to comply with the requirements of section 1(c), no mark shall be refused registration for a reason which has not been indicated in a communication given or mailed to the applicant on or prior to 12 months, counted from the filing date: Provided, That this limitation shall not apply to any refusal determined by the Trademark Trial and Appeal Board or by a court."

SEC. 11 The second sentence of section 13 of such Act is amended by changing the period at the end of this sentence to a colon and adding a proviso and a new third sentence reading as follows: "Provided, That such time shall in no event be extended to a date which is later than 14 months, counted from the filing date of the application for registration in respect of which the extension of time for filing opposition is requested. An opposition may be filed by a duly authorized attorney of the opposer."

SEC. 12 Section 14 of such Act is amended by inserting, following "person" the words, "or by a duly authorized attorney of any person"; by inserting, following "date" in clause (a), the words "of issue," and by inserting, following "thereunder," in clause (c), the following words: "or, in the case of a registration issued on the basis of an application under section 1(b)(2), or renewed pursuant to section 9(b)(2), on the ground that the registrant was not entitled to own international registrations,".

SEC. 13 The first sentence of section 15 of such Act is amended by inserting, following the third occurrence of "date," the words "of issue."

SEC. 14 The first sentence of section 16 of such Act is amended by inserting, following "may" the words ", prior to the publication under section 12(a) of such mark,".

SEC. 15 Section 17 of such Act is amended by inserting, between the first and second sentences thereof:
"Where an interference, opposition to registration or concurrent user proceeding concerns an application for registration under this Act of a mark, the entitlement to registration of which has not been finally determined by the examiner in charge of the registration of marks or, as a result of an appeal from a final refusal of the examiner, by the Trademark Trial and Appeal Board or a court, the Commissioner may, with notice to all parties, defer the commencement of such proceeding until such final determination has been made."

SEC. 16 The first sentence of paragraph (1) of section 21(a) of such Act is amended by inserting, following "affidavit," the words "or declaration"; and by striking out "section 8" and inserting in lieu thereof "section 8, 1(c), or 9(c)."

SEC. 17 Section 22 of such Act is amended by inserting, at the beginning of the sentence, "Issuance of a" and by changing the "R" in "Registration" to "r."

SEC. 18 Section 23 of such Act is amended by inserting, following "commerce" in the second sentence of such section, "or are intended to be used in commerce,"; by striking out in the second sentence of such section "for the year preceding the filing of the application"; by inserting between the second and third sentences of such section: "An application for the registration of a mark shall be treated as an application under this section only if the application or, in the case of an application pursuant to section 1(b)(2), if the international registration or recording of later designation which is the basis for such application, contains an indication to this effect."; and by striking out in its entirety the last sentence of such section.

SEC. 19(a) The second sentence of section 24 of such Act is amended by inserting, preceding "may," the words, "or his duly authorized attorney," and by striking out the word "verified."

(b) The fourth sentence of section 24 of such Act is amended by inserting, following "used," the words, "following the date of expiration of the period referred to in section 1(c)(1),".

SEC. 20 The second sentence of section 30 of such Act is amended to read as follows:
"When the goods and/or services specified in an application fall within a plurality of classes, a fee equalling 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. 21(a) Subsection (a) of section 31 of such Act is amended by striking out paragraph (3) of such subsection, by appropriately renumbering the remaining paragraphs; and by inserting, following "mark" in newly renumbered clause (6) (old paragraph (7)), "change in the name of the registrant,".

(b) Section 31 of such Act is amended by adding, after subsection 31(c), the following new subsection:

"(d) The fees specified in paragraphs (1) and (2) of subsection (a) shall, in the case of applications pursuant to section 1(b)(2) and renewals pursuant to section 9(b)(2), be deemed to be substituted for, respectively, by the individual State fees and the individual State renewal fees applicable to designations of and renewals concerning the United States pursuant to the Trademark Registration Treaty. The Commissioner shall communicate to the International Bureau the amounts of such individual State fee and individual State renewal fee and such amounts shall be the same, respectively, as the amounts of the fees specified in paragraphs (1) and (2) of subsection (a)."

SEC. 22 Section 32(1) of such Act is amended by adding at the end of such section the following sentence:
"No action under this section may be started by the registrant of a registration issued under this Act until the declaration under section 1(c) in respect of the mark which is the subject of such registration has been filed in the Patent and Trademark Office and accepted by the Commissioner."

SEC. 23(a) Section 33(a) of such Act is amended by inserting following "registration" (second occurrence), the words ", and in respect of which the mark is stated to be in use in commerce in the registration, or in the declaration under section 1(c) which has been filed in the Patent and Trademark Office and accepted by the Commissioner,"

(b) Paragraph (5) of section 33(b) of such Act is amended by inserting, preceding "registration" the words "the date of issue of the."

(c) Section 33 of such Act is amended by adding, after subsection 33(b), a new subsection reading as follows:

"(c) For the purpose of determining priority of rights in any proceeding under this Act, an application for registration of a mark which has not been withdrawn or abandoned or a registration issued on the basis of such application, shall, from and after its filing date, be accorded the same effect as if the applicant, or the registrant, had commenced use of the mark in commerce on the said filing date, without derogation, however, of any earlier priority based on use of the mark commenced earlier than the said filing date or of any right of priority to which the applicant or registrant may be entitled pursuant to section 44(d) of this Act."

SEC. 24 Section 35 of such Act is amended by adding at the end of such section the following sentence:
"Any remedy under this section shall relate only to the period after the registrant commenced the continuing use of the mark in commerce."

SEC. 25 Section 44(a) of such Act is amended by inserting, preceding the first sentence of such subsection, "(1)" and by adding, at the end thereof, the following new paragraphs:

"(2) The Commissioner shall keep a register of international registrations designating the United States which have been published and notified to the Patent and Trademark Office in conformity with the Trademark Registration Treaty, including renewals thereof and recordings related thereto, and shall be authorized to accord and refuse effects, communicate notifications, make attestations, decide petitions, determine the amounts and receive payments of fees, and perform all other acts prescribed by the said Treaty, subject to the requirements thereof.

"(3) Where the time limit for a notification to the International Bureau prescribed by the Trademark Registration Treaty is stated in terms of the date of receipt of such notification by the International Bureau, such notification shall be transmitted by Registered Mail no later than 14 days prior to the expiration of the time limit and, except where an agency of the said Bureau, established pursuant to the said Treaty, is operating within the United States, shall be transmitted to that bureau via Air Mail.

"(4) A mark subject of an application under section 1(b)(2) in respect of which no notification of refusal or possible refusal was received by the International Bureau within the time limit fixed in Article 12(2)(a)(i) of the Trademark Registration Treaty shall be automatically entitled to registration under this Act on the same register as the one for which such application was made. Upon request by the applicant of such an application and unless the registration has been previously issued, the Commissioner shall issue the registration to which such applicant is entitled under this paragraph and the date of issue of such registration shall be the date of the Official Gazette next preceding the date of expiration of the said time limit. Registration of a mark under the provisions of this paragraph shall be without prejudice to the right of any person to petition to cancel such registration under section 14 of this Act for any reason, including one which was referred to in a refusal made pursuant to section 12(b) or in an opposition filed pursuant to section 13, the notification of which was not received by the International Bureau or which was not received by such Bureau within the said time limit. If a registration is issued pursuant to this paragraph in respect of a mark, the registration of which had been opposed in a timely filed opposition, the Commissioner shall notify the opposer in such opposition and shall, upon request of such opposer received within 30 days from the date of such notice, direct the Trademark Trial and Appeal Board to determine and decide the rights of registration as if the opposition to registration had been filed as an application to cancel the said registration on the date of issue of such registration.

"(5) Failure by the applicant of an international application or by the Owner of an international registration to act within prescribed time limits in connection with requirements pertaining to an international application, international registration or later designation designating the United States, or to any recording related thereto, may be excused upon a showing satisfactory to the Commissioner of unavoidable delay, to the extent not precluded by the Trademark Registration Treaty or by this Act."

SEC. 26 Section 44(c) of such Act is amended by striking out the first sentence of such section; and by striking out the heading, preceding the second sentence, "Country of origin defined."

SEC. 27 Section 44(d) of such Act is amended to read as follows:

"An application for registration of a mark under sections 1, 2, 3, 4 or 23 of this Act filed by a person described in paragraph (b) of this section who has previously duly filed an application for registration of the same mark in one of the countries described in paragraph (b), or a regular international application in respect of the same mark designating at least one country other than the United States, shall be accorded the same force and effect as would be accorded to the same application if filed under this Act on the same date on which such application was first filed in such foreign country, or on which such international application was first filed with the International Bureau: Provided, That--

(1) The application under this Act is filed within 6 months from the date on which the application was first filed in the foreign country or on which the international application was first filed with the International Bureau;

(2) The rights acquired by third parties before the date of the filing of the first application in the foreign country or of the first international application shall in no way be affected by a registration obtained on an application filed under this subsection (d);

(3) Nothing in this subsection (d) shall entitle the owner of a registration granted under this section to sue for acts committed prior to the date on which such registrant has commenced the continuing use of the mark in commerce.

In like manner and subject to the same conditions and requirements, the right provided in this section may be based upon a subsequent regularly filed foreign application or subsequent regular international application, instead of the first filed foreign application or international application: Provided, That any foreign application or international application filed prior to such subsequent application or international application has been withdrawn, abandoned, or otherwise disposed of, without having been laid open to public inspection and without leaving any rights outstanding, and has not served, nor thereafter shall serve, as a basis for claiming a right of priority."

SEC. 28(a) The paragraphs headed "Trademark," "Service Mark," "Certification Mark," "Collective Mark" and "Intent of Act" in section 45 of such Act are amended by inserting, following each occurrence of "used," the words "or intended to be used."

(b) Clause (a) of the paragraph in section 45 of such Act headed "Abandonment of Mark" is amended to read as follows:

"(a) when its use has not commenced and there is no intent to commence use or when its use has been discontinued with intent not to resume. Lack of intent to commence or intent not to resume may be inferred from the circumstances. If use of a mark has been discontinued, its nonuse for two consecutive years shall be prima facie abandonment."

(c) Section 45 of such Act is amended by adding the following paragraphs:
"Filing date. The filing date of an application for registration under section 1(b)(1) shall be the date on which all of the elements prescribed by the Commissioner as minimum elements for according a filing date have been received in the Patent and Trademark Office. The filing date of an application for registration under section 1(b)(2) shall be the same date as the international registration date of the international registration or, if applicable, the recording date of the later designation, on the basis of which such application is filed."

"Date of issue. The date of issue of a registration under this Act is the date of the issue of the OFFICIAL GAZETTE of the Patent and Trademark Office in which the notice concerning the issuance of the registration appears."

"Trademark Registration Treaty. The term "Trademark Registration Treaty" means the Treaty so entitled, done at Vienna, Austria, on June 12, 1973, including the Regulations under the said Treaty."

"International application, international registration, request for the recording of later designation, recording of later designation, International Bureau, regular international application, individual State fee, individual State renewal fee. The terms "international application," "international registration," "request for the recording of later designation," "recording of later designation," "International Bureau," "regular international application," "individual State fee" and "in--dividual State renewal fee" are to be taken in the sense indicated by the Trademark Registration Treaty."

"Owner, Ownership. The terms "Owner" and "Ownership" are to be taken in the sense indicated by the Trademark Registration Treaty where they appear in this Act in capitalized form."

"Owner of a trademark. The term "owner of a trademark" means a person who is using, or who has an intention to use, a trademark in commerce: Provided, That no other person, except a lawful concurrent user, has the right to use, and is using or has previously declared, in an application filed under this Act which has not been withdrawn or abandoned, his intention to use, such mark in commerce either in the identical form thereof or in such near resemblance thereto as to be likely, when applied to the goods of such other person, to cause confusion, or to cause mistake, or to deceive."

SEC. 29(a) This Act shall come into force on the same date as the entry into force of the Trademark Registration Treaty with respect to the United States. It shall apply to applications for registration of marks filed in the Patent and Trademark Office on or after such date, even though entitled to an earlier effective filing date, and to registrations issued on the basis of such applications; to international applications and later designations designating the United States filed with the International Bureau on or after such date, even though entitled to an earlier effective filing date, and to international registrations accorded effects in the United States on the basis of such international applications and later designations; and to proceedings under the Trademark Act of 1946, as amended, commenced on or after such date.

(b) Except as otherwise hereafter provided, applications for registration of marks on file in the Patent and Trademark Office on the date this Act comes into force, registrations issued on the basis of such applications, and proceedings under the Trademark Act of 1946, as amended, which are pending on such date, shall be governed by the provisions of the Trademark Act of 1946, as amended, in effect immediately prior to such date.

(c) Except as otherwise provided hereafter in this section, all registrations under the Trademark Act of 1946, as amended,
or under the previous Acts specified in section 46(b) of such Act, existing on the date this Act comes into force shall be governed by the Trademark Act of 1946, as amended, in effect immediately prior to such date.

(d) The provisions of section 9 of the Trademark Act of 1946, as amended, as amended by this Act, shall apply to all registrations under such Act and under the previous Acts specified in section 46(b), whether issued or applied for before, on, or after the date this Act comes into force; Provided, that the amendments to such section by this Act shall not apply to the renewal of any registration for any period which started on a date which is earlier than six months after such date.

(e) The amendment by this Act, of the Trademark Act of 1946, as amended, shall not affect any rights or liabilities existing under such Act in effect immediately prior to the date this Act comes into force.

SECTIONAL ANALYSIS

SECTION 1 of the bill amends section 1 of the Trademark Act of 1946, as amended (hereinafter referred to as Trademark Act)n1 in a number of respects. The preamble makes it clear that the commerce clause as well as the treaty power is invoked to support the amendments. Section 1 of the amended Trademark Act is divided into five subsections, each of which is separately discussed below: Section 1(a) Entitlement to registration of a trademark. Entitlement to registration is changed from present law in one fundamental respect. This is that intention to use, as well as actual use of, a trademark is a valid basis for ownership and registration. The other conditions are essentially the same as under present law.

The applicant must be a "person," as defined in section 45. The definition of "person" has not been changed.

As under the present statute, the applicant must be the "owner" of the trademark sought to be registered. The concept of ownership is modified as necessary to be consistent with the new alternative basis of rights. Also, rather than being part of the verified statement, the definition of "owner of a trademark" is in section 45.

The term "owner" is defined, as under present law, in respect of the absence of a superior right in any other person. What is new is that a claim of ownership is defeated not only by the superior right of a prior user of the same or similar mark but also by the superior right of one who has a prior intention to use such a mark. However, the latter right can defeat the claim of ownership only if the intention to use has been previously declared in an application filed under the Act which has not been withdrawn or abandoned. Accordingly, while a person acquires (absent a superior right) an ownership right by reason of his intention to use a trademark, the right in that case is inchoate and is accorded no protection under the statute and no priority until it has been fixed in an application filed under the Act in which the intention to use is declared. Thus, filing the application is critical to a claim of ownership by intention to use and except, of course, where the Paris Convention "right of priority" (i.e. section 44(d)) is invoked, the filing date is the earliest date on which such a person can rely in a priority contest. (See

SECTION 23(c))
Finally, the use or intended use must be in commerce. The definition of "commerce" is not changed. The outside parameters of "intended use in commerce" are left to interpretation just as has been the case with "use in commerce" under the present statute, and the principles that would be applied in such interpretation are essentially the same.

Section 1(b) Procedure for applying to register a trademark. Under the amended Act, there are two basic procedures for securing the registration of a trademark, i.e. by filing an application in the Patent and Trademark Office (section 1(b)(1)) and by designating the United States in an international registration pursuant to the Trademark Registration Treatyn2 (section 1(b)(2)). Except for the place where the application is filed and the fee is paid, the substantive requirements applicable to the alternative procedures are essentially the same.

Section 1(b)(1) Domestic procedure. In order to achieve harmonization of domestic and international procedures, the following changes are made in the national application procedures.
The application may be signed by a representative, duly appointed by the applicant, as an alternative to signing by the applicant himself. The same benefit is provided to applicants filing under the Trademark Registration Treaty (Article 26).

2. Consistent with the requirements of the Trademark Registration Treaty and modern practice in regard to the filing of statements with federal agencies the verification of ownership requirement has been eliminated.
Of course, the criminal provisions of 18 U.S.C. 1001 would remain applicable to a statement made in a trademark application irrespective of whether such statement is verified.
The applicant need not allege use of the mark in his application. The Trademark Registration Treaty prohibits such a requirement (Article 19(3)(a)) for the owners of international registrations; consequently, the same benefit is accorded to persons filing regular national applications. Substituted for this requirement is the declaration of intention to use the mark in commerce, which is permitted by the Treaty (Article 19(4)). Consistent with this change, specimens or facsimiles of the mark as actually used need not be submitted with the application.

It should be noted that required allegations and exhibits relating to actual use according to the present statute are retained in section 1(c). It should also be noted here that the applicant may file the section 1(c) declaration together with this application (section 1(c)(2)), if the mark is already in use in commerce. In such case, the declaration of intention to use is obviously superfluous and need not be made.

Section 1(b)(2) International procedure.
This paragraph states the requirements which must be satisfied in order to secure the effect of a United States application,
i.e. the effect required by the Trademark Registration Treaty (Article 11(1)).
The provisions of Article 19(4) of the Treaty, requiring a declaration of intention to use, are also implemented, corresponding to the same requirement in section 1(b)(1)(C) for domestic applicants.
Finally, a special requirement as to entitlement of a foreign applicant to use the Trademark Registration Treaty (Article 4) has been added since the International Bureau will only examine this question formally, leaving it to the designated States to examine it as to substance. Thus, non--entitlement of a foreign applicant to use the Treaty procedure is a ground for refusal (Article 12(1)(ii)) or cancellation (Article 13(1)(ii)) in addition to the grounds applicable under the national law.
The final two sections of section 1(b) implement part of Article 9 of the Treaty whereunder the improper declining of an international application or later designation request by the International Bureau can be rectified by filing a regular domestic application within 2 months from the notice of the declining.

Section 1(c) Declaration of use.
Section 1(c) calls for a declaration of use showing that use of the mark commenced on or prior to the date of expiration of three years, counted from the filing date. Paragraph (1) requires the declaration to contain essentially the same information as that required by present section 1.
Paragraph (2) prescribes a time limit of four years, counted from the filing date, within which the declaration may be filed, and indicates the consequences of failure to file an acceptable declaration.

Paragraph (3) authorizes the Commissioner to require the earlier filing of a declaration when important relative to an issue in any Office proceeding, provided that the three--year period has expired.
Paragraph (4) prevents abuse of the intention to use provisions by a person filing successive applications for the same, or a substantially equivalent, mark by providing that, unless there is a gap of at least two years between the expiration of the nonuse moratorium of the earlier case and the date of filing of the later case, the three--year period in the later case is measured from the filing date of the earlier case. Any subsequent application which is accompanied by a declaration of use is excluded from the special provisions.
Paragraph (5) provides for an extension of the time limits when due to extraordinary circumstances nonuse is excusable.
The proviso expressly states, however, that the mere pendency of the application for registration as of the expiration of the three--year period shall not justify an extension, making it clear that Article 19(3)(b) of the Trademark Registration Treaty does not apply in the United States.
Paragraph (6) requires the Commissioner to give notice regarding acceptance or refusal of a declaration.

Section 1(d) Special requirement for concurrent use applications.
This provision, unchanged from present law, is placed in a separate subsection because its applicability is limited to applications wherein the section 1(c) declaration of use has been filed.

Section 1(e) Special requirement for applicants not domicile in United States.
This subsection requires all applicants not domiciled in the United States to designate an agent for service on or prior to the institution or defense of a proceeding under this Act. Before a local agent for service has been designated, service may be made upon the Commissioner.

SECTIONS 2 and 3 of the bill amend sections 3 and 4 of the Trademark Act so that service marks and collective and certification marks may be registered based on either use or intention to use.

SECTION 4 of the bill amends section 5 of the Trademark Act to provide that the intended use by a related company inures to the benefit of the registrant or applicant.

SECTION 5 of the bill amends section 7(a) of the Trademark Act to take into account the fact that registrations issued on the basis of intent applications would not, if the declaration of use has not been filed, contain any data concerning use of the mark. In such cases, the fact that the declaration has not been filed would be indicated in the registration in lieu of the indications as to use. Also, the term "date of the registration" has been deleted, the significant dates under the amended statute being the "filing date" and the "date of issue."

SECTION 5(b) amends section 7(a) by requiring a notice of registration to be published in the OFFICIAL GAZETTE in support of the definition of "date of issue" in section 45.

SECTION 5(c) amends section 7(b) of the Trademark Act by deleting the presumption of the registrant's exclusive right to use the registered mark in commerce on the goods specified in the registration. One reason is that this presumption in the present statute is repeated in section 33(a). The other reason is that this presumption, as it pertains to infringement actions, must be limited to be consistent with the limitation on the right even to file an infringement action prior to the commencement of use (see Section 23(a)).
Deletion of the "exclusive right to use" presumption from section 7(b) leaves a gap in the statute, however, the bringing of Patent and Trademark Office proceedings, i.e. oppositions and cancellations is not subject to the above mentioned limitation. The exclusive right to use presumption has served in such proceedings as the basis of the ruling that a registrant is entitled to rely solely upon his registration on the principal register as prima facie evidence of his right to exclude any other person from securing

a registration under the Act of a confusing mark. Therefore, a presumption as to this right has been added.

SECTION 5(d) of the bill amends section 7(d) by adding two new paragraphs which provided domestic and international procedures, consistent with present law and with the Treaty, for amending a registration in respect of the specification of goods and/or services.

SECTION 5(e) of the bill amends section 7 by adding a new subsection, section 7(h), providing for appropriate notification, consistent with Article 20 of the Treaty, with respect to entries concerning registration based on international registrations.

SECTION 6 of the bill amends section 8(a) of the Trademark Act by changing the term of a registration from 20 to 10 years and the date from which the terms is measured from the registration date to the filing date. These changes correspond the term of domestic registrations to that of registrations secured under the Trademark Reg--istration Treaty. The shorter term also facilitates the clearing from the register of unused marks.
The section is also amended to require that the use declared in the affidavit or declaration set forth in the proviso, i.e. the present section 8 affidavit, be use "in commerce."
Finally, the section is amended to permit, consistent with the requirement in the Treaty (Article 19(3)(d)), that such affidavit or declaration requirements be capable of being fulfilled in the case of an international registration by filing with the International Bureau.

SECTION 7 of the bill amends section 9 of the Trademark Act to set forth domestic and international procedures for renewal and to provide equivalent treatment, as to substantive requirements, of international and domestic registrants. Thus, as in the case of an application for registration, the renewal application may be signed by a representative, duly appointed by the registrant.
Two changes are made in the statute which conform to the Treaty, as follows:
The term of renewal is 10 years rather than 20, consistent with the Treaty (Article 17).
The time period, counted from the expiration date of the expiring term, in which a late renewal application can be filed is increased from three months to six months, corresponding to Article 17(3)(a).

Section 9(c) requires a declaration of use which requirement is applicable to all renewed registrations. Other than the three additional months in which to declare use of the mark, the only difference from present law is that the consequence of failure to satisfy the requirement is cancellation of the registration rather than refusal to renew.

SECTION 8(a) of the bill amends section 10 of the Trademark Act in several minor respects. Except for a technical change, the present provision for recording of assignments (section 10) is not changed. Three new paragraphs have been added to the assignment section. The first two of these (i.e. 10(a)(2) and 10(a)(3)) implement Article 14 of the Treaty, under which a change in the ownership of an international registration may be recorded, by adding equivalent procedures to the national law. Thus, any applicant or registrant may record the fact that a new person has become the owner of an application filed or registration issued under the Act by complying with certain basic formalities. Paragraph (3) provides that if this step is taken within the period specified in paragraph (1) and it is followed up by the recording of instruments of assignment conforming to the requirements of paragraph (1), the constructive notice effect of recording an assignment in the Office will accrue.
The third additional paragraph (i.e. 10(a)(4)) is a special provision, implementing Article 14(5), for the benefit of one who, although not entitled to file under the Treaty, becomes the owner of an international registration by operation of law (e.g. by inheritance). Such a person may, subject to special requirements, rectify this defect by filing a regular national application.

SECTION 8(b) of the bill amends section 10 of the Trademark Act by adding two new provisions. The first of these (Section 10(b)) adds a new procedure, consistent with Article 15 of the Treaty, for recording a change in the name of the registrant.
Subsection (c) is added to clarify the procedure where a recording is void. Recordings under subsections (a) and (b) may later be determined to be void or contrary to law in another proceeding (cancellation, infringement action, etc.) under the Act. A specific provision has been added to clarify the fact that the Commissioner has the authority to correct the records and to provide a basis for denial of any international recording which formed the basis of the national entry.

SECTION 9 of the bill amends section 12(a) of the Trademark Act to provide for a "cut off" in the length of the ex parte examination of twelve months counted from the filing date of the application. Under amended section 12(a) all applications, the examination of which has not been completed, would have to be published for opposition purposes no later than 12 months from the filing date.
The reason for 12 months as the "cut off" is that the time required to effect publication, to receive oppositions (including delays in processing oppositions received on the last day), and to communicate, in the case of international registrations, all grounds of refusal or possible refusal to the International Bureau, must be taken into account in order to meet the deadlines prescribed by the Treaty (see Article 12).
It should be noted that the exact schedule for publication is left to determination by the Commissioner. There are, at least, two possibilities: (1) publication, promptly after filing, of all applications; and (2) publication (of allowed cases) after completion of the ex parte examination (as at present), or (of all still pending cases) at the expiration of 12 months, whichever event is the earlier to occur.

SECTION 10 of the bill amends section 12(b) of the Trademark Act by reducing the period of time in which to reply to an Office communication concerning the application from six to three months and by providing a time limitation applicable to notifying the applicant of grounds raised during the ex parte examination. The reduction of response time should make it possible for the Office to complete the ex parte examination of most applications within the 12 months period of amended section 12(a).
The cut off is the same as the one in amended section 12(a), i.e. 12 months, counted from the filing date. The examination need not be completed within the 12 months as the Treaty requirement is only that all grounds be communicated within that period. Also, the limitation would not apply to a new ground of refusal based on a decision of the Trademark Trial and Appeal Board or of a court.

SECTION 11 of the bill amends section 13 of the Trademark Act by providing for a time limit of 14 months for receiving oppositions. The 14 month time limitation ties in with the amendment to section 12(a) of the Act, providing equivalence of treatment of domestic and Treaty applicants. Section 13 is also amended to provide that an attorney may file an opposition on behalf of the opposer.

SECTION 12 of the bill amends section 14 of the Trademark Act in two respects, conforming this section to amended section 13, and a minor change in terminology ("date of issue").

SECTION 13 of the bill amends section 15 of the Trademark Act by a minor change in terminology ("date of issue").

SECTION 14 of the bill amends section 16 of the Trademark Act by providing specifically that an interference may be declared as to any particular application for registration of a mark only prior to the publication for opposition of that mark. While this is no different than current practice, the change in the statute seemed desirable. Since the declaration of an interference would constitute a ground of possible refusal under the Trademark Registration Treaty, such ground would have to be notified to the International Bureau within the prescribed time limit. By requiring the declaration of the interferences prior to the date of publication, the section is subject to the same time limitation as in amended section 12(a), i.e. 12 months from the filing date.

SECTION 15 of the bill amends section 17 of the Trademark Act by providing discretionary authority to the Commissioner to defer the commencement of certain inter partes proceedings where the ex parte examination of a concerned application is not complete.

SECTION 16 of the bill amends section 21 of the Trademark Act by providing for an appeal from a refusal to accept a declaration pursuant to sections 1(c) and 9(c), as is now provided in the camse of refusal of a section 8 affidavit.

SECTION 17 of the bill makes a language change in section 22 of the Trademark Act, consistent with the change from "date of registration" to "date of issue." Thus, constructive notice begins with publications of issuance of the registration (date of issue), no different in substance than under the present law.

SECTION 18 of the bill amends section 23 of the Trademark Act by eliminating the requirements and provisions relating to use in the first and fourth paragraphs. Also, provision is made for treatment of applications as being under this section only where the application or the international registration (or recording of later designation) so indicates. The specific reference implements Article 11(3) which requires this treatment in the case of international registrations.

SECTION 19(a) of the bill amends section 24 of the Trademark Act by deleting the requirement that a petition to cancel a registration on the Supplemental Register be verified (consistent with amended section 14).

SECTION 19(b) of the bill amends section 24 of the Trademark Act by limiting the authority to cancel a registration on the Supplemental Register for nonuse, consistent with the use moratorium of the Treaty.

SECTION 20 of the bill amends section 30 of the Trademark Act in minor respects to remove an incidental reference to use of a mark that is inconsistent with amended section 1.

SECTION 21(a) of the bill amends section 31 of the Trademark Act by deleting the requirement of a fee for the filing of a section 8 affidavit. Since a section 8 fee cannot be assessed against a registration issued on the basis of an international registration (Article 19(1)), it is deleted in order to provide equivalence between domestic and Treaty applicants as to fees payable to the United States.

SECTION 21(b) of the bill amends section 31 of the Trademark Act by adding new subsection (d) whereby the filing and renewal fees are deemed to be substituted for by the corresponding fees set forth in the Treaty, where the international procedure is followed. This provision also obligates the Commissioner to fix the Treaty fees at the same amounts as the national fees.

SECTION 22 of the bill amends section 32(1) of the Trademark Act by providing that no infringement action may be started under the Act until the declaration of use of the mark in commerce has been filed in the Patent and Trademark Office and accepted by the Commissioner. This change implements the last sentence of Article 19(3)(a). Examination of the declaration could be accelerated if the registrant faced an impending infringement situation.

SECTION 23(a) of the bill amends section 33(a) of the Trademark Act so that the presumption of exclusive right to use the mark would apply as a rule of evidence only as to those goods and/or services in respect of which the mark is stated to be in use in commerce either in the registration itself or in the declaration under section 1(c).

SECTION 23(b) makes some minor changes in the language of section 33(b).

SECTION 23(c) amends section 33 of the Trademark Act by adding a new subsection (c) to define priority of rights accorded to applications or registrations based on an intention to use the mark. Under new subsection (c), the priority of an intent applicant or registrant would be the same as if he had commenced use of the mark in commerce on the filing date, unless, of course, he had an earlier priority based on use or based on the Paris Convention priority provisions of section 44(d) of the Act.

SECTION 24 of the bill amends section 35 of the Trademark Act in order to implement the last sentence of Article 19(3)(a) so that the remedies of profits and damages cannot date back prior to the date of commencement of use.

SECTION 25 of the bill renumbers present section 44(a) of the Trademark Act as section 44(a)(1) and adds to it some special provisions relating to the Trademark Registration Treaty.
Paragraph (2) authorizes the Commissioner to keep a register of international registrations designating the United States.
Paragraph (2) also contains a broad implementing provision, authorizing the Commissioner to take various actions prescribed by the Treaty. While all of the essential Treaty provisions parallel to provisions concerning domestic applications and registrations have been specifically implemented, a large number of Treaty provisions remain which solely concern the international procedures.
Paragraph (3) prescribes a procedure for communicating notifications where the deadline is stated in terms of the date of receipt by the International Bureau, most importantly the notification of refusal or possible refusal under Article 12(2)(a)(i).
Paragraph (4) implements Article 11(2)(i) of the Treaty providing for automatic registration as of the date of expiration of the time limit fixed in Article 12(2)(a)(i) where no notification of refusal or possible refusal has been received by the International Bureau.
Paragraph (5) implements Article 29 of the Treaty whereby certain delays in meeting the time limits fixed in the Treaty must be waived and others may be waived. There are some specific exceptions in the Treaty which is the reason for the last clause in this paragraph.

SECTION 26 of the bill amends section 44(c) of the Trademark Act by deleting the first sentence of this subsection. Since a person can secure a registration based on an intention to use the mark in commerce, the sentence is inconsistent with the amended Act. However, the sentence is no longer necessary. Under the amended Act all applicants would be required to declare use or an intention to use in commerce, whether or not the mark is also registered in the country of origin.

SECTION 27 of the bill deletes present subsection 44(d) of the Trademark Act and substitutes therefor a subsection providing that a right of priority may be based on a first international application as well as a first national application. Paragraph (2) of present subsection (d) is not continued. Waiver of use in commerce is no longer necessary since an application need not allege use under the amended Act. Old paragraph (4) (new paragraph (3)) of the subsection is amended to be consistent with the first sentence of section 44(c).

SECTION 28(a) of the bill amends the definitions, in section 45 of the Trademark Act, of the terms "trademark," "service mark," "certification mark," "collective mark," and "Intent of Act" by adding the phrase, "or intended to be used" in appropriate places consistent with the new basis for securing registrations.

SECTION 28(b) of the bill amends the definition, in section 45 of the Trademark Act, of "abandonment" to provide for abandonment of a mark applied for based on an intention to use where no use is commenced and there was never any intention to commence use. The two year prima facie abandonment provision is amended to make it clear that it applies only where use of a mark is discontinued.

SECTION 28(c) of the bill amends section 45 of the Trademark Act by adding the following new definitions:
(1) "Filing date" is defined because of its significance in respect of priority of rights in the case of an application or registration based on the intention to use;
(2) "Date of issue" is defined;
(3) "Trademark Registration Treaty" is defined;
(4) Various terms used in respect of the Trademark Registration Treaty are referenced to the Trademark Registration Treaty definitions;
(5) The terms "Owner" and "Ownership," used in capitalized form are referenced to the Trademark Registration Treaty.

This was done in order to distinguish these references from other references in the statute to "owner" or "ownership" which refer to the owner, or ownership, of a mark.
Finally, the term "owner of a trademark" is defined. The reason for this definition is discussed under SECTION 1, infra.

SECTION 29 of the bill prescribes the implementation of the various changes effected by the bill. The effective date of the Act coincides with the entry into force of the Treaty with respect to the United States. Appropriate provisions specify the controlling law which is applicable before, or on or after, the effective date.

FOOTNOTES:
(n1) Footnote 1. Public Law 489, 79th Congress, approved July 5, 1946; 60 Stat. 427. Amendments have been effected by the following public laws.
P.L. 710, 81st Cong., 64 Stat. 459, 8--17--50.
P.L. 593, 82nd Cong., 66 Stat. 792, 7--19--52.
P.L. 609, 85th Cong., 72 Stat. 540, 8--8--58.
P.L. 333, 87th Cong., 75 Stat. 748, 10--3--61.
P.L. 772, 87th Cong., 76 Stat. 769, 10--9--62.
P.L. 89--83, 89th Cong., 79 Stat. 260, 7--24--65.
P.L. 93--596, 93rd Cong., 88 Stat. 1949, 1--2--75.
P.L. 93--600, 93rd Cong., 88 Stat. 1955, 1--2--75.

(n2) Footnote 2. Done at Vienna, Austria, June 12, 1973. This is the Treaty which was transmitted by the President to the Senate for advice and consent to ratification on September 3, 1975. Congressional Record 9/3/75, S. 15139.